



**ANDRITZ**

Financial report 2015



Every day, we receive a variety of interesting questions about very different issues concerning ANDRITZ. Customers, suppliers, financial investors and analysts, shareholders, journalists, and employees inquire regularly, mostly about current and future developments of the company. Answering these questions with the greatest possible transparency, comprehensiveness, openness, and speed is of utmost importance to us. That is why the most important questions about ANDRITZ, along with our answers, feature prominently in our current annual report. We hope that this annual report will answer some of the questions you may have. And if you cannot find the answers to your particular questions, please send an e-mail to [faq@andritz.com](mailto:faq@andritz.com) – we promise to answer transparently, comprehensively, openly, and quickly! The ANDRITZ annual report and financial report 2015 are available for download at [www.andritz.com](http://www.andritz.com) or can be requested as printed copies free of charge by sending an e-mail to [investors@andritz.com](mailto:investors@andritz.com).

## KEY FINANCIAL FIGURES OF THE ANDRITZ GROUP

	<i>Unit</i>	<b>2015</b>	<b>2014*</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Order intake	MEUR	<b>6,017.7</b>	6,101.0	5,611.0	4,924.4	5,706.9
Order backlog (as of end of period)	MEUR	<b>7,324.2</b>	7,510.6	7,388.5	6,614.8	6,683.1
Sales	MEUR	<b>6,377.2</b>	5,859.3	5,710.8	5,176.9	4,596.0
Return on sales <sup>1)</sup>	%	<b>5.8</b>	5.0	1.6	6.5	6.8
EBITDA <sup>2)</sup>	MEUR	<b>534.7</b>	472.0	255.2	418.6	386.2
EBITA <sup>3)</sup>	MEUR	<b>429.0</b>	379.5	164.1	357.8	331.5
Earnings Before Interest and Taxes (EBIT)	MEUR	<b>369.1</b>	295.7	89.8	334.5	312.7
Earnings Before Taxes (EBT)	MEUR	<b>376.4</b>	299.4	80.3	330.4	321.7
Net income (including non-controlling interests)	MEUR	<b>270.4</b>	210.0	53.2	241.3	231.5
Net income (without non-controlling interests)	MEUR	<b>267.7</b>	210.9	66.6	242.7	230.7
Cash flow from operating activities	MEUR	<b>179.4</b>	342.1	93.7	346.5	433.8
Capital expenditure <sup>4)</sup>	MEUR	<b>101.4</b>	106.5	111.4	109.1	77.0
Free cash flow <sup>5)</sup>	MEUR	<b>85.0</b>	245.8	-11.5	239.7	361.1
Free cash flow per share <sup>6)</sup>	EUR	<b>0.8</b>	2.4	-0.1	2.3	3.5
Employees (as of end of period; without apprentices)	-	<b>24,508</b>	24,853	23,713	17,865	16,750
Fixed assets	MEUR	<b>1,771.1</b>	1,807.6	1,759.0	1,390.8	1,151.8
Current assets	MEUR	<b>4,006.9</b>	4,187.6	3,812.4	3,770.2	3,414.8
Total shareholders' equity <sup>7)</sup>	MEUR	<b>1,215.6</b>	1,038.3	929.5	1,033.8	938.9
Provisions	MEUR	<b>1,130.4</b>	1,056.2	993.6	725.4	667.3
Liabilities	MEUR	<b>3,432.0</b>	3,900.7	3,648.3	3,401.8	2,960.4
Total assets	MEUR	<b>5,778.0</b>	5,995.2	5,571.4	5,161.0	4,566.6
Equity ratio <sup>8)</sup>	%	<b>21.0</b>	17.3	16.7	20.0	20.6
Return on equity <sup>9)</sup>	%	<b>31.0</b>	28.8	8.6	32.0	34.3
Return on investment <sup>10)</sup>	%	<b>6.4</b>	4.9	1.6	6.5	6.8
Liquid funds <sup>11)</sup>	MEUR	<b>1,449.4</b>	1,701.6	1,517.0	2,047.8	1,814.5
Net liquidity <sup>12)</sup>	MEUR	<b>984.0</b>	1,065.1	893.1	1,285.7	1,400.6
Net debt <sup>13)</sup>	MEUR	<b>-601.6</b>	-659.4	-585.0	-1,053.3	-1,198.4
Net working capital <sup>14)</sup>	MEUR	<b>-182.1</b>	-570.9	-539.4	-631.8	-639.2
Capital employed <sup>15)</sup>	MEUR	<b>736.7</b>	387.0	443.6	-36.5	-128.6
Gearing <sup>16)</sup>	%	<b>-49.5</b>	-63.5	-62.9	-101.9	-127.6
EBITDA margin	%	<b>8.4</b>	8.1	4.5	8.1	8.4
EBITA margin	%	<b>6.7</b>	6.5	2.9	6.9	7.2
EBIT margin	%	<b>5.8</b>	5.0	1.6	6.5	6.8
Net income/sales	%	<b>4.2</b>	3.6	0.9	4.7	5.0
ROE <sup>17)</sup>	%	<b>22.2</b>	20.2	5.7	23.3	24.7
EV <sup>18)</sup> /EBITDA	-	<b>6.9</b>	7.8	15.1	9.0	5.0
Depreciation and amortization/sales	%	<b>2.4</b>	2.9	2.8	1.6	1.6

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

1) EBIT (Earnings Before Interest and Taxes)/sales 2) Earnings Before Interest, Taxes, Depreciation, and Amortization 3) Earnings Before Interest, Taxes, Amortization of identifiable assets acquired in a business combination and recognized separately from goodwill at the amount of 44,644 TEUR (2014: 78,038 TEUR), and impairment of goodwill at the amount of 15,273 TEUR (2014: 5,747 TEUR) 4) Additions to intangible assets and property, plant and equipment 5) Cash flow from operating activities minus capital expenditure plus payments from the sale of intangible assets and property, plant and equipment 6) Free cash flow/total number of shares 7) Total shareholders' equity including non-controlling interests 8) Shareholders' equity/total assets 9) EBT (Earnings Before Taxes)/shareholders' equity 10) EBIT (Earnings Before Interest and Taxes)/total assets 11) Cash plus marketable securities plus loans against borrowers' notes 12) Liquid funds plus fair value of interest rate swaps minus financial liabilities 13) Interest bearing liabilities including provisions for severance payments, pensions, and jubilee payments minus cash and cash equivalents, marketable securities and loans against borrowers' notes 14) Non-current receivables plus current assets (excluding marketable securities, cash and cash equivalents as well as loans against borrowers' notes) minus other non-current liabilities and current liabilities (excluding financial liabilities and provisions) 15) Net working capital plus intangible assets and property, plant and equipment 16) Net debt/total shareholders' equity 17) ROE (Return On Equity): net income/total shareholders' equity 18) EV (Enterprise Value): market capitalization as of end of year minus net liquidity

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

The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013 and is allocated to the METALS business area. No pro forma figures are available for the reference periods of the previous years.

## KEY FINANCIAL FIGURES OF THE BUSINESS AREAS

### HYDRO

	<i>Unit</i>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Order intake	MEUR	1,718.7	1,816.7	1,865.4	2,008.4	2,096.2
Order backlog (as of end of period)	MEUR	3,640.9	3,708.6	3,722.4	3,842.3	3,671.4
Sales	MEUR	1,834.8	1,752.3	1,804.8	1,836.8	1,772.9
EBITDA	MEUR	183.6	177.2	176.8	182.4	174.3
EBITDA margin	%	10.0	10.1	9.8	9.9	9.8
EBITA	MEUR	145.3	144.8	146.9	153.2	147.7
EBITA margin	%	7.9	8.3	8.1	8.3	8.3
Capital expenditure	MEUR	27.4	39.4	44.5	56.7	44.3
Employees (as of end of period; without apprentices)	-	8,230	8,339	7,445	7,469	7,285

### PULP & PAPER

	<i>Unit</i>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Order intake	MEUR	2,263.9	1,995.7	1,907.7	1,962.4	2,694.1
Order backlog (as of end of period)	MEUR	1,998.6	1,875.4	1,885.6	2,018.1	2,230.0
Sales	MEUR	2,196.3	1,969.3	2,005.3	2,282.2	1,884.9
EBITDA	MEUR	214.8	127.6	-11.5	156.2	138.1
EBITDA margin	%	9.8	6.5	-0.6	6.8	7.3
EBITA	MEUR	190.9	102.9	-35.7	134.6	120.4
EBITA margin	%	8.7	5.2	-1.8	5.9	6.4
Capital expenditure	MEUR	21.1	28.1	26.0	36.4	22.5
Employees (as of end of period; without apprentices)	-	7,324	7,236	7,136	6,774	6,208

### METALS

	<i>Unit</i>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Order intake	MEUR	1,438.6	1,692.8	1,233.8	324.2	318.6
Order backlog (as of end of period)	MEUR	1,332.5	1,566.1	1,427.6	451.4	465.1
Sales	MEUR	1,718.1	1,550.4	1,311.0	404.7	372.7
EBITDA	MEUR	104.8	134.0	76.6	28.0	21.5
EBITDA margin	%	6.1	8.6	5.8	6.9	5.8
EBITA	MEUR	70.5	110.2	53.5	25.1	19.4
EBITA margin	%	4.1	7.1	4.1	6.2	5.2
Capital expenditure	MEUR	40.2	27.9	32.7	2.6	1.8
Employees (as of end of period; without apprentices)	-	6,160	6,432	6,300	1,129	945

The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013 and is allocated to the METALS business area. No pro forma figures are available for the reference periods of the previous years.

### SEPARATION

	<i>Unit</i>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Order intake	MEUR	596.5	595.8	604.1	629.4	598.0
Order backlog (as of end of period)	MEUR	352.2	360.5	352.9	303.0	316.6
Sales	MEUR	628.0	587.3	589.7	653.2	565.5
EBITDA	MEUR	31.5	33.2	13.3	52.0	52.3
EBITDA margin	%	5.0	5.7	2.3	8.0	9.2
EBITA	MEUR	22.3	21.6	-0.6	44.9	44.0
EBITA margin	%	3.6	3.7	-0.1	6.9	7.8
Capital expenditure	MEUR	12.7	11.1	8.2	13.4	8.4
Employees (as of end of period; without apprentices)	-	2,794	2,846	2,832	2,493	2,312

# PROFILE, STRATEGY, VISION, AND GOALS

## Company profile

ANDRITZ is a globally leading supplier of plants, equipment, and services for hydropower stations, the pulp and paper industry, the metalworking and steel industries, and for solid/liquid separation in the municipal and industrial sectors. The publicly listed technology Group is headquartered in Graz, Austria, and has a staff of approximately 24,500 employees. ANDRITZ operates over 250 sites worldwide.

## Strategy

### 1. Extend position in Europe and North America, make use of opportunities in South America and Asia

All four ANDRITZ business areas serve markets with long-term and sustained growth potential. Within these markets, the Group concentrates on continuously growing segments such as supplying equipment for generating renewable energy from hydropower and producing tissue and packaging paper. In terms of global regions, this means that the ANDRITZ GROUP is extending its existing position in Europe and North America and making use of the growth and sales opportunities in the emerging markets of South America and Asia.

### 2. Global and local customer proximity

The ANDRITZ GROUP is globally present. Customers benefit from this network through the global ANDRITZ know-how on the one hand and the local proximity of ANDRITZ on the other hand. Based on this mixture of global and local customer proximity, the Group supports its customers in achieving their goals in terms of productivity, profitability, and sustainability. Due to its worldwide presence, the ANDRITZ GROUP profits from growth in the emerging economies which will certainly be the main growth regions for ANDRITZ in the next few years.

### 3. Technological and cost leadership

ANDRITZ is active in highly competitive markets. To secure its market position and take advantage of growth opportunities, the Group has to focus on both technology and cost leadership. To support organic growth, the ANDRITZ GROUP invests on average 3% of annual sales in research and development to be the preferred supplier in terms of technology and cost. The Group focuses on developing customized technologies that boost productivity in customers' facilities, minimize operating costs, and maximize energy efficiency as well as environmental protection. In addition, ANDRITZ is constantly looking for opportunities to improve internal cost structures through operational and organizational measures. These include the regional and logistical optimization of own manufacturing capacities, bundling procurement, and cost discipline both in operating units as well as Group-wide functions.

## Vision

The ANDRITZ GROUP has the goal of achieving market leadership in all of the markets it serves and of strengthening and extending its current top position on the market. At the same time, the Group aims to continue its long-term, profitable growth. ANDRITZ intends to achieve this goal by offering the best technologies available on the market and providing products and services that create sustained benefits for customers, for society, and for the environment.

## Financial goal

For many years, the ANDRITZ GROUP has been pursuing the strategy of long-term profitable growth. Organic growth, complementary acquisitions, and a solid balance sheet structure are crucial cornerstones for achieving the Group's financial goals. Since the year 2000, ANDRITZ has increased annual sales by 14% on average while also incrementally increasing profitability (EBITA margin). The medium-term goal for the next years is to achieve a sustainable EBITA margin of 7-8%.

# BUSINESS AREAS: PROFILE AND MARKET DEVELOPMENT 2015

## ANDRITZ HYDRO

ANDRITZ HYDRO is one of the leading global suppliers of electromechanical equipment for hydropower plants. With over 170 years of accumulated experience and more than 30,000 turbines installed, totaling approximately 420,000 megawatts output, the business area supplies the complete product range, including turbines, generators, and additional equipment of all types and sizes – “from water to wire” for small hydro applications up to large hydropower plants with outputs of more than 800 megawatts per turbine unit. ANDRITZ HYDRO is also well positioned in the growing modernization, refurbishment, and upgrade market for existing hydropower plants. Pumps (for water transport, irrigation of agricultural land, and applications in various industries) and turbogenerators for thermal power plants are also allocated to the business area.

**Global investment and project activity** in electromechanical equipment for hydropower plants continued to be moderate in 2015. Due to the unchanged low electricity and energy prices, many modernization and refurbishment projects were postponed until further notice, especially in Europe. In the emerging markets, particularly in Africa and South America, some new hydropower projects are in the planning phase; however, these projects are expected to be awarded only in the medium term. Satisfactory project activity was noted both for small-scale hydropower plants and pumps.

## ANDRITZ PULP & PAPER

ANDRITZ PULP & PAPER is a leading global supplier of equipment, systems, and services for the production and processing of all types of pulp, paper, tissue, and cardboard. The technologies cover the processing of logs, annual fibers, and waste paper; the production of chemical pulp, mechanical pulp, and recycled fibers; the recovery and reuse of chemicals; the preparation of paper machine furnish; the production of paper, tissue, and cardboard; the calendering and coating of paper; as well as treatment of reject materials and sludge. The service range includes modernization, rebuilds, spare and wear parts, service and maintenance, as well as machine transfer and second-hand equipment. Biomass, steam, and recovery boilers, as well as gasification plants for power generation, flue gas cleaning plants, plants for the production of nonwovens, dissolving pulp, and panelboards (MDF), as well as recycling plants are also allocated to the business area.

The **international pulp market** saw very positive development in 2015. The prices for both long-fiber pulp (northern bleached softwood kraft) and short-fiber pulp (eucalyptus) remained stable at a high level due to a largely balanced supply and demand. Given this environment, the market for pulp mill equipment showed good project and investment activity. In addition to modernization projects for existing pulp mills, contracts were also awarded for greenfield plants. However, the competitive environment and price pressure for pulp equipment suppliers continued to be challenging, especially for large-scale projects.

## ANDRITZ METALS

ANDRITZ METALS is the technology and global market leader in metalforming via the Schuler Group, in which ANDRITZ has a stake of more than 95%. Schuler offers presses, automation solutions, dies, process know-how, and services for the entire metalworking industry. Its customers include car manufacturers and their suppliers, as well as companies in the forging, household appliances, packaging, energy, and electrical industries. Schuler is also the market leader in coin minting technology and offers system solutions for the aerospace and railway industries. In addition, ANDRITZ METALS is one of the leading global suppliers of complete lines for the production and processing of cold-rolled strip made of stainless steel, carbon steel, aluminum, and non-ferrous metal. The lines comprise equipment for cold rolling, heat treatment, surface finishing, strip coating and finishing, punching and deep drawing, and the regeneration of pickling acids. The business area also supplies turnkey furnace systems for the steel, copper, and aluminum industries, as well as welding systems for the metalworking industry.

The **metalforming sector** for the automotive and the automotive supplier industries (Schuler) showed a mixed development in 2015. While investment activity in Europe and North America remained at the same satisfactory level as in the previous year, many project decisions were postponed until further notice, particularly in China due to the decline of the local automotive market. In contrast, satisfactory investment activity was noted in all other metalforming areas, for example, in forging and minting technology. Project activity for equipment for the production and processing of stainless steel and carbon steel strips remained unchanged at a low level during the reporting period due to continuing overcapacities in the international steel/stainless steel industries and the weak demand as a result of the overall economic environment. Selective projects targeted modernization and improvement of energy efficiency at existing plants, while investments in new plants were still limited. Project and investment activity in the aluminum sector was below the favorable level of the previous year.

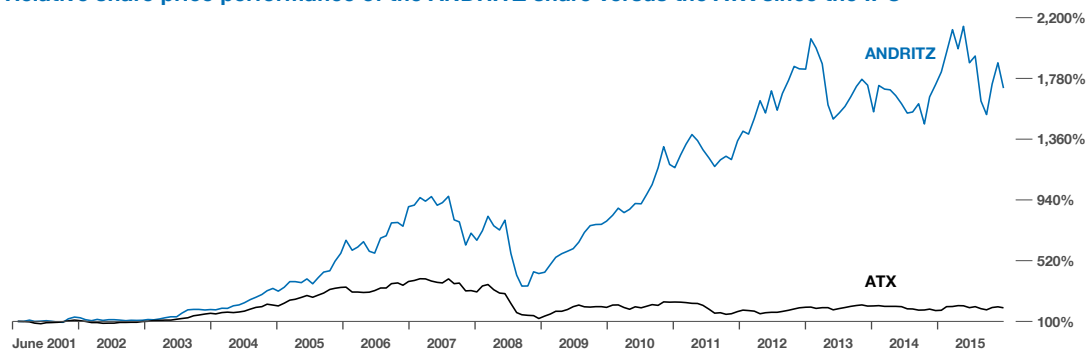
### **ANDRITZ SEPARATION**

ANDRITZ SEPARATION is one of the leading global suppliers of technologies and services in the solid/liquid separation sector, as well as for the production of animal feed and biomass pellets. The comprehensive product portfolio for solid/liquid separation comprises centrifuges, filters and drying plants, screens, thickeners, separators, and transportation systems. The industries served include municipal and industrial wastewater treatment, chemicals, food and beverages, as well as mining and minerals. The service business focuses on plant modernization, spare and wear parts, and process optimization.

**Investment and project activity** in solid/liquid separation equipment continued to show a mixed development in the industries served by ANDRITZ during 2015. While demand in the municipal/industrial wastewater treatment sectors as well as in the food and chemical industries was satisfactory, investment activity in the mining industry continued to be very low. Project activity in the animal feed industry was solid, both for mill expansion projects and greenfield plants. Project and investment activity in the biomass pelleting sector continued to be good.

# THE ANDRITZ SHARE

## Relative share price performance of the ANDRITZ share versus the ATX since the IPO



## Key figures of the ANDRITZ share

	Unit	2015	2014*	2013	2012	2011
Earnings per share	EUR	2.60	2.04	0.64	2.35	2.25
Dividend per share	EUR	1.35 <sup>1</sup>	1.00	0.50	1.20	1.10
Payout ratio	%	51.9	49.0	78.1	51.1	49.0
Price-earnings-ratio (based on closing price at end of year)		17.33	22.40	71.23	20.66	14.24
Equity attributable to shareholders per share	EUR	11.63	9.86	8.70	9.76	8.75
Highest closing price	EUR	57.49	47.58	54.94	50.00	37.75
Lowest closing price	EUR	38.14	37.00	37.93	32.83	27.41
Closing price at end of year	EUR	45.05	45.69	45.59	48.54	32.05
Market capitalization (as of end of period)	MEUR	4,685.2	4,751.8	4,741.4	5,048.2	3,333.2
Performance	%	-2.1	0.0	-9.4	+47.9	-7.6
ATX weighting (as of end of period)	%	9.5854	11.6479	9.5082	10.6128	9.2705
Average daily number of shares traded <sup>2</sup>	Share unit	355,821	305,027	316,787	345,754	568,138

Source: Vienna Stock Exchange 1) Proposal to the Annual General Meeting 2) Double count, as published by the Vienna Stock Exchange  
\* Restated, refer to chapter "C) Restatement of prior years" in the Notes to the consolidated financial statements.

## Basic data of the ANDRITZ share

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

## Financial calendar 2016

March 4, 2016	Results for the 2015 business year
March 20, 2016	Record date Annual General Meeting
March 30, 2016	Annual General Meeting
April 1, 2016	Ex-dividend
April 4, 2016	Record date dividend
April 5, 2016	Dividend payment
May 4, 2016	Results for the first quarter of 2016
August 5, 2016	Results for the first half of 2016
November 4, 2016	Results for the first three quarters of 2016

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



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# MANAGEMENT REPORT

## GENERAL ECONOMIC CONDITIONS

With around 3% real economic growth compared to the previous year, the global economy achieved the lowest growth in the 2015 reporting year since the financial crisis in 2009, with the main economic regions developing differently. While the economy in the USA continued its recovery, economic development in Europe remained subdued. Growth in most of the emerging markets in Asia and South America slowed down further, some countries in these regions even slipped into recession.

The economic upswing in the USA continued during the reporting period. Private consumption in particular, which is the most important contributor to GDP growth in the USA and represents around 70% of national economic output, increased to 2.5%. The unemployment rate continued to fall, reaching a level of around 5% at the end of the year. As expected, the US Federal Reserve (FED) increased the key interest rate to a range between 0.25-0.50% in the mid of December.

In Europe, the economy continued its moderate development, with the economy growing by just 1.5%. The two-way trade embargo between the European Union and Russia as well as the generally weak economy in the emerging markets had a negative impact. In order to combat the very low inflation rate and support the economic recovery in the euro zone, the European Central Bank (ECB) launched an extensive bond purchasing program in March, which was extended at the end of the year. The ECB announced that it would leave the key interest rate in the euro zone at the record low level of 0.05% in order to further stimulate the economy.

Most of the emerging markets experienced an economic slowdown in 2015, and some emerging economies even shrank compared to 2014. China is undergoing the transition from an industrial to a service-oriented society. The country's future economic growth should no longer be driven by large industrial investments, but come from a strong service sector. In spite of this slowdown, China's economy still achieved a GDP growth of just under 7%. In the other important emerging economies, economic development remained weak, mainly because of the sharp drop in raw material prices and the currency fluctuations in the course of the year; Brazil's GDP shrank by 3% compared to the previous year; Russia also noticed a negative GDP growth of 4%.

Source: Research reports by various banks, OECD

## BUSINESS DEVELOPMENT

### Notes

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

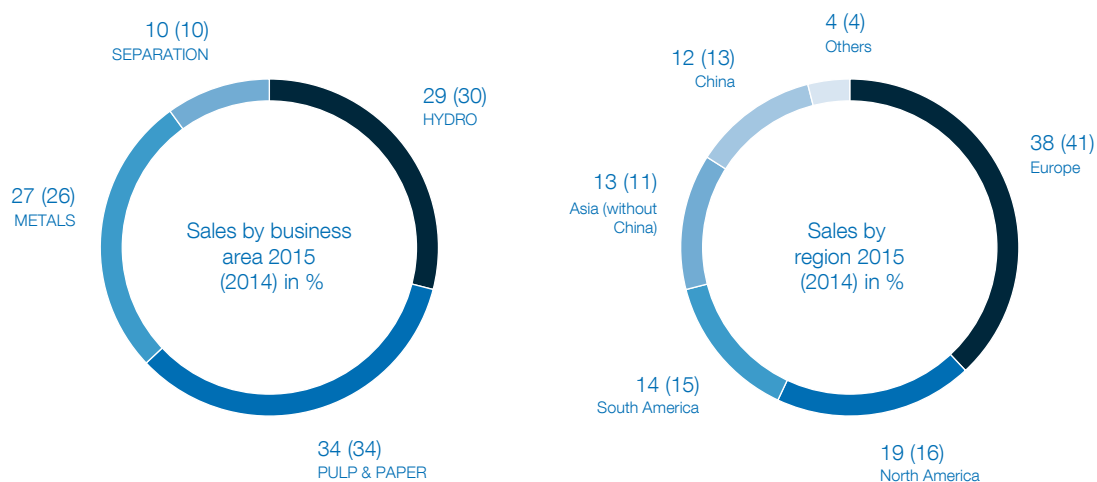
### Change in the Consolidation Group

Information on the consolidation scope can be found in the notes to the consolidated financial statements, chapter "D) Consolidation Group".

### Sales

Sales of the ANDRITZ GROUP amounted to 6,377.2 MEUR in the 2015 business year, thus up by 8.8% compared to the previous year (2014: 5,859.3 MEUR). All four business areas noted an increase in sales:

	<i>Unit</i>	<b>2015</b>	<b>2014</b>	<i>+/-</i>
HYDRO	<i>MEUR</i>	<b>1,834.8</b>	1,752.3	+4.7%
PULP & PAPER	<i>MEUR</i>	<b>2,196.3</b>	1,969.3	+11.5%
METALS	<i>MEUR</i>	<b>1,718.1</b>	1,550.4	+10.8%
SEPARATION	<i>MEUR</i>	<b>628.0</b>	587.3	+6.9%



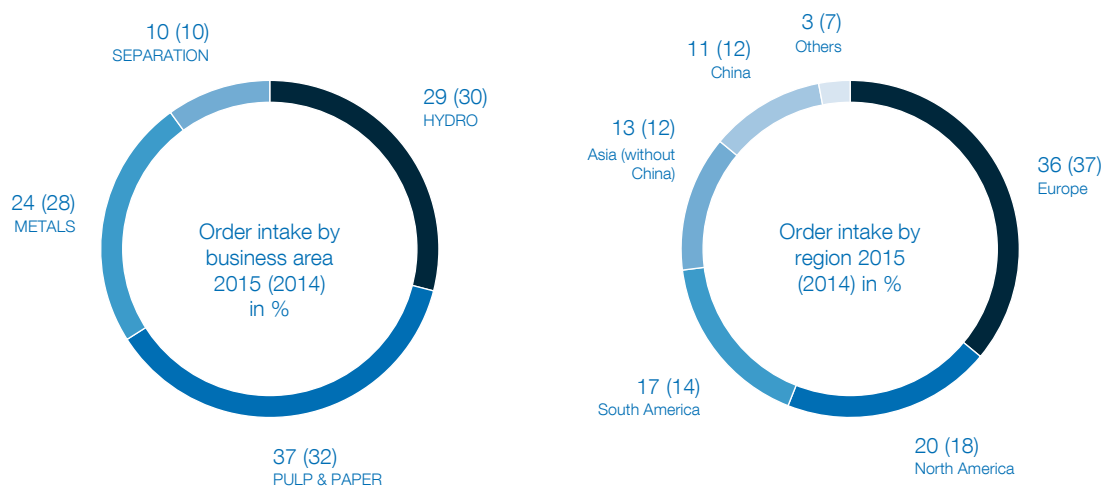
#### Share of service sales of Group and business area sales in %

	2015	2014
ANDRITZ GROUP	30	29
HYDRO	25	26
PULP & PAPER	37	35
METALS	20	18
SEPARATION	44	43

#### Order intake

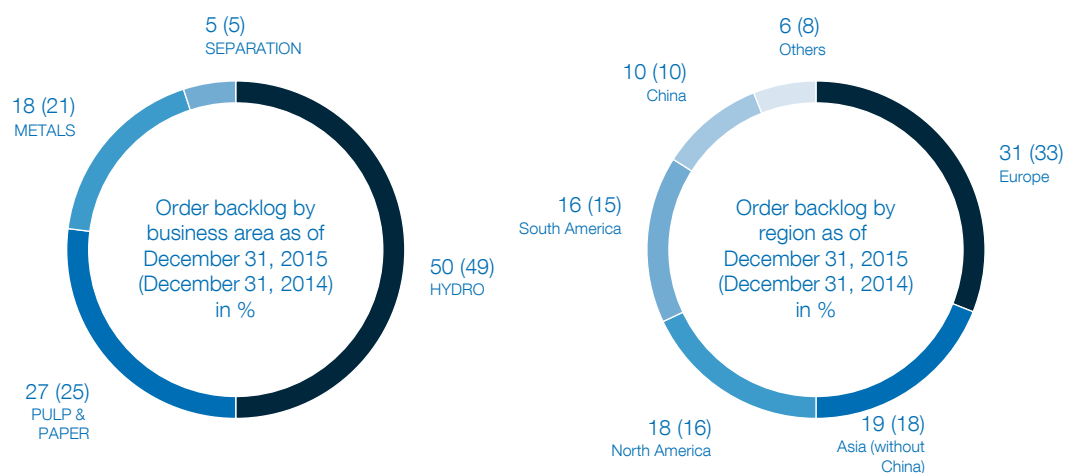
In 2015, the order intake of the Group amounted to 6,017.7 MEUR, thus almost reaching the record level of the previous year (-1.4% versus 2014: 6,101.0 MEUR). The business areas' development in detail:

- HYDRO: Considering the unchanged difficult market environment, the order intake, at 1,718.7 MEUR, reached a satisfactory level and slightly below the previous years' reference figure (-5.4% versus 2014: 1,816.7 MEUR). In this context, it should be noted that the large order for supply of the electromechanical equipment for the tidal lagoon hydropower project in Wales received in the first quarter of 2015 (order value: approximately 250 MEUR) has not yet been booked in the order intake. From today's perspective, this order is not expected to enter into force before the end of the first half of 2016.
- PULP & PAPER: The order intake developed very satisfactory, increasing substantially to 2,263.9 MEUR (+13.4% versus 2014: 1,995.7 MEUR). This increase is mainly attributable to the receipt of the order from Fibria for supply of equipment for the new Horizonte 2 pulp mill, Brazil. The order value of comparable projects is approximately 600 MEUR.
- METALS: The order intake amounted to 1,438.6 MEUR and was thus considerably below the high level of the previous year (-15.0% versus 2014: 1,692.8 MEUR). This decline is mainly due to the postponement of metal forming projects for the automotive and automotive supplier industries (Schuler market segment).
- SEPARATION: At 596.5 MEUR, the order intake remained practically on the same level as in the previous year (+0.1% versus 2014: 595.8 MEUR).



### Order backlog

As of December 31, 2015, the order backlog of the ANDRITZ GROUP amounted to 7,324.2 MEUR (-2.5% versus December 31, 2014: 7,510.6 MEUR).



### Earnings

The earnings development was marked by extraordinary effects in connection with the measures to optimize the value chain at Schuler. To adjust Schuler's manufacturing capacities to the product mix and business volume, an amount of 78 MEUR was considered in the consolidated income statement, which was partly offset by project-related positive extraordinary effects of some 40 MEUR in the PULP & PAPER business area. The EBITA amounted to 429.0 MEUR (+13.0% versus 2014: 379.5 MEUR) and the EBITA margin increased to 6.7% (2014: 6.5%). Without the extraordinary effects booked in the reporting period, the EBITA of the Group would have been 467.0 MEUR and the EBITA margin 7.3%.

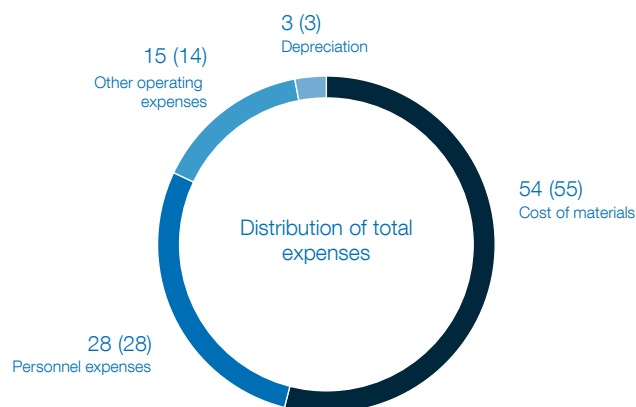
Profitability of the business areas developed as follows:

- The EBITA margin of the HYDRO business area decreased slightly compared to the previous year, from 8.3% to 7.9%, thus again reaching a favorable level.
- As a result of the extraordinary effects mentioned above, the EBITA margin of the PULP & PAPER business area increased significantly, reaching 8.7% (2014: 5.2%). Even without these extraordinary effects, the EBITA margin reached a very favorable level (6.9%).
- In the METALS business area, the EBITA margin decreased to 4.1% (2014: 7.1%) as a result of the financial provisions made to optimize the value chain at Schuler. Without these provisions for restructuring, the EBITA margin reached the very favorable level of 8.6%.
- In the SEPARATION business area, the EBITA margin, at 3.6%, remained unsatisfactory (2014: 3.7%).

### Consolidated income statement

(in MEUR)	2015	2014	+/-
<b>Sales</b>	<b>6,377.2</b>	<b>5,859.3</b>	<b>+8.8%</b>
Changes in inventories of finished goods, work in progress and capitalized cost of self-constructed assets	-7.7	3.1	-348.4%
Other operating income	133.4	122.1	+9.3%
Cost of materials	-3,377.3	-3,155.0	+7.0%
Personnel expenses	-1,698.6	-1,574.0	+7.9%
Other operating expenses	-892.3	-783.6	+13.9%
<b>EBITDA</b>	<b>534.7</b>	<b>471.9</b>	<b>+13.3%</b>
Depreciation, amortization, and impairment of intangible assets and property, plant, and equipment	-150.4	-170.5	-11.8%
Impairment of goodwill	-15.3	-5.7	+168.4%
<b>EBIT</b>	<b>369.0</b>	<b>295.7</b>	<b>+24.8%</b>
<b>Financial result</b>	<b>7.3</b>	<b>3.7</b>	<b>+97.3%</b>
<b>EBT</b>	<b>376.3</b>	<b>299.4</b>	<b>+25.7%</b>
Income taxes	-106.0	-89.4	+18.6%
<b>NET INCOME</b>	<b>270.4</b>	<b>210.0</b>	<b>+28.8%</b>
Thereof attributable to:			
Shareholders of the parent	267.7	210.9	+26.9%
Non-controlling interests	2.7	-0.9	+400.0%
Basic earnings per no-par value share (in EUR)	2.60	2.04	+27.4%

### Allocation of expenses 2015 (2014) in %



54.2% of total operating expenses were attributable to material expenses in 2015 (2014: 54.5%). The material expenses to sales ratio amounted to 53.0% and was thus slightly below the previous year's reference period (2014: 53.8%). The share of personnel expenses practically reached the level of the previous year and amounted to 27.8% (2014: 27.7%), thus the personnel expenses to sales ratio amounted to 26.6% (2014: 26.9%).

Other operating expenses amounted to 892.3 MEUR (2014: 783.6 MEUR) and mainly included sales expenses, rents and leases as well as repairs and maintenance. Other operating income, at 133.4 MEUR, was slightly higher than for the previous year (2014: 122.1 MEUR) and mainly include exchange rate gains from valuation of open forward contracts, government grants, release of other provisions, and income from the reversal of valuation allowances.

The depreciation and amortization of intangible assets and of property, plant, and equipment amounted to 150.4 MEUR in 2015 (2014: 170.5 MEUR). This change is mainly due to the planned reduction of impairment of intangible assets (IFRS 3) from the acquisition of Schuler.

In 2015, the Group's goodwill impairment amounted to 15.3 MEUR (2014: 5.7 MEUR), and the impairment charges for intangible and tangible assets were 12.1 MEUR (2014: 6.4 MEUR). The goodwill impairment relates to HYDRO (3.1 MEUR), PULP & PAPER (1.4 MEUR), METALS (7.7 MEUR), and the SEPARATION business areas (3.0 MEUR), where the business of some Group companies did not develop according to plan. Impairment of intangible and tangible assets relates to property, plant, and equipment.

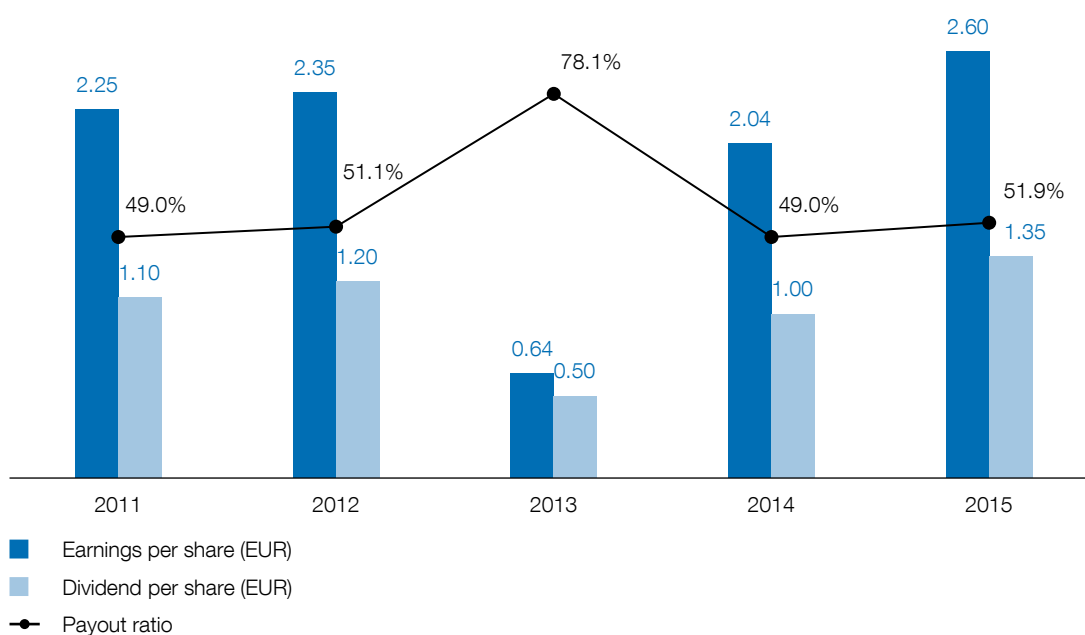
The financial result improved significantly to 7.3 MEUR (2014: 3.7 MEUR). This positive development is mainly due to the higher average net liquidity compared to the previous year and a one-off effect on interest in connection with a settlement payment received from a customer.

The tax rate decreased to 28.2% (2014: 29.9%). This decrease is mainly due to higher tax credits from prior periods as well as changes in deferred tax assets (see also notes to the consolidated financial statements, chapter "H) 8. Income taxes").

The net income (including non-controlling interests) of the Group amounted to 270.4 MEUR (+28.8% versus 2014: 210.0 MEUR), 267.7 MEUR of which are attributable to the shareholders of the parent company and 2.7 MEUR to non-controlling interests (see also notes to the consolidated financial statements, chapter "J) 23. Equity").

The earnings per share increased to 2.60 EUR (2014: 2.04 EUR). At the Annual General Meeting on March 30, 2016, the Executive Board will propose a significant increase of dividend to 1.35 EUR (2014: 1.00 EUR) per share for the 2015 business year. This is equal to a payout ratio of around 51.9% (2014: around 49.0%).

#### Earnings and dividend per share/payout ratio



Note: The dividend for 2015 is the amount to be proposed to the Annual General Meeting.

#### Own shares

As of December 31, 2015, the company held 1,675,699 own shares, i.e. 1.6% of the share capital, with a market value of 75.5 MEUR.

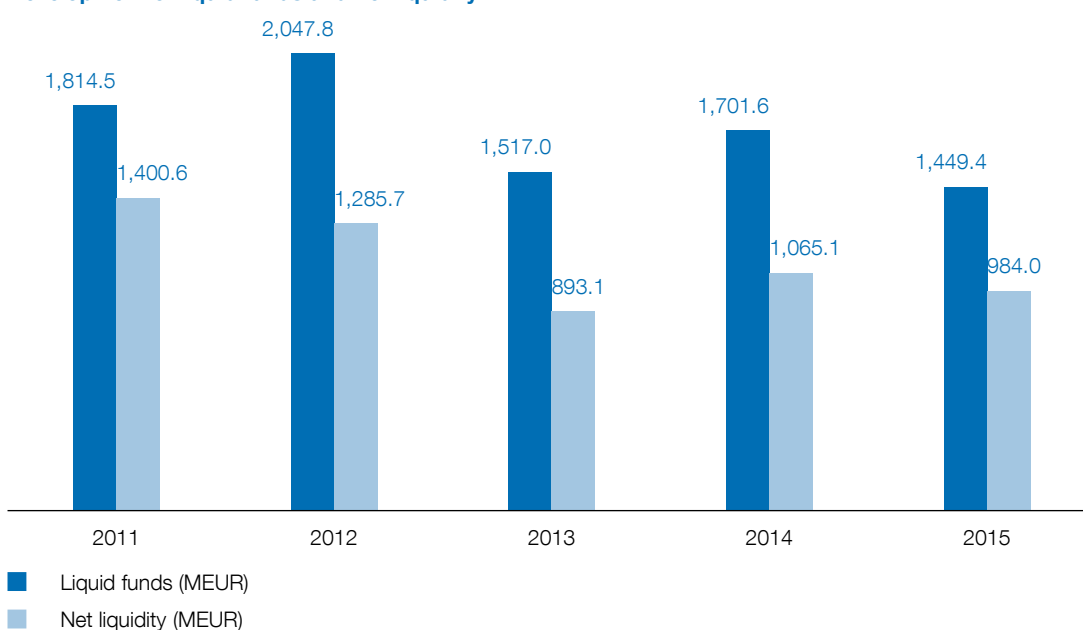
More information on own shares can be found in the notes to the consolidated financial statements, chapter "J) Notes to the consolidated statement of financial position".

### Net worth position and capital structure

The net worth position and capital structure as of December 31, 2015 remained solid. Total assets amounted to 5,778.0 MEUR (December 31, 2014 adjusted: 5,995.2 MEUR). The equity ratio reached 21.0% (December 31, 2014 adjusted: 17.3%).

Liquid funds (cash and cash equivalents plus marketable securities plus loans against borrowers' notes) amounted to 1,449.4 MEUR as of December 31, 2015 (December 31, 2014: 1,701.6 MEUR), net liquidity (liquid funds plus fair value of interest rate swaps minus financial liabilities) amounted to 984.0 MEUR (December 31, 2014: 1,065.1 MEUR).

### Development of liquid funds and net liquidity



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

- Credit lines: 188 MEUR, thereof 102 MEUR utilized
- Surety lines: 5,995 MEUR, thereof 2,971 MEUR utilized

#### Assets

<b>1,844.7</b> MEUR	<b>2,573.9</b> MEUR	<b>1,359.4</b> MEUR
Long-term assets: 32%	Short-term assets: 44%	Cash and cash equivalents and marketable securities: 24%

#### Shareholders' equity and liabilities

<b>1,215.6</b> MEUR	<b>483.3</b> MEUR	<b>827.8</b> MEUR	<b>3,251.3</b> MEUR
Shareholders' equity incl. minority interests: 21%	Financial liabilities: 8%	Other long-term liabilities: 14%	Other short-term liabilities: 57%

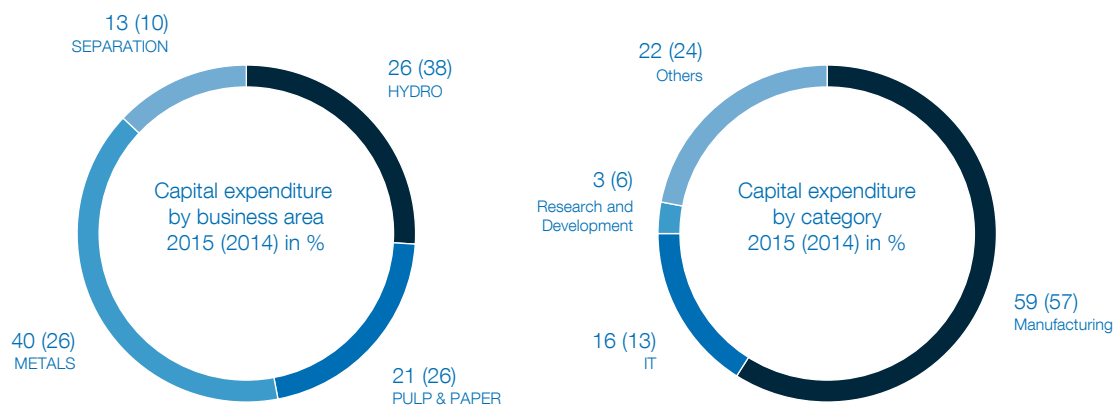
On the asset side, property, plant and equipment (715.4 MEUR), goodwill (528.5 MEUR), and intangible assets (203.4 MEUR) were the most important items in non-current assets (1,844.7 MEUR). The most important items in the other current assets, amounting to 2,573.9 MEUR, are trade accounts receivable, including cost and earnings of projects under construction in excess of billings (1,446.4 MEUR) booked according to the percentage-of-completion method, and inventories (665.4 MEUR).

On the liabilities side, the other current liabilities (3,251.3 MEUR) mainly include advance payments received and billings in excess of cost and earnings of projects under construction booked according to the percentage-of-completion method (1,313.7 MEUR), provisions (524.1 MEUR), and trade accounts payable (478.5 MEUR). The most important items in other liabilities (910.1 MEUR) are accruals and outstanding order-related costs (470.8 MEUR), as well as unused vacation and other personnel-related accruals (220.0 MEUR). Non-current liabilities, at 827.8 MEUR, largely contain provisions (606.3 MEUR) and deferred tax liabilities (159.2 MEUR).

Further information on provisions is shown in the notes to the consolidated financial statements, chapter "J) Notes to the consolidated statement of financial position".

### Capital expenditure

Investments in tangible and intangible assets amounted to 101.4 MEUR in 2015, thus slightly below the previous year's level (2014: 106.5 MEUR). Investments break down by business area as follows:



As in previous years, investments focused mainly on workshop modernizations and selected extension projects. Investments in new facilities included mainly the construction of the Engineering Center and the Hot Stamping Center for Schuler in Göppingen, Germany.

### Cash flow

The cash flow from operating activities, at 179.4 MEUR, was significantly below the previous year's reference figure (2014: 342.1 MEUR). This decrease was mainly due to project-related changes in net working capital (decrease of liabilities, increase of receivables).

The cash flow from investing activities amounted to -57.2 MEUR (2014: -85.3 MEUR).

The cash flow from financing activities amounted to -302.0 MEUR (2014: -50.9 MEUR). The strong change mainly resulted from the redemption of a corporate bond in February 2015 (nominal value: 150 MEUR) and from higher dividend payments (-103.2 MEUR in 2015 versus -51.9 MEUR in 2014).



### Further important key figures at a glance

	<i>Unit</i>	<b>2015</b>	<b>2014*</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Return on sales <sup>1)</sup>	%	5.8	5.0	1.6	6.5	6.8
EBITDA <sup>2)</sup>	MEUR	534.7	472.0	255.2	418.6	386.2
Earnings Before Interest and Taxes (EBIT)	MEUR	369.1	295.7	89.8	334.5	312.7
Earnings Before Taxes (EBT)	MEUR	376.4	299.4	80.3	330.4	321.7
Net income (including non-controlling interests)	MEUR	270.4	210.0	53.2	241.3	231.5
Free cash flow <sup>3)</sup>	MEUR	85.0	245.8	-11.5	239.7	361.1
Free cash flow per share <sup>4)</sup>	EUR	0.8	2.4	-0.1	2.3	3.5
Return on equity <sup>5)</sup>	%	31.0	28.8	8.6	32.0	34.3
Return on investment <sup>6)</sup>	%	6.4	4.9	1.6	6.5	6.8
Net debt <sup>7)</sup>	MEUR	-601.6	-659.4	-585.0	-1,053.3	-1,198.4
Net working capital <sup>8)</sup>	MEUR	-182.1	-570.9	-539.4	-631.8	-639.2
Capital employed <sup>9)</sup>	MEUR	736.7	387.0	443.6	-36.5	-128.6
Gearing <sup>10)</sup>	%	-49.5	-63.5	-62.9	-101.9	-127.6

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

1) EBIT (Earnings Before Interest and Taxes)/sales 2) Earnings Before Interest, Taxes, Depreciation, and Amortization 3) Cash flow from operating activities minus capital expenditure plus payments from the sale of intangible assets and property, plant and equipment 4) Free cash flow/total number of shares 5) EBT (Earnings Before Taxes)/total shareholders' equity 6) EBIT (Earnings Before Interest and Taxes)/total assets 7) Interest bearing liabilities including provisions for severance payments, pensions, and jubilee payments minus cash and cash equivalents, marketable securities and loans against borrowers' notes 8) Non-current receivables plus current assets (excluding marketable securities, cash and cash equivalents as well as loans against borrowers' notes) 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

### Important acquisitions

The Schuler Group, member of ANDRITZ, signed in 2015 a contract for the acquisition of a 51% stake in the Chinese press and machine tool manufacturer Yangzhou Metal Forming Machine Tool Co., Ltd. (Yadon). Yadon is one of the leading manufacturers of mechanical presses in China and has annual sales of approximately 120 million euros. The acquisition was approved by antitrust authorities; closing of the transaction is expected at the end of the first quarter of 2016. Yadon is based in Yangzhou, Jiangsu Province, around 300 kilometers north of Shanghai, and has a staff of approximately 1,000 employees at three locations in China. The main customer segments served by Yadon include household appliances, metal working, and the automotive supplying industries.

ANDRITZ also acquired Euroslot KDSS, headquartered in Scorbé Clairvaux, France, including its subsidiaries in China and India. ANDRITZ Euroslot designs and manufactures filtration and separation equipment for the pulp and paper industry, the waste and waste water treatment segment, and other industrial applications.

In addition, ANDRITZ acquired the remaining 25.67% stake in ANDRITZ HYDRO S.A., Brazil.

Further information to acquisitions can be found in the notes to the consolidated financial statements, chapter "E) Acquisitions".

## RISK MANAGEMENT AND CORPORATE RISKS

The ANDRITZ GROUP is a globally-operating company serving a variety of industrial markets and customers. As such, the Group is subject to certain general and industry-specific risks. ANDRITZ has a Group-wide control and steering system whose main task is to identify nascent risks at an early stage and – if possible – to take countermeasures.

### Main characteristics of the internal controlling and risk management system for the accounting process

The Executive Board is responsible for implementing a suitable internal controlling and risk management system for the accounting process and financial reporting. For this purpose, binding Group-wide regulations and guidelines/policies have been implemented for the major business risks and also for the financial reporting process.

The accounting department, which includes financial accounting, reports directly to the Executive Board. Organizational measures have been made to ensure that the legal requirements to make complete, correct, timely, and orderly entries in the books and other records are met. The entire process from procurement to payment is subject to guidelines/policies that are intended to minimize any essential risks these processes may entail. These measures and rules include separation of functions, signature authorization matrices, and signatory powers for authorizing payments applying on a collective basis only and restricted to a small number of employees, as well as system-supported checks by the financial software in use (SAP).

By using a standardized, Group-wide financial reporting system, together with instant occasion-driven reporting on major events, the Group endeavors to ensure that the Executive Board is properly informed on all relevant issues. The Supervisory Board is informed in Supervisory Board meetings held at least once every quarter on the current business development, including operative planning and the medium-term strategy of the Group, with direct and immediate information being provided to the Supervisory Board in special cases. In addition, the Chairman of the Supervisory Board receives a monthly report including the key financial figures with comments. Internal control and risk management are among the topics dealt with in audit committee meetings.

Internal Auditing, set up as an executive department, audits individual processes or Group companies according to an audit plan defined for each year, and also in special cases.

### **Financial risks**

ANDRITZ has a Group-wide risk management system whose goal is to identify nascent risks and to implement countermeasures. This is an important element in the active corporate management.

Monitoring and management of financial risks are integral parts of the accounting and controlling activities within the ANDRITZ GROUP. Continuous controlling and regular reporting are intended to increase the likelihood of identifying major risks at an early stage and allow countermeasures to be implemented if necessary. Still, 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 relate above all to the Group's dependence on the general economic environment and the development of the industries it serves, to whether major orders are received and to the risks they entail; and to whether adequate sales proceeds are realized from the high order backlog. Furthermore, unexpected cost increases during the execution of orders constitute a considerable risk, particularly in so-called turnkey or EPC orders, where the Group may assume responsibility for engineering, civil work, and erection of a factory in addition to delivery of ANDRITZ equipment and systems. Please see "Risks related to major orders and other contracts" below.

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

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

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

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

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

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

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

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

For further information, see consolidated financial statements – chapter "M) Risk Management".

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

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

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

#### **Non-financial risks**

In the manufacturing sector, precise planning, high commitment, and flexible employees are essential factors to ensure short lead times and on-time production. Internally, ANDRITZ uses flextime contracts and, especially in Europe, a flexible contingent of temporary workforce to cope with cyclical fluctuations and peaks in workload. Also, the fluctuations in capacity utilization that are typical of project-related business can be better balanced with a targeted make-or-buy strategy and best possible utilization of the company's own manufacturing capacities. At the same time, process-relevant key components for ANDRITZ plants and products are mainly manufactured and assembled in the Group's own workshops. Simple components, on the other hand, are largely purchased from qualified suppliers, who are subjected to regular quality and on-time delivery checks. The ANDRITZ GROUP tries to balance out fluctuations in capacity utilization as best possible and with maximum

flexibility by allocating orders to the various sites around the world and locally by using temporary workforce. However, there is no guarantee that ANDRITZ will always be able to compensate immediately for larger fluctuations in capacity utilization, and failure to do so could in turn have a negative impact on the earnings development of the Group.

In Human Resources, special emphasis was also placed on developing and strengthening the necessary staff resources during the reporting period. This includes interesting career opportunities, incentive plans, and focused management training programs. The ANDRITZ GROUP seeks to attract well-trained and highly qualified employees, and also tie them to the company in the long-term. High quality standards in the selection process guarantee that the most suitable candidates are recruited for the positions becoming vacant. As part of succession planning, internal candidates for succession to key positions are identified in order to have enough candidates available in the short and medium term.

Local development programs for special target groups (for example employees working in sales or purchasing, or management staff in the manufacturing department) were intensified in many of the Group's companies. The expectation that many business opportunities for the ANDRITZ GROUP will also emerge in China in the future was taken into account by focusing on management training in Chinese companies. In developing the programs, care is taken wherever possible to combine these training courses with globally organized personnel development programs. Several so-called "change projects" were conducted to optimize reorganization measures in individual divisions and business areas. However, ANDRITZ cannot guarantee that it will always be able to fill vacant positions immediately with people who meet the requirements and are qualified for the position concerned. Both internal employees within the Group and also external candidates are considered for vacant positions.

In the purchasing department, the financial standing of important suppliers is checked regularly. This also applies to orders beyond a defined amount. In addition, capacities are checked and, if possible, a second supply option is reviewed.

### **Risks in connection with the general economic development**

#### **Effects of the financial and economic crisis**

The weak global economic development constitutes a considerable risk for the future financial development of the ANDRITZ GROUP and could lead to delays in the execution of existing orders and to postponement or termination of current projects. This may entail a decline in the Group's order intake. Possible cancellations of existing orders could have a negative impact on the ANDRITZ GROUP's order backlog. Both factors may have an adverse effect on the future sales and earnings developments of the Group and also on the Group's order backlog.

### **Risks related to the industries in which the Group operates**

#### **Volatility of incoming orders**

Some customers and industries served by the ANDRITZ GROUP are directly dependent on general economic development and thus subject to frequent fluctuations in the demand for their products. This is especially true of the PULP & PAPER and the METALS business areas, but all business areas can be affected. The prices for equipment and products supplied by ANDRITZ in these segments are, in part, directly dependent on the prevailing relationship between supply and demand for the goods produced by such equipment and products of ANDRITZ. Possible price fluctuations, therefore, can have a direct influence on each customer's capital investment decisions, with subsequent influence on the Group's order intake. This may lead to some volatility in the development of the Group's order intake.

#### **Customer concentration**

In many of the industries served by ANDRITZ, there is a trend towards consolidation and mergers. This applies above all to the pulp and paper industry, and also the steel industry. Such consolidation may result in the Group having to negotiate with fewer companies in the future, which, however, have greater purchasing power. The dependence on key customers may increase, and this could have direct consequences on the Group's financial development.

#### **Uncertainty of future contracts**

Among other things, the Group's future performance depends on its securing new contracts. It can be difficult to predict when an order for which the ANDRITZ GROUP has provided a quotation will actually be awarded. Contract awards are often affected by events outside the control of the Group, such as prices, demand, general economic conditions, the granting of governmental approvals, and the securing of project financing. This uncertainty can cause difficulties in matching the Group's fixed costs and predicted order volume.

### Safety and environmental matters

The Group's operations are subject to numerous local, national, and supranational environmental regulations. The Group uses and generates hazardous substances in its manufacturing operations. In addition, many of the Group's current and former properties are, or were, used for industrial purposes, and disposal of waste at disposal sites has been arranged. It is possible that in the future the Group may be subject to liabilities relating to the investigation and clean-up of contaminated areas. The business areas occasionally assume joint liability for environmental risks in certain projects.

In addition, the ANDRITZ GROUP supplies many systems with products and/or processes that pose the risk of serious or fatal injury (also to a larger number of people), or of substantial property damage. Several systems involve the use of dangerous and hazardous chemicals and materials. Products of ANDRITZ are also used in the primary cooling circuits of nuclear power plants. The Group provides installation and other services on industrial sites containing dangerous and hazardous chemicals and materials. In the event of an accident, for example a spill of such hazardous materials, a fire, or an explosion, the Group could be held liable for property damage, personal or fatal injury, and environmental remediation.

### Insurance

While the ANDRITZ GROUP maintains insurance programs to cover typical insurable risks related to its business, there can be no guarantee that this insurance can fully cover potential losses, that the insurers will be liable to pay damages, nor that the amount of the Group's insurance will be adequate. Moreover, the Group is involved in certain industries (for example the space and nuclear industries) for which risks are uninsurable or where it is not always possible to comply with all of the conditions required to contract insurance. Any material liability not covered by insurance would have a substantial adverse effect on the Group's financial condition.

## Risks related to the Group's business

### Currencies

The Group has operations and subsidiaries in a large number of countries outside of the euro zone, and a significant portion of its sales and costs are denominated in non-euro currencies, mainly in US dollars. The currencies in these countries are subject to fluctuations in exchange rates. Currency risks in connection with orders that are not invoiced in euros are minimized by derivative financial instruments, in particular forward contracts and swaps.

Although the Group attempts to hedge the net currency exposure of those orders not invoiced in euros by forward contracts, currency fluctuations can result in the recognition of exchange rate losses in the Group's financial statements. Developments of exchange rates may also have translation effects on the Group's sales and earnings whose values are converted into euros. In addition, shifts in exchange rates may affect ANDRITZ's position relative to its competitors, although many competitors of ANDRITZ are also based in the euro zone. As some of ANDRITZ's major customers are based outside of the euro zone, changes in exchange rates could lead to delays in project decisions by those customers. Also, the shareholders' equity of the ANDRITZ GROUP is not hedged and is thus susceptible to being affected by changes in the exchange rate.

### Competitive position

The ANDRITZ GROUP does business in highly competitive markets in which only a few large suppliers bid for only a few large orders. In addition, there are many small companies competing locally that have a comparatively low cost base. This competitive position has a negative impact on sales margins of the Group. There is no assurance that the Group can maintain its current market position in the future.

As the Group's competitive position is also based on proprietary technology, the increase in product piracy and industrial espionage facilitated by the digital era and the accompanying increase in intellectual property piracy can also have an adverse effect on the Group's competitive position. The Group makes efforts to protect its intellectual property, but there can be no assurance that these efforts will be successful.

### Acquisition and integration of complementary business segments

One of the Group's main strategic goals is to become a full-line supplier in all of its business areas through organic growth and complementary acquisitions. In the course of implementing this strategy, the Group has acquired and integrated a number of companies with worldwide operations since 1990.

There is, however, no guarantee that the Group will be successful in identifying and acquiring appropriate acquisition candidates in the future, or that suitable candidates and sufficient financing will be available. In the past, ANDRITZ was successful in integrating newly acquired companies, but there is no guarantee that planned objectives and synergies can be realized for all acquisitions in the future (including the ongoing integration of the

most recently acquired companies), or that the Group may not be exposed to new or legacy risks that have not been properly managed or identified.

The Schuler Group acquired in 2013 derives approximately 80% of its sales from the automotive industry, which is generally exposed to severe cyclical swings. Thus, possible negative cyclical fluctuations can have a negative impact on the sales and earnings development of the Schuler Group and thus of the ANDRITZ GROUP.

#### Legal proceedings

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

The product liability cases include a number of cases alleging injuries and/or death resulting from exposure to asbestos. Two subsidiaries of the ANDRITZ GROUP are defendants in 51 asbestos cases (status as of December 31, 2015; 66 cases as of December 31, 2014) in the USA. In aggregate, the cases involve 431 plaintiffs (445 plaintiffs as of December 31, 2014). All of the cases relate to claims against multiple defendants. ANDRITZ takes the view that none of the two subsidiaries should be found liable in connection with any of these claims, and each subsidiary intends to defend each claim vigorously.

#### Compliance

The ANDRITZ GROUP is subject to a variety of legal compliance risks, including compliance with anti-trust and anti-bribery laws in Austria and other countries where the Group conducts business. The Group has established a Compliance Committee to control its compliance efforts and has adopted a number of compliance policies, including policies prohibiting the misuse of insider trading, the violation of applicable anti-trust laws and anti-bribery laws, as well as a global Business Code of Conduct. While the Group attempts to make sure that such policies are observed, there can be no assurance that no violations will occur or have occurred. Any such violation could have a lasting adverse impact on the financial position and reputation of the Group and could also lead to the cancellation of existing orders.

### Risks related to major orders and other contracts

#### Payment risks from customers

Much of the ANDRITZ GROUP's business involves handling major projects with a large contract value. If a customer fails to meet its payment obligations for one of these projects, this may have a negative effect on the net worth and liquidity position of the Group. The ANDRITZ GROUP tries to limit these risks by securing payment guarantees from banks and export credit insurance agencies. Even in projects covered by export credit insurance, typically only up to 85% of the sales price is secured through such insurance. However, the conditions for complete coverage are not always met. Moreover, much of the Group's service business is not secured by bank guarantees. Worsening economic conditions could adversely affect the ability of certain customers to meet their payment obligations to ANDRITZ.

In addition, there is always some risk that partial or full provisions will have to be made for some trade accounts receivable.

#### Performance risk of projects

In conjunction with the delivery of equipment and services supplied by ANDRITZ, the Group is under contractual obligation in many cases to provide performance guarantees and to meet certain deadlines. If the performance data stated are not achieved or if deadlines are not met, the Group may have to perform remedial work at its own expense or pay damages. If a guaranteed performance level is missed by a wide margin, deadlines are significantly exceeded, or the customer does not accept the plant for other reasons, the customer may have the right to terminate the agreement and return the subject of the contract to ANDRITZ for a full refund and recover damages. Such action could have an adverse effect on the Group's financial development.

#### Cost overruns

Many of the Group's projects are based on long-term, fixed price contracts. The sales and operating margins realized in a fixed price contract may vary from original estimates as a result of changes in costs, especially fluctuating material costs, especially on projects that include engineering and/or construction of complete plants.

In addition, since certain parts of the Group's supplies are outsourced, the Group may be forced to quote at a fixed price to the customers without knowing the exact cost of the parts purchased. While estimates are made using empirical data and quotes from potential suppliers, these may not always be completely accurate. The Group has experienced significant losses on certain past projects in this regard, and similar difficulties and losses may occur in the future in a way that would adversely affect the Group's financial condition.

#### EPC/turnkey contract risks

In many projects, ANDRITZ also has responsibility for plant-wide engineering and/or installation and construction in addition to the supply of ANDRITZ equipment and systems. These contracts bear the risks discussed above, but also entail certain risks relating to greater on-site responsibilities, including environmental matters, local labor conditions, as well as risks relating to geology, construction, and installation. Additionally, the Group is exposed to the risks inherent in managing the third parties providing construction, installation, and engineering services on these projects (such as strikes and other labor disruptions, which can lead to delays in start-up, or failure to meet deadlines). The Group has put risk management procedures in place, including insurance programs, contract policies, and project management discipline, to reduce these EPC-related risks as far as contracts allow. Nevertheless, there is no guarantee that these procedures are sufficient to prevent negative financial consequences. The Group has experienced significant losses on certain past projects in this regard, and similar difficulties and losses may occur in the future in a way that would adversely affect the Group's financial condition.

#### Consortium risks

In many EPC and other projects, the ANDRITZ GROUP participates with third parties with whom it shares several joint liabilities. While the Group attempts to make sure that risks in such projects are properly allocated, there can be no assurance that this will always be successful. Moreover, the inability of one of the Group's consortium partners to fulfill its obligations on the project, including indemnity obligations to the Group, may have an adverse material impact on the financial results and the liquidity of the Group.

#### Limitations of liability

Liabilities arising out of the Group's contracts may include liabilities for customers' loss of profits and other liabilities that can vastly exceed the value of the contract in question. While the Group endeavors to include appropriate limitations of liability in its contracts, there can be no assurance that appropriate limitations will in fact be in place in all contracts or that such limitations will be enforceable under the applicable law.

#### Government contracts

A certain amount of the orders handled by the business areas are placed by government entities. These projects can involve the performance, liability, and EPC/turnkey contract risks described above. Due to public bid requirements and local laws, it may not always be possible for the Group to obtain its desired contractual safeguards, and thus it may remain more exposed to such risks in connection with these projects.

### Risks related to the capital markets

#### Dependence on the development of international financial markets

Apart from company-related occurrences, development of the ANDRITZ share price is also dependent on fluctuations in prices on the international financial markets. Major price fluctuations and high volatility on major stock markets may have an adverse effect on the ANDRITZ share price.

#### Recommendations by analysts

As a publicly listed company, ANDRITZ is regularly assessed by financial analysts and institutional investors. Analysts' recommendations to buy or sell ANDRITZ shares and subsequent investment decisions by shareholders may cause considerable fluctuations in the share price. The ANDRITZ GROUP has consistently followed a policy of open and transparent information exchange with shareholders and the financial community to minimize unfounded fluctuations in its share price.

#### Active trading of ANDRITZ shares

The high level (close to 70%) of public free float of ANDRITZ's total outstanding shares and the intensive investor relations activities have led to active trading in ANDRITZ shares on the Vienna Stock Exchange. There is no assurance, however, that active trading will be maintained in the future. If active trading were not maintained, the liquidity and market price of ANDRITZ shares would suffer adverse effects and investors may not be able to sell their shares at what they perceive to be an acceptable price. In the absence of active trading or in the event of a major change in market capitalization, the ANDRITZ share could be removed from various international industrial and stock exchange indices, for example the ATX, the leading index of the Vienna Stock Exchange, or other indices. This could result in major changes in the price of the ANDRITZ share.

## Non-financial performance indicators

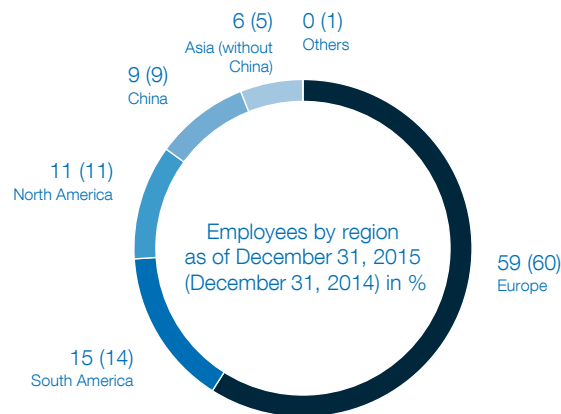
### Manufacturing

Due to the satisfactory development in order backlog, 2015 was marked by high capacity utilization rates in the manufacturing sector. At the ANDRITZ manufacturing locations, the planned budget figures were achieved and even exceeded at many locations.

As in preceding years, investments in manufacturing concentrated on quality and efficiency measures in production capacities both in the emerging markets of Asia and Eastern Europe (particularly in Hungary, and Slovakia) and at the existing locations in Central Europe and North America.

### Human resources

At the end of 2015, the ANDRITZ GROUP had a total of 24,508 employees (-1.4% versus December 31, 2014: 24,853 employees).



Group Human Resources is responsible for coordination and planning of the main personnel processes throughout the Group. The main tasks in this field are succession planning and filling any vacant key positions. The goal is to create an attractive working environment, providing fair pay and equal development opportunities for all employees. Internal succession candidates are identified and their individual careers are supported as part of Group-wide programs. The "ANDRITZ Global Talent Program" targets to ensure that the strengths of talented young people can be supported and developed in a way that is needs-oriented. It focuses company and employee management in a global environment, taking special account of inter-cultural skills. As a result, the proportion of internal succession candidates has risen significantly in recent years. In addition to global personnel development measures, the ANDRITZ GROUP also has several regional programs to enhance the potential of its employees. The "Austrian Young Talent Program", for example, is used to support high-potential employees in order to build up a group of candidates who will be able to take over key positions in the future.

ANDRITZ helps its employees to achieve the best possible work-life balance. For example, employees with young children are offered flexible, part-time options. In addition, the Graz location runs a company kindergarten.

Another important focus lies on preventive health care for employees, especially on preventive measures in the areas of physical and mental health. Numerous employees benefit from initiatives, seminars, and workshops on health topics offered at ANDRITZ locations all around the world.

Safety-relevant measures were implemented once again in 2015 for the employees at ANDRITZ locations, where the staff received instruction and information on such topics as occupational safety, waste separation, and fire protection.

### Environmental matters

The ANDRITZ GROUP supplies a variety of innovative products and services that make a significant contribution towards protecting the environment, reducing energy consumption, and improving energy efficiency. In the process of manufacturing these products, reduction of the possible impact on the environment and conserving natural resources have top priority. Environmental protection measures focused particularly on energy-saving by replacing windows, insulating building facades and pipework, modernizing heating systems, and reducing standby times in manufacturing plants. A reduction in CO<sub>2</sub> emissions was achieved by continuously replacing older trucks with new vehicles using hybrid technology, and gradually introducing energy-saving and cost-efficient lighting for offices and manufacturing workshops. Important investments were also made in continuous



modernization of the machinery in operation, which led to an increase in energy efficiency at the manufacturing locations. Numerous initiatives in waste prevention, waste separation, and recycling at the ANDRITZ locations worldwide also made an important contribution towards environmental protection.

## RESEARCH AND DEVELOPMENT

The ANDRITZ GROUP's expenses for Research and Development (R&D) activities on new processes and products amounted to 88.5 MEUR in the reporting period (2014: 84.3 MEUR). Research and development expenses, including order-related work, amounted to around 3% of sales.

Important focuses in the development of new and innovative technologies are increased environmental protection, reducing the input of energy and resources in the production of machinery and plants, and also extending their life cycle. In this way, ANDRITZ helps its customers worldwide to comply with environmental specifications in the best possible way and to generate economic value added at the same time by reducing costs and increasing productivity. Contract-related development work is often conducted in collaboration with customers.

### Main research and development work by business area:

#### HYDRO

The first pilot projects with excitation and protection modules in the HIPASE automation system were started up successfully. This automation platform is a unique new approach worldwide to standardize different equipment specifications (for electrical protection, voltage regulator, and the synchronization device) and uses the latest and most advanced hardware and software technologies. HIPASE can provide significant reductions in the costs and effort required for installation and operation of the automation system.

With increasing amounts of wind energy and solar energy being generated, particularly in Europe, flexibility of plant operations is the main prerequisite for the power supply. Hydropower plants make a significant contribution towards balancing out the power supply and demand by compensating for fluctuations in weather-dependent energy sources. At the same time, they are also exposed to greater stress as a result of frequent starts and stops because they are designed mainly for continuous operation. ANDRITZ HYDRO has developed a new computing tool to calculate the fatigue in components under high stress and determine their life expectancy. In addition, consulting and targeted service offers can help customers operating older generators to meet the new challenges and enable them to guarantee continued safe plant operations.

A new bulb turbine was developed for the tidal lagoon hydropower project planned in Swansea Bay. This turbine has impeller blades that can be adjusted by more than 180 degrees and guide vanes that can be opened by more than 120 degrees so that water can flow unhindered in both directions. The turbine operates both as a pump and as a turbine at variable speed. As a result, the annual energy output is optimized such as to make tidal lagoon technology an economically competitive solution. In addition, the turbine design was optimized to make it more fish-friendly.

The Pumps Division concentrated on multi-stage developments that form the basis of two important orders. A six-stage storage pump with improved output and increased production (32.3 MW) is to be delivered for a three-machine-unit ("Oschenik 1". As a first milestone, the hydraulic development work was concluded by conducting a model inspection test together with the customer. The second project, located in Yuxi, Yunnan Province, China, comprised the development and delivery of 18 two-stage and three-stage double-flow pumps (ASPM) for a large infrastructure project in Western China. The hydraulic development, mechanical engineering design, and complete manufacturing work, as well as inspection tests for the pumps, were completed in less than 14 months. The project was concluded with successful start-up of all units in June 2015.

#### PULP & PAPER

Several current research projects in the PULP & PAPER business area deal with the subject of sustainability and better use of waste materials in pulp and paper mills. A new development for the treatment of waste from stock preparation systems in paper mills is the ReBal ballistic separator. In this technology, the material is fed over an oscillating screen plate and separated there into three fractions, each of which is discharged separately. As this equipment removes stones and metal, it extends the life cycle of subsequent machines, for example shredders. In addition, it is possible to generate salable fractions as well, such as plastic for PET bottles. Several ReBal separators have already been sold and are currently being manufactured for projects mainly in Asia.

The biorefinery concept also makes an important contribution towards sustainable development in the pulp and paper industry. Research activities are targeting the recovery of valuable substances (lignin components and hemicelluloses) from the waste water occurring in mechanical pulping plants. These valuable bioproducts (biochemicals) are used in the production of pulp and paper, in the packaging, pharmaceuticals and cosmetics,

and food industries, as well as in other sectors. If the valuable substances are removed before treating the waste water, plants can be operated more economically and with greater conservation of resources because there is a lower effluent load and thus also lower production costs on the one hand, and because market opportunities are created in new business segments from the sale of organic products on the other hand.

Other innovative ANDRITZ technologies in the recycling sector lower dependency on fossil fuels and reduce the amount of landfill waste. ANDRITZ MeWa offers shredding technologies and specific separation, screening, and conveying technology, thus providing complete recycling solutions from a single source. These include plants for processing electrical and electronic waste, refrigerators, cables, and used tires, plants to manufacture substitute fuels, clean metal, and process substrate in biogas plants, as well as to treat so-called rejects from waste paper recycling systems (rejects are all materials not made of paper, such as plastic, textiles, or metal). The development work by ANDRITZ MeWa focused last year on making improvements and reducing costs for machinery and processes, such as granulators, as well as further development of the QZ cross-flow shredder for bio-applications. This unit is used to shred organic household waste, slaughterhouse and food waste, or energy crops, such as corn and grass silage, manure, rye silage or sugar beets, among other products.

Against the background of a continuously increasing volume of waste worldwide, ANDRITZ has developed pyrolysis technology, together with Alucha as cooperation partner, for economical recovery and processing of the valuable substances contained in used beverage cartons, such as paper fibers, aluminum, and polyethylene. By subjecting the beverage cartons to pyrolysis, polyethylene is transformed into gas or oil and aluminum can be recovered as pure metal. The main characteristic of pyrolysis is that the material is heated to a high temperature in an oxygen-free environment.

Pyrolysis is currently the only economically viable process for treating laminated packaging containing aluminum. However, the polyethylene recovered could only be processed into fuel (gas, oil) so far. The goal of a current ANDRITZ project is to generate a new, salable product from the material. After separation from the paper fibers, the new process breaks the components containing aluminum and plastic down into hydrochloric acid and removes the aluminum and polyethylene in the process. The aluminum is recovered as corundum (aluminum oxide). The polyethylene can be treated in a further process step to make flakes and is thus available again as a raw material for the production of plastics.

A new vertical thickener was developed for dewatering fibrous pulp with a low feed consistency. This thickener dewateres the fibrous pulp from a consistency of 3% to up to 30% without any intermediate stages. So far, two separate dewatering machines were needed to reach this consistency. One process stage can now be omitted thanks to the new vertical thickener. As a result, less machinery is needed and the investment costs for new plants are reduced; in addition, the plant consumes less water and energy. The new thickener is currently being launched on the market following a test phase in the ANDRITZ pilot plant in Graz,

The ANDRITZ PrimeCoat Curtain is an innovative process that applies the coating substance used in paper production to improve optical characteristics directly to the paper or board web as a ready-dosed curtain film. The process guarantees ideal contour coating, achieving optimum coverage and excluding the risk of any flaws in this process step. The coating coverage achieved with this process is better than any other coating methods available on the market to date. A valuable side-effect is the saving achieved in raw materials and energy input. These savings are obtained by using lower-priced fibrous pulps in the underliner, in some cases without any additional treatment such as deinking, with no loss of quality. As the coating process has no wear parts whatsoever, there are also no breaks in or loss of production because a doctor or coating blade has to be changed.

Biodegradable nonwovens, like moist toilet tissue and cosmetic wipes that dissolve completely after use within only a short period in water, are a new development in the Nonwoven sector. Instead of using synthetic fibers, wetlaid nonwovens are used made of degradable cellulose fibers, which are also used in tea bags, for example. No other common agents for thermal bonding are used. Instead, the ANDRITZ equipment applies the wetlace process without any chemicals. The water used in the wetlace process is collected, cleaned to drinking water quality, and used again in other process stages. Some of the hot air for drying the wetlaid nonwovens is also collected and recycled to the plant loop in order to save energy. In this way, energy savings of up to 20% can be made compared to previous lines.

## METALS

Schuler was awarded the environmental engineering prize of the Province of Baden-Württemberg in 2015 for development of the Smart DC Grid, a direct current grid for press lines that reduces energy consumption significantly. The presses in a servo press line not only need electrical energy for each stroke, but also generate it in the cyclical braking processes. The energy thus generated can be passed on via the intelligent direct current grid directly to the presses, which are accelerating or forming and thus require energy. Schuler's Smart DC Grid is already operating in several press lines in the automotive industry.

Schuler received another award, the Red Dot Award, in July 2015 for the Crossbar Robot 4.0 for press line automation. The robot is 20% more energy-efficient, 50% lighter, and 50% more dynamic than its predecessor model.

So far, Schuler has concentrated on hot forming of steel. By using aluminum, the weight of a car body can be further reduced significantly, but the material was always difficult to form because of the elasticity of the metal. However, it became possible recently to form aluminum in a hot process thanks to a special alloy, thus reducing the weight of a car body component by between 30 and 50%. The forming process also consumes much less energy.

Schuler also worked on shortening the process chain in 2015 by combining precision cutting and forging in one tool. So far, components with different material thicknesses in different areas were made by joining several individual components together. Shortening the process chains by producing the components in one single pass of the press offers substantial savings potential.

With the CSC 1000, Schuler has developed an automatic stamping press with one connecting rod for automatic and manual insertion, which increases both the production rate and the energy efficiency compared to previous plants. The reason for this is a more dynamic, built-in torque motor capable of so-called pendulum stroke operations. Furthermore, the drive concept does not require any lubricating oil, which eliminates the risk of dilution with process materials and minimizes the maintenance effort.

The business area was awarded the Energy Globe Award Austria in the "Water" category in 2015 for two environmental protection technologies, PYROMARS and ZEMAP. The prestigious award has been presented since 1999 for outstanding, sustainable projects focusing on conservation of resources, energy efficiency, and use of renewable energies. The two award-winning technologies enable zero-effluent operations in stainless steel pickling systems and almost full recovery of the valuable substances from the waste pickling liquor and rinsing water. PYROMARS has already proved its worth in numerous applications; the new ZEMAP process is currently being delivered for the first time to a Taiwanese stainless steel producer. Furthermore, the technologies were nominated for the Austrian State Award for Innovation in 2016.

The new ANDRITZ ECOMode process takes an important step towards increasing energy efficiency for acid regeneration in the production of carbon steel. Based on a newly developed computing model, some of the waste pickling liquor is removed before regeneration and added again after regeneration without any negative impact on the pickling result. Hence, gas consumption can be reduced by up to 25%, also causing a drop in the total emissions. Optimization is achieved by upgrading the plant control system and involves very low investment costs. The patented process has already been tested successfully in a Taiwanese steel works and is currently being launched on the market.

Another focus of development work at ANDRITZ METALS is process models, and especially mathematical models and the model-predictive controllers based thereon for continuous annealing furnaces. The aim is to meet the industry's demand for higher productivity, while reducing energy consumption and emissions at the same time. Other requirements are to increase product quality, minimize scrap, and reproduce the technological process in advance in an exact simulation.

The low and ultra-low NO<sub>x</sub> burners developed by ANDRITZ reduce the nitrogen emissions from steel and aluminum works. The burners are based on the principle of flue gas circulation and dilution of the reaction media. With an optimized mix and distribution of fuel, combustion air and flue gas, the peak temperatures of the flame drop. As a result, much less nitrogen oxide is produced here than in conventional burners. ANDRITZ uses this technology both in conventional side wall burners and in consumption-optimized regenerative burners.

## SEPARATION

In the SEPARATION business area, the current developments in sustainable technologies are also aimed at reducing energy consumption (electricity, heat) in new plants and increasing economic efficiency as a result. The demand for services to extend the life cycle of existing machinery and plants is also rising significantly.

ANDRITZ SEPARATION has expanded its product portfolio significantly by developing a new separator product line for olive oil. Thanks to the constant temperature in the separator at all times, the high quality required in the olive oil is ensured. The stainless steel drum guarantees the highest conditions possible, and the cleaning costs are low because the automatic cleaning cycle ensures that the drum does not have to be disassembled for cleaning purposes.

The new separator does not use any water as the small amount of water in the olive oil mix is already sufficient for the separation process used, thus no additional water need be added to improve the separation result. Thanks to the effectiveness of the separation process, the separator also provides higher productivity with less energy consumption and lower spare part costs.

The newly developed CentriTune automation solution is a complete control system for all ANDRITZ decanter centrifuges and can be assembled in modules. The easy-to-use system controls the speed and torque, among other things, and meets all safety-relevant requirements.

The new zero-access safety package for the ANDRITZ Gouda drum dryer reduces the risk of accidents by including barriers or caps for peeler knives and improves operability. This also has a positive impact on the operating costs. The solution was developed in close cooperation with a customer.

ANDRITZ Feed & Biofuel Technologies has launched a new paddle mixer on the market, extending the existing series. The OptiMix 4000 mixes up to 30 batches per hour and is thus three times faster than other mixers available to date. Thanks to its design features, the mixer is also extremely clean and easy to maintain. As a special self-cleaning feature, the rotor changes direction between each batch, ensuring that all surfaces are kept clean by the material being mixed. Furthermore, the arrangement of the nozzles directly in the inlet ensures that they are also wiped clean while each batch is loaded. The new model has already won several awards at specialized fairs as the most innovative or visually attractive machine. The market release of another innovation – the OptiMix 8000 – is scheduled for 2016, and the entire series should be ready for the market by the summer of 2016.

In the pet food sector, ANDRITZ Feed & Biofuel Technologies has developed new machinery that can produce pellets with up to four different colors and shapes on only one extruder. The first successful test run has already been completed, and work is currently continuing to develop a prototype to be used in a customer's plant.

Improving performance of the presses for biofuel is also a regular part of research and development work. The developments made in this sector in 2015 ensure that the main wear parts will have a longer life cycle.

### Corporate Governance report

The Corporate Governance report is available in the following section or on the ANDRITZ website [www.andritz.com](http://www.andritz.com).

### Significant events after reporting period

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.

## OUTLOOK

According to economic experts, the global economy will continue to grow slightly again in 2016. Hence, the Gross Domestic Product (GDP) is expected to increase by 2.8% in the USA and by 2.1% in Europe. Another slight slowdown in economic growth to 6.5% is forecast for China, and only minor economic growth is expected for Brazil following a recession in 2015.

The prospects for the ANDRITZ business areas are largely unchanged compared to the preceding year. A continuing difficult environment is anticipated in the HYDRO business area as a result of the unchanged low electricity and energy prices. Many modernization projects are still postponed or stopped temporarily. Some larger, new hydropower projects are currently being planned, but award of these projects is expected only in the medium to long term. In the PULP & PAPER business area, good project activity is expected to continue, however below the level of the previous year. Continuing subdued investment activity is expected in the metalforming sector (Schuler, METALS business area) in the 2016 business year. As a result of the weak demand in the automotive industry in China, most car manufacturers and suppliers have postponed or put on hold their investment decisions for the time being; in the stainless steel/steel strip production segment, a low investment activity is expected to continue. The SEPARATION business area is also expected to see an unchanged moderate project activity comparing to the previous year.

Internally, ANDRITZ will continue to focus on cost discipline and optimization of organizational and cost structures in 2016. In the Schuler Group, the measures adopted in 2015 to optimize the value chain will be implemented.

Based on the expectations mentioned above for development of the global economy and of project and investment activity in the ANDRITZ business areas, and also based on the order backlog as of the end of 2015, the ANDRITZ GROUP expects to see a satisfactory business development in the 2016 business year.

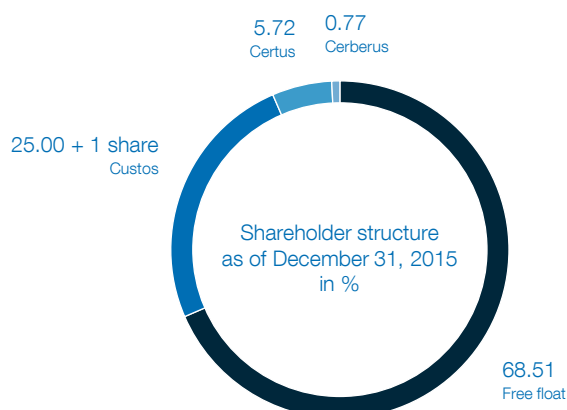
However, if – contrary to general expectations – the global economy suffers setbacks in 2016, this could have a negative impact on ANDRITZ's business development. This may lead to organizational and capacity adjustments and, as a result, to financial provisions that could have a negative effect on earnings.

## SHARES AND SHAREHOLDER STRUCTURE

### Disclosure according to Article 243a of the Austrian Commercial Code (Unternehmensgesetzbuch – UGB)

The capital stock of ANDRITZ AG as of December 31, 2015 amounted to 104,000,000 EUR. The proportionate amount of the capital is 1.00 EUR per no-par value share. There are no limitations concerning the voting rights or the transfer of shares.

ANDRITZ has a very stable and well-balanced long-term shareholder structure. With a free float of just under 70%, national and international institutional investors and private investors comprise the majority of shareholders. These include FMR LLC (Fidelity Management & Research, a Boston, Massachusetts-based investment company founded in 1946) holding 6.7% and The Capital Group Companies, Inc. (an investment firm founded in 1931 with headquarters in Los Angeles, California) holding 3.96%. The majority of institutional investors come from the UK, USA, Austria, and Germany, while most private investors are from Austria and Germany. Custos Vermögensverwaltungs GmbH (Custos) owns 25% plus one share, while Cerberus Vermögensverwaltung GmbH (Cerberus) holds 0.77%. Some of the shares in these companies are held directly and some indirectly by Custos Privatstiftung and by Wolfgang Leitner, CEO of ANDRITZ AG, respectively. Certus Beteiligungs-GmbH (Certus), whose shares are owned indirectly by Manile Privatstiftung, holds 5.721%.



On March 25, 2015, the Austrian Takeover Commission notified ANDRITZ AG of the decision regarding the review procedure pursuant to Section 33 of the Austrian Takeover Act. The object of the procedure was to review whether there was wrongfully no mandatory takeover offer submitted (Section 22 et seq. of the Austrian Takeover Act) in connection with the reorganization measures implemented by the core shareholders of ANDRITZ AG in August 2014, particularly by Custos Privatstiftung and Certus Beteiligungs-GmbH, and in connection with re-transition of a securities loan for ANDRITZ AG shares existing since 2004. The Takeover Commission stated that the shares held by Certus Beteiligungs-GmbH are attributable to Custos Privatstiftung according to takeover law, but that there was no infringement regarding the mandatory takeover offer obligation, thus no mandatory takeover offer had to be submitted. With a few exceptions, Custos Privatstiftung is allowed to exercise the voting rights of between 26 and 30%, which it is assigned under takeover law, at least until June 30, 2018.

At present, there is no authorized capital. On March 22, 2013, the Annual General Meeting authorized the Executive Board to buy back up to 10% of the total shares of ANDRITZ AG between October 1, 2013 and March 31, 2016. At the beginning of October 2013, the Executive Board of ANDRITZ AG decided to make use of this authorization and buy back shares between November 12, 2013 and March 31, 2016. There is no authorization of the members of the Executive Board – especially regarding the possibility to issue or buy back shares – that does not result directly from legal stipulations.

As far as is known to the company, there are no holders of shares with special controlling rights. Employees exercise their voting rights directly. Furthermore, there are no stipulations regarding the appointment and removal of the members of the Executive Board and the Supervisory Board, nor regarding modifications of the company's Articles of Association that do not result directly from legal stipulations.

There are no significant agreements in which the company participates that would become effective, would change, or end in the event of a change in the control of the company following a takeover bid.

According to the terms of the ANDRITZ corporate bond 2012-2019 issued in July 2012, all holders of a bond are entitled to accelerate maturity of their bonds and to require immediate repayment at the nominal value plus any interest accumulated up to the day of repayment in the event of a change of control by a large new shareholder and this change of control leading to a substantial impairment of the issuer's ability to fulfill its obligations from the bond.

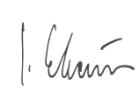
Compensation agreements exist between the company and members of its Executive Board in the event of a change of control. No such compensation agreements exist for the members of the Supervisory Board or any employees.


Graz, February 22, 2016

The Executive Board of ANDRITZ AG

  
Wolfgang Leitner  
President and CEO

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

  
Joachim Schönbeck  
PULP & PAPER  
(Capital Systems),  
METALS

  
Wolfgang Semper  
HYDRO

**Disclaimer:**

Certain statements contained in the annual financial report 2015 and in the annual report 2015 constitute "forward-looking statements." These statements, which contain the words "believe," "intend," "expect," and words of a similar meaning, reflect the Executive Board's beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially. As a result, readers are cautioned not to place undue reliance on such forward-looking statements. The company disclaims any obligation to publicly announce the result of any revisions to the forward-looking statements made herein, except where it would be required to do so under applicable law.

The annual financial report 2015 and the annual report 2015 contain assumptions and forecasts which were based on the information available up to the copy deadline on February 22, 2016. If the premises for these assumptions and forecasts do not occur, or risks indicated in the chapter "corporate risks" and in the management report in the annual financial report 2015 do arise, actual results may vary from the forecasts made in the annual financial report 2015 and the annual report 2015. Although the greatest caution was exercised in preparing data, all information related to the future is provided without guarantee.

# CORPORATE GOVERNANCE REPORT

The present report explains the structures, processes, and rules implemented with respect to financial management and towards shareholders, which ANDRITZ obeys in the corporate governance sector. As a publicly listed company with headquarters in Austria, the formal framework for corporate governance is derived from Austrian law, the articles of association, and the rules of procedure for the corporate bodies, as well as the Austrian Code of Corporate Governance.

## **Commitment to the Austrian Corporate Governance Code**

ANDRITZ has adopted the rules of conduct laid down in the Austrian Code of Corporate Governance without restriction and regards the Code as an essential requirement for implementation of responsible company management, which is directed towards creating sustainable and long-term added value and a high degree of transparency for shareholders and other stakeholders. The Executive Board and the Supervisory Board, as well as the entire staff of the ANDRITZ GROUP, are committed to complying with the Code.

The Austrian Code of Corporate Governance applicable to the business year (January 2015 edition) is publicly accessible and available on the website of the ANDRITZ GROUP at [www.andritz.com](http://www.andritz.com) as well as on the website of the Austrian Working Group for Corporate Governance at [www.corporate-governance.at](http://www.corporate-governance.at).

The Austrian Code of Corporate Governance is based on a voluntary commitment and goes beyond the legal requirements for corporations. ANDRITZ obeys the rules of the Code almost entirely. In the interests of the basic principle of "Comply or Explain" in the code, ANDRITZ justifies its non-observance or non-compliant observance of those rules that go beyond the legal requirements (so-called C-rules) as follows:

**Rule 27 and Rule 30** (Disclosure of the basic principles of the remuneration system for the Executive Board): The variable portion is based exclusively on the net income; there are no non-financial criteria that impact the extent of the variable remuneration. The ANDRITZ GROUP operates in business areas that show considerable differences in some respects, this is why it is not possible to define uniform non-financial criteria for the entire Group. This fulfills the requirements of the objectivity and clear traceability concepts. The sustainability aspect was taken into account in designing the stock option program.

### Composition of the Executive Board

The Executive Board of ANDRITZ AG was composed of four members as of December 31, 2015. The Executive Board mandate of Friedrich Papst, who was responsible for the HYDRO (Pumps) and SEPARATION (Feed and Biofuel technologies) business areas, as well as having Group-wide responsibility for Manufacturing and Procurement, ended on March 31, 2015.

Name (date of birth)	Function	Date of first appointment to the Executive Board	End of current mandate	Supervisory Board mandates in other companies in Austria and abroad
Wolfgang Leitner (March 27, 1953)	President & CEO	October 1, 1987 (CFO) June 29, 1994 (President & CEO)	June 28, 2018	Schuler AG; Haas Beteiligungs- und Management GmbH; Haas Food Equipment GmbH; Franz Haas Vermögens- und Beteiligungs Aktiengesellschaft; HBB Haas Beratung und Beteiligungen GmbH
Humbert Köfler (January 11, 1961)	Member of the Executive Board	April 1, 2007	March 31, 2020	None
Joachim Schönbeck (January 30, 1964)	Member of the Executive Board	October 1, 2014	September 30, 2017	Westag & Getalit AG
Wolfgang Semper (March 9, 1958)	Member of the Executive Board	April 1, 2011	March 31, 2019	None

#### Wolfgang Leitner

Areas of responsibility:

Central Group functions such as Human Resources Management, Controlling and Accounting, Treasury, Corporate Communications, Investor Relations, Internal Auditing, Information Technology, and Manufacturing Management

Professional career:

Member of the Managing Board of AGIV AG, founder and President of GENERICON Pharma GmbH, Management Consultant at McKinsey & Company, Research Chemist at Vianova/HOECHST

#### Humbert Köfler

Areas of responsibility:

PULP & PAPER (Service & Units) and SEPARATION, as well as Group Procurement Management

Professional career:

Head of the Paper Mill Services division at ANDRITZ AG, Head of the Mechanical Pulping Systems division at ANDRITZ AG, Regional Sales Manager at ANDRITZ Sprout-Bauer GmbH, Export Marketing Manager at Biochemie GmbH



**Joachim Schönbeck**

Areas of responsibility:

PULP & PAPER (Capital systems), METALS as well as Group-wide Quality and Safety Management

Professional career:

Spokesman of SMS Holding GmbH and Chairman of the Management Board of SMS Meer GmbH, management positions at SMS Group, Siemens, and Mannesmann

**Wolfgang Semper**

Areas of responsibility:

HYDRO (except the Pumps division) and Group-wide Automation

Professional career:

President of ANDRITZ HYDRO GmbH and Head of the Large Hydro division of the HYDRO business area, management functions at VA TECH VOEST MCE and Voest-Alpine MCE, Technical Calculations Engineer at Voest-Alpine AG

**Composition of the Supervisory Board**

The ANDRITZ AG Supervisory Board consists of six appointed members and three delegated members.

Fritz Oberlerchner and Kurt Stiasny were re-elected as members of the Supervisory Board of ANDRITZ AG by the Annual General Meeting of Shareholders in March 2015 for the 5-year maximum period allowed by the Articles of Association.

<b>Name (date of birth)</b>	<b>Function</b>	<b>Date of first appointment to the Supervisory Board</b>	<b>End of current mandate</b>	<b>Supervisory Board mandates in other listed companies in Austria and abroad</b>
<b>Appointed members:</b>				
Christian Nowotny (July 23, 1950)	Chairman of the Supervisory Board	December 29, 1999	Until the Annual General Meeting in 2017	Schuler AG
Klaus Ritter (April 20, 1940)	Deputy-Chairman of the Supervisory Board	March 30, 2004	Until the Annual General Meeting in 2016	None
Ralf Dieter (March 25, 1961)	Member of the Supervisory Board	March 21, 2014	Until the Annual General Meeting in 2019	Homag Group AG (Chairman); Schuler AG
Monika Kircher (July 8, 1957)	Member of the Supervisory Board	March 21, 2014	Until the Annual General Meeting in 2019	None
Fritz Oberlerchner (June 16, 1948)	Member of the Supervisory Board	March 29, 2006	Until the Annual General Meeting in 2015	STRABAG AG, Cologne
Kurt Stiasny (October 6, 1950)	Member of the Supervisory Board	December 29, 1999	Until the Annual General Meeting in 2015	None

<b>Name (date of birth)</b>	<b>Function</b>	<b>Date of first appointment to the Supervisory Board</b>	<b>End of current mandate</b>	<b>Supervisory Board mandates in other listed companies in Austria and abroad</b>
<b>Delegated members:</b>				
Georg Auer (October 12, 1974)	Member of the Supervisory Board	July 1, 2011		None
Isolde Findenig (April 1, 1956)	Member of the Supervisory Board	January 1, 2012		None
Andreas Martiner (November 11, 1964)	Member of the Supervisory Board	February 14, 2001		None

#### Information relating to the independence of the Supervisory Board

Regarding the independence criteria, the Supervisory Board of ANDRITZ AG follows the guidelines laid down in the Corporate Governance Code. According to these guidelines, it is assumed that members are not independent if they belong to the supervisory board for more than 15 years. This applies to Christian Nowotny and Kurt Stiassny. Nevertheless, both have confirmed that they perform their duties entirely independently. Irrespective of this, more than 75% of the Supervisory Board are independent members. No member of the Supervisory Board of ANDRITZ AG holds more than 10% of the total shares.

#### Disclosure of information on the remunerations of the Executive Board and Supervisory Board

The remuneration report explains the extent and structure of the remunerations paid to members of the Executive Board and of the Supervisory Board of ANDRITZ AG.

#### Executive Board remunerations

The Executive Board remunerations in the 2015 business year amounted to 9,625,399 EUR (2014: 8,398,462 EUR) and are divided as follows:

<i>(in EUR)</i>	<b>Fixed</b>	<b>Variable</b>	<b>Other remunerations</b>	<b>Total</b>
Wolfgang Leitner (President and CEO)	800,000	2,899,870	10,512	3,710,382
Humbert Köfler	348,929	1,452,350	9,441	1,810,720
Joachim Schönbeck	400,000	1,144,987	7,784	1,552,771
Wolfgang Semper	375,000	1,464,162	10,329	1,849,491
Friedrich Papst (retired from the Executive Board as of March 31, 2015)	68,637	607,750	25,648	702,035

Friedrich Papst received – due to retirement from the Executive Board – a severance payment of 1,609,143 EUR.

#### Basic principles of the remuneration policy

The principles applied in establishing the remuneration of the Executive Board and of senior managers comply almost entirely with the Austrian Code of Corporate Governance.

The remuneration of the Executive Board is composed of a fixed and a variable/success-based portion, which depends on the net income generated. The maximum value for the variable annual remuneration was fixed at three times the fixed annual remuneration. Any amounts in excess of this sum will be credited as a variable remuneration for the following years. If the net income of the Group falls short of a defined minimum amount, this results in a 'malus' that is also carried forward to the following years and in a reduction in future variable salary components. The other remunerations relate primarily to taxable benefits in kind for company cars.

In all share option programs for managerial staff and the Executive Board since the IPO, participation was contingent on investing at least 20,000 EUR in ANDRITZ shares for managerial staff and 40,000 EUR for members of the Executive Board not later than the allocation date of the options. This investment must be maintained continuously until exercise of the options by those persons subscribing to the option program and evidence thereof must be brought when the options are exercised. There is a waiting period of three years before options can be exercised if the contract of employment is still in force (exception: end of employment contract as scheduled according to contract provisions).

No options were exercised by Executive Board Members in the 2015 business year.

The members of the Executive Board are entitled to receive pension scheme benefits. In addition to a retirement pension, these include benefits in the event of occupational disability, as well as pension payments for dependents following the death of the beneficiary. The retirement pension is normally paid as from a certain age provided that the employment contract has already been terminated by this date. The administration work has been outsourced to a pension fund. The pension contracts are based predominantly on a defined contribution system. In the event that the employment contract is terminated prematurely, contributions made up to this point shall still be vested. The pension amount to which the beneficiary is entitled is not subject to an escalation clause before any benefits become payable; after this, annual adjustments can be made to take account of the development in wages and salaries and of ANDRITZ's economic status.

Each member of the Executive Board shall, upon termination of his/her function and concurrent termination of employment, be entitled to severance payments in the meaning of Article 23 of the Austrian Employees Act unless such termination is the result of justified dismissal.

ANDRITZ AG took out Directors' and Officers' liability insurance (D&O insurance) for 2015. The expenses are borne by the company. The D&O insurance covers certain personal liability risks of persons in the ANDRITZ GROUP acting under responsibility. The annual cost is approximately 200,000 EUR.

#### Supervisory Board remunerations

Subject to approval by the Annual General Meeting, the Supervisory Board remunerations (including attendance fees) for the 2015 business year amount to a total of 285,000 EUR (2014: 295,000 EUR) and are divided between the individual Supervisory Board members as follows:

<i>(in EUR)</i>	<b>Remuneration (including attendance fees)</b>
Christian Nowotny (Chairman of the Supervisory Board)	72,500
Klaus Ritter (Deputy Chairman of the Supervisory Board)	57,500
Ralf Dieter	32,500
Monika Kircher	40,000
Fritz Oberlerchner	42,500
Kurt Stiassny	40,000

No Supervisory Board remuneration was paid to the Supervisory Board members delegated by the employee representative organizations.

The remuneration scheme of the Supervisory Board is composed of a fixed and an attendance-related portion. The fixed portion is a global sum, which is to be distributed such that the chairman of the Supervisory Board receives double the amount and his deputy one-and-a-half-times the amount paid to the other members. The second portion consists of a lump sum fee paid in respect of each meeting that the member attends.

The remuneration report for the Executive Board and the Supervisory Board of ANDRITZ AG is available in the notes to the consolidated financial statements.

#### Working procedures for the Executive Board and the Supervisory Board

##### Allocation of competencies in the Executive Board

The Executive Board of ANDRITZ AG holds board meetings at regular intervals on essential, Group-relevant topics and single business areas. The competencies and responsibilities of the individual Executive Board members are listed in the notes on the Executive Board members in this Corporate Governance report. The rules of procedure for the Executive Board contain a comprehensive catalog of those business transactions requiring the prior approval of the Supervisory Board in addition to those stated in the mandatory regulations in the Corporation Act.

##### Supervisory Board committees

The Supervisory Board of ANDRITZ AG established an audit committee that held two meetings to deal with the annual and consolidated financial statements for 2015, prepare the review of the annual and consolidated financial statements for 2015 and of the proposal for distribution of profits, additionally to deal with issues concerning the auditor, and implementation of the internal control and risk management systems in the ANDRITZ GROUP.

The Supervisory Board has also established a nomination and remuneration committee that held two meetings in 2015 and whose scope of activities includes the remuneration paid to the Executive Board members and the content of their employment contracts, as well as appointments to Executive and Supervisory Board positions that become vacant, and succession planning matters.

The ANDRITZ AG Supervisory Board held five regular meetings in the 2015 business year (four regular meetings, one constituent meeting). The focal points of these meetings were monitoring of the current business development of the ANDRITZ GROUP, including possible deviations from the budget, the strategic goals, medium-term planning for the individual business areas, as well as specific topics, such as acquisitions of companies, granting of joint procurations, and other business subject to approval. The chairman and deputy-chairman receive a monthly report on the main developments. One business area is presented at each of the regular Supervisory Board meetings and this business area's strategy is discussed. A comprehensive report on Group-wide compliance is provided at one of the Supervisory Board meetings; this meeting also deals with the results of internal audits, and any measures resulting from these audits are presented and discussed.

Committee	Members
Audit committee	<ul style="list-style-type: none"> <li>▪ Christian Nowotny (Chairman)</li> <li>▪ Klaus Ritter (Deputy-Chairman)</li> <li>▪ Monika Kircher</li> <li>▪ Andreas Martiner</li> </ul>
Nomination and remuneration committee	<ul style="list-style-type: none"> <li>▪ Christian Nowotny (Chairman)</li> <li>▪ Klaus Ritter (Deputy-Chairman)</li> <li>▪ Fritz Oberlerchner</li> </ul>

#### Auditors

Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, was selected as independent auditor for the 2015 financial statements and the consolidated financial statements by the 108th Annual General Meeting of ANDRITZ AG, which was held on March 26, 2015.

#### Measures to promote the appointment of women to the Executive Board, the Supervisory Board, and to management posts

The Executive Board has no female members. The Supervisory Board has two female members, thus the proportion of women is approximately 22%. There are women in management functions in the first and second reporting levels in numerous sectors. The proportion of women in the total workforce was 15.8% (2014: 15.4%) as of December 31, 2015.

The ANDRITZ GROUP supports and encourages the appointment of women, particularly in technical sectors. In many countries, ANDRITZ is frequently confronted with the situation that there are still far fewer women than men in technical professions or completing university studies on technical subjects.

Thus, ANDRITZ supports various initiatives to encourage women to opt for a technical profession or take a degree in a technical subject. These initiatives include participating regularly in various events like recruiting and job orientation days for young women at universities. ANDRITZ also takes measures and makes investments to improve employees' work-life balance. The company-run nursery school set up beside the headquarters of the ANDRITZ GROUP in Graz and the flexible working hours available to employees with young children are two examples of these measures. When creating office space as part of new building projects, consideration is always given to the establishment of child care facilities for the children of employees. In addition, considerable attention is paid to maintaining a strict equal opportunities policy in the recruitment process. In its efforts to promote female employees, ANDRITZ will refrain from any measures that would discriminate against male employees.

#### Internal auditing

The Internal Auditing Group function, which reports directly to the President & CEO of the ANDRITZ GROUP, conducts comprehensive audits on companies on the basis of a comprehensive risk analysis and the requirements of the Executive Board. The aim of these audits is to ensure compliance with Group guidelines and sound economic principles and to highlight potential for improvement in the work processes. A two-year plan for routine audits is prepared every year; in suspicious circumstances, audits are also conducted without warning in certain cases. The goal is to evaluate risk management, internal controls, and business management processes in order to ensure as far as possible that business risks are identified adequately and dealt with in an appropriate manner. In the 2015 business year, Internal Auditing conducted 45 audits worldwide (2014: 40 audits), the results of which were presented to the ANDRITZ Executive Board in the form of audit reports and to the

members of the Supervisory Board in a summarized form. The audit reports also contain specific recommendations for action to be taken.

### Compliance

ANDRITZ has a Group-wide Compliance Committee consisting of five members from the Legal, Human Resources, Controlling, and Investor Relations departments. As an independent Group function, it reports directly to the President and CEO. In addition, eight regional compliance officers and one compliance manager assist the committee in its work. The compliance committee reports in detail twice a year to the Executive Board on important events and measures.

The goal of compliance activities is to update the existing rules within the company on the topics of anti-corruption, anti-trust laws, anti-discrimination, bans on insider trading, export controls, and data protection, as well as monitoring this compliance and providing training on these topics. In addition, current topics and trends in the compliance sector should be taken up promptly and implemented in suitable actions and/or new rules. All compliance documents are summarized in the Corporate Manual, which is available to all employees in the company's intranet and serves for reference purposes on all important information relating to basic business principles and processes and is available Group-wide. The regional compliance officers are available to employees on the spot as direct contacts and training instructors.

ANDRITZ employees are requested to report any suspected violations of compliance regulations immediately. An electronic mailbox for compliance matters has been set up for this purpose and is reviewed by the members of the committee under strictest confidentiality. Furthermore, a whistle-blowing hotline is available to employees in the USA so that they can report information on potential violations immediately and anonymously. By the end of the first half of 2016, an online-based whistleblowing system is planned to be implemented Group-wide to enable employees and other ANDRITZ stakeholders to report violations in compliance matters, such as bribery, insider trading, anti-competitive conduct, violation of trade secrets etc., in an absolutely confidential way.

### ANDRITZ Code of Business Conduct and Ethics

The ANDRITZ GROUP is committed to integrity, respect, reliability, and sustainability. In view of the Group's growth in the past few years and in order to ensure that the common values, requirements, and guidelines are understood and obeyed by all employees, all other persons who represent ANDRITZ, but also by business partners such as customers and suppliers, ANDRITZ uses a Code of Business Conduct and Ethics, that applies Group-wide. The code summarizes the basic business principles and the rules of conduct of the ANDRITZ GROUP in areas of activity with five important stakeholder groups: employees, customers and competitors, business partners and shareholders, local authorities, and governments and legislators.

All employees, including temporary staff, must obey this code. We also expect contractors, suppliers, consultants, representatives, agents, and others who may be temporarily assigned to work for ANDRITZ to comply with this Code in connection with any work or services performed on our behalf. A common understanding of correct business conduct is considered an important foundation for further corporate development, as well as in developing solutions for our customers, providing profitable growth to our shareholders or creating and maintaining a rewarding work environment for employees. The code is also an essential element in subcontracting work to suppliers and in daily collaboration with suppliers.

Compliance with the guide is reviewed primarily by the Compliance Group function, which reports to the Executive Board. Non-compliance with the code by employees can have serious consequences and lead to disciplinary measures up to and including termination of employment and even to criminal prosecution in certain instances. The consequences of non-compliance with the code on the part of suppliers, consultants or other service providers vary according to the extent and seriousness of the violation.

### External evaluation of the corporate governance report

ANDRITZ AG has not yet had an external evaluation conducted on compliance with the provisions of the Austrian Code of Corporate Governance. However, there are plans to arrange for such an external evaluation in the next few years in accordance with the provisions of the Austrian Corporate Governance code.

Graz, February 2016

The Executive Board of ANDRITZ AG

Wolfgang Leitner m.p.  
(President and CEO)

Humbert Köfler m.p.

Joachim Schönbeck m.p.

Wolfgang Semper m.p.

## REPORT OF THE SUPERVISORY BOARD

The Supervisory Board and the Executive Board held five meetings (four regular meetings, one constituent meeting) during the reporting period for in-depth discussions on the economic situation and strategic development of the company, as well as on major events, capital expenditures, and other measures. In the course of regular reporting and in all meetings, the Executive Board informed the Supervisory Board extensively in writing and verbally, by means of detailed reports on the business and financial situation of the Group and its affiliates, as well as on topics regarding human resources, medium-term planning, capital expenditure, and acquisition projects. Additional information was provided on special occurrences. The Chairman of the Supervisory Board and the Chief Executive Officer were also in regular contact to review the company's strategy and business development.

The Presidium of the Supervisory Board acted on behalf of the company in matters concerning the Executive Board. The nomination and remuneration committee dealt in two meetings with matters relating to the Executive Board. Only one member did not participate in more than half of the meetings.

Specific topics were discussed in two meetings in depth by the audit committee and subsequently reported on to the Supervisory Board. All members of the audit committee attended the committee meetings.

With regard to the financial statements for 2014, the audit committee called in the annual auditor to attend its meeting on March 4, 2015 in order to review the financial statements, consolidated financial statements, the status report, and the Executive Board's proposal for appropriation of profits. In addition, a statement was drawn up on the auditor designated for the 2015 business year, his legal relationship with the ANDRITZ GROUP and the members of its Boards was verified, the auditing fees were negotiated, and a recommendation for the auditor appointment was made. Further items on the agenda were the auditor's report on the function of the risk management system in the company, a report on the Internal Auditing department, and the compliance report.

At the meeting of the audit committee held on December 3, 2015, the Supervisory Board – with the auditor also present – discussed organization, scheduling, and auditing of the 2015 financial statements, as well as a report by the Executive Board on the form and functioning mode of the internal control system and the Internal Auditing department.

The mandates of Kurt Stiassny and Fritz Oberlerchner expired at the end of the Annual General Meeting on March 26, 2015. Following the recommendation by the Supervisory Board, both were re-elected to the Supervisory Board by the Annual General Meeting until the end of the Annual General Meeting in 2020. At the Supervisory Board meeting on March 26, 2015 after the Annual General Meeting and held on the same day, Christian Nowotny was elected Chairman of the Supervisory Board and Klaus Ritter as Deputy-Chairman. Christian Nowotny (Chairman) and Klaus Ritter (Deputy-Chairman) were elected as members of the audit committee, as were Monika Kircher and Andreas Martiner. Christian Nowotny, Klaus Ritter, and Fritz Oberlerchner were elected as members of the nomination and remuneration committee.

The financial statements and management report of ANDRITZ AG and the consolidated financial statements for 2015 drawn up according to IFRS were audited (including the accounts) and certified by Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, who had been appointed as auditors by the Annual General Meeting. The Supervisory Board examined the documents in accordance with Article 96 of the Corporation Act and approved the financial statements, which are hereby adopted in accordance with Article 96, para. 4, of the Corporation Act; the Supervisory Board also examined and approved the Executive Board's proposal for distribution of profits. The final results of the audits conducted did not give rise to any objections.

Friedrich Papst, a long-standing member of the Executive Board, withdrew from the Executive Board on March 31, 2015 to enjoy his well-earned retirement. The Supervisory Board thanks Friedrich Papst for his many years of service for the ANDRITZ GROUP, which were marked by his specialist knowledge and sense of responsibility.

Graz, February 2016

Christian Nowotny m.p.  
Chairman of the Supervisory Board

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# CONSOLIDATED INCOME STATEMENT

## For the 2015 financial year

<i>(in TEUR)</i>	<i>Notes</i>	<b>2015</b>	<b>2014</b>
<b>Sales</b>	<b>1.</b>	<b>6,377,220</b>	<b>5,859,269</b>
Changes in inventories of finished goods and work in progress		-12,936	-1,460
Capitalized cost of self-constructed assets		5,241	4,522
		<b>6,369,525</b>	<b>5,862,331</b>
Other operating income	2.	133,421	122,141
Cost of materials	3.	-3,377,301	-3,154,951
Personnel expenses	4.	-1,698,601	-1,573,972
Other operating expenses	5.	-892,319	-783,552
<b>Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)</b>		<b>534,725</b>	<b>471,997</b>
Depreciation, amortization, and impairment of intangible assets and property, plant, and equipment	6.	-150,375	-170,549
Impairment of goodwill	11.	-15,273	-5,747
<b>Earnings Before Interest and Taxes (EBIT)</b>		<b>369,077</b>	<b>295,701</b>
Expense from associated companies		-95	-65
Interest income		41,824	36,763
Interest expenses		-32,478	-37,662
Other financial result		-1,968	4,635
<b>Financial result</b>	<b>7.</b>	<b>7,283</b>	<b>3,671</b>
<b>Earnings Before Taxes (EBT)</b>		<b>376,360</b>	<b>299,372</b>
Income taxes	8.	-105,989	-89,385
<b>NET INCOME</b>		<b>270,371</b>	<b>209,987</b>
Thereof attributable to:			
Shareholders of the parent		267,688	210,874
Non-controlling interests		2,683	-887
Weighted average number of no-par value shares		102,977,789	103,606,533
Basic earnings per no-par value share (in EUR)	9.	2.60	2.04
Effect of potential dilution of share options		120,426	284,720
Weighted average number of no-par value shares and share options		103,098,215	103,891,253
Diluted earnings per no-par value share (in EUR)	9.	2.60	2.03
Proposed or paid dividend per no-par value share (in EUR)	23.	1.35	1.00



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## For the 2015 financial year

<i>(in TEUR)</i>	<i>Notes</i>	<b>2015</b>	<b>2014*</b>
<b>NET INCOME</b>		<b>270,371</b>	<b>209,987</b>
<b>Items that may be reclassified to profit or loss:</b>			
Currency translation adjustments		16,648	35,272
Reclassification to profit or loss		0	-9
<b>Currency translation adjustments</b>		<b>16,648</b>	<b>35,263</b>
Result from available-for-sale financial assets		36,264	26,020
Reclassification to profit or loss		-291	-54
Related income taxes		-5,360	-3,913
<b>Result from available-for-sale financial assets, net of tax</b>	<i>L/</i>	<b>30,613</b>	<b>22,053</b>
Result from cash flow hedges		865	-5,240
Reclassification to profit or loss		0	-273
Related income taxes		-497	1,677
<b>Result from cash flow hedges, net of tax</b>	<i>L/</i>	<b>368</b>	<b>-3,836</b>
<b>Items that will not be reclassified to profit or loss:</b>			
Actuarial gains/losses		17,101	-78,219
Related income taxes		-4,415	18,867
<b>Actuarial gains/losses, net of tax</b>	<i>26.</i>	<b>12,686</b>	<b>-59,352</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>60,315</b>	<b>-5,872</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>330,686</b>	<b>204,115</b>
Thereof attributable to:			
Shareholders of the parent		328,341	205,584
Non-controlling interests		2,345	-1,469

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## As of December 31, 2015

<i>(in TEUR)</i>	<i>Notes</i>	<b>2015</b>	<b>2014*</b>	<b>January 1, 2014</b>
<b>ASSETS</b>				
Intangible assets	10.	203,397	242,593	309,458
Goodwill	11.	528,515	538,475	530,067
Property, plant, and equipment	12.	715,394	715,255	673,479
Shares in associated companies	13.	0	0	0
Other investments	14.	140,585	98,845	45,649
Trade accounts receivable	15.	11,450	62,522	16,849
Cost and earnings of projects under construction in excess of billings	19.	0	25,634	0
Other receivables and assets	16.	62,105	111,738	75,338
Deferred tax assets	8.	183,284	212,406	200,318
<b>Non-current assets</b>		<b>1,844,730</b>	<b>2,007,468</b>	<b>1,851,158</b>
Inventories	17.	665,419	693,234	673,761
Advance payments made	18.	126,664	150,207	152,786
Trade accounts receivable	15.	735,375	705,819	620,821
Cost and earnings of projects under construction in excess of billings	19.	711,062	476,549	509,534
Other receivables and assets	16.	335,415	350,339	376,368
Marketable securities	20.	103,618	154,294	159,107
Cash and cash equivalents	21.	1,255,746	1,457,335	1,227,860
<b>Current assets</b>		<b>3,933,299</b>	<b>3,987,777</b>	<b>3,720,237</b>
<b>TOTAL ASSETS</b>		<b>5,778,029</b>	<b>5,995,245</b>	<b>5,571,395</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Share capital		104,000	104,000	104,000
Capital reserves		36,476	36,476	36,476
Retained earnings		1,057,557	881,078	759,261
<b>Equity attributable to shareholders of the parent</b>		<b>1,198,033</b>	<b>1,021,554</b>	<b>899,737</b>
Non-controlling interests		17,543	16,721	29,743
<b>Total shareholders' equity</b>	<b>23.</b>	<b>1,215,576</b>	<b>1,038,275</b>	<b>929,480</b>
Bonds	24.	364,984	370,130	510,658
Bank loans and other financial liabilities	24.	74,785	44,803	44,483
Obligations under finance leases	24.	15,018	14,564	15,324
Provisions	25./26.	606,262	548,840	438,563
Other liabilities	27.	62,414	59,910	54,374
Deferred tax liabilities	8.	159,168	141,815	159,040
<b>Non-current liabilities</b>		<b>1,282,631</b>	<b>1,180,062</b>	<b>1,222,442</b>
Bonds	24.	0	150,839	0
Bank loans and other financial liabilities	24.	27,633	75,907	63,004
Obligations under finance leases	24.	868	802	962
Trade accounts payable		478,464	493,436	453,219
Billings in excess of cost and earnings of projects under construction	19.	1,044,976	1,203,593	1,081,412
Advance payments received	28.	268,756	251,288	269,066
Provisions	25.	524,134	507,356	555,063
Liabilities for current taxes		24,926	46,470	39,622
Other liabilities	27.	910,065	1,047,217	957,125
<b>Current liabilities</b>		<b>3,279,822</b>	<b>3,776,908</b>	<b>3,419,473</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>5,778,029</b>	<b>5,995,245</b>	<b>5,571,395</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

## For the 2015 financial year

<i>(in TEUR)</i>	<i>Notes</i>	<b>2015</b>	<b>2014*</b>
<b>Earnings Before Taxes (EBT)</b>		<b>376,360</b>	<b>299,372</b>
Interest result	7.	-9,346	899
Depreciation, amortization, write-ups and impairment of fixed assets		165,648	176,296
Expense from associated companies	7.	95	65
Changes in provisions		81,286	-67,632
Losses/gains from the disposal of fixed and financial assets		206	-1,648
Other non-cash income/expenses		-4,660	6,415
<b>Gross cash flow</b>		<b>609,589</b>	<b>413,767</b>
Changes in inventories		38,431	5,751
Changes in advance payments made		21,115	5,039
Changes in receivables		81,821	-193,460
Changes in cost and earnings of projects under construction in excess of billings		-206,948	22,750
Changes in advance payments received		15,700	-23,782
Changes in liabilities		-156,665	54,403
Changes in billings in excess of cost and earnings of projects under construction		-143,234	102,674
<b>Change in net working capital</b>		<b>-349,780</b>	<b>-26,625</b>
Interest received		38,439	29,827
Interest paid		-22,635	-21,986
Taxes paid		-96,175	-52,911
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>179,438</b>	<b>342,072</b>
Payments received for asset disposals (including financial assets)		11,054	13,046
Payments made for property, plant, and equipment and intangible assets		-96,222	-106,450
Payments made for non-current financial assets		-30,604	-50,658
Acquisitions, net of cash acquired	29.	-10,141	-33,691
Payments received for current investments of cash and cash equivalents		158,002	123,414
Payments made for current investments of cash and cash equivalents		-89,320	-30,942
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>-57,231</b>	<b>-85,281</b>
Payments made for the redemption of bonds		-150,000	0
Repurchase of own corporate bonds		-3,406	0
Cash receipts from other financial liabilities		48,978	45,936
Repayments of other financial liabilities		-52,976	-13,990
Dividends paid by ANDRITZ AG	23.	-103,240	-51,907
Purchase of non-controlling interests	23.	-3,023	-4,529
Dividends paid to non-controlling interest holders	23.	-1,057	-1,436
Proceeds from re-issuance of treasury shares	23.	1,530	3,226
Purchase of treasury shares	23.	-38,801	-28,218
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>-301,995</b>	<b>-50,918</b>
<b>CHANGES IN CASH AND CASH EQUIVALENTS</b>		<b>-179,788</b>	<b>205,873</b>
Changes in cash and cash equivalents resulting from exchange rate fluctuation		-21,801	23,602
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>21.</b>	<b>1,457,335</b>	<b>1,227,860</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>21.</b>	<b>1,255,746</b>	<b>1,457,335</b>

\* Change in presentation compared to prior year.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## For the 2015 financial year

	Notes	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	Treasury shares	Total		
<i>(in TEUR)</i>											
<b>STATUS AS OF JANUARY 1, 2014</b>		<b>104,000</b>	<b>36,476</b>	<b>838,057</b>	<b>-381</b>	<b>-24,240</b>	<b>-45,718</b>	<b>-8,457</b>	<b>899,737</b>	<b>29,743</b>	<b>929,480</b>
Net income				210,874					210,874	-887	209,987
Other comprehensive income for the year*					18,347	-58,704	35,067		-5,290	-581	-5,871
<b>Total comprehensive income for the year</b>				<b>210,874</b>	<b>18,347</b>	<b>-58,704</b>	<b>35,067</b>		<b>205,584</b>	<b>-1,468</b>	<b>204,116</b>
Dividends	23.			-51,907					-51,907	-1,436	-53,343
Changes through deconsolidation				-830					-830		-830
Capital increase				11,868			-2,697		9,171	-8,033	1,138
Changes in treasury shares	23.			-1,641				-24,490	-26,131		-26,131
Changes concerning share option programs	23.			6,104					6,104		6,104
Transactions with non-controlling interests				-2,401		-4	-33		-2,438	-2,090	-4,528
Other changes				-17,642	-2	-53	-38		-17,735	5	-17,730
<b>STATUS AS OF DECEMBER 31, 2014*</b>		<b>104,000</b>	<b>36,476</b>	<b>992,482</b>	<b>17,964</b>	<b>-83,001</b>	<b>-13,419</b>	<b>-32,947</b>	<b>1,021,555</b>	<b>16,721</b>	<b>1,038,276</b>
<b>STATUS AS OF JANUARY 1, 2015</b>		<b>104,000</b>	<b>36,476</b>	<b>992,482</b>	<b>17,964</b>	<b>-83,001</b>	<b>-13,419</b>	<b>-32,947</b>	<b>1,021,555</b>	<b>16,721</b>	<b>1,038,276</b>
Net income				267,688					267,688	2,683	270,371
Other comprehensive income for the year					30,968	12,467	17,218		60,653	-338	60,315
<b>Total comprehensive income for the year</b>				<b>267,688</b>	<b>30,968</b>	<b>12,467</b>	<b>17,218</b>		<b>328,341</b>	<b>2,345</b>	<b>330,686</b>
Dividends	23.			-103,240					-103,240	-1,057	-104,297
Changes in treasury shares	23.			-1,040				-35,626	-36,666		-36,666
Changes concerning share option programs	23.			-9,222					-9,222		-9,222
Transactions with non-controlling interests				-1,609			-947		-2,556	-467	-3,023
Changes in consolidation type				44					44	1	45
Other changes				-223					-223		-223
<b>STATUS AS OF DECEMBER 31, 2015</b>		<b>104,000</b>	<b>36,476</b>	<b>1,144,880</b>	<b>48,932</b>	<b>-70,534</b>	<b>2,852</b>	<b>-68,573</b>	<b>1,198,033</b>	<b>17,543</b>	<b>1,215,576</b>

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**As of December 31, 2015**

## A) GENERAL INFORMATION

ANDRITZ AG is incorporated under the laws of the Republic of Austria and has been listed on the Vienna Stock Exchange since June 2001. The ANDRITZ GROUP (the "Group" or "ANDRITZ") is a leading producer of high-technology industrial machinery and operates through four strategic business areas: HYDRO, PULP & PAPER, METALS, and SEPARATION.

The average number of employees in the Group amounted to 24,825 in 2015 and 24,211 in 2014. The registered office address of the Group's headquarters is at Stattegger Strasse 18, 8045 Graz, Austria.

The consolidated financial statements are prepared under the responsibility of the Executive Board and are acknowledged by the Supervisory Board and the Annual General Meeting. On February 22, 2016, the Executive Board authorized the consolidated financial statements according to IFRS for the year ending on December 31, 2015.

Various amounts and percentages set out in these consolidated financial statements have been rounded. As a result, totals may differ from the amounts shown. If not stated otherwise, amounts are given in thousands of euros (TEUR).

## B) ACCOUNTING PRINCIPLES

The financial statements were prepared in accordance with all International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and endorsed by the European Union; application of these standards is mandatory for 2015. All interpretations published by the International Financial Reporting Interpretations Committee (IFRIC), which must also be observed for 2015, have been applied. The consolidated financial statements meet the requirements of Section 245a UGB (Austrian Commercial Code) on exempting consolidated financial statements according to internationally accepted accounting standards.

### a) Standards and interpretations that are applicable for the first time

In 2015, the following new and revised respectively supplemented standards of the IASB as well as interpretations of the IFRIC are to be considered mandatory:

<i>Standard/Interpretation</i>	<b>Title</b>	<b>Effective for annual financial statements for periods beginning on or after</b>	<b>Endorsement by EU</b>
IFRIC 21	Levies	July 1, 2014	June 13, 2014
IFRS 1, IFRS 3, IFRS 13, and IAS 40	Annual improvements of IFRS (cycle 2011-2013)	January 1, 2015	December 18, 2014

**IFRIC 21 (Levies)** provides guidance when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) and those where the timing and amount of the levy is certain. ANDRITZ is not materially affected by these changes.

In addition, the **annual improvements made to the IFRS (2011–2013)** must be considered in 2015. These improvements include changes to IFRS 1 (First-time Adoption of International Financial Reporting Standards), IFRS 3 (Business Combinations), IFRS 13 (Fair Value Measurement), and IAS 40 (Investment Property). Due to the changes in IFRS 1 (First-time Adoption of International Financial Reporting Standards) with regard to "Basis for Conclusions" the importance of the "Effective date" in connection with IFRS 1 will be clarified. The change relating to IFRS 3 (Business Combinations) restates the existing exclusion of business combinations (joint ventures) from the scope of IFRS 3. The improvement to IFRS 13 (Fair Value Measurement) clarifies that the exception for determining a fair value measurement includes all contracts within the scope of IAS 39 (Financial Instruments: Recognition and Measurement) or of IFRS 9 (Financial Instruments). The change to IAS 40 (Investment Property) clarifies that its scope and that of IFRS 3 (Business Combinations) are independent of each other, meaning that they cannot exclude each other under any circumstances. None of the annual improvements made to the IFRS (2011–2013) described have any material influence on the consolidated financial statements of ANDRITZ.

### b) Standards and interpretations that have been published but not yet applied

The International Accounting Standards Board (IASB) is working on numerous projects that will only have an effect as from the 2016 financial year. ANDRITZ has not adopted the following accounting pronouncements that have been issued by the IASB, but are not yet in effect:

<i>Standard/Interpretation</i>	<b>Title</b>	<b>Effective for annual financial statements for periods beginning on or after</b>	<b>Endorsement by EU</b>
IAS 19	Change: Defined benefit plans: employee contributions	February 1, 2015	December 17, 2014
IFRS 14	Regulatory deferral accounts	January 1, 2016	rejected
IFRS 11	Change: Accounting of interests in joint operations	January 1, 2016	November 24, 2015
IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortization	January 1, 2016	December 2, 2015
IAS 16 and IAS 41	Change: Agriculture; bearer plants	January 1, 2016	November 23, 2015
IAS 27	Change: Separate financial statements (equity-method)	January 1, 2016	December 18, 2015
IAS 1	Change; disclosure initiative	January 1, 2016	December 18, 2015
IFRS 10, IFRS 12, and IAS 28	Change: Investment entities - exception from consolidation	January 1, 2016	planned for Q1, 2016
IFRS 15	Revenue from contracts with customers	January 1, 2018	planned for Q1, 2016
IFRS 9	Financial instruments	January 1, 2018	planned for H1, 2016
IFRS 16	Leasing	January 1, 2019	pending
IFRS 10 and IAS 28	Change: Sale or contribution of assets between an investor and its associate or joint venture	postponed	pending
IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, and IAS 38	Annual improvements of IFRS (cycle 2010-2012)	February 1, 2015	December 17, 2014
IFRS 5, IFRS 7, IAS 19, and IAS 34	Annual improvements of IFRS (cycle 2012-2014)	January 1, 2016	December 15, 2015

The change to **IAS 19 (Employee Benefits)** clarifies that employee contributions can still be deducted from the service cost in the period during which the corresponding period of service was rendered if the amount of the contributions does not depend on the number of years of service. ANDRITZ is not materially affected by these changes.

**IFRS 15 (Revenue from contracts with customers)** sets out a 5-step recognition model for revenue from contracts with customers. According to IFRS 15 revenue recognition must depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services (transaction price in IFRS 15). This standard will replace all the existing regulations on revenue recognition under IFRS. For both, the sale of goods and the rendering of services for customer projects the recognition of revenue over time may be influenced due to performance obligations within a contract, which are to be qualified as separate performance obligations within a contract. ANDRITZ has already started evaluating the impacts on the Group. The analyses performed so far indicate that contracts with customers may include separate performance obligations and thus may lead to recognizing revenue similar to the application of the "percentage of completion"-method. The implementation of IFRS 15 will also require adjustments of the IT-systems. A reliable estimation of the impacts of the application of IFRS 15 on the consolidated financial statement of ANDRITZ cannot be made yet. The evaluation process will be continued. It is currently not planned to apply the standard ahead of time.

**IFRS 9 (Financial Instruments)**, published in July 2014, replaces the existing guidance in IAS 39 (Financial Instruments: Recognition and Measurement). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018. ANDRITZ is now assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9. There should be no material effects for the consolidated financial statements.

The central idea of the new standard **IFRS 16 (Leases)** is for all lessees to include all lease arrangements and the related contractual rights and obligations in the balance sheet. The lessee recognizes a liability for the obligation to make leasing payments in the future for all lease arrangements. At the same time, the lessee capitalizes a right of use for the underlying asset value that is basically equal to the cash value of the future lease payments plus any costs that can be directly assigned. The lessee is thus no longer required to distinguish between finance and operating lease contracts, as required to date under IAS 17. In contrast, the rules of the new standard for the lessor are similar to the regulations contained so far in IAS 17. The lease contracts will continue to be classified either as finance or as operating lease arrangements. Lease arrangements in which essentially all risks and opportunities of ownership are transferred are classified as finance leasing arrangements and all others as operating leases. The criteria of IAS 17 were also adopted for classification under IFRS 16. ANDRITZ is currently assessing the impact on its consolidated financial statements that will result from applying IFRS 16.

The **annual improvements made to the IFRS (cycle 2010-2012)** concern ANDRITZ essentially due to changes and clarifications to IFRS 2 (Share-based payment), IFRS 3 (Business Combinations), IFRS 8 (Operating Segments), and IFRS 13 (Fair Value Measurement). These are not expected to have any major impact on the consolidated financial statements at present.

The other new or amended standards mentioned in the table are not expected to have any significant impact on the consolidated financial statements.

### C) RESTATEMENT OF PRIOR YEARS

The shares in a company in China listed on the stock exchange since the first quarter of 2014 have been recognized retrospectively according to IAS 39 in connection with IFRS 13 at fair value. The prior period was restated according to IAS 8. Neither in 2015 nor in 2014, there has been an impact on the net income. In addition, there was no impact on the consolidated statement of financial position as of January 1, 2014.

The described restatement of the prior year as of December 31, 2014 affects the balance sheet items as follows:

<i>(in TEUR)</i>	Originally reported values	Adjustment	Restated values
<b>ASSETS</b>			
Other investments	71,225	27,620	98,845
<b>Non-current assets</b>	<b>1,979,848</b>	<b>27,620</b>	<b>2,007,468</b>
<b>Current assets</b>	<b>3,987,777</b>	<b>0</b>	<b>3,987,777</b>
<b>TOTAL ASSETS</b>	<b>5,967,625</b>	<b>27,620</b>	<b>5,995,245</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Retained earnings	857,601	23,477	881,078
<b>Equity attributable to shareholders of the parent</b>	<b>998,077</b>	<b>23,477</b>	<b>1,021,554</b>
<b>Total shareholders' equity</b>	<b>1,014,798</b>	<b>23,477</b>	<b>1,038,275</b>
Deferred tax liabilities	137,672	4,143	141,815
<b>Non-current liabilities</b>	<b>1,175,919</b>	<b>4,143</b>	<b>1,180,062</b>
<b>Current liabilities</b>	<b>3,776,908</b>	<b>0</b>	<b>3,776,908</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>5,967,625</b>	<b>27,620</b>	<b>5,995,245</b>

The described restatement for the prior financial year 2014 affects the consolidated statement of comprehensive income as follows:

<i>(in TEUR)</i>	Originally reported values	Adjustment	Restated values
<b>NET INCOME</b>	<b>209,987</b>	<b>0</b>	<b>209,987</b>
<b>Items that may be reclassified to profit or loss:</b>			
Currency translation adjustments	33,443	1,829	35,272
Reclassification to profit or loss	-9	0	-9
<b>Currency translation adjustments</b>	<b>33,434</b>	<b>1,829</b>	<b>35,263</b>
Result from available-for-sale financial assets	552	25,468	26,020
Reclassification to profit or loss	-54	0	-54
Related income taxes	-93	-3,820	-3,913
<b>Result from available-for-sale financial assets, net of tax</b>	<b>405</b>	<b>21,648</b>	<b>22,053</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-29,349</b>	<b>23,477</b>	<b>-5,872</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>180,638</b>	<b>23,477</b>	<b>204,115</b>
Thereof attributable to:			
Shareholders of the parent	182,107	23,477	205,584
Non-controlling interests	-1,469	0	-1,469

## D) CONSOLIDATION GROUP

The consolidated financial statements include ANDRITZ AG and those it controls, where their influence on the assets, liabilities, financial position, and profit or loss of the Group is not of minor importance. The members of the Group are listed in note "S) Group companies".

The consolidation scope changed as follows during the financial year:

	2015		2014	
	Full consolidation	Equity method	Full consolidation	Equity method
<b>Balance as of January 1</b>	<b>139</b>	<b>3</b>	<b>146</b>	<b>3</b>
Acquisition of companies	2		6	
Disposal of companies				
Changes in consolidation type				
Additions	3			
Disposals			-3	
Reorganization	-10		-10	
<b>Balance as of December 31</b>	<b>134</b>	<b>3</b>	<b>139</b>	<b>3</b>
Thereof attributable to:				
Domestic companies	6	0	7	0
Foreign companies	128	3	132	3

Due to their minor importance for the assets, liabilities, financial position, and profit or loss, 54 subsidiaries (2014: 59) were not included. These subsidiaries are recognized as investments in non-consolidated companies at cost less any impairment losses in "Other investments". The influence of the non-consolidated subsidiaries, both individually and overall, on the net assets, financial position, and results of operations of the Group was of minor importance.

Furthermore four associated companies (2014: 4) were not included in the at-equity method of accounting due to their minor importance for the assets, liabilities, financial position, and profit or loss of ANDRITZ. These subsidiaries are recognized as investments in non-consolidated companies at cost less any impairment losses in "Other investments".

The changes in the consolidation scope disclosed in the respective subsections of the notes to the consolidated statement of financial position are based on acquisitions of companies and changes in the consolidation type of subsidiaries.



## E) ACQUISITIONS

### Yangzhou Metal Forming Machine Tool Co. Ltd. (Yadon)

Yangzhou Metal Forming Machine Tool Co., Ltd. (Yadon), China, manufactures mechanical presses for the automotive supplies, household appliances, and the metal working industries. The acquisition is subject to approval by the anti-trust authorities. Closing of the transaction is expected by the end of the 1st quarter of 2016.

### Euroslot KDSS

In June 2015, the ANDRITZ GROUP acquired a 100% stake in Euroslot KDSS, headquartered in Scorbé-Clairvaux, France, including its subsidiaries in China and India among others. The company has about 140 employees and generates consolidated annual sales of approximately 24 MEUR. Euroslot KDSS designs and manufactures filtration and separation equipment for the pulp and paper industry, the water and waste water treatment segment, and other industrial applications. The acquisition was assigned to the PULP & PAPER business area and constitutes a supplement of the existing product portfolio.

The total of the estimated fair values of the assets acquired and liabilities assumed for the acquisition on the basis of exchange rates as per dates of transactions are as follows:

<i>(in TEUR)</i>	IFRS net book value	Fair value allocations	Fair value
Intangible assets	0	3,210	3,210
Property, plant, and equipment	3,980	0	3,980
Inventories	1,798	0	1,798
Trade and other receivables	7,290	0	7,290
Liabilities	-4,952	-1,070	-6,022
<b>Non-interest bearing net assets</b>	<b>8,116</b>	<b>2,140</b>	<b>10,256</b>
Marketable securities	0	0	0
Cash and cash equivalents	650	0	650
Financial assets	327	0	327
Financial liabilities	-2,014	0	-2,014
Goodwill	0	1,492	1,492
Non-controlling interests	0	0	0
<b>Net assets</b>	<b>7,079</b>	<b>3,632</b>	<b>10,711</b>

Euroslot KDSS has contributed 7,085 TEUR to the ANDRITZ GROUP's sales and -167 TEUR to the ANDRITZ GROUP's EBIT since its acquisition. If the business was acquired at the beginning of 2015, the impact on consolidated sales would have been 9,655 TEUR and 822 TEUR on the Group's EBIT.

The initial accounting for the businesses acquired in 2015 is based on preliminary figures.

## F) ACCOUNTING AND VALUATION PRINCIPLES

The principal accounting policies adopted in preparing the consolidated financial statements of ANDRITZ are as follows:

### a) Consolidation principles

The separate financial statements of all fully consolidated companies compiled in accordance with uniform standards throughout the Group and complying with IFRS provisions form the basis of the consolidated financial statements.

Inter-company receivables, liabilities, and internal service charges, including interim results within the Group, were eliminated. The consolidated financial statements were compiled on the basis of uniform accounting principles for comparable business transactions.

Business combinations are accounted for by applying the acquisition method, whereby the purchase price is offset against the proportional share in the acquired company's net assets (capital consolidation). In doing so, the values at the acquisition date that corresponds to the date at which control of the acquired company was attained are used as a basis. The acquired identifiable assets, liabilities, and contingent liabilities are generally recognized at their fair values irrespective of the extent attributable to non-controlling interests.

Application of the acquisition method requires certain estimates and assumptions to be made, especially concerning the fair values of the intangible assets and of the property, plant, and equipment acquired, of the liabilities assumed at the acquisition date, and of the useful lives of the intangible assets and of the property, plant, and equipment acquired.

Non-controlling interests can be measured either at cost (partial goodwill method) or at fair value (full goodwill method). The choice of method can be made on a case-by-case basis. It is the general practice within the ANDRITZ GROUP to use the partial goodwill method.

In step acquisitions, where a company is acquired in several stages, the fair values of the acquired entity's assets and liabilities are measured in accordance with IFRS 3 (Business Combinations) at the date on which control is obtained. Any resulting adjustments to the fair value of the existing interest are recognized in profit or loss. The carrying amount of the assets and liabilities already recognized in the statement of financial position is then adjusted accordingly.

### b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power of disposition over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ends.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized through profit or loss.

### c) Currency conversion

The consolidated financial statements are compiled in euros.

#### Foreign currency transactions

Foreign currency transactions are recorded in the functional currency by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange rate differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the periods are recognized in the income statement in the period in which they arise.

#### Foreign subsidiaries

Foreign consolidated subsidiaries are regarded as foreign entities because they are financially, economically, and organizationally autonomous. Their functional currencies are the respective local currencies. Items of the statement of financial position of foreign subsidiaries are translated at year-end rates to the presentation currency (EUR). Expenses and income are translated using the average exchange rates for the year. All resulting translation differences are included in currency translation adjustments in equity.

The major exchange rates used for foreign currency translation are as follows:

<i>In number of units per 1 EUR</i>		Rate at reporting date		Average rate for year	
		December 31, 2015	December 31, 2014	2015	2014
BRL	Brazilian real	4.31	3.22	3.70	3.13
CAD	Canadian dollar	1.51	1.41	1.42	1.47
CHF	Swiss franc	1.08	1.20	1.07	1.21
CNY	Chinese yuan	7.06	7.54	6.93	8.17
DKK	Danish kroner	7.46	7.45	7.46	7.46
GBP	British pound	0.73	0.78	0.73	0.81
INR	Indian rupee	72.02	76.72	71.30	81.09
SEK	Swedish kronor	9.19	9.39	9.37	9.10
USD	US dollar	1.09	1.21	1.11	1.33

#### d) Revenue and income recognition

Revenue covers all income resulting from the ANDRITZ GROUP's typical business activities. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Sales are recognized net of sales taxes and discounts when delivery has taken place and transfer of risks and rewards has been completed. Revenue from manufacturing orders is recognized according to the percentage of completion using the cost-to-cost method (see note n).

Interest is recognized pro rata based on the respective interest rate.

Dividends from capital investments are recognized when the legal right to receive payment is established.

#### e) Income taxes

Tax expense includes current and deferred taxes. Current and deferred taxes are recognized in profit or loss except to the extent that the taxes are linked to a business combination or to items recognized in other comprehensive income.

Current taxes are the expected tax due (or tax receivable) on the taxable income (or the tax loss) for the financial year based on the applicable income tax rates and all adjustments to the tax debt in respect of previous years. Actual tax liabilities also contain all tax debts arising as a result of dividends being declared.

Deferred taxes are recognized in respect of temporary differences between the net book value of assets and liabilities in the IFRS consolidated financial statements and their tax bases at the level of the subsidiaries. Deferred taxes are not recognized for:

- taxable temporary differences in the initial recognition of goodwill
- temporary differences in the initial recognition of assets or liabilities in a business transaction which is not a business combination and affects neither the accounting profit nor the taxable profit
- temporary differences in connection with shares in subsidiaries, associated companies, and joint ventures provided that the Group is able to control the timing of the reversal of the temporary difference and it is likely that the temporary difference will not be reversed in the foreseeable future.

Deferred taxes are measured in accordance with the taxation rates (and regulations) applicable on the balance sheet date or which have essentially been passed as law and are expected to be applicable on the date when the deferred tax credits are realized or deferred tax liabilities are settled.

A deferred tax asset is recognized for unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which it can be utilized. Deferred tax credits are assessed at every reporting date and reduced to the extent to which it is no longer likely that the related tax advantage will be realized. This assessment is based on the tax previews for the next five financial years.

Provided that the deferred taxes relate to the same taxable entity and the same tax authority and that there is also a legally enforceable right to offset actual tax receivables against actual tax liabilities, deferred tax assets and liabilities are offset. Actual tax receivables and liabilities are offset if a legal right exists towards a tax authority to settle on a net basis.

#### **f) Intangible assets**

Intangible assets are accounted for at cost. After initial recognition, intangible assets are accounted for at cost less accumulated amortization and any accumulated impairment losses. With the exception of goodwill, the intangible assets have a specific useful life and are therefore amortized on a straight-line basis over the best estimate of their useful lives. The amortization period and the amortization method are reviewed annually at each financial year-end.

Intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the net book value of an asset may be higher than the amount recoverable (the higher of fair value less costs-to-sell and value-in-use of an asset or of a cash-generating unit). Whenever the net book value of an asset exceeds its recoverable amount, an impairment loss is recognized.

Amounts paid for concessions, industrial rights, and similar rights are capitalized and then amortized on a straight-line basis over the expected useful life. The expected useful life is between 3 and 15 years. Intangible assets acquired as a result of business combinations are customer relations, order backlog, technology, and brand names. Their useful lives generally comprise periods between 3 and 10 years for customer relations, between 1 and 3 years for order backlog, between 3 and 10 years for technology, and amount to 10 years for brand names.

#### **Research and development costs**

Expenses for development work are capitalized if a newly developed product or process can be clearly defined, is feasible from a technical, economic, and capacity point of view, and if the company intends to use the product or process itself or to market the product or process. Furthermore, capitalization requires the expenses attributable to the intangible asset to be measured reliably during the development period and covered by future cash inflows with a sufficient degree of probability after their completion. Expenses for development work meeting these criteria are capitalized at production cost. The production costs include all costs directly attributable to the development process as well as a reasonable portion of the overheads. If there is no previous indication of possible impairment, the capitalized costs are tested annually for impairment losses up to completion of a development project. After completion, the capitalized development expenses are amortized as scheduled over the expected life cycle of the products.

Expenses for research are expensed as incurred.

#### **g) Goodwill**

IFRS 3 is applied for business combinations and any resulting goodwill. According to this standard, goodwill is measured as the residual of the cost of the business combination after recognizing the acquired identifiable assets, liabilities, and contingent liabilities at fair value. Following a review of the amounts stated, the resulting value from the comparison of cost and fair value of the net assets of the acquired negative goodwill is recognized immediately in the income statement.

Any goodwill arising from business combinations is not amortized. However, it is tested for impairment in accordance with IAS 36 annually or more frequently if events or changes in circumstances indicate that it might be impaired. In determining whether the recognition of an impairment loss is required, goodwill is allocated to the cash-generating units that are expected to benefit from the synergies of the business combination. If the net book value exceeds the value-in-use that is calculated by using a Discounted Cash-Flow (DCF) calculation and the fair value less costs of disposal is not higher, an impairment loss is recognized. An impairment loss recognized for goodwill will not be reversed in a subsequent period.

The planning is done at the level of the cash-generating units for the next three years. Future payment surpluses are based on internal forecasts, which are prepared in detail for the next financial year and with simplifications for the following two years, and reflect the historical performance and best estimates on future developments. After this detailed planning horizon a normalized development is assumed.

The discount rate used for DCF calculation is based on an interest rate representing the actual assessment of possible changes in exchange rates as well as specific risks of an asset. In consideration of the applicable currency and the corresponding risk profile, a discount rate was applied before tax.

As the composition of the original cash-generating units changes in the course of time due to reorganizations and changes in the reporting structure, the goodwill will be reallocated accordingly.

#### **h) Property, plant, and equipment**

Property, plant, and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When assets are sold or retired, their costs and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the income statement in other operating income or other operating expenses.

The cost of property, plant, and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of putting the asset into working condition and bringing it to the appropriate location for its intended use.

The production costs of self-constructed assets contain direct material and production costs as well as adequate indirect material and production costs. The self-constructed assets serve to neutralize expenses.

Assets under construction are considered as plant and properties under construction and are stated at cost.

Expenditure incurred after the fixed assets have been put into operation, such as maintenance and repair, is charged to the income statement in the period in which the costs are incurred.

Depreciation is calculated on a straight-line basis over estimated useful life as follows:

Buildings	20-50 years
Technical equipment and machinery	4-10 years
Tools, office equipment, and vehicles	3-10 years

The useful life and the depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant, and equipment.

Property, plant, and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the net book value of an asset may be higher than the amount recoverable (the higher amount of fair value less costs-to-sell and value-in-use of an asset or of a cash-generating unit). Whenever the net book value of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit.

#### **Government grants**

Government grants related to assets are deducted from the cost of the asset. Grants related to income are recorded as other operating income in the income statement.

#### **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are generally capitalized as part of the cost of the asset. All other costs of borrowing are expensed in the period in which they are incurred.

#### **i) Leases**

A lease is an agreement whereby the lessor assigns to the lessee the right to use an asset for an agreed period of time in return for a payment or series of payments. Leases are classified as either finance or operating leases. Leasing transactions that transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee are classified as finance leases. All other leasing agreements are classified as operating leases. Where ANDRITZ is the lessee in a finance lease, the leased asset is capitalized at the lower of the fair value or present value of the minimum lease payments at the beginning of the lease term and recognized simultaneously under financial liabilities. The leased asset is depreciated by the straight-line method over the expected useful life or, where shorter, over the term of the relevant lease according to IAS 16. Where the Group is the lessee in an operating lease, the lease payments are generally expensed on a straight-line basis over the term of the leasing agreement. The leased asset remains on the balance sheet of the lessor under property, plant, and equipment.

#### **j) Shares in associated companies**

The Group's interests in equity-accounted financial assets comprise interests in associated companies. There are no interests in joint ventures.

Associated companies are those entities in which the Group has significant influence, but not control or joint control over the financial and operating policies. A joint venture is an arrangement in which the Group has joint

control, whereby the Group has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities.

#### **k) Other investments**

These non-current assets consist primarily of non-current securities, loans against borrowers' notes, shares in non-consolidated companies, and other shares.

Non-current securities and loans against borrowers' notes are initially recognized at cost including transaction costs and are classified as available-for-sale investments. In subsequent periods, they are measured at fair value. Changes in these fair values are recognized as other comprehensive income for the year, net of income tax until the security is disposed of or an impairment loss is recognized. In this case, the cumulative change previously recognized in equity is included in the income statement of the period. Interest income is recognized directly in the income statement for the period in which it is incurred.

Equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recorded at cost less impairment losses, if applicable. This relates to other shares and shares in non-consolidated companies.

Financial assets classified as loans and receivables are measured at amortized costs using the effective interest method less any impairment losses.

#### **l) Trade accounts receivable**

Receivables are initially recognized at fair value and subsequently at amortized cost after valuation allowances for doubtful accounts.

#### **m) Inventories**

Inventories, including work in progress and unfinished services, are valued at the lower of purchase or production cost and net realizable value after valuation allowances for obsolete and slow-moving items. The net realizable value is the selling price in the ordinary course of business minus costs of completion, marketing, and distribution. Cost is determined primarily on the basis of the FIFO method. For processed inventories, cost includes the applicable allocation of fixed and variable overhead costs. Unrealizable inventory is fully written off. Contracts other than construction contracts are valued at production cost. For these contracts, sales are recognized when the ownership of the goods is transferred ("completed contract method"). Changes in inventories of finished goods and work in progress serve to neutralize expenses for inventories still in stock on the balance sheet date.

#### **n) Construction contracts**

Receivables from construction contracts and the related sales are accounted for using the percentage of completion method (PoC). The projects are characterized in that they are agreed on the basis of individual contract terms at fixed prices. The extent of completion ("stage of completion") is established by the cost-to-cost method. Reliable estimates of the total costs, sales prices, and the actual figures for the accumulated costs are available on a monthly basis. Estimated contract profits are recorded in earnings in proportion to recorded sales. In the cost-to-cost method, sales and profits are recorded in consideration of the ratio of accumulated costs to the estimated total costs to complete. Changes to total estimated contract costs and losses, if any, are recognized in the income statement for the period in which they are determined. For technological and financial risks that might occur during the remaining construction period, an individually assessed amount is included in the estimated contract costs for each contract. Impending losses out of the valuation of construction contracts are recognized when it is probable that the total contract costs will exceed the contract sales. For possible costs of rectification and guarantee work, including expected warranty costs, provisions are accounted for according to the profit realization. Upon completion of a contract, the remaining warranty risk is reassessed.

#### **o) Marketable securities**

Marketable securities consist of government bonds, bonds of top-rated banks, money market funds, and bond funds. They are held for the purpose of investing liquid funds and are not generally intended to be retained on a long-term basis. Marketable securities are initially recognized at fair value plus transaction costs, and are classified as available-for-sale investments. In subsequent periods, marketable securities are measured at fair value. Changes in these fair values are recognized as other comprehensive income for the year, net of income tax until the security is disposed of or an impairment loss is recognized. In case of a significant and not merely temporary decline in value, impairment losses are recognized in the income statement for the period concerned.

**p) Cash and cash equivalents**

Cash includes cash in hand and cash at banks. Cash equivalents comprise short-term investments that have original maturities of three months or less and are subject to an insignificant risk of changes in value.

**q) Share capital**

Only ordinary shares exist, and all shares have been issued and have the same rights.

The share capital of ANDRITZ AG amounts to 104,000 TEUR, divided into 104 million shares of no-par value.

**r) Capital reserves**

Capital reserves consist of share premium amounts in accordance with Austrian legal requirements.

**s) Retained earnings**

Retained earnings particularly include retained income, IAS 39 reserve, actuarial gains and losses, and currency translation adjustments.

**t) Provisions**

A provision is recognized when the enterprise has a current obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the expected settlement amount. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is significant, a non-current provision is recorded at the present value of the expenditure expected to be required to settle the obligation.

**u) Employee benefits****Pension obligations**

Some Group companies provide defined benefit pension plans for particular employees. Provisions for pension obligations are established for benefits payable in the form of retirement, disability, and surviving dependents' pensions. The benefits offered vary according to the legal, fiscal, and economic conditions in each country. Benefits are dependent on years of service and, in some cases, on the respective employee's compensation.

The obligations are valued every year by professionally qualified and independent actuaries. The obligations and expenses arising from pension benefits are determined using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The plan assets are deducted at fair value from this gross pension benefit obligation. This results in the net debt and the net asset value, respectively, to be reported.

Due to the net interest approach, the Group determines the net interest cost (net interest income) by multiplying the net debt (net asset value) at the beginning of the period by the interest rate based on discounting of the performance-related gross pension benefit obligation at the beginning of the period. The net interest component resulting from pension benefit obligations and plan assets is recognized in the consolidated income statement in interest expenses.

All remeasurement effects are shown in other comprehensive income for the year. The remeasurement component includes the actuarial gains and losses from measurement of the performance-related gross pension benefit obligation on the one hand and the difference between actually realized return on plan assets and the typically assumed return at the beginning of the period on the other hand. In the event that the plan has been overfunded, the remeasurement component also contains the change in net asset value from applying the asset ceiling if this has not been considered in the net interest component.

If the present value of a defined benefit obligation changes as a result of plan changes or curtailments, ANDRITZ shows the resulting effects in profit or loss for the period. Past service costs are generally recognized at the time the plan change occurs.

The pension obligation is measured at the present value of estimated future cash flows using different discount rates for different countries.

Other Group companies provide defined contribution plans for certain employees. The related costs are expensed as they occur.

### Severance obligations

In some countries, there is a legal obligation to make severance payments in certain cases of termination of employment. No severance payments are made in the event of a voluntary resignation by the employee. Appropriate provisions are made for severance payment obligations. The obligations are valued every year by professionally qualified and independent actuaries. The obligations and expenses arising out of severance obligations are determined using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The plan assets are deducted at fair value from this gross obligation. This results in the net debt and the net asset value, respectively, to be reported.

Due to the net interest approach, the Group determines the net interest cost (net interest income) by multiplying the net debt (net asset value) at the beginning of the period by the interest rate based on discounting of the performance-related gross obligation at the beginning of the period. The net interest component resulting from severance payment obligations and plan assets is recognized in the consolidated income statement in interest expenses.

All remeasurement effects are shown in other comprehensive income for the year. The revaluation component includes the actuarial gains and losses from measurement of the gross obligation on the one hand and the difference between actually realized return on plan assets and the typically assumed return at the beginning of the period on the other hand. In the event that the plan has been overfunded, the remeasurement component also contains the change in net asset value from applying the asset ceiling if this has not been considered in the net interest component.

If the present value of a defined benefit obligation changes as a result of plan changes or curtailments, ANDRITZ shows the resulting effects in profit or loss for the period. Past service costs are generally recognized at the time the plan change occurs.

The severance obligation is measured at the present value of estimated future cash flows using different discount rates for different countries.

Other Group companies provide defined contribution plans for certain employees. The related costs are expensed as they occur.

### v) Management share option programs

#### Share Option Program 2010

The 103<sup>rd</sup> Annual General Meeting, held on March 26, 2010, adopted a share option program for managers and members of the Executive Board. The number of options granted to the different managers varied – depending on the area of responsibility – between 12,000, 20,000, 30,000, and 40,000 shares for managers, 80,000 for Executive Board members, and 100,000 for the Chief Executive Officer (CEO). The options should be drawn from the pool of shares bought back under the corporate share buy-back program. One share option entitled the holder to the purchase of one share. In order to exercise a share option, eligible persons must have been in active employment with ANDRITZ AG or one of its affiliates as from May 1, 2010, until each date of exercise of an option. Another requirement is that managers must have invested at least 20,000 EUR in ANDRITZ shares from their own resources, and members of the Executive Board at least 40,000 EUR.

The exercise price of the option was the unweighted average closing price of ANDRITZ shares in the four calendar weeks following the 103<sup>rd</sup> Annual General Meeting, held on March 26, 2010.

The options could have been exercised between May 1, 2013, and April 30, 2015 (i.e. period of exercise), provided that the average unweighted closing price of the ANDRITZ share over 20 consecutive trading days within the period from May 1, 2012, to April 30, 2013, was at least 15% above the exercise price and the earnings per share in the 2011 financial year (based on the total number of shares listed); or the earnings per share in the 2012 financial year (based on the total number of shares listed) were at least 15% above the earnings per share in the 2009 financial year (based on the total number of shares listed); or the average unweighted closing price of the ANDRITZ share over 20 consecutive trading days within the period from May 1, 2013, to April 30, 2014, was at least 20% above the exercise price and the earnings per share in the 2012 financial year (based on the total number of shares listed); or the earnings per share in the 2013 financial year (based on the total number of shares listed) were at least 20% above the earnings per share in the 2009 financial year (based on the total number of shares listed).

If the conditions of exercise were met, 50% of the options could have been exercised immediately, 25% after three months, and the remaining 25% after a further three months. Share options could only be exercised by



way of written notification to the company. The share options were not transferable. The shares purchased under the share option program were not subject to a ban on sales over a certain period.

The options granted in 2010 totaled 2,066,000. The fair value of the options at the time of granting amounts to 8,362 TEUR, with no further expense having been reported in 2015. The calculation of fair value was based on an option pricing model. The share price at the time of granting the options was the closing price of the ANDRITZ share on May 4, 2010, and amounted to 22.34 EUR. The exercise price of 23.18 EUR was calculated in accordance with the rules of the share option program. A period of three years was assumed for the duration of the options. The expected dividend yield was fixed at 2.5%. The value published by the Vienna Stock Exchange was applied as expected volatility. No further option-granting parameters were used in the calculation.

#### Share Option Program 2012

The 105<sup>th</sup> Annual General Meeting, held on March 22, 2012, adopted another share option program for managers and members of the Executive Board. The number of options granted to the different managers varied – depending on the area of responsibility – between 12,000, 20,000, 30,000, and 40,000 shares for managers, 80,000 for Executive Board members, and 100,000 for the Chief Executive Officer (CEO). The options are to be drawn from the pool of shares bought back under the corporate share buy-back program. One share option entitles the holder to the purchase of one share. In order to exercise a share option, eligible persons must have been in active employment with ANDRITZ AG or one of its affiliates as from May 1, 2012, until each date of exercise of an option. Another requirement is that managers must have invested at least 20,000 EUR in ANDRITZ shares from their own resources, and members of the Executive Board at least 40,000 EUR.

The exercise price of the option is the unweighted average closing price of ANDRITZ shares in the four calendar weeks following the 105<sup>th</sup> Annual General Meeting, held on March 22, 2012.

The options can be exercised between May 1, 2015, and April 30, 2017 (i.e. period of exercise), provided that the average unweighted closing price of the ANDRITZ share over 20 consecutive trading days within the period from May 1, 2014, to April 30, 2015, is at least 15% above the exercise price and the earnings per share in the 2013 financial year (based on the total number of shares listed); or the earnings per share in the 2014 financial year (based on the total number of shares listed) are at least 15% above the earnings per share in the 2011 financial year (based on the total number of shares listed); or the average unweighted closing price of the ANDRITZ share over 20 consecutive trading days within the period from May 1, 2015, to April 30, 2016, is at least 20% above the exercise price and the earnings per share in the 2014 financial year (based on the total number of shares listed); or the earnings per share in the 2015 financial year (based on the total number of shares listed) are at least 20% above the earnings per share in the 2011 financial year (based on the total number of shares listed).

If the conditions of exercise are met, 50% of the options can be exercised immediately, 25% after three months, and the remaining 25% after a further three months. Share options can only be exercised by way of written notification to the company. The share options are not transferable. The shares purchased under the share option program are not subject to a ban on sales over a certain period.

The options granted in 2012 totaled 2,146,000. The fair value of the options at the time of granting amounts to 13,553 TEUR. The calculation of fair value was based on an option pricing model. The share price at the time of granting the options was the closing price of the ANDRITZ share on May 11, 2012, and amounts to 39.17 EUR. The exercise price of 37.15 EUR was calculated in accordance with the rules of the share option program. A period of 3.2 years was assumed for the duration of the options. The expected dividend yield was fixed at 2.5%. The expected volatility was calculated on the basis of the historical development of the ANDRITZ share during the 38 months preceding the grant.

Due to the non-achievement of the performance conditions for the exercise of the options the fair value of the options was entirely released to profit or loss in 2015. Hence, an effect on earnings was caused in the amount of 11.671 TEUR.

#### Share Option Program 2014

The 107<sup>th</sup> Annual General Meeting, held on March 21, 2014, adopted another share option program for managers and members of the Executive Board. The number of options granted to the different managers can be up to 20,000, depending on the respective area of responsibility, and up to 37,500 for the members of the Executive Board. The options are to be drawn from the pool of shares bought back under the corporate share buy-back program. One share option entitles the holder to the purchase of one share. In order to exercise a share option, eligible persons must have been in active employment with ANDRITZ AG or one of its affiliates as from May 1, 2014, until the date of exercise of an option. Another requirement is that managers must have

invested at least 20,000 EUR in ANDRITZ shares from their own resources, and members of the Executive Board at least 40,000 EUR.

The exercise price of the option is the unweighted average closing price of ANDRITZ shares in the four calendar weeks following the 107<sup>th</sup> Annual General Meeting, held on March 21, 2014.

The options can be exercised between May 1, 2017, and April 30, 2019 (i.e. period of exercise), provided that the average unweighted closing price of the ANDRITZ share over 20 consecutive trading days within the period from May 1, 2016, to April 30, 2017, is at least 15% above the exercise price and the earnings per share in the 2015 financial year (based on the total number of shares listed); or the earnings per share in the 2016 financial year (based on the total number of shares listed) are at least 20% above the earnings per share in the 2012 financial year (based on the total number of shares listed); or the average unweighted closing price of the ANDRITZ share over 20 consecutive trading days within the period from May 1, 2017, to April 30, 2018, is at least 20% above the exercise price and the earnings per share in the 2016 financial year (based on the total number of shares listed); or the earnings per share in the 2017 financial year (based on the total number of shares listed) are at least 25% above the earnings per share in the 2013 financial year (based on the total number of shares listed).

If the conditions of exercise are met, 50% of the options can be exercised immediately, 25% after three months, and the remaining 25% after a further three months. Share options can only be exercised by way of written notification to the company. The share options are not transferable. The shares purchased under the share option program are not subject to a ban on sales over a certain period.

The options granted in 2014 totaled 1,012,500. The fair value of the options at the time of granting amounts to 8,159 TEUR; 2,449 TEUR thereof were reported as proportionate expense in 2015. The calculation of fair value was based on an option pricing model. Regarding the share option program 2014, a Monte Carlo simulation was applied. The share price at the time of granting the options was the closing price of the ANDRITZ share on June 2, 2014, and amounts to 43.36 EUR. The exercise price of 44.42 EUR was calculated in accordance with the rules of the share option program. The expected dividend yield was fixed at 2.5%. The expected volatility was calculated on the basis of the historical development of the ANDRITZ share.

Due to the fact that the management share option programs do not include cash settlements, these corresponding expenses are recorded directly in equity, according to the International Financial Reporting Standards.

#### w) Financial instruments

A financial instrument is a contract between two entities that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

According to IAS 39, all financial assets and liabilities, including derivative financial instruments, are to be covered in the balance sheet. The accounting for financial instruments is recognized on the trade date.

##### Categories of financial instruments

The valuation of financial instruments is based on their classification into the categories as specified below and then explained:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Available-for-sale (AFS) financial assets
- Held-to-maturity investments
- Financial liabilities at fair value through profit or loss
- Other financial liabilities measured at amortized costs

**“Financial assets at fair value through profit or loss”** are assets which are either “held for trading” by the Group or which are designated “at fair value through profit or loss”.

Assets classified as held for trading are assets acquired or held for the purpose of selling or repurchasing in the short term or which are derivatives (except those that are designated as an effective hedging instrument).

Designated financial assets at fair value through profit or loss essentially include any financial assets that are designated irrevocably on initial recognition as one to be measured at fair value with fair value changes in profit or loss regardless of the intention of trade (fair value option). The fair value option for a financial instrument is not exercised within the Group.

Financial assets generating profits from short-term fluctuations in the market price or dealer's margin are also not kept.

The Group uses derivative financial instruments to manage its exposure to interest rates, foreign exchange rates, and commodity price risks. In the Group, those derivatives that do not meet the strict criteria of a hedge according to IAS 39 (Hedge Accounting) are assigned to this category. Derivatives are initially recognized at fair value at the date on which the company enters into a derivative contract and are subsequently reassessed to their fair value at each balance sheet date. Any change in value resulting from changes in fair value is recognized in the income statement.

Depending on the fair value of the derivative, it is recognized either under other receivables or other liabilities.

The Group classifies trade receivables, cost and earnings of projects under construction in excess of billings, loans, and other receivables with fixed or determinable payments that are not quoted in an active market as "loans and receivables". Loans and receivables are measured at amortized costs less any impairment losses.

**"Available-for-sale (AFS) financial assets"** are non-derivative financial assets that are designated as "available for sale" or are not classified as financial assets "at fair value through profit or loss", or "loans and receivables". Equity securities (e.g. shares), debt securities (e.g. bonds), and other investments (e.g. fund shares) held by the Group are designated as AFS financial assets.

AFS financial assets are stated at fair value. Changes in value resulting from changes in fair value are recognized directly in equity in the investments revaluation reserve (IAS 39 reserve) with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets. These are recognized directly through profit or loss. Where the financial instrument is disposed of or is determined to be impaired, the cumulative changes previously recognized in the financial investments reserve is reclassified to the profit or loss of the period.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The change in fair value attributable to translation differences that result from a change in amortized cost of the asset is recognized in profit or loss.

Dividends on AFS equity instruments are recognized in profit or loss when the Group's right to receive payments is established.

The **"held-to-maturity"** category will not be further elaborated because the Group does not have a held-to-maturity portfolio.

The Group classifies its **"financial liabilities at fair value through profit or loss"** if the financial liability is held for trading or if it is a derivative that is not designated or effective as a hedging instrument. The fair value option for a financial instrument is not exercised within the Group.

The Group uses derivative financial instruments to manage its exposure to interest and foreign exchange rate risk and to commodity price risk. In the Group, those derivatives that do not meet the strict criteria of a hedge according to IAS 39 (Hedge Accounting) are assigned to this category. Derivatives are initially recognized at fair value at the date of entering into a derivative contract. Any change in value resulting from changes in fair value is recognized in the income statement.

Depending on the fair value of the derivative, it is recognized either under other receivables or other liabilities.

The Group does not keep any financial liabilities that generate profits from short-term fluctuations in the market price or dealer's margin.

**"Other financial liabilities measured at amortized cost"**, including borrowings, are initially measured at fair value, net of transaction costs. Subsequently, they are measured at amortized costs using the effective interest method, with interest cost recognized on an effective yield basis.

#### Impairment of financial assets

Financial assets other than those at fair value through profit or loss are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that the estimated future cash flows of the investment have been negatively impacted as a result of one or more events that occurred after the initial recognition of the financial asset. For financial assets carried at amortized costs, the

amount of the impairment is the difference between the asset's net book value and the present value of estimated future cash flows, discounted at the original effective interest rate.

When a trade receivable is doubtful, it is written off against the allowance account. Changes in the carrying value of the allowance account are recognized through profit or loss.

The previously recognized impairment loss is reversed through profit or loss up to the extent of the initial impairment if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. The reversal must not result in a carrying value of the financial asset that exceeds what the amortized cost would have been if the impairment had not been recognized at the date the impairment is reversed. The exceptions are AFS equity instruments, for which any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income for the year. No reversal through profit or loss is made if the reasons for impairment of equity instruments, which are measured at cost, no longer apply.

#### Financial liabilities and equity instruments issued by the Group – classification as debt or equity

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

#### Fair value of financial instruments

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction.

Measurement of financial instruments at fair value follows a three-level hierarchy and is oriented according to the proximity of the applied measurement factors to an active market.

**Level 1** involves the measurement of financial instruments, such as securities, listed on active markets. In this context, a quoted market price is the best evidence for the fair value if financial assets or liabilities are traded on active markets.

If no active market exists, generally accepted valuation techniques are used to determine what the price would have been on the measurement date in an arm's-length exchange motivated by normal business considerations. Valuation techniques include using recent arm's-length market transactions between knowledgeable, willing parties and, if available, referring to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, and option pricing models. These financial instruments belong to those measured according to **level 2** if their measurement is based on market-related, recognized financial valuation models, whereby the measurement factors can be observed directly or indirectly on active markets.

If the main measurement factors cannot be observed on active markets, the financial instrument is assigned to **level 3**.

If no quoted market price and no reliable valuation techniques are available, the financial instrument is measured at cost.

#### Hedge Accounting

The Group uses hedge accounting for the hedging instrument of the bonds and for other interest and currency derivatives. As these form an effective hedge according to the requirements of IAS 39 (Hedge Accounting), they are recorded as fair value hedge or as cash flow hedge.

Applying the rules of hedge accounting in connection with **fair value hedging**, the change in the fair value as hedging instrument is recognized through profit or loss. The gain or loss on the hedged item attributable to the changes of the hedged risk results in an adjustment of the net book value of the hedged item, which is also recognized through profit or loss. In this manner, the gains and losses resulting from the changes in fair value of the hedging instrument and the hedged item offset each other if the hedge is 100% effective. Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualified for hedge accounting. The adjustment to the net book value of the hedged item arising from the hedged risk is released to profit or loss from that date.

ANDRITZ designated the bonds issued and the corresponding interest rate swaps as being a hedging relationship accounted for as a fair value hedge according to IAS 39. At the inception of the hedge relationship, the ANDRITZ GROUP documented the relationship between the hedging instrument and hedged item, together with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, the Group has been documenting at the inception of the hedge and on an ongoing basis that the swaps are highly effective in offsetting changes in fair values or cash flows of the hedged item.

According to the rules of hedge accounting in connection with **cash flow hedging**, the changes in the fair value of a hedging instrument that qualifies as a highly effective cash flow hedge are recognized directly in the IAS 39 reserve in shareholders' equity. Otherwise gains and losses initially recognized in equity for all other cash flow hedges are transferred from IAS 39 reserve to net profit or loss in the same period or periods during which the hedged firm commitment or forecast transaction affects the income statement.

#### Embedded derivatives

IAS 39 outlines the accounting of derivatives that are embedded in non-derivative financial instruments (embedded derivatives). Some hybrid contracts contain both a derivative and non-derivative component. In these cases, the derivative component is regarded as an embedded derivative and the non-derivative component represents the host contract. If the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract and the contract is not rated at fair value, the embedded derivative is separated from the host contract and carried at fair value. The host contract will continue to be measured in accordance with the relevant accounting standard. Changing values of the fair valued embedded derivatives in the Group's consolidated financial statements are shown as "held for trading" in the financial assets at fair value through profit or loss. The net book value of the embedded derivative is recognized in the balance sheet as other receivables or other liabilities.

#### Recognition and derecognition

If the Group qualifies as a party to the contract concerning the contract regulations, financial assets and financial liabilities are recognized in the consolidated statement of financial position in accordance with the substance of the contractual arrangement. Financial assets and liabilities listed in the balance sheet include cash, marketable securities, trade and some other accounts receivable and payable, non-current receivables, interest-bearing borrowings, issued bonds, and investment securities.

Financial instruments are recognized and derecognized on the trade date. This is the day of purchase or sale of a financial asset on which the contract terms require delivery of the financial asset within the time frame established by the market concerned.

Financial assets are initially measured at fair value plus transaction costs, except for those financial assets classified at fair value through profit or loss. These are initially measured at fair value without transaction costs. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously.

#### x) Contingent assets and liabilities

A contingent asset is not recognized in the financial statements, but is disclosed if an inflow of economic benefit is probable. Contingent liabilities are not recognized in the financial statements. They are not disclosed if the possibility of an outflow of resources embodying economic benefit is remote.

## G) USE OF ESTIMATES AND DISCRETIONARY JUDGMENTS

Preparation of the consolidated financial statements requires the management to make estimates and assumptions that can affect the reported amounts of assets, liabilities, income, and expenses as well as amounts reported in the notes. Actual results may differ from these estimates.

### a) Estimates

The Group has made estimates in the process of applying the company's accounting policies. Additionally, at the balance sheet date, the Group made the following key assumptions concerning the future and has identified other key sources of estimation uncertainty at the balance sheet date that bear a significant risk of causing a material adjustment to the net book values of assets and liabilities within the next financial year:

#### Construction contracts

The accounting for construction contracts is based on estimations for contract costs, recoverable contract revenue as well as contract risks (including technical, political, and financial risks). Although these estimations are based on all information available on the balance sheet date, substantial changes after the balance sheet

date are possible. These changes could lead to adjustments of assets and may substantially influence earnings in subsequent periods.

#### Pensions and other employee benefits

For the valuation of pension plan parameters such as the expected discount rate, increases of salary and pension payments, and the return on plan assets are used. If the relevant parameters develop materially different than expected, this could have a material impact on the Group's defined benefit obligation and, subsequently, on the related expenses.

#### Provisions

Provisions are recognized and measured based on estimates of the extent and probability of future events as well as estimates of the discount rate. As far as possible, these are also based on past experience.

#### Impairment

The impairment analysis for goodwill, other intangible assets, and tangible assets is based primarily on discounted estimated future cash flows from the continued use and disposal of an asset at the end of its useful life. Factors like lower than anticipated sales and resulting decreases of net cash flows and changes in the discount rates used could lead to impairment. Regarding the net book values of goodwill, intangible assets, and property, plant, and equipment, please refer to note "J) Notes to the consolidated statement of financial position".

#### Management share option programs

The share option plans are measured based on the fair value of the options on the grant date. The fair value of the options is based on parameters such as volatility, interest rate, share price, duration of the options, and expected dividend. The interpretation of market information necessary for the estimation of fair values also requires a certain degree of subjective judgment. This can result in a difference between the amounts recorded and values subsequently realized in the market.

#### Deferred tax

In assessing the recoverability of deferred tax assets, the Group considers whether it is probable that all the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. If the company does not generate sufficient taxable income, deferred tax assets cannot be used and a valuation allowance has to be recorded.

### b) Discretionary judgments

The following lists the main discretionary judgments made by the management when applying the accounting and valuation methods.

#### Shares in subsidiaries

In order to consolidate a company, it is necessary to be able to control this company. According to IFRS 10, a controlling relationship assumes the power of disposition, rates of return (positive and/or negative), as well as a link between power of disposition and rates of return. Power of disposition is considered to be the means of controlling those activities by the investee that have a substantial influence on the variable returns. Power of disposition can be verified by means of voting rights or other contract rights. An investor has the power of disposition if he owns more than 50% of the voting rights in an investee and if there are no other agreements or circumstances preventing this. As a general principle, this power of disposition is always present if ANDRITZ owns more than 50% of the voting rights in a company, whether directly or indirectly, in order to influence the financial and business policies of the company and profit from its activities.

#### Shares in associated companies

Shares between 20% and 50%, where a significant influence is exercised by the Group, are generally recorded as Investments in associated companies. These are accounted for using the equity method. An assessment of the net book value of shares in associated companies is performed and adequate impairment losses or their reversals are recognized, when there is an indication of impairment or recoverability, respectively.

## H) NOTES TO THE CONSOLIDATED INCOME STATEMENT

### 1. Sales

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Contract revenue recognized as sales of projects under construction	4,439,165	4,012,491
Others	1,938,055	1,846,778
	<b>6,377,220</b>	<b>5,859,269</b>

Sales recognized from construction contracts according to the PoC method in the financial year are reported as "Contract revenue recognized as sales of projects under construction". "Others" largely contain orders recognized according to the completed contract method.

In the segment information (see note "I) Segment reporting"), Group sales are shown according to business area and region.

### 2. Other operating income

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Exchange rate gains	46,324	40,400
Government grants	16,745	9,956
Income from release of other provisions	14,064	8,971
Income from release of valuation allowance on receivables	11,237	6,295
Rental income	6,573	6,958
Income from scrap material	4,809	4,852
Insurance income	3,393	4,288
Profit on disposal of intangible assets and property, plant, and equipment	1,611	3,125
Others	28,665	37,296
	<b>133,421</b>	<b>122,141</b>

### 3. Cost of materials

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Expenses for raw materials, supplies and goods purchased	2,576,798	2,359,864
Expenses for services purchased	800,503	795,087
	<b>3,377,301</b>	<b>3,154,951</b>

### 4. Personnel expenses

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Wages and salaries	1,315,332	1,264,062
Expenses for social security contributions as required by law as well as income-based charges and compulsory contributions	218,033	213,012
Other social expenses and termination expenses	114,811	55,758
Pension expenses	44,885	35,917
Severance expenses	5,540	5,223
	<b>1,698,601</b>	<b>1,573,972</b>

In the 2015 financial year, contributions to the employees' severance funds in Austria of 1,811 TEUR (2014: 1,823 TEUR) are included in the severance expenses.

## 5. Other operating expenses

<i>(in TEUR)</i>	2015	2014
Sales expenses	198,438	167,489
Travel expenses	170,834	157,884
Rents and lease expenses	74,509	72,767
Repairs and maintenance	69,476	72,747
Legal, consulting, and audit expenses	69,242	56,200
Administrative expenses	56,186	56,595
Exchange rate losses	54,263	51,146
Insurance premiums and charges	35,067	32,925
Bank charges, guarantees, and similar expenses	23,801	26,266
Expenses for valuation allowance for receivables	12,606	13,876
Further training expenses to employees	10,500	9,964
Expenses for industrial patents, rights, licenses	9,951	10,343
Others	107,446	55,350
	<b>892,319</b>	<b>783,552</b>

## 6. Depreciation, amortization, and impairment of intangible assets and property, plant, and equipment

<i>(in TEUR)</i>	2015	2014
<b>Intangible assets</b>		
Depreciation and amortization	51,793	85,381
Impairment	0	770
<b>Property, plant, and equipment</b>		
Depreciation and amortization	86,530	78,818
Impairment	12,052	5,580
	<b>150,375</b>	<b>170,549</b>

In the 2015 fiscal year impairment losses for property, plant, and equipment were mainly recorded for a property in China in the amount of 2,500 TEUR, for land and buildings in Germany in the amount of 4,700 TEUR as well as for property and buildings, technical equipment and machinery and other equipment, factory and office equipment in a foundry in China in the amount of 4,221 TEUR. The impairment relates to the METALS business area in the amount of 7,356 TEUR, to the HYDRO business area in the amount of 4,324 TEUR, to the SEPARATION business area in the amount of 316 TEUR and to the PULP & PAPER business area in the amount of 56 TEUR.

## 7. Financial result

<i>(in TEUR)</i>	2015	2014
Expense from associated companies	-95	-65
Interest income	41,824	36,763
Interest expenses	-32,478	-37,662
Other financial result	-1,968	4,635
	<b>7,283</b>	<b>3,671</b>

The interest expenses contain 7,277 TEUR (2014: 9,691 TEUR) for interest cost on obligations for pensions, severance payments, and jubilee payments, as well as on expected return on plan assets.

The change in interest result is mainly due to the higher average net liquidity. The interest income contains a one-off effect in connection with a settlement payment received from a customer.

The position "Other financial result" mainly contains gains and losses on the disposal of shares and financial assets as well as exchange rate gains and losses on loans and cash accounts.



## 8. Income taxes

Income tax expense comprises the following items:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Current tax expense	-76,800	-73,733
Deferred tax expense/benefit relating to the origination and reversal of temporary differences	-29,189	-15,652
	<b>-105,989</b>	<b>-89,385</b>

The reconciliation of the calculated income tax expense to the effective tax expense is as follows. The calculated tax expense, amounting to 94,090 TEUR, is determined by multiplying the Earnings Before Taxes, amounting to 376,360 TEUR, by the applicable tax rate for ANDRITZ AG of 25%:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Earnings Before Taxes (EBT)	376,360	299,372
Calculated tax expense (25% in 2015 and 25% in 2014)	-94,090	-74,843
Increase (-)/Decrease (+) of tax expense by:		
Non-deductible expenses	-21,174	-17,944
Tax allowances	5,242	5,821
Tax free income (expenses) from investments	86	41
Foreign tax rate differential	-1,520	1,648
Changes in tax rate	720	608
Tax income/expense from prior periods	13,294	4,503
Change of temporary differences not accrued for	10,230	0
Non-deductible impairment of goodwill	-3,720	-2,843
Non-allowable withholding taxes, foreign operating site taxes	-11,783	-9,962
Others	-3,274	3,586
<b>Effective tax expense</b>	<b>-105,989</b>	<b>-89,385</b>
in % of EBT	-28.2%	-29.9%

The nominal income tax rates applying to subsidiaries abroad at the end of the financial year were between 10.0% and 41.3% (2014: between 10.0% and 39.0%).

The changes in deferred taxes are as follows:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014*</b>
Deferred tax assets	212,406	200,318
Deferred tax liabilities	-141,815	-159,040
<b>Balance as of January 1</b>	<b>70,591</b>	<b>41,278</b>
Deferred taxes recognized in income statement	-29,189	-15,652
Deferred taxes recognized in other comprehensive income	-10,272	16,631
Changes in consolidation scope, currency translation adjustments	-7,014	28,334
<b>Balance as of December 31</b>	<b>24,116</b>	<b>70,591</b>
Thereof:		
Deferred tax assets	183,284	212,406
Deferred tax liabilities	-159,168	-141,815

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

Deferred tax assets and liabilities as of December 31, 2015 and 2014 are the result of the following temporary valuation differences between the book values in the IFRS balance sheet and the relevant tax bases:

	2015		2014*	
	Deferred tax		Deferred tax	
(in TEUR)	Assets	Liabilities	Assets	Liabilities
Intangible assets	2,837	-53,887	2,249	-64,249
Property, plant, and equipment	10,426	-31,866	8,453	-32,734
Financial assets	5,343	-15,817	1,681	-12,036
Inventories	349,346	-11,582	293,492	-67,664
Receivables and other assets	44,513	-163,827	46,999	-94,641
	<b>412,465</b>	<b>-276,979</b>	<b>352,874</b>	<b>-271,324</b>
Provisions	129,096	-31,624	130,360	-25,173
Liabilities	90,355	-351,150	124,654	-309,376
	<b>219,451</b>	<b>-382,774</b>	<b>255,014</b>	<b>-334,549</b>
Tax loss carryforwards	123,526	0	151,167	0
<b>Deferred tax assets/liabilities before impairment and netting</b>	<b>755,442</b>	<b>-659,753</b>	<b>759,055</b>	<b>-605,873</b>
Valuation allowance for deferred tax assets	-71,573	0	-82,591	0
	<b>683,869</b>	<b>-659,753</b>	<b>676,464</b>	<b>-605,873</b>
Offset within legal tax units and jurisdiction	-500,585	500,585	-464,058	464,058
<b>Net deferred tax assets and liabilities</b>	<b>183,284</b>	<b>-159,168</b>	<b>212,406</b>	<b>-141,815</b>

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

The maturities of the deferred taxes before the offsetting within the same tax jurisdiction comprise the following:

(in TEUR)	2015	2014*
Realization within 12 months	511,856	503,227
Realization in more than 12 months	172,013	173,237
<b>Deferred tax assets before netting</b>	<b>683,869</b>	<b>676,464</b>
Realization within 12 months	-541,751	-486,153
Realization in more than 12 months	-118,002	-119,720
<b>Deferred tax liabilities before netting</b>	<b>-659,753</b>	<b>-605,873</b>

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

Estimates of the future realization of deferred tax assets are decisive in assessing the recoverability of deferred tax assets. This realization is dependent on the generation of future taxable profits during the periods in which temporary differences reverse and tax loss carryforwards can be utilized. This assessment takes account of the probability of the deferred tax liabilities being reversed as well as the future taxable profits. Tax loss carryforwards are only considered to the extent that taxable income can be expected. A tax preview for the next five financial years is taken into account in this assessment.

As a result, no deferred tax assets have been recognized for the following issues (gross values):

(in TEUR)	2015	2014
Deductible temporary differences	38,015	44,943
Tax loss carryforwards	266,153	353,746

On the date of the balance sheet, the Group has operating loss carryforwards (gross values) amounting to 637,629 TEUR (2014: 696,121 TEUR).

Tax groups mainly exist in Austria, Germany, the USA, the Netherlands and France.

The deductible temporary partial write-down calculated in accordance with Austrian tax law amounted to 10,612 TEUR. Deferred taxes were recognized in the amount of 2,653 TEUR.

Regarding investments in subsidiaries, branches, and associates, as well as in interests in joint arrangements no deferred taxes were recognized for temporary differences in the amount of 509,669 TEUR.

### 9. Earnings per share

Basic earnings per share (as stated further below in the consolidated income statement) are calculated by dividing the net income for the period attributable to shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period.

Diluted basic earnings per share are calculated by dividing the net income for the period attributable to shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period with consideration of share options.

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Net income attributable to shareholders of the parent	267,688	210,874
Weighted average number of no-par value shares	102,977,789	103,606,533
Effect of potential dilution of share options	120,426	284,720
Weighted average number of no-par value shares and share options	103,098,215	103,891,253
Basic earnings per no-par value share (in EUR)	2.60	2.04
Diluted earnings per no-par value share (in EUR)	2.60	2.03

## I) SEGMENT REPORTING

### Business areas

For management purposes, the Group is divided into four business areas on a worldwide basis:

#### ANDRITZ HYDRO (HY)

ANDRITZ HYDRO is one of the leading global suppliers of electromechanical equipment for hydropower plants. With over 170 years of accumulated experience and more than 30,000 turbines installed, totaling approximately 420,000 megawatts output, the business area supplies the complete product range, including turbines, generators, and additional equipment of all types and sizes – “from water to wire” for small hydro applications up to large hydropower plants with outputs of more than 800 megawatts per turbine unit. ANDRITZ HYDRO is also well positioned in the growing modernization, refurbishment, and upgrade market for existing hydropower plants. Pumps (for water transport, irrigation of agricultural land, and applications in various industries) and turbogenerators for thermal power plants are also allocated to the business area.

#### ANDRITZ PULP & PAPER (PP)

ANDRITZ PULP & PAPER is a leading global supplier of equipment, systems, and services for the production and processing of all types of pulp, paper, tissue, and cardboard. The technologies cover the processing of logs, annual fibers, and waste paper; the production of chemical pulp, mechanical pulp, and recycled fibers; the recovery and reuse of chemicals; the preparation of paper machine furnish; the production of paper, tissue, and cardboard; the calendaring and coating of paper; as well as treatment of reject materials and sludge. The service range includes modernization, rebuilds, spare and wear parts, service and maintenance, as well as machine transfer and second-hand equipment. Biomass, steam, and recovery boilers, as well as gasification plants for power generation, flue gas cleaning plants, plants for the production of nonwovens, dissolving pulp, and panelboards (MDF), as well as recycling plants are also allocated to the business area.

#### ANDRITZ METALS (ME)

ANDRITZ METALS is the technology and global market leader in metalforming via the Schuler Group, in which ANDRITZ has a stake of more than 95%. Schuler offers presses, automation solutions, dies, process know-how, and services for the entire metalworking industry. Its customers include car manufacturers and their suppliers, as well as companies in the forging, household appliances, packaging, energy, and electrical industries. Schuler is also the market leader in coin minting technology and offers system solutions for the aerospace and railway industries. In addition, ANDRITZ METALS is one of the leading global suppliers of complete lines for the production and processing of cold-rolled strip made of stainless steel, carbon steel, aluminum, and non-ferrous metal. The lines comprise equipment for cold rolling, heat treatment, surface finishing, strip coating and finishing, punching and deep drawing, and the regeneration of pickling acids. The business area also supplies turnkey furnace systems for the steel, copper, and aluminum industries, as well as welding systems for the metalworking industry.

#### ANDRITZ SEPARATION (SE)

ANDRITZ SEPARATION is one of the leading global suppliers of technologies and services in the solid/liquid separation sector, as well as for the production of animal feed and biomass pellets. The comprehensive product portfolio for solid/liquid separation comprises centrifuges, filters and drying plants, screens, thickeners, separators, and transportation systems. The industries served include municipal and industrial wastewater treatment, chemicals, food and beverages, as well as mining and minerals. The service sector focuses on plant modernization, spare and wear parts, and process optimization.

These strategic business areas form the basis of the internal reporting structure to the Executive Board as the key decision maker.

The accounting and valuation principles of the individual segments are the same as those of the Group (see note “F) Accounting and valuation principles”).

According to the internal reporting structure, all sales and all direct and indirect expenses (including overhead and administrative costs) are allocated to business areas and reflect the management structure of the organization and the predominant sources of risks and opportunities. The key measure of operating performance for the Group is Earnings Before Interest, Taxes, and Amortization (EBITA). There are no substantial inter-segmental transactions. All consolidation effects related to the income statement are included in the relevant business area.

### Geographical segmentation

The Group's activities are mainly conducted in Europe, North America, South America, and Asia.

External sales allocated by geographical segments are based on the geographical location of the company's customers.

There are no sales from transactions with a single external customer that amount to 10% or more of the Group's sales.

## 2015

### Business area information

<i>(in TEUR)</i>	<b>HY</b>	<b>PP</b>	<b>ME</b>	<b>SE</b>	<b>Total</b>
Sales	1,834,817	2,196,325	1,718,089	627,989	6,377,220
EBITDA	183,653	214,831	104,779	31,462	534,725
EBITA	145,379	190,883	70,482	22,250	428,994
Capital expenditure	27,280	21,130	40,241	12,732	101,383
Depreciation, amortization, and impairment of intangible assets and property, plant, and equipment	42,131	33,217	61,638	13,389	150,375
Share of net profit/loss of associates	0	-95	0	0	-95
Shares in associated companies	0	0	0	0	0

### Information according to geographical segments

<i>(in TEUR)</i>	<b>Europe</b>	<b>North America</b>	<b>South America</b>	<b>Asia</b>	<b>Rest of the world and consolidation</b>	<b>Total</b>
External sales	2,472,782	1,186,035	864,587	1,568,259	285,557	6,377,220
Non-current assets	873,181	136,843	26,253	90,206	394,379	1,520,862
Capital expenditure	66,135	8,407	5,792	20,951	98	101,383

External sales for Europe include the amount of 228,398 TEUR for sales realized in Austria. Non-current assets of 280,886 TEUR are located in Austria.

Non-current assets consist of property, plant, and equipment, goodwill, intangible assets, non-current trade accounts receivable, as well as other non-current receivables and other assets.

## 2014 Business area information

<i>(in TEUR)</i>	<b>HY</b>	<b>PP</b>	<b>ME</b>	<b>SE</b>	<b>Total</b>
Sales	1,752,317	1,969,262	1,550,395	587,295	5,859,269
EBITDA	177,255	127,592	133,978	33,172	471,997
EBITA	144,825	102,859	110,154	21,646	379,484
Capital expenditure	39,320	28,145	27,879	11,106	106,450
Depreciation, amortization, and impairment of intangible assets and property, plant, and equipment	36,935	34,687	79,120	19,807	170,549
Share of net profit/loss of associates	0	-65	0	0	-65
Shares in associated companies	0	0	0	0	0

## Information according to geographical segments

<i>(in TEUR)</i>	<b>Europe</b>	<b>North America</b>	<b>South America</b>	<b>Asia</b>	<b>Rest of the world and consolidation</b>	<b>Total</b>
External sales	2,404,794	957,436	890,748	1,396,829	209,462	5,859,269
Non-current assets	885,827	143,552	164,695	86,457	415,687	1,696,218
Capital expenditure	58,840	10,790	10,154	26,566	100	106,450

External sales for Europe include the amount of 199,851 TEUR for sales realized in Austria. Non-current assets of 292,917 TEUR are located in Austria.

Non-current assets consist of property, plant, and equipment, goodwill, intangible assets, non-current trade accounts receivable, as well as other non-current receivables and other assets.

**J) NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION****10. Intangible assets**

The intangible assets changed as follows:

<i>(in TEUR)</i>	Intangible assets related to customers and technologies	Other intangible assets	Total
<b>COST</b>			
<b>Balance as of December 31, 2013</b>	<b>397,703</b>	<b>66,292</b>	<b>463,995</b>
Additions	0	7,551	7,551
Disposals	-64,241	-871	-65,112
Transfers	0	191	191
Currency translation adjustments	3,667	492	4,159
Changes in consolidation scope	9,343	-48	9,295
<b>Balance as of December 31, 2014</b>	<b>346,472</b>	<b>73,607</b>	<b>420,079</b>
Additions	0	6,577	6,577
Disposals	-43,692	-2,301	-45,993
Transfers	0	378	378
Currency translation adjustments	4,499	-930	3,569
Changes in consolidation scope	3,210	0	3,210
<b>Balance as of December 31, 2015</b>	<b>310,489</b>	<b>77,331</b>	<b>387,820</b>
<b>ACCUMULATED DEPRECIATION</b>			
<b>Balance as of December 31, 2013</b>	<b>-109,456</b>	<b>-45,081</b>	<b>-154,537</b>
Depreciation and amortization	-78,038	-7,343	-85,381
Impairment losses recognized during the period	0	-770	-770
Disposals	64,241	787	65,028
Transfers	0	26	26
Currency translation adjustments	-1,574	-363	-1,937
Changes in consolidation scope	0	85	85
<b>Balance as of December 31, 2014</b>	<b>-124,827</b>	<b>-52,659</b>	<b>-177,486</b>
Depreciation and amortization	-44,644	-7,149	-51,793
Disposals	43,692	2,193	45,885
Transfers	0	-41	-41
Currency translation adjustments	-1,818	830	-988
<b>Balance as of December 31, 2015</b>	<b>-127,597</b>	<b>-56,826</b>	<b>-184,423</b>
<b>NET BOOK VALUE</b>			
Balance as of December 31, 2014	221,645	20,948	242,593
Balance as of December 31, 2015	182,892	20,505	203,397

**Research and development costs**

Expenditure for research and non-capitalized development costs was considered in the amount of 88,514 TEUR in 2015 and of 84,280 TEUR in 2014. Development costs were not capitalized in the 2015 financial year because the criteria for capitalization according to IAS 38 were not met.

The Group conducts the majority of its development work as part of customer-related and large-scale projects. The related expenses do not constitute development costs to be capitalized as defined in the IFRS standards and are recognized accordingly as project costs.

**Collateral securities**

No collateral securities result in limitations on disposal of intangible assets (2014: 24,437 TEUR).

## 11. Goodwill

The following table illustrates the changes in the amount of goodwill for the periods that ended on December 31, 2015 and 2014:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
<b>COST</b>		
<b>Balance as of January 1</b>	<b>731,131</b>	<b>705,036</b>
Changes in consolidation scope	1,492	8,803
Remeasurement (IFRS 3)	80	577
Currency translation adjustments	15,008	16,715
<b>Balance as of December 31</b>	<b>747,711</b>	<b>731,131</b>
<b>ACCUMULATED IMPAIRMENT</b>		
<b>Balance as of January 1</b>	<b>-192,656</b>	<b>-174,969</b>
Impairment losses recognized during the period	-15,273	-5,747
Currency translation adjustments	-11,267	-11,940
<b>Balance as of December 31</b>	<b>-219,196</b>	<b>-192,656</b>
<b>NET BOOK VALUE</b>		
Balance as of January 1	538,475	530,067
Balance as of December 31	528,515	538,475

These are divided between the cash-generating units as follows:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Schuler	215,061	215,061
VA TECH HYDRO	97,775	97,775
ANDRITZ AG	59,596	59,596
Ahlstrom	21,364	21,188
Iggesund	12,029	12,029
Others	122,690	132,826
	<b>528,515</b>	<b>538,475</b>

These are divided between the business areas as follows:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
HYDRO	117,085	120,428
PULP & PAPER	124,815	123,499
METALS	248,102	253,428
SEPARATION	38,513	41,120
	<b>528,515</b>	<b>538,475</b>

### Impairment losses recognized during the period

In the 2015 financial year, an impairment of goodwill was made in the amount of 15,273 TEUR because business did not develop as expected. The impairment relates to cash-generating units for product lines and technologies, which were acquired in the USA and in Europe. The impairment is assigned to the METALS business area in the amount of 7,747 TEUR, to the HYDRO business area in the amount of 3,133 TEUR, to the SEPARATION business area in the amount of 2,966 TEUR, and to the PULP & PAPER business area in the amount of 1,427 TEUR. In 2014, impairment losses of 5,747 TEUR were recorded for goodwill in the HYDRO (4,283 TEUR) and METALS (1,464 TEUR) business areas.

### Calculation parameters

After the planning period, a growth rate of 1.3% is assumed.



In consideration of the applicable currency and the corresponding risk profile, the following discount rates were applied before tax for the main cash-generating units:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Schuler	10.73%	8.23%
VA TECH HYDRO	13.05%	9.26%
ANDRITZ AG	11.75% -15.13%	8.48% -10.09%
Ahlstrom	14.64%	10.29%
Iggesund	12.11%	8.53%

#### Discretionary judgements and forward-looking assumptions

In order to validate the figures in use determined as of December 31, 2015, other scenarios were conducted with respect to the calculation parameters described above. The management considered the following scenarios possible:

- A change of +/-0.5 percentage points in the discount rate
- A change of +/-10 percentage points in the planned cash flows

The change would have resulted in the following effects on goodwill impairment if all other parameters remained the same:

#### 2015

<i>(in TEUR)</i>		<b>Discount rate</b>		<b>Planned cash flows</b>	
	Change	+0.5%	-0.5%	+10%	-10%
<b>Impairment</b>		<b>-318</b>	<b>0</b>	<b>0</b>	<b>-2,957</b>

#### 2014

<i>(in TEUR)</i>		<b>Discount rate</b>		<b>Planned cash flows</b>	
	Change	+0.5%	-0.5%	+10%	-10%
<b>Impairment</b>		<b>-351</b>	<b>254</b>	<b>254</b>	<b>-620</b>

The present sensitivity analysis may not be representative of the actual changes because it is considered unlikely that deviations from the assumptions made occur in isolation due to the fact that some of the assumptions are related to others.

## 12. Property, plant, and equipment

Property, plant, and equipment changed as follows:

<i>(in TEUR)</i>	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Assets under construc- tion and advance payments	Total
<b>COST</b>					
<b>Balance as of December 31, 2013</b>	<b>473,893</b>	<b>482,943</b>	<b>167,338</b>	<b>36,327</b>	<b>1,160,501</b>
Additions	19,931	27,563	18,830	32,575	98,899
Disposals	-4,190	-10,257	-11,163	-31	-25,641
Transfers	-5,271	28,267	-1,851	-21,336	-191
Currency translation adjustments	10,779	12,001	3,419	1,823	28,022
Changes in consolidation scope	9,862	9,659	1,171	20	20,712
Other adjustments	899	4,983	34	0	5,916
<b>Balance as of December 31, 2014</b>	<b>505,903</b>	<b>555,159</b>	<b>177,778</b>	<b>49,378</b>	<b>1,288,218</b>
Additions	8,765	26,318	20,426	39,297	94,806
Disposals	-4,581	-29,267	-15,276	-172	-49,296
Transfers	13,400	36,470	819	-51,067	-378
Currency translation adjustments	10,251	3,290	-1,473	1,647	13,715
Changes in consolidation scope	2,692	1,073	24	191	3,980
<b>Balance as of December 31, 2015</b>	<b>536,430</b>	<b>593,043</b>	<b>182,298</b>	<b>39,274</b>	<b>1,351,045</b>
<b>ACCUMULATED DEPRECIATION</b>					
<b>Balance as of December 31, 2013</b>	<b>-120,487</b>	<b>-266,556</b>	<b>-99,979</b>	<b>0</b>	<b>-487,022</b>
Depreciation and amortization	-16,898	-42,069	-19,851	0	-78,818
Impairment losses recognized during the period	-950	-4,617	-13	0	-5,580
Disposals	1,792	5,604	9,663	0	17,059
Transfers	90	-3,486	3,370	0	-26
Currency translation adjustments	-3,333	-6,967	-2,363	0	-12,663
Changes in consolidation scope	0	26	-23	0	3
Other adjustments	-899	-4,856	-161	0	-5,916
<b>Balance as of December 31, 2014</b>	<b>-140,685</b>	<b>-322,921</b>	<b>-109,357</b>	<b>0</b>	<b>-572,963</b>
Depreciation and amortization	-18,688	-46,261	-21,581	0	-86,530
Impairment losses recognized during the period	-9,977	-1,910	-165	0	-12,052
Disposals	4,228	24,601	13,502	0	42,331
Transfers	725	-2,469	1,785	0	41
Currency translation adjustments	-3,237	-3,200	-41	0	-6,478
<b>Balance as of December 31, 2015</b>	<b>-167,634</b>	<b>-352,160</b>	<b>-115,857</b>	<b>0</b>	<b>-635,651</b>
<b>NET BOOK VALUE</b>					
Balance as of December 31, 2014	365,218	232,238	68,421	49,378	715,255
Balance as of December 31, 2015	368,796	240,883	66,441	39,274	715,394

### Collateral securities

Property, plant, and equipment amounting to 11,996 TEUR and 63,793 TEUR as of December 31, 2015 and 2014, respectively, have been pledged as collateral security.

### Commitments

The commitments arising from contracts for expenditure on property, plant, and equipment are only within the ordinary scope of business. As of December 31, 2015, these commitments amounted to 38,553 TEUR (2014: 12,855 TEUR).

### Borrowing costs

No borrowing costs relating to qualifying assets were capitalized in the financial years 2015 and 2014 as the amounts were immaterial.

### Government grants

In the 2015 financial year, government grants amounting to 323 TEUR (2014: 135 TEUR) were paid for capital expenditure on buildings, plant, and machinery and offset against the costs. Other grants in the amount of 16,745 TEUR (2014: 9,956 TEUR) were recognized directly as other operating income.

### Changes in consolidation scope

In addition to the acquisition of subsidiaries, the changes in consolidated companies originate from changes of the consolidation method for Group companies.

### Finance leases

Details regarding finance lease are shown in note "N) Leases".

## 13. Associated companies

In an associated company, the Group does exercise significant influence, however, there is no control or joint control.

ANDRITZ has no shares in joint arrangements or in non-consolidated structured companies.

Information relating to the associated companies can be found in the following table:

Associated companies	Main office	Proportion of ownership interests and voting rights	
		2015	2014
Enmas ANDRITZ Pvt. Ltd.	Chennai, India	40.00%	40.00%
Viafin Brazil Oy	Teuva, Finland	40.00%	40.00%
A&V Montagens INDUSTRIAIS Ltda.	Lapa, Brazil	40.00%	40.00%

The associated companies are assigned to the PULP & PAPER business area.

All of the above mentioned associated companies are accounted for using the at-equity method. Another four associated companies (2014: 4) were not included in the at-equity method of accounting due to their minor importance for the assets, liabilities, financial position, and profit or loss of ANDRITZ. These subsidiaries are recognized as investments in non-consolidated companies at cost less any impairment losses in "Other investments".

The following overview shows the items from the statement of financial position and the income statement for companies accounted for using the equity method:

(in TEUR)	2015	2014
<b>Disclosures of financial position</b>		
Assets	4,373	4,138
Liabilities	5,367	5,166
<b>Disclosures of the income statement</b>		
Sales	2,013	1,274
Result for the year	36	-278

The result from associated companies amounted to -95 TEUR (2014: -65 TEUR) in the consolidated income statement of the Group.

The summarizing financial information for associated companies is shown in aggregate form because the individual companies can be considered of minor importance. ANDRITZ AG has the following interest in the income of associated companies:

(in TEUR)	2015	2014
Share of net income	14	-111
Share of other comprehensive income	-1	2
<b>Share of total comprehensive income</b>	<b>13</b>	<b>-109</b>
<b>Aggregate carrying amount of the interests in associates</b>	<b>0</b>	<b>0</b>

Non-recognized losses of associated companies for the business year and cumulatively up to December 31, 2015, comprise the following:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
<b>Unrecognized loss of associates</b>	<b>0</b>	<b>-44</b>
<b>Cumulative share of loss of associates</b>	<b>-926</b>	<b>-1,031</b>

The cumulative non-recognized losses relate entirely to Enmas ANDRITZ Pvt. Ltd.

#### 14. Other investments

Other investments comprise the following:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014*</b>
Investment securities	73,376	35,742
Loans against borrowers' notes	50,000	45,000
Shares in non-consolidated companies	6,698	5,744
Other shares	2,401	3,825
Others	8,110	8,534
	<b>140,585</b>	<b>98,845</b>

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

In the 2015 financial year, impairment for shares in non-consolidated companies was recognized in the amount of 184 TEUR (2014: 0 TEUR).

The shares in non-consolidated companies include restricted right of use amounting to 0 TEUR (2014: 128 TEUR).

If no quoted market prices are available and none of the factors relevant for valuation models can be measured reliably, investments in non-consolidated companies and other investments are recognized at cost.

#### 15. Trade accounts receivable

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Trade accounts receivable - current	735,375	705,819
Trade accounts receivable - non-current	11,450	62,522
	<b>746,825</b>	<b>768,341</b>
thereof neither past due nor impaired	503,648	490,443
thereof past due but not impaired	237,873	273,405
thereof impaired	58,021	58,695
Valuation allowance	-52,717	-54,202

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's creditworthiness and defines credit limits per customer. Limits and scoring attributed to customers are reviewed regularly.

Included in the Group's trade receivable balance are debts with a carrying value of 237,873 TEUR (2014: 273,405 TEUR) which are past due at the reporting date and for which the Group has not recognized any valuation allowance as there has not been a significant change in creditworthiness and the amounts are still considered recoverable.

The valuation allowance for trade accounts receivable changed as follows:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
<b>Balance as of January 1</b>	<b>-54,202</b>	<b>-50,241</b>
Charged to expenses	-12,603	-13,876
Use	3,865	6,683
Release	11,026	6,295
Currency translation adjustments	-803	-1,811
Changes in consolidation scope	0	-1,252
<b>Balance as of December 31</b>	<b>-52,717</b>	<b>-54,202</b>

On the balance sheet date, the Group has the following liabilities, which are past due but not impaired:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Up to 60 days past due	145,844	107,670
61 to 120 days past due	34,194	37,628
More than 120 days past due	57,835	128,107
	<b>237,873</b>	<b>273,405</b>

In determining the recoverability of a trade receivable, the Group considers any change in creditworthiness from the date on which the credit was initially granted up to the reporting date. Determination of impairments also considers collateralization of payments by bank guarantees and export insurance. The Executive Board believes that no further credit provision is required in excess of the allowance for doubtful debts already recognized.

The disposal limitations arising due to the granting of collateral securities amount to 16,554 TEUR (2014: 67,303 TEUR). The parties receiving collateral security have no rights allowing them to sell or repledge the collateral securities provided.

## 16. Other receivables and assets

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Receivables from value-added tax and from other taxes and changes	118,996	116,872
Embedded derivatives at fair value	44,480	47,647
Loans against borrowers' notes	40,000	45,000
Receivables from prepaid income taxes	33,049	28,695
Prepayments and deferred charges	24,678	28,011
Foreign exchange forward contracts at fair value	24,537	23,079
Interest rate swaps at fair value	17,942	20,496
Bills of exchange receivable	16,055	11,199
Others	77,783	141,078
	<b>397,520</b>	<b>462,077</b>
thereof other current receivables	335,415	350,339
thereof other non-current receivables	62,105	111,738

The valuation allowances on the other receivables changed as follows:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
<b>Balance as of January 1</b>	<b>-5,988</b>	<b>-6,427</b>
Charged to expenses	-3,228	-1,055
Use	2,376	787
Release	2,003	699
Currency translation adjustments	10	8
<b>Balance as of December 31</b>	<b>-4,827</b>	<b>-5,988</b>

## 17. Inventories

<i>(in TEUR)</i>	2015	2014
Materials and supplies	207,196	223,961
Work in progress	357,899	372,547
Finished goods	100,324	96,726
	<b>665,419</b>	<b>693,234</b>

The valuation allowances on inventories were recognized in the income statement in the amount of -4,863 TEUR (2014: 629 TEUR). In the financial year, no substantial reversal of impairment was captured as a reduction of expenses for materials.

The disposal limitations arising due to the granting of collateral securities amount to 20,206 TEUR (2014: 86,836 TEUR).

## 18. Advance payments made

The advance payments made and presented in the statement of financial position relate to orders for ongoing contracts.

## 19. Construction contracts

<i>(in TEUR)</i>	2015	2014
Contract revenue recognized as sales of projects under construction	4,439,165	4,012,491
Contract costs incurred and recognized profits (less recognized losses) to date	10,130,961	10,232,508
Advance payments received and progress billings	10,464,875	10,933,918
Amount of retentions	21,915	12,970

The net amounts of the construction contracts comprise the following:

<i>(in TEUR)</i>	2015	2014
Contract costs incurred and recognized profits (less recognized losses) to date	10,130,961	10,232,508
Less advance payments received and progress billings	-10,464,875	-10,933,918
	<b>-333,914</b>	<b>-701,410</b>
<b>Recognized in the financial statements as receivables and payables:</b>		
Cost and earnings of projects under construction in excess of billings	711,062	502,183
Billings in excess of cost and earnings of projects under construction	-1,044,976	-1,203,593
	<b>-333,914</b>	<b>-701,410</b>

The following advance payments and payment installment requests were past due on the balance sheet date.

<i>(in TEUR)</i>	2015	2014
61 to 120 days past due	26,170	13,244
More than 120 days past due	110,483	76,845
	<b>136,653</b>	<b>90,089</b>

The disposal limitations arising due to the granting of collateral securities amount to 1,846 TEUR (2014: 81,241 TEUR). The parties receiving collateral security have no rights allowing them to sell or re-pledge the collateral securities provided.

**20. Marketable securities**

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Funds	56,078	72,455
Bank bonds	47,540	81,839
	<b>103,618</b>	<b>154,294</b>

**21. Cash and cash equivalents**

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Time deposits	777,358	1,075,893
Cash in banks	478,388	381,442
	<b>1,255,746</b>	<b>1,457,335</b>

The cash and cash equivalents in the financial statements are the same as the cash and cash equivalents in the cash flow statement.

**22. Non-current assets available for sale and discontinued business areas**

There were no non-current assets available for sale and discontinued business areas classified according to IFRS 5 on December 31, 2015.

**23. Equity**

<i>(in TEUR)</i>	<b>2015</b>	<b>2014*</b>
Share capital	104,000	104,000
Capital reserves	36,476	36,476
Other retained earnings	1,144,880	992,482
IAS 39 reserve	48,932	17,964
Actuarial gains/losses	-70,534	-83,001
Currency translation adjustments	2,852	-13,419
Treasury shares	-68,573	-32,947
<b>Total</b>	<b>1,198,033</b>	<b>1,021,555</b>
Non-controlling interests	17,543	16,721
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,215,576</b>	<b>1,038,276</b>

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

### IAS 39 reserve

The table below shows the movements in the IAS 39 reserve in equity:

<i>(in TEUR)</i>	thereof hedging activities (cash flow hedge)	thereof securities	IAS 39 reserve
<b>Balance as of December 31, 2013</b>	-194	-187	-381
Gains and losses from changes in fair values*	-5,054	26,020	20,966
Related deferred income taxes*	1,539	-3,921	-2,382
Transfers to income statement	-273	-54	-327
Related deferred income taxes	82	8	90
Other adjustments	0	-2	-2
<b>Balance as of December 31, 2014*</b>	-3,900	21,864	17,964
Gains and losses from changes in fair values	835	36,264	37,099
Related deferred income taxes	-480	-5,433	-5,913
Transfers to income statement	0	-291	-291
Related deferred income taxes	0	73	73
<b>Balance as of December 31, 2015</b>	-3,545	52,477	48,932

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

### Dividends

For 2015, a dividend of 1.35 EUR per outstanding share is proposed by the Executive Board. The dividend of 103,240 TEUR for 2014, which is equal to 1.00 EUR per share, was proposed by the Executive Board and approved at the 108<sup>th</sup> Annual General Meeting on March 26, 2015. The dividend was paid to the shareholders on April 2, 2015.

### Treasury shares

Based on authorizations of the Annual General Meeting and with approval from the Supervisory Board, the Executive Board adopted share buy-back and share resale programs for buying up to 10,400,000 no-par value shares between October 1, 2013, and March 31, 2016.

In 2015, 950,000 shares were bought back at an average price of EUR 40.84 per share. 66,000 no-par value shares were resold at a price of 23.18 EUR per share to eligible executives under the management share option plan and 11,408 no-par value shares were transferred to employees of ANDRITZ in the course of employee participation programs. As of December 31, 2015, the company held 1,675,699 treasury shares at a market value of 75,490 TEUR. It is planned to use these shares for the management share option plan and the employee participation programs.

The following table shows the changes in the number of shares outstanding:

	Number of shares	thereof treasury shares	thereof shares outstanding
<b>Balance as of December 31, 2013</b>	104,000,000	216,993	103,783,007
Purchase of treasury shares	0	672,000	-672,000
Used to cover share options and employee participation programs	0	-85,886	85,886
<b>Balance as of December 31, 2014</b>	104,000,000	803,107	103,196,893
Purchase of treasury shares	0	950,000	-950,000
Used to cover share options and employee participation programs	0	-77,408	77,408
<b>Balance as of December 31, 2015</b>	104,000,000	1,675,699	102,324,301



### Management share option programs

Due to the fact that the management share option plans do not allow for cash settlement, the corresponding expenses are recorded directly as equity according to the International Financial Reporting Standards.

2,066,000 options were granted in 2010. The fair value of the options at the time of granting amounts to 8,362 TEUR, with no further expense being reported in 2015.

2,146,000 options were granted in 2012. The fair value of the options at the time of granting amounted to 13,553 TEUR. Due to the non-achievement of the performance conditions for the exercise of the options the fair value of the options was entirely released to profit or loss. Hence, an effect on earnings was caused in the amount of 11,671 TEUR.

Furthermore, 1,012,500 options were granted in 2014. The fair value of the options at the time of granting amounts to 8,159 TEUR; 2,449 TEUR thereof were reported as proportionate expense in 2015.

Movements in options under the share option plans for the 2015 and 2014 financial years were as follows:

	2015		2014	
	Number of options	Average exercise price per option (in EUR)	Number of options	Average exercise price per option (in EUR)
<b>Balance as of January 1</b>	<b>3,067,500</b>	<b>39.17</b>	<b>2,215,000</b>	<b>36.07</b>
Options granted	0	-	1,012,500	44.42
Options exercised	-66,000	23.18	-76,000	23.18
Options expired and forfeited	-2,019,000	37.13	-84,000	35.15
<b>Balance as of December 31</b>	<b>982,500</b>	<b>44.42</b>	<b>3,067,500</b>	<b>39.17</b>
Exercisable at year-end	982,500	44.42	84,000	23.18

### Non-controlling interests

The share ownership of third parties in Group entities is recognized in this item.

The following overview contains information on those ANDRITZ subsidiaries in which it does not have a controlling interest:

(in TEUR)	Main office	Proportion of ownership interests and voting rights held by non-controlling interests		Profit (loss) allocated to non-controlling interests		Non-controlling interests	
		2015	2014	2015	2014	2015	2014
ANDRITZ-Wolfensberger Special Alloy Foundry Co. Ltd.	Foshan, China	0.00%	5.00%	-945	-72	0	-330
PT. ANDRITZ HYDRO	Jakarta, Indonesia	49.00%	49.00%	743	552	1,281	1,099
ANDRITZ HYDRO S.A.	Araraquara, Brazil	0.00%	25.67%	1,706	-2,738	0	-1,499
ANDRITZ HYDRO Hammerfest AS	Hammerfest, Norway	40.12%	40.12%	278	436	7,927	8,172
ANDRITZ HYDRO Hammerfest (UK) Limited	Glasgow, United Kingdom	40.12%	40.12%	133	-455	-11,683	-11,300
Shanghai Shende Machinery Co. Ltd.	Shanghai, China	0.00%	20.00%	0	11	0	1,681
Schuler Aktiengesellschaft (sub-group)	Göppingen, Germany	3.38%	3.38%	768	1,378	20,018	18,898
<b>Total</b>				<b>2,683</b>	<b>-887</b>	<b>17,543</b>	<b>16,721</b>

The share of equity and result attributable to non-controlling interests is shown separately in the consolidated statement of financial position, in the consolidated income statement, and in the statement of comprehensive income. The purchase method was applied for all companies acquired. Companies that were purchased or sold in the course of the year were included in the consolidated financial statements as from the date of purchase or up to the time of their sale.

During the business year, ANDRITZ acquired a stake of 5% in ANDRITZ-Wolfensberger Special Alloy Foundry Co. Ltd., of 25.67% in ANDRITZ HYDRO S.A., and of 20% in Shanghai Shende Machinery Co. Ltd. As a result, the stake increased in each case to 100%. The ANDRITZ GROUP recognized these changes as equity transactions.

The summarized financial information on subsidiaries with significant non-controlling interests is provided in the following:

### 2015

<i>(in TEUR)</i>	ANDRITZ HYDRO Hammerfest AS	ANDRITZ HYDRO Hammerfest (UK) Limited	Schuler Aktien- gesellschaft (sub-group)
Current assets	44	1,435	775,748
Non-current assets	28,550	1,188	396,632
Current liabilities	-7,657	-5,392	-429,717
Non-current liabilities	0	-1,026	-337,973
Non-controlling interests of sub-group			-6,309
<b>Net assets</b>	<b>20,937</b>	<b>-3,795</b>	<b>398,381</b>
<b>Proportion of ownership interests and voting rights held by non-controlling interests</b>	<b>40.12%</b>	<b>40.12%</b>	<b>3.38%</b>
<b>Net book value of non-controlling interests</b>	<b>8,399</b>	<b>-1,523</b>	<b>19,756</b>
<b>Sales</b>	<b>0</b>	<b>7,642</b>	<b>1,200,018</b>
Profit/loss	694	1,507	24,835
Other comprehensive income	-1,306	-1,286	11,526
<b>Total comprehensive income</b>	<b>-612</b>	<b>221</b>	<b>36,361</b>
Thereof attributable to:			
Shareholders of the parent	-367	132	35,133
Non-controlling shareholders	-246	89	1,228
<b>Dividends paid to non-controlling interest holders</b>	<b>0</b>	<b>0</b>	<b>-329</b>
Cash flow from operating activities	12	31,688	-81,622
Cash flow from investing activities	0	6	-33,985
Cash flow from financing activities	0	-29,250	11,888
<b>Total</b>	<b>12</b>	<b>2,443</b>	<b>-103,719</b>

## 2014

<i>(in TEUR)</i>	ANDRITZ HYDRO S.A.	ANDRITZ HYDRO Hammerfest AS	ANDRITZ HYDRO Hammerfest (UK) Limited	Schuler Aktien- gesellschaft (sub-group)
Current assets	74,126	29,221	5,450	841,357
Non-current assets	70,509	8	946	400,998
Current liabilities	-97,382	-7,680	-36,323	-573,477
Non-current liabilities	-13,186	0	-2,348	-297,000
Non-controlling interests of sub- group				-6,297
<b>Net assets</b>	<b>34,067</b>	<b>21,549</b>	<b>-32,274</b>	<b>365,580</b>
<b>Proportion of ownership interests and voting rights held by non-controlling interests</b>	<b>25.67%</b>	<b>40.12%</b>	<b>40.12%</b>	<b>3.38%</b>
<b>Net book value of non-controlling interests</b>	<b>8,745</b>	<b>8,644</b>	<b>-12,947</b>	<b>18,647</b>
<b>Sales</b>	<b>118,158</b>	<b>0</b>	<b>711</b>	<b>1,178,495</b>
Profit/loss	-5,147	1,087	-77	32,985
Other comprehensive income	0	0	0	-13,147
<b>Total comprehensive income</b>	<b>-5,147</b>	<b>1,087</b>	<b>-77</b>	<b>19,838</b>
Thereof attributable to:				
Shareholders of the parent	-3,826	651	-46	19,168
Non-controlling shareholders	-1,321	436	-31	670
<b>Dividends paid to non-controlling interest holders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-195</b>
Cash flow from operating activities	-25,871	-1,500	3,192	152,058
Cash flow from investing activities	3,511	0	-5	-20,712
Cash flow from financing activities	22,051	1,309	4	195
<b>Total</b>	<b>-309</b>	<b>-191</b>	<b>3,191</b>	<b>131,541</b>

## Additional capital disclosures

ANDRITZ is committed to maintaining a strong financial profile, characterized by a conservative capital structure that provides financial flexibility. As of December 31, 2015 and 2014, equity and total assets of the company were as follows:

<i>(in TEUR)</i>	2015	2014*
Total shareholders' equity	1,215,576	1,038,275
Total assets	5,778,029	5,995,245
Equity ratio	21.0%	17.3%

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

ANDRITZ is not subject to any statutory capital requirements. Commitments exist to sell shares in connection with established share-based payment plans. In recent years, commitments from share-based payments have primarily been satisfied through buy-back of the company's shares.

The goal in capital management is to ensure that entities in the Group will be able to continue as a going concern while optimizing the return to shareholders through the optimization of the debt and equity balance. Bonds were issued in the past to safeguard the financial stability and to build the basis for further growth of the ANDRITZ GROUP. The capital structure of the Group consists of debt, cash, and equity attributable to shareholders of the parent, comprising share capital, capital reserves, and retained earnings.

The capital structure is reviewed on an ongoing basis. The cost of capital and the risks associated with each class of capital are considered as a part of this review. Based on this, the Group is committed to optimize its overall capital structure through the payment of dividends, new share issues, and share buy-backs, as well as the issue of new debt or the redemption of existing debt.

The Group's overall strategy remains unchanged from 2014.

## 24. Maturities of financial liabilities

### 2015

<i>(in TEUR)</i>	Remaining term less than 1 month	Remaining term between 1 and 3 months	Remaining term between 4 and 12 months	Remaining term between 1 and 5 years	Remaining term over 5 years	<b>Total</b>
Bonds	0	0	0	364,984	0	364,984
Bank loans and other financial liabilities	3,939	15,187	8,507	70,108	4,677	102,418
Obligations under finance leases	58	157	653	3,122	11,896	15,886
	<b>3,997</b>	<b>15,344</b>	<b>9,160</b>	<b>438,214</b>	<b>16,573</b>	<b>483,288</b>

### 2014

<i>(in TEUR)</i>	Remaining term less than 1 month	Remaining term between 1 and 3 months	Remaining term between 4 and 12 months	Remaining term between 1 and 5 years	Remaining term over 5 years	<b>Total</b>
Bonds	0	150,839	0	370,130	0	520,969
Bank loans and other financial liabilities	3,401	31,457	41,049	38,448	6,355	120,710
Obligations under finance leases	58	138	606	2,639	11,925	15,366
	<b>3,459</b>	<b>182,434</b>	<b>41,655</b>	<b>411,217</b>	<b>18,280</b>	<b>657,045</b>

The interest-bearing borrowings primarily consist of current bank loans at floating interest rates and fixed rates.

There are no substantial credit defaults in the ANDRITZ GROUP; all of the financial liabilities are settled in general on the due date.

The net book value of liabilities corresponds essentially to the fair value.

**25. Provisions**

<i>(in TEUR)</i>	Balance as of January 1, 2015	Additions	Un-winding of discount effect	Use	Release	Re-classification	Currency translation adjustments	Changes in consolidation scope	Balance as of December 31, 2015
Provisions for pensions	260,682	8,706	4,977	-13,231	-20,913	0	2,962	439	243,622
Provisions for severance payments	98,382	3,584	1,990	-6,285	-3,176	0	0	0	94,495
Provisions for anniversary bonuses	23,282	1,543	291	-134	-154	-998	139	0	23,969
Order-related non-current provisions	122,266	131,045	0	-8,146	-26,769	-19,883	-1,283	0	197,230
Other non-current provisions	44,228	12,891	35	-15,604	-2,512	7,644	264	0	46,946
<b>Non-current provisions</b>	<b>548,840</b>	<b>157,769</b>	<b>7,293</b>	<b>-43,400</b>	<b>-53,524</b>	<b>-13,237</b>	<b>2,082</b>	<b>439</b>	<b>606,262</b>
Order-related current provisions	379,838	193,995	0	-61,883	130,276	20,175	3,590	0	405,439
Other current provisions	127,518	90,278	19	-66,740	-21,977	-6,938	-3,602	137	118,695
<b>Current provisions</b>	<b>507,356</b>	<b>284,273</b>	<b>19</b>	<b>-128,623</b>	<b>152,253</b>	<b>13,237</b>	<b>-12</b>	<b>137</b>	<b>524,134</b>

Order-related provisions primarily include provisions for order-related risks and impending losses.

ANDRITZ expects the order-related non-current provisions generally to result in cash outflows during the next three years. For order-related current provisions, the company expects cash outflows within the next financial year.

The other non-current and other current provisions contain personnel costs and other expenses for restructuring in the amount of 65,851 TEUR. They relate to the financial provisions to optimize the value chain at Schuler.

## 26. Employee benefits

The post-employment benefits are divided into pension schemes amounting to 243,622 TEUR (2014: 260,682 TEUR) and severance payments amounting to 94,495 TEUR (2014: 98,382 TEUR).

### Pension plans

According to IAS 19.138, the pension plans are itemized according to the different geographic locations. The pension plans largely relate to Germany, Austria, and Switzerland. The "Other" category primarily relates to Canada and USA.

Basic actuarial assumptions for calculation of pension obligations as of December 31, 2015 and 2014, of the main Group companies are as follows:

### 2015

<i>(in %)</i>	<b>Germany and Austria</b>	<b>Switzerland</b>	<b>Other</b>
Discount rate	1.95	1.26	3.54
Wage and salary increases	2.31	1.00	1.62
Retirement benefit increases	1.96	0.00	0.30

### 2014

<i>(in %)</i>	<b>Germany and Austria</b>	<b>Switzerland</b>	<b>Other</b>
Discount rate	3.50	2.26	4.05
Wage and salary increases	2.50	0.98	2.55
Retirement benefit increases	2.00	0.01	0.53

The following mortality tables were mainly used:

	<b>2015</b>	<b>2014</b>
Austria	AVÖ 2008-P Pagler&Pagler	AVÖ 2008-P Pagler&Pagler
Germany	Heubeck "Richttafeln 2005G"	Heubeck "Richttafeln 2005G"
Switzerland	BVG 2014 Generationentafel	BVG 2014 Generationentafel

The weighted average term of the benefit obligation on December 31, 2015, is 13.98 years (2014: 12.96 years) for Germany and Austria, 15.25 years (2014: 16.84 years) for Switzerland, and 14.76 years (2014: 10.36 years) for other countries). In total, the weighted average term of defined benefit obligations amounted to 14.56 years on December 31, 2015 (2014: 13.11 years).

The following tables show the changes in pension benefit obligation from January 1 to December 31:

### 2015

<i>(in TEUR)</i>	Germany and Austria	Switzerland	Others	Total
<b>Defined benefit obligation as of January 1</b>	<b>268,603</b>	<b>190,949</b>	<b>84,818</b>	<b>544,370</b>
Current service cost	3,722	6,872	470	11,064
Past service cost	-14	-326	-175	-515
Effects of plan curtailments and settlements	-520	0	-605	-1,125
Interest cost on obligations	5,256	2,408	3,016	10,680
Actuarial gains (-) and losses (+) from change in demographic assumptions	0	-5,471	-172	-5,643
Actuarial gains (-) and losses (+) from change in financial assumptions	-24,049	4,259	-427	-20,217
Actuarial gains (-) and losses (+) from change in experience adjustments	5,648	-1,456	418	4,610
Benefits paid	-15,142	-4,436	-10,911	-30,489
Contributions by the plan participants	3,513	3,669	0	7,182
Currency translation adjustments	493	20,880	-773	20,600
Changes in consolidation scope	0	0	439	439
<b>Defined benefit obligation as of December 31</b>	<b>247,510</b>	<b>217,348</b>	<b>76,098</b>	<b>540,956</b>
Fair value of plan assets	-48,388	-188,350	-60,706	-297,444
Reduction of assets	110	0	0	110
<b>Defined benefit liability as of December 31</b>	<b>199,232</b>	<b>28,998</b>	<b>15,392</b>	<b>243,622</b>

### 2014

<i>(in TEUR)</i>	Germany and Austria	Switzerland	Others	Total
<b>Defined benefit obligation as of January 1</b>	<b>216,848</b>	<b>156,075</b>	<b>54,307</b>	<b>427,230</b>
Current service cost	3,708	4,775	390	8,873
Past service cost	0	-3,373	-511	-3,884
Effects of plan curtailments and settlements	0	0	44	44
Interest cost on obligations	7,489	3,452	2,439	13,380
Actuarial gains (-) and losses (+) from change in demographic assumptions	361	0	-56	305
Actuarial gains (-) and losses (+) from change in financial assumptions	47,342	26,819	8,310	82,471
Actuarial gains (-) and losses (+) from change in experience adjustments	288	4,240	-391	4,137
Benefits paid	-10,912	-11,949	-2,614	-25,475
Contributions by the plan participants	2,512	3,241	0	5,753
Currency translation adjustments	163	3,644	2,618	6,424
Changes in consolidation scope	0	4,024	20,283	24,307
Other changes	805	0	0	805
<b>Defined benefit obligation as of December 31</b>	<b>268,604</b>	<b>190,948</b>	<b>84,819</b>	<b>544,370</b>
Fair value of plan assets	-48,688	-168,481	-66,631	-283,800
Reduction of assets	111	0	0	111
<b>Defined benefit liability as of December 31</b>	<b>220,027</b>	<b>22,467</b>	<b>18,188</b>	<b>260,681</b>

Amounts of 346,727 TEUR (2014: 335,078 TEUR) out of the total pension benefit obligation in the amount of 540,956 TEUR (2014: 544,370 TEUR) are covered entirely or partly by investments in funds.

The following tables reconcile the fair value of plan assets:

#### 2015

<i>(in TEUR)</i>	Germany and Austria	Switzerland	Others	Total
<b>Fair value of plan assets as of January 1</b>	<b>48,688</b>	<b>168,482</b>	<b>66,630</b>	<b>283,800</b>
Interest revenue	1,168	2,121	2,414	5,703
Return on plan assets (excl. interest revenue)	-238	-5,076	-713	-6,027
Effects of plan curtailments and settlements	0	0	-45	-45
Benefits paid	-1,941	-4,436	-10,881	-17,258
Contributions by the employer	387	5,121	4,450	9,958
Contributions by the plan participants	6	3,669	0	3,675
Currency translation adjustments	318	18,470	-1,150	17,638
<b>Fair value of plan assets as of December 31</b>	<b>48,388</b>	<b>188,351</b>	<b>60,705</b>	<b>297,444</b>

#### 2014

<i>(in TEUR)</i>	Germany and Austria	Switzerland	Others	Total
<b>Fair value of plan assets as of January 1</b>	<b>46,126</b>	<b>154,730</b>	<b>44,732</b>	<b>245,588</b>
Interest revenue	1,660	3,398	2,067	7,125
Return on plan assets (excl. interest revenue)	2,296	6,912	4,138	13,346
Benefits paid	-4,158	-11,949	-2,531	-18,638
Contributions by the employer	2,474	4,701	1,657	8,832
Contributions by the plan participants	3	3,242	0	3,245
Currency translation adjustments	59	3,393	2,048	5,500
Changes in consolidation scope	0	4,055	14,544	18,599
Other changes	228	0	-25	203
<b>Fair value of plan assets as of December 31</b>	<b>48,688</b>	<b>168,482</b>	<b>66,630</b>	<b>283,800</b>



The plan assets are invested as follows:

### 2015

<i>(in TEUR)</i>	Germany and Austria	Switzerland	Others	Total
<b>Equity instruments</b>	<b>4,521</b>	<b>38,616</b>	<b>19,570</b>	<b>62,707</b>
thereof listed on an active market	4,499	38,616	19,570	62,685
<b>Debt instruments</b>	<b>9,200</b>	<b>80,065</b>	<b>28,424</b>	<b>117,689</b>
thereof listed on an active market	8,894	80,065	28,424	117,383
<b>Property, plant, and equipment</b>	<b>736</b>	<b>46,062</b>	<b>0</b>	<b>46,798</b>
thereof listed on an active market	0	8,698	0	8,698
<b>Other assets</b>	<b>33,931</b>	<b>23,608</b>	<b>12,711</b>	<b>70,250</b>
thereof listed on an active market	739	19,314	5,765	25,818
	<b>48,388</b>	<b>188,351</b>	<b>60,705</b>	<b>297,444</b>

### 2014

<i>(in TEUR)</i>	Germany and Austria	Switzerland	Others	Total
<b>Equity instruments</b>	<b>6,286</b>	<b>32,270</b>	<b>20,230</b>	<b>58,786</b>
thereof listed on an active market	6,216	32,270	20,230	58,716
<b>Debt instruments</b>	<b>10,270</b>	<b>74,869</b>	<b>29,903</b>	<b>115,042</b>
thereof listed on an active market	9,233	74,869	29,903	114,005
<b>Property, plant, and equipment</b>	<b>630</b>	<b>38,603</b>	<b>0</b>	<b>39,233</b>
thereof listed on an active market	0	4,156	0	4,156
<b>Other assets</b>	<b>31,503</b>	<b>22,738</b>	<b>16,498</b>	<b>70,739</b>
thereof listed on an active market	729	19,211	9,609	29,549
	<b>48,689</b>	<b>168,480</b>	<b>66,631</b>	<b>283,800</b>

In 2015, the actual investment results from plan assets amounted to -0.25% (2014: 7.02%).

Payments to the pension fund for defined benefits are expected in the amount of 7,109 TEUR for 2016.

The pension costs comprise:

<i>(in TEUR)</i>	2015	2014
Current service cost	11,064	8,873
Past service cost	-515	-3,884
Effects of plan curtailments and settlements	-1,080	44
	<b>9,469</b>	<b>5,033</b>
Payments to defined contribution plans	35,416	30,884
	<b>44,885</b>	<b>35,917</b>

The financing status changed as follows:

<i>(in TEUR)</i>	2015	2014	2013	2012	2011
Present value of defined benefit obligation	540,956	544,370	427,230	258,725	217,494
Fair value of plan assets	297,444	283,800	245,588	158,471	132,187
<b>Deficit of the plan</b>	<b>243,512</b>	<b>260,570</b>	<b>181,642</b>	<b>100,254</b>	<b>85,307</b>

As of December 31, 2015, there are no extraordinary risks specific to the company or to the plan, or any substantial risk concentrations according to IAS 19.139.

The discretionary assessments and assumptions concerning future developments for the valuation of provisions for pensions are based on relevant actuarial assumptions. A change of +/- 0.5 percentage points in the discount factor, of +/- 0.5 percentage points in the salary increase, of +/- 0.5 percentage points in pension benefits, and of +/- 1 year in life expectancy would have the following effects on the present value of the pension obligation if all other parameters remain the same:

#### 2015

<i>(in TEUR)</i>		<b>Germany and Austria</b>	<b>Switzerland</b>	<b>Others</b>	<b>Total</b>
Discount rate	+0.5%	-14,805	-15,732	-4,805	-35,342
	-0.5%	17,868	17,987	5,373	41,228
Wage and salary increases	+0.5%	826	1,898	481	3,205
	-0.5%	-769	-1,815	-456	-3,040
Retirement benefit increases	+0.5%	10,330	12,969	614	23,913
	-0.5%	-9,428	-1,263	-343	-11,034
Life expectancy	+1 year	9,117	5,725	1,778	16,620
	-1 year	-7,674	-5,842	-1,784	-15,300

#### 2014

<i>(in TEUR)</i>		<b>Germany and Austria</b>	<b>Switzerland</b>	<b>Others</b>	<b>Total</b>
Discount rate	+0.5%	-17,267	-14,423	-5,822	-37,512
	-0.5%	19,396	16,488	6,521	42,405
Wage and salary increases	+0.5%	978	1,694	750	3,422
	-0.5%	-911	-1,685	-712	-3,308
Retirement benefit increases	+0.5%	11,341	12,141	709	24,191
	-0.5%	-10,270	-963	-476	-11,709
Life expectancy	+1 year	9,319	4,993	1,927	16,239
	-1 year	-9,352	-5,104	-1,866	-16,322

The sensitivity analysis presented above may not be representative of the actual changes in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another due to the fact that some of the assumptions may be correlated.

### Severance obligations

In accordance with IAS19.138, a breakdown of severance obligations to the various geographical locations has been omitted because these obligations relate largely to Austria.

The basic actuarial assumptions used to determine severance obligations as of December 31, 2015 and 2014 are as follows:

<i>(in %)</i>	2015	2014
Discount rate	2.20	2.29
Wage and salary increases	2.10	2.09

The weighted average term of the benefit obligation on December 31, 2015, is 10.0 years (2014: 11.5 years).

The following table shows the changes in defined benefit obligations from January 1 to December 31:

<i>(in TEUR)</i>	2015	2014
<b>Defined benefit obligation as of January 1</b>	<b>99,678</b>	<b>91,088</b>
Current service cost	2,992	2,733
Interest cost on obligations	2,106	3,065
Actuarial gains (-) and losses (+) from change in demographic assumptions	26	-90
Actuarial gains (-) and losses (+) from change in financial assumptions	-3,170	10,975
Actuarial gains (-) and losses (+) from change in experience adjustments	716	-3,418
Benefits paid	-6,412	-4,858
Currency translation adjustments	82	183
<b>Defined benefit obligation as of December 31</b>	<b>96,018</b>	<b>99,678</b>
Fair value of plan assets	-1,523	-1,296
<b>Defined benefit liability as of December 31</b>	<b>94,495</b>	<b>98,382</b>

The following table reconciles the fair value of plan assets:

<i>(in TEUR)</i>	2015	2014
<b>Fair value of plan assets as of January 1</b>	<b>1,296</b>	<b>999</b>
Interest revenue	116	100
Return on plan assets (excl. interest revenue)	6	-31
Benefits paid	-127	-44
Contributions by the employer	150	148
Currency translation adjustments	82	124
<b>Fair value of plan assets as of December 31</b>	<b>1,523</b>	<b>1,296</b>

The plan assets are invested as follows:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
<b>Debt instruments</b>	<b>1,144</b>	<b>1,009</b>
thereof listed on an active market	0	0
<b>Other assets</b>	<b>379</b>	<b>287</b>
thereof listed on an active market	109	91
	<b>1,523</b>	<b>1,296</b>

The expenses for severance payments consist of:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Current service cost	2,991	2,733
Effects of plan curtailments and settlements	0	0
	<b>2,991</b>	<b>2,733</b>
Payments to defined contribution plans	2,549	2,490
	<b>5,540</b>	<b>5,223</b>

The financing status changed as follows:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Present value of defined benefit obligation	96,018	99,678	91,088	86,100	78,571
Fair value of plan assets	1,523	1,296	999	837	716
<b>Deficit of the plan</b>	<b>94,495</b>	<b>98,382</b>	<b>90,089</b>	<b>85,263</b>	<b>77,855</b>

The discretionary assessments and assumptions concerning future developments for the valuation of provisions for pensions are based on relevant actuarial assumptions. The valuation of existing severance payment provisions is based on assumptions relating to the discount rate, retirement age, life expectancy, and future salary increases. A +/- 0.5 percentage point change in the discount factor and a change of +/- 0.5 percentage points in the salary increase would have the following effects on the present value of the severance obligation if all other parameters remain the same:

<i>(in TEUR)</i>	<b>2015</b>		<b>2014</b>	
	<b>Sensitivity +0.5%</b>	<b>Sensitivity -0.5%</b>	<b>Sensitivity +0.5%</b>	<b>Sensitivity -0.5%</b>
Discount rate	-4,373	4,730	-4,631	5,027
Wage and salary increases	4,614	-4,310	4,916	-4,554

The sensitivity analysis presented above may not be representative of the actual changes in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another due to the fact that some of the assumptions may be correlated.

**27. Other liabilities**

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Accruals and outstanding order-related costs	470,827	588,126
Unused vacation and other personnel-related accruals	220,028	214,022
Foreign exchange forward contracts at fair value	72,188	76,815
Liabilities from value-added tax and from other taxes and charges	53,623	60,400
Liabilities from social security	19,600	21,013
Liabilities due to employees	14,723	15,024
Embedded derivatives at fair value	13,138	15,801
Liabilities from commissions	10,312	8,445
Prepayments and deferred charges	9,688	8,357
Others	88,352	99,124
	<b>972,479</b>	<b>1,107,127</b>
thereof other current liabilities	910,065	1,047,217
thereof other non-current liabilities	62,414	59,910

The net book value of other liabilities corresponds essentially to the fair value.

**28. Advance payments received**

The advance payments received and presented in the statement of financial position relate to orders for ongoing contracts.

## K) NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

In the consolidated statement of cash flows, cash flows are separated into cash inflows and outflows from operating activities, from investing activities, and from financing activities, irrespective of how the items are classified in the consolidated statement of financial position.

Cash flow from operating activities is derived indirectly based on the Earnings Before Taxes. Earnings Before Taxes are adjusted for non-cash expenses (primarily depreciation) and income. Cash flow from operating activities is calculated in consideration of the changes in working capital.

Investing activities mainly comprise payments for intangible assets and property, plant, and equipment as well as financial assets, ingoing and outgoing payments for investments in securities and loans against borrowers' notes, and payments for the acquisition of subsidiaries. The payments for intangible assets as well as property, plant, and equipment include the capital expenditures (additions to intangible assets and property, plant, and equipment) for 2015, to the extent that they already had an effect on cash.

Financing activities include not only dividend payments, but also cash flows from the redemption or issue of bonds, as well as other debts, and outgoing payments for buy-back of treasury shares and own corporate bonds.

The changes of the items in the consolidated statement of financial position shown in the consolidated statement of cash flows cannot be derived directly as effects of currency conversion and changes in the consolidation scope do not result in cash outflows and thus have been eliminated.

### 29. Cash flows from company acquisitions

<i>(in TEUR)</i>	Business area		Total	Total
	PP	ME	2015	2014
Intangible assets	3,210		3,210	9,380
Property, plant, and equipment	3,980		3,980	20,146
Inventories	1,798		1,798	7,128
Trade and other receivables	7,290		7,290	10,935
Liabilities	-6,022		-6,022	-22,612
<b>Non-interest bearing net assets</b>	<b>10,256</b>	<b>0</b>	<b>10,256</b>	<b>24,977</b>
Cash and cash equivalents	650		650	1,806
Financial assets	327		327	0
Financial liabilities	-2,014		-2,014	-89
Goodwill	1,492	80	1,572	8,803
<b>Total purchase price</b>	<b>10,711</b>	<b>80</b>	<b>10,791</b>	<b>35,497</b>
Purchase price paid	-10,711	-80	-10,791	-35,497
Cash and cash equivalents acquired	650		650	1,806
<b>Net cash flow</b>	<b>-10,061</b>	<b>-80</b>	<b>-10,141</b>	<b>-33,691</b>
Liabilities from purchase price not paid	0	0	0	0
Fair value of investments previously held under equity method	0	0	0	0
<b>Purchase price not paid in cash</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The cash flows from company acquisitions are valued at the rates applying to the respective transactions. The initial accounting for the businesses acquired in 2015 is based on preliminary figures. The final evaluation of the balance sheet items disclosed in the cash flows from acquisition will be carried out according to the regulations of IFRS 3 (Business Combinations).

## L) REPORTING ON FINANCIAL INSTRUMENTS

### a) Fair value of financial instruments

The fair value is the amount for which financial instruments could be exchanged between knowledgeable, willing parties in an arm's-length transaction.

#### Other investments

The fair values of publicly traded securities and loans against borrowers' notes are based on quoted market prices. If no public listings are available, the fair values were calculated on the basis of discounted cash flows expected in the future.

Shares in non-consolidated companies and other shares are stated at cost except shares of listed companies because the fair value cannot be determined reliably.

Investments in associated companies are measured using the equity method unless they are only of minor importance.

Non-current investment securities are classified as financial assets available for sale and are valued at their quoted market price at the balance sheet date.

#### Trade accounts receivable

Regarding current trade accounts receivable, it is assumed that the fair values equal the net book values. The fair value of non-current receivables with a remaining term of more than one year is the same as their present values, taking into consideration the current interest rate parameter in each case.

#### Receivables and other assets

The fair value of non-current receivables and other assets with a remaining term of more than one year equals their present values, taking into consideration the current interest rate parameter in each case. Regarding the current accounts receivable and other assets, it is assumed that the fair values are the same as the net book values.

Financial instruments that are valued at fair value through profit or loss and those that are included in a hedge accounting instrument comprise currency and interest rate hedging contracts. Derivatives traded on the stock exchange are valued at quoted market prices. The fair value of foreign exchange and commodity forward contracts is based on current forward rates. Interest rate swaps and forward rate agreements are based on discounted cash flows, where the market interest rate for the remaining term is applied. Both the credit risk of the contracting partner and the Group's own credit risk are included in a Credit Value Adjustment (CVA) for assets and in a Debit Value Adjustment (DVA) for liabilities.

#### Marketable securities

The fair values of publicly traded instruments are based on quoted market prices. The Group's securities are classified as financial assets available for sale.

#### Cash and cash equivalents

The net book value of cash and cash equivalents is the same as the market value due to the relatively short-term maturity of these financial instruments.

#### Financial liabilities

The fair value of non-current financial liabilities is determined as present values of the expected future cash flows. The discount rates are based on the current interest rates available for liabilities with the same maturity profile.

#### Trade accounts payable

It is assumed that the fair values are the same as the net book values of these financial instruments due to their short-term maturities.

#### Other liabilities

The financial liabilities classified at fair value through profit or loss relate to derivatives that are not included in hedge accounting. For details of these financial instruments and derivatives included in hedge accounting, please refer to the information provided under "Receivables and other assets".

The other current liabilities are valued at amortized cost. Other non-current liabilities with a remaining term of more than one year are the same as the present values, taking the current interest parameters into account.

**b) Information on financial instruments according to categories**

The following table shows the allocation of financial assets and liabilities to the IFRS categories and to the three levels of the fair value hierarchy. It distinguishes fair value measurements by the significance of the inputs used and reflects the availability of market inputs observed when estimating fair values.

The levels of the fair value hierarchy and their application to financial assets and liabilities are described below:

Level 1: Prices quoted in active markets for identical assets or liabilities.

Level 2: Inputs other than market prices quoted that can be observed for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for assets or liabilities that are not based on market data observed.

Due to the short remaining term, the net book value is to be assumed as a realistic estimate of the fair value for cash and cash equivalents, current trade accounts receivable and other receivables, current trade liabilities, and other liabilities.

Those financial instruments for which there are no liquid markets available and where none of the factors relevant for valuation models can be observed on active markets are shown in the table as Level 3.



	<i>(in TEUR)</i>	Net book value December 31, 2015						Fair value December 31, 2015				
		Notes	Held for trading	Hedge accounting	Loans and receivables	Available for sale	Other financial liabilities	No IAS 39 valuation category	Total	thereof level 1	thereof level 2	thereof level 3
<b>ASSETS</b>												
<b>Other investments</b>	14.				58,110	82,475		140,585	73,376	58,457	9,099	140,932
Securities and loans against borrowers' notes - non-current					50,000			50,000		50,347		50,347
Shares in non-consolidated companies and other shares <sup>1)</sup>						9,099		9,099			9,099	9,099
Investment securities						73,376		73,376	73,376			73,376
Others					8,110			8,110		8,110		8,110
<b>Trade accounts receivable</b>	15.				746,825			746,825		746,917		746,917
Trade accounts receivable - non-current					11,450			11,450		11,542		11,542
Trade accounts receivable - current					735,375			735,375		735,375		735,375
<b>Other receivables and assets</b>	16.	67,448	19,511		963,896		57,727	1,108,582		1,108,691		1,108,691
Securities and loans against borrowers' notes - current					40,000			40,000		40,000		40,000
Other receivables and assets - non-current					18,420			18,420		18,529		18,529
Other receivables and assets - current					194,414		57,727	252,141		252,141		252,141
Cost and earnings of projects under construction in excess of billings	19.				711,062			711,062		711,062		711,062
Derivatives	L)	22,968	19,511					42,479		42,479		42,479
Embedded derivatives	L)	44,480						44,480		44,480		44,480
<b>Marketable securities</b>	20.					103,618		103,618	103,618			103,618
<b>Cash and cash equivalents</b>	21.				1,255,746			1,255,746		1,255,746		1,255,746
<b>TOTAL ASSETS</b>		67,448	19,511		3,024,577	186,093	57,727	3,355,356	176,994	3,169,810	9,099	3,355,903
<b>LIABILITIES</b>												
<b>Financial liabilities</b>	24.						467,402	15,886	483,288	483,288		483,288
Bonds - non-current							364,984		364,984	364,984		364,984
Bank loans and other financial liabilities - non-current							74,785		74,785	74,785		74,785
Bank loans and other financial liabilities - current							27,633		27,633	27,633		27,633
Obligations under finance leases								15,886	15,886	15,886		15,886
<b>Trade accounts payable</b>							478,464		478,464	478,464		478,464
<b>Other liabilities</b>	27.	78,368	7,245				823,555	1,108,287	2,017,455	2,017,595		2,017,595
Other liabilities - non-current							32,032		32,032	32,172		32,172
Other liabilities - current							791,523	63,311	854,834	854,834		854,834
Billings in excess of cost and earnings of projects under construction	19.							1,044,976	1,044,976	1,044,976		1,044,976
Derivatives	L)	65,230	7,245					72,475		72,475		72,475
Embedded derivatives	L)	13,138						13,138		13,138		13,138
<b>TOTAL LIABILITIES</b>		78,368	7,245				1,769,421	1,124,173	2,979,207	2,979,347		2,979,347

<sup>1</sup> This includes the equity holdings valued at cost for which fair values cannot be determined reliably (9,099 TEUR).

	<i>(in TEUR)</i>	Net book value December 31, 2014*						Fair value December 31, 2014*				
		Notes	Held for trading	Hedge accounting	Loans and receivables	Available for sale	Other financial liabilities	No IAS 39 valuation category	Total	thereof level 1	thereof level 2	thereof level 3
<b>ASSETS</b>												
<b>Other investments</b>	14.			53,534	45,311			98,845	8,122	81,183	9,569	98,874
Securities and loans against borrowers' notes - non-current				45,000				45,000		45,029		45,029
Shares in non-consolidated companies and other shares <sup>1)</sup>					9,569			9,569			9,569	9,569
Investment securities					35,742			35,742	8,122	27,620		35,742
Others				8,534				8,534		8,534		8,534
<b>Trade accounts receivable</b>	15.			768,341				768,341		768,464		768,464
Trade accounts receivable - non-current				62,522				62,522		62,645		62,645
Trade accounts receivable - current				705,819				705,819		705,819		705,819
<b>Other receivables and assets</b>	16.	70,915	20,496	816,143			56,706	964,260	964,309			964,309
Securities and loans against borrowers' notes - current				45,000				45,000		45,000		45,000
Other receivables and assets - non-current				70,107				70,107		70,156		70,156
Other receivables and assets - current				198,853			56,706	255,559		255,559		255,559
Cost and earnings of projects under construction in excess of billings	19.			502,183				502,183		502,183		502,183
Derivatives	L)	23,269	20,496					43,765		43,765		43,765
Embedded derivatives	L)	47,646						47,646		47,646		47,646
<b>Marketable securities</b>	20.				154,294			154,294	154,294			154,294
<b>Cash and cash equivalents</b>	21.			1,457,335				1,457,335		1,457,335		1,457,335
<b>TOTAL ASSETS</b>		70,915	20,496	3,095,353	199,605		56,706	3,443,075	162,416	3,271,291	9,569	3,443,276
<b>LIABILITIES</b>												
<b>Financial liabilities</b>	24.					641,679	15,366	657,045		657,045		657,045
Bonds - non-current						370,130		370,130		370,130		370,130
Bonds - current						150,839		150,839		150,839		150,839
Bank loans and other financial liabilities - non-current						44,803		44,803		44,803		44,803
Bank loans and other financial liabilities - current						75,907		75,907		75,907		75,907
Obligations under finance leases							15,366	15,366		15,366		15,366
<b>Trade accounts payable</b>						493,436		493,436		493,436		493,436
<b>Other liabilities</b>	27.	87,424	5,240			945,706	1,272,350	2,310,720		2,310,806		2,310,806
Other liabilities - non-current						33,402		33,402		33,488		33,488
Other liabilities - current						912,304	68,757	981,061		981,061		981,061
Billings in excess of cost and earnings of projects under construction	19.						1,203,593	1,203,593		1,203,593		1,203,593
Derivatives	L)	71,623	5,240					76,863		76,863		76,863
Embedded derivatives	L)	15,801						15,801		15,801		15,801
<b>TOTAL LIABILITIES</b>		87,424	5,240			2,080,821	1,287,716	3,461,201	3,461,287			3,461,287

<sup>1</sup> This includes the equity holdings valued at cost for which fair values cannot be determined reliably (9,569 TEUR).

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

Shares in non-consolidated companies and other shares (disclosed under level 3) are accounted for at cost as their fair value cannot be reliably measured.

### c) Fair value hedges

The Group uses interest rate swaps to hedge the change in fair value of issued bonds due to interest rate changes. If the hedge is considered to be effective, the net book value of the hedged item is adjusted for changes in the fair value attributable to the hedged risk.

The portfolio of bonds (hedged items) changed as follows:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
<b>Balance as of January 1</b>	<b>520,969</b>	<b>510,658</b>
Gains (-)/losses (+) recognized through profit or loss	-2,724	10,311
Repurchase of own corporate bonds	-3,261	0
Issue	0	0
Redemptions	-150,000	0
<b>Balance as of December 31</b>	<b>364,984</b>	<b>520,969</b>

The market values of interest rate swaps (the hedging instrument) changed as follows:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Fair value of swaps as of January 1	20,496	10,526
Fair value of swaps as of December 31	17,942	20,496
<b>Gains/loss recognized through profit or loss</b>	<b>-2,554</b>	<b>9,970</b>

The following table shows the changes recognized through profit or loss from hedged items and hedging instruments in fair value hedging relationships:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
From hedged items	2,724	-10,311
From hedging instruments	-2,554	9,970
<b>Gains/loss recognized through profit or loss</b>	<b>170</b>	<b>-341</b>

### d) Cash flow hedges

The following table shows reconciliation of the IAS 39-reserve for cash flow hedges in equity:

<i>(in TEUR)</i>	<b>Hedging activities (cash flow hedge)</b>
<b>Balance as of December 31, 2013</b>	<b>-194</b>
Gains and losses from changes in fair values	-5,054
Related deferred income taxes	1,539
Transfers to income statement	-273
Related deferred income taxes	82
<b>Balance as of December 31, 2014</b>	<b>-3,900</b>
Gains and losses from changes in fair values	835
Related deferred income taxes	-480
Transfers to income statement	0
Related deferred income taxes	0
<b>Balance as of December 31, 2015</b>	<b>-3,545</b>

Changes representing the effective portions of the hedge accounting and recognized in equity in IAS 39-reserve are shown in the consolidated statement of comprehensive income as the result from cash flow hedges. The cumulative effects in equity are released and recognized in the income statement in sales or cost of materials (foreign exchange derivatives) and in other income or other expenses (interest rate derivatives), respectively, when the underlying hedge transaction is realized.

**e) Derivative financial transactions**

The fair values of foreign exchange forward contracts and embedded derivatives are determined using forward exchange market rates at the balance sheet date. The Group's own credit risk as well as the credit risk of the contracting partner were included in the fair value measurement.

Derivative financial transactions – classified according to the remaining terms – are as follows:

**2015**

<i>(in TEUR)</i>	Remaining terms nominal values			Fair value	
	not exceeding 1 year	more than 1 year	Total	positive	negative
<b>Interest rate-related forward contracts</b>					
Interest rate swaps	0	354,497	354,497	17,942	34
<b>Foreign exchange-related forward contracts</b>					
Foreign exchange forward contracts	1,388,448	453,762	1,842,210	24,537	72,188
Embedded derivatives	130,403	128,762	259,165	44,480	13,138
	<b>1,518,851</b>	<b>582,524</b>	<b>2,101,375</b>	<b>69,017</b>	<b>85,326</b>
<b>Other forward contracts</b>					
Commodity forward contracts	1,869	1,352	3,221	0	253
<b>TOTAL</b>	<b>1,520,720</b>	<b>938,373</b>	<b>2,459,093</b>	<b>86,959</b>	<b>85,613</b>

**2014**

<i>(in TEUR)</i>	Remaining terms nominal values			Fair value	
	not exceeding 1 year	more than 1 year	Total	positive	negative
<b>Interest rate-related forward contracts</b>					
Interest rate swaps	150,000	350,000	500,000	20,496	0
<b>Foreign exchange-related forward contracts</b>					
Foreign exchange forward contracts	1,466,345	475,229	1,941,574	23,079	76,815
Embedded derivatives	387,363	76,158	463,521	47,647	15,801
	<b>1,853,708</b>	<b>551,387</b>	<b>2,405,095</b>	<b>70,726</b>	<b>92,616</b>
<b>Other forward contracts</b>					
Commodity forward contracts	4,871	627	5,498	190	48
<b>TOTAL</b>	<b>2,008,579</b>	<b>902,014</b>	<b>2,910,593</b>	<b>91,412</b>	<b>92,664</b>

The fair values of the foreign exchange forward contracts classified according to transaction currency are as follows:

<i>(in TEUR)</i>	not exceeding 1 year	more than 1 year	Total 2015	Total 2014
US dollar	-27,362	-17,767	-45,129	-49,532
Chinese yuan	-2,596	-61	-2,657	2,092
Euro	-576	-1,396	-1,972	-4,631
Other currencies	2,185	-78	2,107	-1,666
	<b>-28,349</b>	<b>-19,302</b>	<b>-47,651</b>	<b>-53,737</b>

The fair values of the embedded derivatives classified according to transaction currency are as follows:

<i>(in TEUR)</i>	not exceeding		Total 2015	Total 2014
	1 year	more than 1 year		
US dollar	16,907	16,232	33,139	33,518
Euro	-1,410	-749	-2,159	-2,382
Swiss franc	401	-247	154	495
Other currencies	190	18	208	214
	<b>16,088</b>	<b>15,254</b>	<b>31,342</b>	<b>31,845</b>

#### f) Details of offsetting according to IFRS 7

The following table shows the amounts that were offset in the statement of financial position according to IAS 32, as well as potential effects of master netting agreements or similar arrangements:

<i>(in TEUR)</i>	2015		2014	
	positive	negative	positive	negative
<b>Derivatives</b>				
Gross amounts before netting	86,959	-85,613	91,412	-92,664
Netting	0	0	0	0
<b>Net amounts reported in the balance sheet</b>	<b>86,959</b>	<b>-85,613</b>	<b>91,412</b>	<b>-92,664</b>
Other amounts in scope, that are not netted in the balance sheet	-6,233	6,233	-5,168	5,168
<b>NET AMOUNTS</b>	<b>80,726</b>	<b>-79,380</b>	<b>86,244</b>	<b>-87,496</b>

#### g) The net gains and losses for each category of financial instruments are as follows:

The overviews provided below reflect the net gains and losses of financial instruments considered in the income statement according to the categories of IAS 39.

#### 2015

<i>(in TEUR)</i>	Held for trading	Hedge accounting	Loans and receivables	Available for sale	Other financial liabilities
Changes in fair value recognized in profit or loss	-1,372	-2,554	-1,369	44	2,724
Changes in fair values recognized in equity		835		36,264	
Reclassification from equity				-291	
Other results recognized in profit or loss			40,281	2,239	-25,036
<b>Net gains/losses</b>	<b>-1,372</b>	<b>-1,719</b>	<b>38,912</b>	<b>38,256</b>	<b>-22,312</b>

#### 2014\*

<i>(in TEUR)</i>	Held for trading	Hedge accounting	Loans and receivables	Available for sale	Other financial liabilities
Changes in fair value recognized in profit or loss	-24,101	9,970	-7,581	54	-10,311
Changes in fair values recognized in equity*		-5,054		26,020	
Reclassification from equity		-273		-54	
Other results recognized in profit or loss			31,001	7,172	-28,054
<b>Net gains/losses*</b>	<b>-24,101</b>	<b>4,643</b>	<b>23,420</b>	<b>33,192</b>	<b>-38,365</b>

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

## **M) RISK MANAGEMENT**

As a global company serving a variety of different markets and customers, the Group is subject to certain general and industry-specific risks. These risks mainly relate to the industries which are served by the Group (uncertainty of future contracts, volatility of incoming orders, customer concentration, etc.), the Group's business (currency exposure, competitive position, legal proceedings, etc.), and major orders (payment risks, liabilities and performance of projects, cost overruns, etc.).

ANDRITZ has implemented a long-established Group-wide control and risk management system whose main task is to identify nascent risks at an early stage and to quickly take countermeasures. This system is an important element in the active risk management system within the Group.

Despite having this control and risk management system in place, it cannot be guaranteed that all risks will be identified at an early stage. Consequently, the assets, liabilities, financial position, and profit or loss of the Group could be adversely affected.

The essential risks for the business development of the ANDRITZ GROUP 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 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. A possible malfunction in the components and systems supplied by ANDRITZ can have serious consequences for individuals and on material assets.

The financial difficulties in individual euro countries and the continuing, challenging overall economic development (particularly in Europe and individual emerging markets – mainly in Brazil, Russia, and China) also constitute a serious risk for the ANDRITZ GROUP's financial development. Another significant weakening of the global economy respectively a considerable slowdown of the economy in one of the fundamental economic regions may lead to delays in the execution of existing orders or to the postponement or cancellation of ongoing projects. Cancellation of existing contracts could have an adverse effect on the ANDRITZ GROUP's order backlog, which in turn would have a negative impact on the utilization of the Group's manufacturing capacities and on the development of sales and earnings.

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

As a result of its worldwide business activities, the ANDRITZ GROUP is also confronted with financial risks. Risks relating to liquidity, interest rate changes, loans, and exchange rates are of central importance here.

### **a) Liquidity risks**

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

The Group manages liquidity risks especially by holding adequate financial reserves, by issuing bonds, by requiring substantial customer advances, and by reconciling maturity date profiles of financial assets, receivables, and liabilities. A liquidity forecast with a defined planning horizon, quarterly updates of this rolling forecast, and existing but unused credit facilities ensure the necessary liquidity for the ANDRITZ GROUP.

The Group endeavors to mitigate the risk of payment failure by customers as best possible by means of bank guarantees and export insurance. However, there is no guarantee that there will not be any individual payment failures that will have a substantial negative impact on development of earnings and liquidity of the Group if they do occur.

The ANDRITZ GROUP's position in terms of liquidity is very good and it has high liquidity reserves. The Group avoids dependence on a 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 financial product (cash and cash equivalents, financial liabilities, financial assets, guarantees, and derivatives). In the ANDRITZ GROUP, liquidity not only means the ability to meet financial obligations in the narrower sense, but also the availability of sureties. Operative business requires that bid bonds, contract performance guarantees, downpayment guarantees, as well as performance

and warranty bonds are provided on a continuous basis. As a result, financial flexibility is also defined as having sufficient surety lines.

With this diversification, ANDRITZ is seeking to minimize the counterparty risk as best possible. The risk of a possible default (insolvency) by individual or several counterparties is minimized by means of an internal counterparty limit system. In this system, the maximum investment limit for each individual counterparty is determined in view of the respective counterparty's credit rating (by international rating agencies such as Moody's, Standard & Poor's, Fitch) and the credit default swap spreads (CDS spreads – indicator of the probability of the counterparty defaulting). The counterparty limit is adjusted on a monthly basis so that it is possible to react quickly in the event of credit rating changes at short notice. If there are larger, short-term changes in CDS spreads or counterparty ratings, exposure to the counterparty is reduced immediately.

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

#### **b) Exchange rate risks**

The currency risks of the Group occur due to the fact that the Group's operations and production sites are located in different countries worldwide that do not have the euro as their local currency.

When it receives orders that are not billed in euros, the Group enters into foreign exchange forward contracts in order to exclude or minimize the foreign exchange risk (hedging). Foreign exchange forward contracts are concluded exclusively with first-class national or international banks whose credit rating is checked continuously by Group Treasury in order to avoid a "cluster risk". The measures and regulations needed in connection with hedging of orders not billed in euros are stated in the Group-wide treasury policy.

A substantial number of the ANDRITZ GROUP's subsidiaries are outside of the euro zone. Since ANDRITZ AG reports in euros, the company converts the financial statements of these companies into euros in the consolidated financial statement. In order to address translation-related foreign exchange risks, it is generally assumed for the purposes of risk management that investments in foreign companies are made in the long term and the results are reinvested continuously. Thus goodwill from the acquisition of foreign subsidiaries has been shown since 2005 using the exchange rate at the time of acquisition, allocated to the company acquired, and translated at the exchange rate as of the balance sheet date. The effects of fluctuations in exchange rate when converting net asset items into euros are included in currency translation adjustments in Group equity.

#### **c) Raw material price risks**

Raw materials are exposed to price fluctuation risks due to the volatility of the raw material markets. The Group uses commodity forwards mainly to hedge the price risk for copper, which is used in manufacturing generators. Contracts are concluded exclusively with first-class banks whose credit rating is checked continuously by Group Treasury.

#### **d) Political risks**

The countries in which the Group is active include some that are classified as politically risky or very risky. Order stoppages may result from terrorist activities or from political changes. Risks related to deliveries to countries with medium to high political risks typically are insured to a large extent. However, the requirements for full hedging of these risks are not always available. The measures and procedures in this respect are specified in the Group-wide credit risk policy. In addition, natural disasters or pandemics could also have a negative effect on the development of order intake, the liquidity, and the financial structure of the Group.

#### **e) Tax risks**

ANDRITZ companies are subject to local tax laws in the respective countries and have to pay taxes on income as well as other taxes. Changes in tax legislation and different interpretations of the regulations applying in each case can result in subsequent tax burdens. As a result, the tax rate can be exposed either to positive or negative fluctuations.

#### f) Credit risks

In order to control the credit risks from trade receivables outstanding, the ANDRITZ GROUP has established a uniform risk management process and compiled an appropriate Group-wide policy. In the ANDRITZ subsidiaries, the respective credit risk managers are responsible for conducting regular credit rating analyses on customers and project risk analyses, including the valuation of collateral securities. In particular, collateral securities include credit insurance, advance payments, letters of credit, and guarantees. In order to minimize the credit risks, financial transactions are conducted only within defined limits with banks and partners that have an investment grade rating.

Credit risks and the risk of a delay or default in payment by counterparties are controlled by the application of credit approvals, limits, and monitoring procedures. Where appropriate, the Group obtains guarantees from governmental export agencies or similar private institutions to reduce the risk of a counterpart defaulting.

Credit risk associated with cash and cash equivalents, as well as securities is low because a wide distribution with minimum criteria defined at the same time for the creditworthiness of the contractual partners is laid down in the conservative investment strategy.

For certain financial assets and financial liabilities, the Group has a legally enforceable right to offset. These amounts are reported only on a net basis in the consolidated financial statements. Valuation allowances are included for all known risks. The possibility of a future shortfall in payment exceeding the recorded valuation allowance cannot be avoided with certainty.

Without considering risk minimization strategies as described above, the carrying values of financial assets recorded in the financial statements represent the Group's maximum exposure to credit risk in the corresponding categories:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014*</b>
Loans and receivables	1,801,880	1,666,713
Cash and cash equivalents	1,255,746	1,457,335
Available for sale <sup>1)</sup>	176,994	190,036
Held for trading	67,448	70,915
Derivatives (hedge accounting)	19,511	20,496
	<b>3,321,579</b>	<b>3,405,495</b>

<sup>1)</sup> Excluding shares in non-consolidated companies and other investments

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

The available for sale category includes a balance of impairment of 1,351 TEUR (2014 restated: 1,297 TEUR). The loans and receivables category includes a balance of impairment for trade receivables as well as other receivables totaling 57,544 TEUR (2014: 60,190 TEUR).

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. There is no single external customer contributing more than 10% of the total Group sales. On an overall basis, there is no significant concentration of credit risk.

#### g) Interest rate risks

In July 2012, ANDRITZ AG issued a bond for a nominal value of 350 MEUR with a tenor of seven years and a nominal interest rate of 3.875% p.a. For this bond, interest rate swaps have been used to hedge the risk arising from the fixed interest rate of the bond. The interest rate swaps changed the fixed interest rate of the bond for the whole period to a variable interest rate. Therefore, ANDRITZ AG is exposed to the risk of a changing interest rate concerning the cash flows, but the fair value of the bond is hedged and hedge accounting in the sense of IAS 39 is applied.

The basic contractual parameters of the swaps are similar to those of the bonds, and therefore the hedges were virtually 100% effective in hedging the fair value exposure to interest rate movements. By applying the rules of hedge accounting, the gain or loss from the change in fair value of the swaps was recognized through profit or loss. The gain or loss attributable to the changes of the hedged interest rate risk caused an adjustment to the net book value of the bonds and was also recognized through profit or loss. As a result, the gains and losses resulting from the swaps and the bonds almost offset each other.



The ANDRITZ GROUP believes that the exposure to interest rate risk of remaining financial assets and liabilities is low due to the risk-averse strategy; additional significant derivative instruments for hedging these interest risks are not used. The interest rate risks are managed by internal Cash-flow-at-Risk (CfaR) and Value-at-Risk (VaR) calculations and by prespecified limits. The limits are set for CfaR and VaR by using a benchmarking approach. Observation of the defined limits is monitored on a quarterly basis.

The weighted average interest rates at the balance sheet date were as follows:

<i>(in %)</i>	<b>2015</b>	<b>2014</b>
<b>Financial Assets</b>		
Cash on current accounts	0.4	0.4
Current deposits	2.5	2.7
Securities - current	1.6	1.1
Securities - non-current	0.6	0.8
<b>Financial liabilities</b>		
Overdrafts on current accounts	4.2	9.9
Current loans	7.7	6.6
Non-current loans	8.1	6.3
Bonds - current	1.2	1.3
Bonds - non-current	2.4	2.6

The interest rates refer to the remaining terms of the respective financial asset/liability.

#### **h) Sensitivity analyses**

The Group's activities are exposed primarily to the financial risks of changes in foreign exchange rates, changes in fair values, and changes in interest rates. The Group enters into financial derivatives to manage its exposure to foreign currency risk and the risk of changes in fair values. These market risk exposures are measured using sensitivity analyses:

##### **Foreign currency sensitivity**

The sensitivity analysis provides an approximate quantification of the risk exposure in the event that certain specified parameters were to be changed under a specific set of assumptions. Exchange rate risks occur particularly with the US dollar (USD), Chinese yuan (CNY), Canadian dollar (CAD), Swiss franc (CHF), and Indian rupee (INR). The following explanations detail the sensitivity to a rise or fall in the US dollar, Swiss franc, etc., against the euro (EUR) from the Group's point of view. The change shows the amount applied in internal reporting of foreign currency risk and reflects the Group's assessment of a possible change in foreign exchange rates. Currency risks in the meaning of IFRS 7 arise as a result of financial instruments that are denominated in a currency other than the functional currency and are of a monetary nature. Translation differences from converting the financial statements of foreign Group companies into the Group currency are disregarded.

The sensitivity analysis includes the material financial instruments of the ANDRITZ GROUP outstanding on the balance sheet date.

The impact on the comprehensive income of the Group compared to the comprehensive income reported respectively on the Group equity compared to the Group equity reported is as follows:

<i>(in TEUR)</i>	<b>2015</b>		<b>2014</b>	
	+10%	-10%	+10%	-10%
<b>Currency relation</b>				
<b>EUR/USD</b>				
Other comprehensive income	-6,000	6,000	-2,137	2,137
Net income	-32,507	32,507	-44,526	44,526
<b>EUR/CNY</b>				
Other comprehensive income	-884	884	0	0
Net income	6,369	-6,369	7,231	-7,231
<b>EUR/CAD</b>				
Net income	-1,972	1,972	-1,010	1,010
<b>EUR/CHF</b>				
Net income	2,114	-2,114	-1,575	1,575
<b>EUR/INR</b>				
Net income	-522	522	-1,251	1,251

The ANDRITZ GROUP is exposed to currency risks from derivatives included in a cash flow hedge against exchange rate fluctuations in cash flows according to IAS 39. Changes in the exchange rate for the foreign currencies of the underlying transactions influence the unrealized profits from cash flow hedges recognized in other comprehensive income through the change in fair value of the hedging transactions. However, this applies only to the extent that the changes in fair value of the hedging instruments are not compensated in the same amount by countervailing developments in the value of the underlying transactions. This is regularly the case during the lead time of customer orders in foreign currency if the customer orders are hedged 100% at the beginning of the projects. Up to placing of the order, the change in fair value of the derivative is not offset by any countervailing value development by the underlying transaction or only according to the percentage of completion, with the result that the value balance of underlying and hedging transaction on the balance sheet date is to be included in other comprehensive income.

The changes compared to the net income reported are mainly due to the market valuation of foreign exchange forward contracts at new rates, which are used to hedge plan items and are not included in any hedge according to IAS 39. These changes in fair values of derivatives are offset by the hedged order backlog whose change in value is neither recognized in the net income, nor in the Group's equity.

#### Interest rate sensitivity

The sensitivity analysis has been determined based on the bonds' exposure to interest rates. There is no risk of a changing interest rate concerning the cash flows for ANDRITZ AG as the issuer of the fixed-interest bearing bonds, although a change in the interest rate would affect the fair value of the bonds. However, interest swaps were used for the bonds to hedge the risk from the change in fair value.

Interest rate sensitivity is assumed at 100 basis points in internal reporting on the interest risk. This reflects the Group's estimate with respect to a possible change in the interest rate.

If interest rates change by 100 basis points higher and all other variables are kept constant, this would cause a change in the fair value of the swaps and a countervailing change in the net book value of the bonds through profit or loss by virtually the same amount.

		2015		2014	
<b>Changes in market interest rates</b>	in basis points	<b>+100</b>	<b>-100</b>	<b>+100</b>	<b>-100</b>
Impact on the result before tax					
Swaps	TEUR	-11,643	12,153	-12,726	12,819
Bonds	TEUR	11,643	-12,153	12,726	-12,819
	<b>TEUR</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

A rise in the interest level by 100 basis points, while simultaneously keeping all other variables constant, would have led to an increase in the interest result of 10,156 TEUR in the 2015 financial year (2014: increase of 9,386 TEUR). A decline in the interest level would have led to a decrease in the interest result in the same amount.

## N) LEASES

Leasing contains operating leases and finance leases:

### a) Operating leases

The Group has entered into various operating lease agreements for buildings (office and workshop), machinery, vehicles, and other facilities as lessee. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt, or further leasing.

Future minimum lease payments under non-cancelable operating leases are as follows:

<i>(in TEUR)</i>	2015	2014
Not exceeding 1 year	41,524	44,360
1 to 5 years	87,282	102,298
After 5 years	58,632	57,564
	<b>187,438</b>	<b>204,222</b>

### b) Finance leases

ANDRITZ leases facilities for its business operations that are classified as finance leases and largely cover rental of real estate at Raaba, Austria, and Vierkirchen, Germany. The lease contracts mainly comprise terms of 12 to 180 months. Future minimum lease payments under non-cancelable finance leases are as follows:

<i>(in TEUR)</i>	2015	2014
Not exceeding 1 year	1,298	1,203
1 to 5 years	4,622	4,088
After 5 years	12,106	12,481
<b>Total minimum lease payments</b>	<b>18,026</b>	<b>17,772</b>
Less amount representing interest	-2,140	-2,406
<b>Present value of leasing payments</b>	<b>15,886</b>	<b>15,366</b>
Less current portion	-868	-802
<b>Non-current lease obligations</b>	<b>15,018</b>	<b>14,564</b>

The following assets are included in the property, plant, and equipment:

<i>(in TEUR)</i>	2015	2014
Land and buildings	16,459	13,661
Technical equipment and machinery	0	232
Other equipment, factory and office equipment	72	122
	<b>16,531</b>	<b>14,015</b>

## **O) CONTINGENT LIABILITIES AND OFF-BALANCE SHEET TRANSACTIONS**

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

The product liability cases include a number of cases alleging injuries and/or death resulting from exposure to asbestos. Two subsidiaries of the ANDRITZ GROUP are defendants in 51 asbestos cases (status as of December 31, 2015; 66 cases as of December 31, 2014) in the USA. In aggregate, the cases involve 431 plaintiffs (445 plaintiffs as of December 31, 2014). All of the cases relate to claims against multiple defendants. ANDRITZ takes the view that none of the two subsidiaries should be found liable in connection with any of these claims and each subsidiary intends to defend each claim vigorously.

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

There are no take-back obligations other than the guarantee claims customary within the industry. The management is not aware of any further risks and rewards originating from off-balance sheet transactions.

## P) RELATED PARTY TRANSACTIONS

Under IAS 24 (Related Party Disclosures), related parties should be disclosed if they are not already included as consolidated companies in the consolidated financial statements of ANDRITZ AG.

In addition to the companies included in the consolidated financial statements, the Group has direct or indirect relations in the ordinary course of business with non-consolidated subsidiaries and associated companies that are considered as related parties of the Group.

Transactions with associated companies and non-consolidated companies are not material. As the Group's transfer-pricing policy provides for transfer pricing at arm's length, no transactions are conducted that do not comply with market standards. The non-inclusion of non-consolidated entities in the consolidated financial statements has no significant impact on the Group's net assets, financial position, and profit or loss.

The extent of business relations with non-consolidated Group companies and associated companies is shown in the following table:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
<b>Sales and other operating income</b>	<b>11,516</b>	<b>19,615</b>
with non-consolidated companies	10,290	19,606
with associated companies	1,226	9
<b>Expenses</b>	<b>-7,908</b>	<b>-10,788</b>
with non-consolidated companies	-7,898	-10,716
with associated companies	-10	-72
<b>Trade and other receivables</b>	<b>15,601</b>	<b>6,234</b>
from non-consolidated companies	15,368	6,004
from associated companies	233	230
<b>Liabilities</b>	<b>4,846</b>	<b>4,007</b>
to non-consolidated companies	4,517	3,678
to associated companies	329	329

Under IAS 24, the Group also reports on transactions between itself and its related persons and their family members, respectively. Members of the Executive Board and of the Supervisory Board, as well as their families, have been defined as related parties.

A company attributed to the President and CEO of ANDRITZ AG has ceded operation of a corporate jet aircraft owned by the company to a professional private aviation firm from which ANDRITZ AG has chartered around 52% of annual flight hours of this aircraft for business trips by the President and CEO and other members of the Executive Board in 2015. The related expenses amounted to 859.5 TEUR in 2015 (2014: 400.3 TEUR). As of December 31, 2015 and 2014, no liabilities were recognized in this regard.

This and other business relations with companies in which members of the Supervisory Board or the Executive Board of ANDRITZ AG are involved are conducted at usual market terms and are of minor importance, both individually and collectively.

Custos Vermögensverwaltungs GmbH owns 25% plus one share, while Cerberus Vermögensverwaltung GmbH holds 0.77%. Some of the shares in these companies are held directly and some indirectly by Custos Privatstiftung and by Wolfgang Leitner, CEO of ANDRITZ AG, respectively. Certus Beteiligungs-GmbH, whose shares are owned indirectly by Manile Privatstiftung, holds 5.721%.

### Emoluments of the Executive Board

The remuneration disclosed in accordance with IAS 24 for remuneration of key managers of the Group include the remuneration of the Executive Board and the Supervisory Board.

The remuneration of the Executive Board is composed of a fixed and a variable/success-based portion. The amount of the variable portion depends on the net profit. For new contracts with members of the Executive Board, the maximum value for the variable annual remuneration was fixed at three times the fixed annual remuneration. Any amounts in excess of this sum will be credited as a variable remuneration for the following years. If the net income of the Group falls short of a defined minimum amount, this results in a "malus" that is also carried forward to the following years and in a reduction in future variable salary components.

In all share option programs for managerial staff and the Executive Board since the Initial Public Offering (IPO), participation was contingent on investing at least 20,000 EUR in ANDRITZ shares for managerial staff and 40,000 EUR for members of the Executive Board no later than the allocation date of the options. This investment must be maintained continuously until exercise of the options by those persons subscribing to the option program, and evidence thereof must be brought when the options are exercised. There is a waiting period of three years before options can be exercised if the contract of employment is still in force (exception: end of employment contract as scheduled according to contract provisions).

The members of the Executive Board are entitled to receive pension scheme benefits. In addition to a retirement pension, these include benefits in the event of occupational disability, as well as pension payments for dependents following the death of the beneficiary. The retirement pension is normally paid as from a certain age provided that the employment contract has already been terminated by this date. The administration work has been outsourced to a pension fund. In the event that the employment contract is terminated prematurely, contributions made up to this point shall still be vested. The pension amount to which the beneficiary is entitled is not subject to an escalation clause before any benefits become payable; after this, annual adjustments can be made to take account of the development in wages and salaries and of ANDRITZ's economic status.

Each member of the Executive Board shall, upon termination of his function and concurrent termination of employment, be entitled to severance payments in the meaning of Article 23 of the Austrian Employees Act unless such termination is the result of justified dismissal.

The principles applied in establishing the remuneration of the Executive Board and of senior managers comply with the Austrian Code of Corporate Governance.

The following expenses have been recognized for the Executive Board:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Short-term benefits	9,625	8,398
Share-based expenses	891	1,501
Post-employment benefits	434	723
	<b>10,950</b>	<b>10,622</b>

A provision of 5,910 TEUR in 2015 (2014: 5,530 TEUR) was recorded for pensions of former members of the Executive Board and their dependents. Expenses for these pensions amounted to 546 TEUR in 2015 (2014: 270 TEUR).

Friedrich Papst received – due to retirement from the Executive Board – a severance payment of 1,609 TEUR.

ANDRITZ AG took out Directors' and Officers' liability insurance (D&O insurance) for 2015. The costs are covered by the company. The D&O insurance covers certain personal liability risks of persons in the ANDRITZ GROUP acting under responsibility. The annual cost is approximately 200 TEUR (2014: 260 TEUR).

#### Remuneration of the Supervisory Board

The remuneration scheme of the Supervisory Board is composed of a fixed and an attendance-related portion. The fixed portion is a global sum, which is to be distributed such that the chairman of the Supervisory Board receives double the amount and his deputy one-and-a-half-times the amount paid to the other members. The second portion consists of a lump sum fee paid in respect of each meeting that the member attends. Subject to approval by the Annual General Meeting, the Supervisory Board remunerations for the 2015 business year amount to a total of 285 TEUR (2014: 295 TEUR). No Supervisory Board remuneration was paid to the Supervisory Board members delegated by the employee representative organizations.

**Q) EXPENSES FOR SERVICES BY THE GROUP AUDITOR**

The expenses for services rendered by the Group auditor comprise the following:

<i>(in TEUR)</i>	<b>2015</b>	<b>2014</b>
Year-end audits	486	489
Other reviews	5	10
Tax advisory services	215	177
Other services	0	0
	<b>706</b>	<b>676</b>

**R) EVENTS AFTER THE BALANCE SHEET DATE**

There were no events of material significance after the balance sheet date.

**S) GROUP COMPANIES**

	Main office	Interest	2015	Interest	2014
			Type of consolidation		Type of consolidation
Anstalt für Strömungsmaschinen GmbH	Graz, Austria	100.00%	NC	100.00%	NC
ANDRITZ Technology and Asset Management GmbH	Graz, Austria	100.00%	FC	100.00%	FC
ANDRITZ Finance GmbH	Vienna, Austria	-	-	100.00%	FC
ANDRITZ Power & Water GmbH	Vienna, Austria	100.00%	FC	100.00%	FC
ANDRITZ Energy & Environment GmbH	Raaba, Austria	-	-	100.00%	FC
ANDRITZ Environmental Engineering (Shanghai) Co., Ltd.	Shanghai, China	100.00%	FC	100.00%	FC
AE Energietechnik GmbH	Raaba, Austria	100.00%	NC	100.00%	NC
ANDRITZ Deutschland Beteiligungs GmbH	Krefeld, Germany	100.00%	FC	100.00%	FC
ANDRITZ Ritz Immobilien GmbH	Krefeld, Germany	100.00%	FC	100.00%	FC
TANIAM GmbH & Co. KG	Pullach im Isartal, Germany	100.00%	FC	100.00%	FC
ANDRITZ GmbH	Hemer, Germany	100.00%	FC	100.00%	FC
ANDRITZ Kaiser GmbH	Bretten-Gölshausen, Germany	100.00%	FC	100.00%	FC
ANDRITZ Sundwig GmbH	Hemer, Germany	100.00%	FC	100.00%	FC
ANDRITZ Fiedler GmbH	Regensburg, Germany	100.00%	FC	100.00%	FC
ANDRITZ SEPARATION GmbH	Cologne, Germany	100.00%	FC	100.00%	FC
ANDRITZ Fließbett Systeme GmbH	Ravensburg, Germany	100.00%	FC	100.00%	FC
Lenser Verwaltungs GmbH	Senden, Germany	100.00%	FC	100.00%	FC
ANDRITZ S.R.L.	Cisnadia, Romania	100.00%	NC	100.00%	NC
Lenser Filtration GmbH	Senden, Germany	100.00%	FC	100.00%	FC
Lenser Asia Sdn. Bhd.	Kuala Lumpur, Malaysia	100.00%	FC	100.00%	FC
ANDRITZ HYDRO GmbH	Ravensburg, Germany	100.00%	FC	100.00%	FC
ANDRITZ Küsters GmbH	Krefeld, Germany	100.00%	FC	100.00%	FC
ANDRITZ Kufferath GmbH	Düren, Germany	100.00%	FC	100.00%	FC
AKRE Real Estate GmbH	Düren, Germany	100.00%	FC	100.00%	FC
ANDRITZ MAERZ GmbH	Düsseldorf, Germany	100.00%	FC	100.00%	FC
Modul Systeme Engineering GmbH	Laufen, Germany	100.00%	FC	100.00%	FC
Modul Systeme Projekt Verwaltungs GmbH	Laufen, Germany	-	-	100.00%	NC
ANDRITZ KMPT GmbH	Vierkirchen, Germany	100.00%	FC	100.00%	FC
ANDRITZ KMPT Inc.	Florence / Kentucky, USA	100.00%	FC	100.00%	FC
ANDRITZ Ritz GmbH	Schwäbisch Gmünd, Germany	100.00%	FC	100.00%	FC
ANDRITZ Atro GmbH	Nuremberg, Germany	100.00%	FC	100.00%	FC
ANDRITZ Ritz Pte. Ltd.	Singapore, Singapore	100.00%	FC	100.00%	FC
Ritz Pumps South Africa (Pty) Ltd.	Boksburg, South Africa	23.00%	NC	23.00%	NC
Ritz Verwaltungsgesellschaft mit beschränkter Haftung	Schwäbisch Gmünd, Germany	100.00%	NC	100.00%	NC
ANDRITZ MeWa GmbH	Gechingen, Germany	100.00%	FC	100.00%	FC
MEWA RECYCLING Keleti Régió Kft.	Győr, Hungary	100.00%	NC	100.00%	NC
ANDRITZ FBB GmbH	Mönchengladbach, Germany	100.00%	FC	100.00%	FC
ANDRITZ HYDRO GmbH	Vienna, Austria	100.00%	FC	100.00%	FC



ANDRITZ HYDRO S.A.S.	Grenoble, France	100.00%	FC	100.00%	FC
ANDRITZ HYDRO Private Limited	Bhopal, India	100.00%	FC	100.00%	FC
ANDRITZ HYDRO S.L.	Madrid, Spain	100.00%	FC	100.00%	FC
ANDRITZ HYDRO S.r.l., Unipersonale	Vicenza, Italy	100.00%	FC	100.00%	FC
ANDRITZ HYDRO AG	Kriens, Switzerland	100.00%	FC	100.00%	FC
ANDRITZ HYDRO S.A. de C.V.	Morelia, Mexico	100.00%	FC	100.00%	FC
ANDRITZ HYDRO AS	Jevnaker, Norway	100.00%	FC	100.00%	FC
ANDRITZ HYDRO S.A.	El Dorado, Panama	100.00%	NC	100.00%	NC
ANDRITZ HYDRO BRASIL Ltda.	São Paulo, Brazil	100.00%	FC	100.00%	FC
ANDRITZ HYDRO Ltd. Sti.	Ankara, Turkey	100.00%	FC	100.00%	FC
PT. ANDRITZ HYDRO	Jakarta, Indonesia	51.00%	FC	51.00%	FC
ANDRITZ HYDRO S.A.	Lima, Peru	100.00%	NC	100.00%	NC
ANDRITZ HYDRO (Pty) Ltd.	Kyalami, South Africa	100.00%	NC	100.00%	NC
ANDRITZ HYDRO Ltda.	Bogota, Colombia	100.00%	FC	100.00%	FC
ANDRITZ HYDRO s.r.o.	Prague, Czech Republic	100.00%	NC	100.00%	NC
ANDRITZ India Private Limited	New Delhi, India	100.00%	NC	100.00%	NC
ANDRITZ HYDRO C.A.	Caracas, Venezuela	100.00%	NC	100.00%	NC
ANDRITZ Power Sdn. Bhd.	Kuala Lumpur, Malaysia	100.00%	NC	100.00%	FC
ANDRITZ HYDRO INC.	Makati City, Philippines	100.00%	NC	100.00%	NC
ANDRITZ Ulu Jelai Project Sdn. Bhd.	Kuala Lumpur, Malaysia	100.00%	NC	100.00%	NC
PHP Philippines Hydro Project, Inc.	Makati City, Philippines	24.98%	NC	24.98%	NC
ANDRITZ HYDRO Hammerfest AS	Hammerfest, Norway	59.88%	FC	59.88%	FC
ANDRITZ HYDRO Hammerfest (UK) Limited	Glasgow, United Kingdom	59.88%	FC	59.88%	FC
VA TECH Escher Wyss Peru S.A.C.	Lima, Peru	100.00%	NC	100.00%	NC
ANDRITZ HYDRO UNIPESOAL LDA	Porto, Portugal	100.00%	NC	100.00%	NC
ANDRITZ HYDRO DRC SARL	Kinshasa, Democratic Republic of the Congo	100.00%	NC	100.00%	NC
AH Pumpstorage GmbH	Vienna, Austria	60.00%	NC	60.00%	NC
ANDRITZ HYDRO Beteiligungsholding GmbH	Graz, Austria	100.00%	FC	100.00%	FC
ANDRITZ HYDRO Brasilien Beteiligungsgesellschaft mbH	Graz, Austria	100.00%	FC	100.00%	NC
ANDRITZ HYDRO S.A.	Araraquara, Brazil	100.00%	FC	74.33%	FC
ANDRITZ Construcoes e Montagens Ltda	São Paulo, Brazil	100.00%	FC	-	-
ANDRITZ HYDRO (SU), LDA.	Luanda, Angola	100.00%	NC	-	-
HGI Holdings Limited	Limassol, Cyprus	100.00%	NC	100.00%	NC
ZAO HGI PCS	St. Petersburg, Russia	-	-	75.00%	NC
ANDRITZ SEPARATION (India) Private Ltd.	Chennai, India	100.00%	FC	100.00%	FC
ACB Entwicklungsgesellschaft mbH	Vienna, Austria	-	-	73.00%	NC
ANDRITZ FEED & BIOFUEL A/S	Esbjerg, Denmark	100.00%	FC	100.00%	FC
ANDRITZ FEED & BIOFUEL Brasil Ltda.	Curitiba, Brazil	100.00%	NC	100.00%	NC
ANDRITZ Slovakia s.r.o.	Humenné, Slovakia	100.00%	FC	100.00%	FC
ANDRITZ Chile Ltda.	Santiago de Chile, Chile	100.00%	FC	100.00%	FC
ANDRITZ (USA) Inc.	Alpharetta / Georgia, USA	100.00%	FC	100.00%	FC
ANDRITZ Inc.	Alpharetta / Georgia, USA	100.00%	FC	100.00%	FC
Precision Machine and Supply, Inc.	Spokane / Washington, USA	-	-	51.00%	FC

ANDRITZ SEPARATION Inc.	Arlington / Texas, USA	100.00%	FC	100.00%	FC
ANDRITZ HYDRO Corp.	Charlotte / North Carolina, USA	100.00%	FC	100.00%	FC
ANDRITZ Metals Inc.	Canonsburg / Pennsylvania, USA	100.00%	FC	100.00%	FC
ANDRITZ Environmental Solutions Inc.	Wilmington / Delaware, USA	-	-	100.00%	FC
HVS Acquisition, Inc.	Alpharetta / Georgia, USA	-	-	100.00%	FC
Genesis Worldwide II, Inc.	Alpharetta / Georgia, USA	100.00%	FC	100.00%	FC
Herr-Voss Stamco, Inc.	Callery / Pennsylvania, USA	100.00%	FC	100.00%	FC
Breakaway Services LLC	Alpharetta / Georgia, USA	100.00%	FC	100.00%	FC
RCI HV, Inc.	Chesterton / Indiana, USA	-	-	100.00%	FC
ANDRITZ S.A.S.	Vélizy-Villacoublay, France	100.00%	FC	100.00%	FC
ANDRITZ Selas S.A.S.	Asnières-sur-Seine, France	100.00%	FC	100.00%	FC
Jaybee Eng. (Holdings) Pty. Ltd.	Carrum Downs / Victoria, Australia	100.00%	FC	100.00%	FC
ANDRITZ Pty. Ltd.	Carrum Downs / Victoria, Australia	100.00%	FC	100.00%	FC
ANDRITZ (NZ) Ltd.	Tauranga, New Zealand	100.00%	NC	100.00%	NC
ANDRITZ Ingeniería S.A.	Madrid, Spain	100.00%	FC	100.00%	FC
ANDRITZ Brasil Ltda.	Curitiba, Brazil	100.00%	FC	100.00%	FC
ANDRITZ SEPARATION Industria e Comércio de Equipamentos de Filtração Ltda.	Pomerode, Brazil	100.00%	FC	100.00%	FC
Sindus ANDRITZ Ltda.	Porto Alegre, Brazil	100.00%	FC	100.00%	FC
Sindus ANDRITZ Uruguay S.A.	Río Negro, Uruguay	100.00%	NC	100.00%	NC
ANDRITZ Pilião Equipamentos Ltda.	São Paulo, Brazil	100.00%	FC	100.00%	FC
ANDRITZ Oy	Helsinki, Finland	100.00%	FC	100.00%	FC
Savonlinna Works Oy	Savonlinna, Finland	100.00%	FC	100.00%	FC
ANDRITZ Hydro Oy	Tampere, Finland	100.00%	FC	100.00%	FC
Warkaus Works Oy	Varkaus, Finland	100.00%	FC	100.00%	FC
Enmas ANDRITZ Pvt. Ltd.	Chennai, India	40.00%	EQ	40.00%	EQ
Viafin Brazil Oy	Teuva, Finland	40.00%	EQ	40.00%	EQ
A&V Montagens INDUSTRIAIS Ltda.	Lapa, Brazil	40.00%	EQ	40.00%	EQ
ANDRITZ HYDRO Canada Inc.	Peterborough / Ontario, Canada	100.00%	FC	100.00%	FC
ANDRITZ HYDRO Ltd./Ltee.	Pointe Claire / Quebec, Canada	-	-	100.00%	FC
ANDRITZ HYDRO Installations Inc.	Pointe Claire / Quebec, Canada	100.00%	NC	100.00%	NC
ANDRITZ Ltd./Ltée.	Lachine / Quebec, Canada	100.00%	FC	100.00%	FC
ANDRITZ Paper Machinery Ltd.	Lachine / Quebec, Canada	100.00%	FC	100.00%	FC
ANDRITZ Automation Ltd.	Richmond / British Columbia, Canada	100.00%	FC	100.00%	FC
9181-9896 Quebec Inc.	Pointe Claire / Quebec, Canada	-	-	100.00%	NC
9182-0399 Quebec Inc.	Pointe Claire / Quebec, Canada	-	-	100.00%	NC
Hemicycle Controls Inc.	Chambly / Quebec, Canada	100.00%	FC	100.00%	FC

ANDRITZ HYDRO AFI, Inc.	Paris / Ontario, Canada	100.00%	FC	100.00%	FC
ANDRITZ AB	Örnsköldsvik / Växjö, Sweden	100.00%	FC	100.00%	FC
ANDRITZ HYDRO AB	Näliden, Sweden	100.00%	FC	100.00%	FC
ANDRITZ Ltd.	Newcastle-under-Lyme, United Kingdom	100.00%	FC	100.00%	FC
ANDRITZ (China) Ltd.	Foshan, China	100.00%	FC	100.00%	FC
Shanghai FOAO Enterprise Management Consulting Co., Ltd.	Shanghai, China	-	-	100.00%	NC
Shanghai Shende Machinery Co. Ltd.	Shanghai, China	100.00%	FC	80.00%	FC
Shanghai Shenliang Mechanical Equipment and Erection Co. Ltd.	Shanghai, China	100.00%	FC	95.00%	FC
ANDRITZ-Wolfensberger Special Alloy Foundry Co. Ltd.	Foshan, China	100.00%	FC	95.00%	FC
ANDRITZ Technologies H.K. Ltd.	Hong Kong, China	100.00%	FC	100.00%	FC
ANDRITZ Thermtec Holding B.V.	Rotterdam, The Netherlands	100.00%	FC	100.00%	FC
ANDRITZ Thermtec B.V.	Rotterdam, The Netherlands	100.00%	FC	100.00%	FC
ANDRITZ Technologies Pvt. Ltd.	Bangalore, India	100.00%	FC	100.00%	FC
ANDRITZ FEED & BIOFUEL Ltd.	Hull, United Kingdom	100.00%	FC	100.00%	FC
ANDRITZ FEED & BIOFUEL B.V.	Geldrop, The Netherlands	100.00%	FC	100.00%	FC
ANDRITZ B.V.	Den Helder, The Netherlands	100.00%	FC	100.00%	FC
ANDRITZ Singapore Pte. Ltd.	Singapore, Singapore	100.00%	FC	100.00%	FC
ANDRITZ (Thailand) Ltd.	Bangkok, Thailand	-	-	100.00%	NC
ANDRITZ Uruguay S.A.	Fray Bentos, Uruguay	100.00%	FC	100.00%	FC
ANDRITZ Industrias S.A.	Fray Bentos, Uruguay	100.00%	NC	100.00%	NC
ANDRITZ Pulp Technologies Punta Pereira S.A.	Montevideo, Uruguay	100.00%	FC	100.00%	FC
ANDRITZ K.K.	Tokyo, Japan	100.00%	FC	100.00%	FC
ANDRITZ DELKOR (Pty) Ltd.	Kyalami, South Africa	100.00%	FC	100.00%	FC
GKD Delkor (Pty) Ltd.	Kyalami, South Africa	100.00%	NC	100.00%	NC
PT. ANDRITZ	Jakarta, Indonesia	100.00%	FC	100.00%	FC
ANDRITZ Australia Pty. Ltd.	Melbourne / Victoria, Australia	100.00%	NC	100.00%	NC
LLC ANDRITZ	St. Petersburg, Russia	100.00%	FC	100.00%	FC
LLC ANDRITZ HYDRO	Moscow, Russia	100.00%	NC	100.00%	NC
ANDRITZ Kufferath s.r.o.	Levice, Slovakia	100.00%	FC	100.00%	FC
ANDRITZ Kft.	Tiszaújváros, Hungary	100.00%	FC	100.00%	FC
ANDRITZ Perfojet S.A.S.	Montbonnot Saint-Martin, France	100.00%	FC	100.00%	FC
ANDRITZ Biax S.A.S.	Le Bourget du Lac, France	100.00%	FC	100.00%	FC
ANDRITZ Frautech S.R.L.	Vicenza, Italy	100.00%	FC	100.00%	FC
ProGENF IP GmbH	Wolfsburg, Germany	30.00%	NC	30.00%	NC
ANDRITZ Como S.R.L.	Grandate, Italy	100.00%	NC	100.00%	NC
ANDRITZ Iggesund Tools AB	Igesund, Sweden	100.00%	FC	100.00%	FC
ANDRITZ Iggesund Tools Inc.	Oldsmar / Florida, USA	100.00%	FC	100.00%	FC

ANDRITZ Iggesund Tools Canada Inc.	Laval / Quebec, Canada	100.00%	FC	100.00%	FC
ANDRITZ Asselin-Thibeau S.A.S.	Elbeuf, France	100.00%	FC	100.00%	FC
ANDRITZ Beteiligungsgesellschaft IV GmbH	Krefeld, Germany	100.00%	FC	100.00%	FC
Schuler Aktiengesellschaft	Göppingen, Germany	96.62%	FC	96.62%	FC
Schuler Pressen GmbH	Göppingen, Germany	96.62%	FC	96.62%	FC
SUPERA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Weingarten KG <sup>1)</sup>	Schönefeld, Germany	96.62%	FC	96.62%	FC
Nora Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Weingarten KG <sup>1)</sup>	Grünwald, Germany	96.62%	FC	96.62%	FC
Schuler Italia S.r.l.	Turin, Italy	86.96%	NC	86.96%	NC
Schuler (Dalian) Forming Technologies Co. Ltd.	Dalian, China	96.62%	FC	96.62%	FC
Schuler Sales & Service (Shanghai) Co., Ltd.	Shanghai, China	96.62%	FC	96.62%	FC
Beutler Nova AG	Gettnau, Switzerland	96.33%	FC	96.33%	FC
Schuler Presses UK Limited	Walsall, United Kingdom	96.62%	FC	96.62%	FC
BCN Technical Services Inc.	Hastings / Michigan, USA	96.62%	FC	96.62%	FC
Pressensysteme Schuler-México, S.A. de C.V.	Puebla, Mexico	96.62%	FC	96.62%	FC
Schuler Thailand Co. Ltd.	Bangkok, Thailand	96.62%	NC	96.62%	NC
Rena Grundstücksverwaltungsge sellschaft mbH & Co. Vermietungs-KG <sup>1)</sup>	Pullach im Isartal, Germany	96.62%	FC	96.62%	FC
Tianjin SMG Presses Co. Ltd.	Tianjin, China	96.62%	NC	96.62%	NC
Schuler (Tianjin) Metal Forming Technology Center Co. Ltd.	Tianjin, China	96.62%	FC	96.62%	-
Gräbener Pressensysteme GmbH & Co. KG <sup>1)</sup>	Netphen, Germany	96.62%	FC	96.62%	FC
Schuler Automation GmbH & Co. KG <sup>1)</sup>	Heßdorf, Germany	96.62%	FC	96.62%	FC
Schuler Cartec Engineering GmbH & Co. KG <sup>1)</sup>	Weingarten, Germany	96.62%	FC	96.62%	FC
Schuler Guß GmbH & Co. KG	Göppingen, Germany	-	-	96.62%	FC
Vögtle Service GmbH	Eislingen, Germany	96.62%	FC	96.62%	FC
Schuler France S.A.	Strasbourg, France	96.62%	FC	96.62%	FC
Schuler Inc.	Canton / Michigan, USA	96.62%	FC	96.62%	FC
Prensas Schuler S.A.	São Paulo, Brazil	96.62%	FC	96.62%	FC
BCN do Brasil Servicos e Comercio Ltda.	São Paulo, Brazil	-	-	96.62%	NC
Shanghai Schuler Presses Co. Ltd.	Shanghai, China	76.70%	FC	76.70%	FC
Gräbener Pressensysteme-Verwaltungs GmbH	Netphen, Germany	96.62%	NC	96.62%	NC
Graebener Press Systems Inc.	Warwick / Rhode Island, USA	96.62%	NC	96.62%	NC
Schuler Automation Geschäftsführungs GmbH	Heßdorf, Germany	96.62%	NC	96.62%	NC
Schuler Guß Geschäftsführungs GmbH	Göppingen, Germany	-	-	96.62%	NC
Schuler Ibérica S.A.U.	Sant Cugat del Valles, Spain	96.62%	NC	96.62%	NC
Schuler Slovakia Services s.r.o.	Dubnica nad Vahom, Slovakia	96.62%	NC	96.62%	NC
Schuler India Private Limited	Mumbai, India	96.62%	NC	96.62%	NC

Schuler Poland Service Sp. Z o.o.	Kedzierzyn-Kozle, Poland	96.62%	NC	96.62%	NC
Tianjin GMS Machine Tool Service Co. Ltd.	Tianjin, China	48.31%	NC	48.31%	NC
Presse Italia S.p.A.	Rome, Italy	91.79%	NC	91.79%	NC
ANDRITZ (Wuxi) Nonwoven Technology Co. Ltd.	Wuxi, China	100.00%	FC	100.00%	FC
ANDRITZ Soutec AG	Neftenbach, Switzerland	100.00%	FC	100.00%	FC
Soutec Shanghai Ltd.	Shanghai, China	100.00%	NC	100.00%	NC
Beheermaatschappij "G.M.F." B.V.	Waddinxveen, The Netherlands	-	-	100.00%	FC
Vastgoedmaatschappij "G.M.F." B.V.	Waddinxveen, The Netherlands	-	-	100.00%	FC
ANDRITZ Gouda B.V.	Waddinxveen, The Netherlands	100.00%	FC	100.00%	FC
GMF-Gouda Singapore Pte Ltd.	Singapore, Singapore	-	-	100.00%	NC
S.A.S.J.E. Duprat & Cie	La Roche Blanche, France	100.00%	NC	100.00%	NC
GMF-Gouda China Co Ltd.	Beijing, China	100.00%	NC	100.00%	NC
EK Finance	Scorbé-Clairvaux, France	100.00%	FC	-	-
Euroslot KDSS France SAS	Scorbé-Clairvaux, France	100.00%	FC	-	-
Euroslot KDSS Deutschland GmbH	Balingen, Germany	100.00%	NC	-	-
Euroslot KDSS India PTY LTD	Mumbai, India	74.00%	NC	-	-
Euroslot KDSS Hong-Kong PTY LTD	Hong Kong, China	55.00%	NC	-	-
Euroslot KDSS China	Shanghai, China	55.00%	NC	-	-
Euroslot KDSS South Africa PTY LTD	Johannesburg, South Africa	50.00%	NC	-	-

FC ... Full consolidation

EQ ... Equity valuation

NC ... Non-consolidated due to minor importance

1) The exemption rule according to Section 264b of the German HGB is applied

Graz, February 22, 2016

Wolfgang Leitner m.p.  
President and CEO

Humbert Köfler m.p.  
PULP & PAPER  
(Service & Units),  
SEPARATION

Joachim Schönbeck m.p.  
PULP & PAPER  
(Capital Systems),  
METALS

Wolfgang Semper m.p.  
HYDRO

## STATEMENT BY THE EXECUTIVE BOARD

### Statement by the Executive Board, pursuant to Article 82 para. 4 of the (Austrian) Stock Exchange Act

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the financial statements of the parent company give a true and fair view of the assets, liabilities, financial position, and profit or loss as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Graz, February 22, 2016

The Executive Board of ANDRITZ AG



Wolfgang Leitner  
President and CEO



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



Joachim Schönbeck  
PULP & PAPER  
(Capital Systems),  
METALS



Wolfgang Semper  
HYDRO

# AUDITOR'S REPORT CONSOLIDATED FINANCIAL STATEMENTS

To the members of the supervisory and executive boards of  
Andritz AG, Graz

## **Report on the consolidated financial statements**

We have audited the accompanying consolidated financial statements of ANDRITZ AG, Graz, comprising of the consolidated statement of financial position as of December 31, 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the fiscal year then ended, and the notes.

## **Management's responsibility for the consolidated financial statements**

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and the additional requirements under section 245a UGB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

## **Auditor's responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. These principles require the application of International Standards on Auditing. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

## **Opinion**

Our audit did not give rise to any objections. In our opinion the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of December 31, 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and the additional requirements under section 245a UGB.

**Comments on the management report for the Group**

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Group's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB are appropriate.

Vienna, February 23, 2016



Mag. Walter MÜLLER m.p.  
(Austrian) Certified Public Accountant

Dr. Alfons STIMPFL-ABELE m.p.  
(Austrian) Certified Public Accountant



**ANDRITZ AG**

Stattegger Strasse 18  
8045 Graz, Austria  
investors@andritz.com

Produced in-house using FIRE.sys

**Disclaimer**

Certain statements contained in the 2015 annual report and in the 2015 annual financial report constitute “forward-looking statements.” These statements, which contain the words “believe”, “intend”, “expect”, and words of a similar meaning, reflect the Executive Board’s beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially. As a result, readers are cautioned not to place undue reliance on such forward-looking statements. The company disclaims any obligation to publicly announce the result of any revisions to the forward-looking statements made herein, except where it would be required to do so under applicable law. The 2015 annual report and the 2015 annual financial report contain assumptions and forecasts based on the information available up to the copy deadline on February 22, 2016. If the premises for these assumptions and forecasts do not occur, or risks indicated in the chapter “Risk Management” and in the management report in the 2015 annual financial report do arise, actual results may vary from the forecasts made in the 2015 annual report and in the 2015 annual financial report. Although the greatest caution was exercised in preparing data, all information related to the future is provided without guarantee.

# Jahresabschluss 2015 der ANDRITZ AG

Präambel

Lagebericht ANDRITZ-GRUPPE

Bilanz ANDRITZ AG

Gewinn- und Verlustrechnung ANDRITZ AG

Anhang ANDRITZ AG



# Lagebericht

## Präambel

Der Jahresabschluss (Einzelabschluss) der ANDRITZ AG wird nach den Bilanzierungs- und Bewertungsvorschriften des österreichischen UGB aufgestellt. Entsprechend dieser Vorschriften sind die verbundenen Unternehmen im Rahmen des Finanzanlagevermögens ausgewiesen. Dadurch ergibt sich aus dem Einzelabschluss lediglich ein Ausschnitt der wirtschaftlichen Lage für die ANDRITZ AG und ihre verbundenen Unternehmen.

## **Finanzielle Leistungsindikatoren der ANDRITZ AG:**

Die Kennzahlen wurden entsprechend dem Fachgutachten zur Mindestausgestaltung finanzieller Leistungsindikatoren im Lagebericht berechnet. Aufgrund der im Geschäftsjahr 2015 erfolgten Verschmelzungen mit der ANDRITZ Energy & Environment GmbH und der ANDRITZ Finance GmbH sind die Kennzahlen nur bedingt vergleichbar.

in MEUR bzw. in %	2015	2014
Auftragsstand	2.969,9	2.422,4
Umsatzerlöse	782,7	578,6
Ergebnis vor Zinsen und Steuern	230,6	189,1
Umsatzrentabilität	29,5%	32,7%
Eigenkapitalrentabilität	32,5%	31,2%
Gesamtkapitalrentabilität	10,4%	8,6%
Nettoverschuldung	277,1	447,1
Nettoumlaufvermögen	-80,1	-347,0
Eigenkapitalquote	30,7%	25,7%
Verschuldungsgrad	40,6%	79,0%
Ergebnis vor Zinsen, Steuern und Abschreibungen	263,3	199,7

Im Geschäftsjahr 2015 wurden verglichen mit 2014 insbesondere aufgrund der Verschmelzungen deutlich höhere Umsatzerlöse erzielt, die Ergebnisse konnten ebenfalls verbessert werden.

Der Netto-Geldfluss aus laufender Geschäftstätigkeit betrug in 2015 +228,5 MEUR (2014: +146,4 MEUR), jener aus der Investitionstätigkeit -24,5 MEUR (2014: -100,3 MEUR) und jener aus der Finanzierungstätigkeit -149,1 MEUR (2014: -51,9 MEUR). Der Finanzmittelbestand am Ende der Periode erhöhte sich daher von 39,1 MEUR am 31.12.2014 auf 94,0 MEUR am 31.12.2015.

### **Nicht-finanzielle Leistungsindikatoren der ANDRITZ AG:**

Bezüglich der Themenbereiche Fertigung, Personalwesen und Umweltschutz wird auf die Ausführungen im Konzernlagebericht verwiesen, welche auch für die ANDRITZ AG zutreffend sind. Im Bereich Forschung und Entwicklung ist die ANDRITZ AG eines von mehreren Forschungszentren in der ANDRITZ-Gruppe und in sämtlichen Geschäftsbereichen in verschiedenen Projekten tätig.

Zur besseren Einsicht in die Vermögens-, Finanz- und Ertragslage basiert der folgende Lagebericht auf dem nach IFRS erstellten Konzernabschluss.

# LAGEBERICHT

## WIRTSCHAFTLICHE RAHMENBEDINGUNGEN

Mit einem realen Wirtschaftswachstum von rund 3% im Vergleich zum Vorjahr erreichte die Weltwirtschaft 2015 den geringsten Anstieg des Bruttoinlandsprodukts (BIP) seit der Finanzkrise 2009, wobei sich die wichtigsten Wirtschaftsregionen unterschiedlich entwickelten. Während sich die Wirtschaft in den USA nach wie vor auf Erholungskurs befand, blieb die Wirtschaftsentwicklung in Europa unverändert verhalten; das Wachstum in den meisten aufstrebenden Ländern Asiens und Südamerikas hat sich weiter verlangsamt, einige Länder dieser Regionen sind sogar in die Rezession gerutscht.

In den USA setzte sich im Jahresverlauf der Wirtschaftsaufschwung fort. Insbesondere der Privatkonsum, der die wichtigste Triebfeder für das Wachstum des BIP in den USA ist und für rund 70% der nationalen Wirtschaftsleistung steht, stieg auf 2,5% an. Die Arbeitslosenquote ging weiter zurück und erreichte mit Jahresende einen Wert von rund 5%, und damit quasi Vollbeschäftigung. Die amerikanische Notenbank Federal Reserve (FED) erhöhte wie erwartet Mitte Dezember den Leitzinssatz auf eine Spanne von 0,25-0,50%.

In der Eurozone entwickelte sich die Wirtschaft im Berichtsjahr weiterhin moderat, das BIP-Wachstum betrug nur rund 1,5%. Belastend wirkten sich das gegenseitige Handelsembargo zwischen der Europäischen Union und Russland sowie die allgemeine Wirtschaftsschwäche in den Schwellenländern aus. Zur Abwendung der sehr niedrigen Inflation und zur Belebung der Wirtschaft im Euroraum startete die Europäische Zentralbank (EZB) im März ein umfangreiches Anleihekaufprogramm, das gegen Ende des Jahres ausgeweitet wurde. Die EZB kündigte auch an, den Leitzins im Euroraum auf dem Rekordtief von 0,05% zu belassen, um die Konjunktur in der Eurozone weiter anzukurbeln.

Die meisten Emerging Markets verzeichneten 2015 eine Verlangsamung der Wirtschaft bzw. einige aufstrebende Länder mussten sogar ein Schrumpfen der Wirtschaftsleistung gegenüber 2014 hinnehmen. China befindet sich am Übergang von einer Industrie- zu einer Konsum- und Dienstleistungsgesellschaft. Die Regierung möchte das Wirtschaftswachstum nicht mehr wie bisher durch hohe Industrieinvestitionen forcieren sondern durch einen starken Dienstleistungssektor wachsen. Trotz dieser Verlangsamung erreichte Chinas Wirtschaft ein BIP-Wachstum von knapp unter 7%. In den anderen wichtigen aufstrebenden Ländern war die Wirtschaftsentwicklung vor allem aufgrund stark fallender Rohstoffpreise und Währungsturbulenzen im Jahresverlauf unverändert schwach; so schrumpfte das BIP in Brasilien im Jahresvergleich um 3%, auch Russland verzeichnete ein negatives BIP-Wachstum von 4%.

Quellen: Research-Berichte verschiedener Banken, OECD

## GESCHÄFTSENTWICKLUNG

### Anmerkungen

- Alle Zahlen gemäß IFRS
- Bei der Summierung gerundeter Beträge und Prozentangaben können durch Verwendung automatischer Rechenhilfen Rechendifferenzen auftreten.
- MEUR = Million Euro; TEUR = Tausend Euro

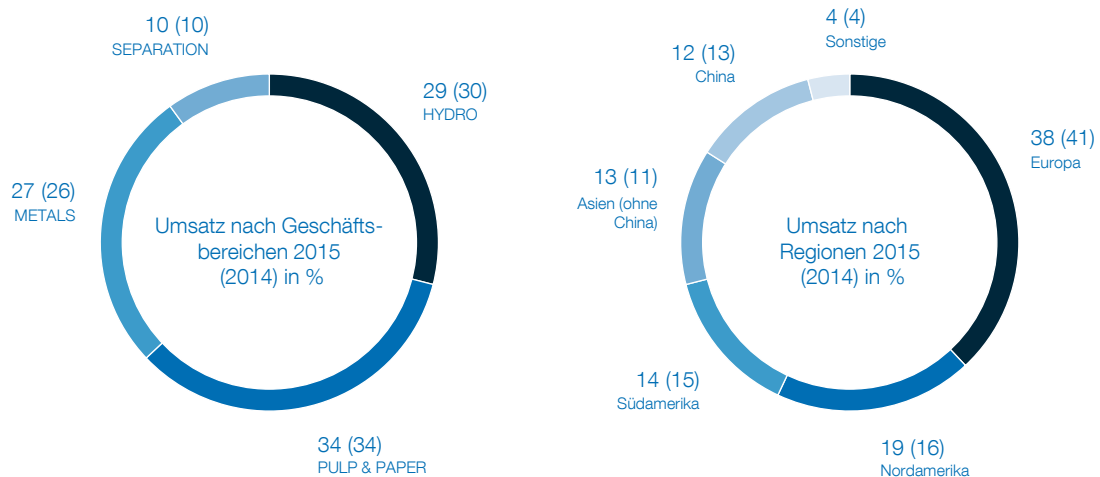
### Veränderung des Konsolidierungskreises

Informationen zum Konsolidierungskreis sind im Konzernanhang Kapitel „D) Konsolidierungskreis“ ersichtlich.

### Umsatz

Der Umsatz der ANDRITZ-GRUPPE im Geschäftsjahr 2015 betrug 6.377,2 MEUR und lag damit um 8,8% über dem Wert des Vorjahrs (2014: 5.859,3 MEUR). Alle vier Geschäftsbereiche konnten ihren Umsatz im Jahresvergleich erhöhen:

	<i>Einheit</i>	<b>2015</b>	<b>2014</b>	<b>+/-</b>
HYDRO	MEUR	1.834,8	1.752,3	+4,7%
PULP & PAPER	MEUR	2.196,3	1.969,3	+11,5%
METALS	MEUR	1.718,1	1.550,4	+10,8%
SEPARATION	MEUR	628,0	587,3	+6,9%



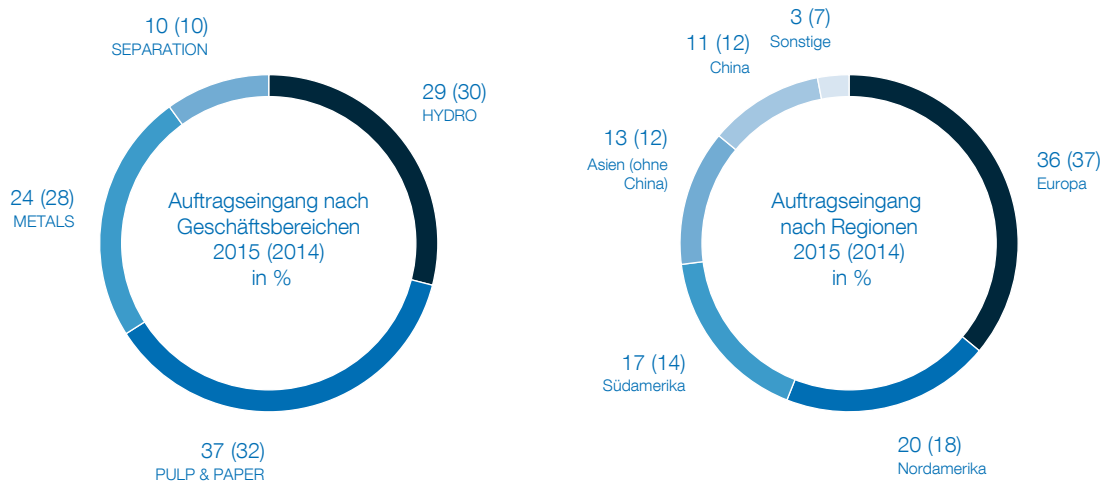
#### Anteil Serviceumsatz am Umsatz der Gruppe und der Geschäftsbereiche in %

	2015	2014
ANDRITZ-GRUPPE	30	29
HYDRO	25	26
PULP & PAPER	37	35
METALS	20	18
SEPARATION	44	43

#### Auftragseingang

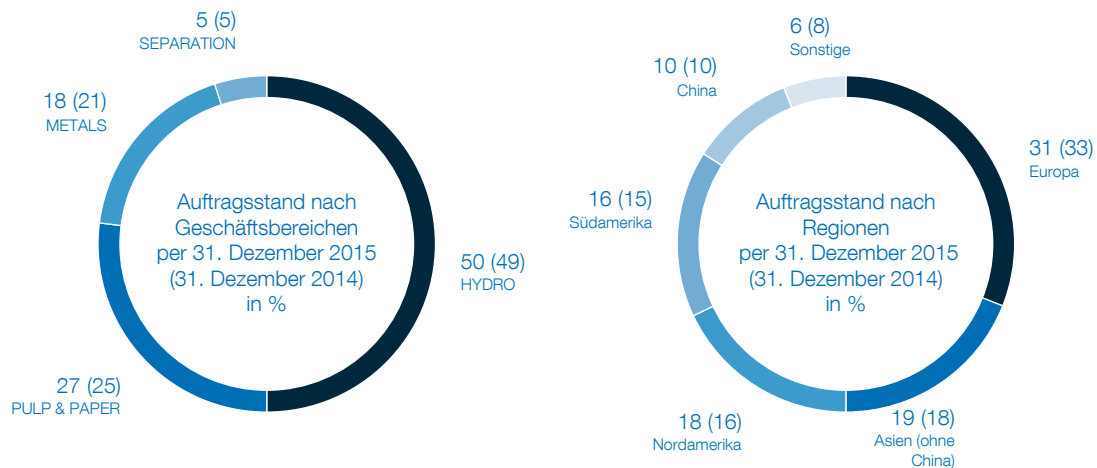
Der Auftragseingang der Gruppe im Geschäftsjahr 2015 betrug 6.017,7 MEUR und lag damit nur knapp unter dem Rekordwert des Vorjahrs (-1,4% versus 2014: 6.101,0 MEUR). Die Entwicklung der Geschäftsbereiche im Detail:

- HYDRO: Mit 1.718,7 MEUR erreichte der Auftragseingang angesichts der unverändert schwierigen Marktbedingungen ein zufriedenstellendes Niveau und lag etwas unter dem Vorjahresvergleichswert (-5,4% versus 2014: 1.816,7 MEUR). Es ist jedoch anzumerken, dass der im 1. Quartal 2015 erhaltene Großauftrag zur Lieferung der elektromechanischen Ausrüstung für das Gezeitenlagunen-Wasserkraftwerksprojekt in Wales (Auftragswert rund 250 MEUR) noch nicht als Auftragseingang verbucht wurde. Aus heutiger Sicht ist die Inkraftsetzung dieses Auftrags nicht vor Ende des 1. Halbjahrs 2016 zu erwarten.
- PULP & PAPER: Der Auftragseingang entwickelte sich sehr zufriedenstellend und erhöhte sich deutlich auf 2.263,9 MEUR (+13,4% versus 2014: 1.995,7 MEUR). Dieser Anstieg ist insbesondere auf den Auftrag von Fibria zur Lieferung von Ausrüstungen für das neue Zellstoffwerk Horizonte 2, Brasilien, zurückzuführen. Der Auftragswert vergleichbarer Projekte liegt bei rund 600 MEUR.
- METALS: Mit 1.438,6 MEUR lag der Auftragseingang deutlich unter dem hohen Vorjahresvergleichswert (-15,0% versus 2014: 1.692,8 MEUR). Dieser Rückgang ist vor allem auf Projektverschiebungen im Bereich Metallumformung für die Automobil- und Automobilzulieferindustrie (Marktsegment Schuler) zurückzuführen.
- SEPARATION: Der Auftragseingang lag mit 596,5 MEUR praktisch auf dem Vorjahresniveau (+0,1% versus 2014: 595,8 MEUR).



### Auftragsstand

Der Auftragsstand der ANDRITZ-GRUPPE per 31. Dezember 2015 betrug 7.324,2 MEUR (-2,5% versus 31. Dezember 2014: 7.510,6 MEUR).



### Ergebnis

Die Ergebnisentwicklung war durch außerordentliche Aufwendungen im Zusammenhang mit den angekündigten Maßnahmen zur Optimierung der Wertschöpfungskette bei Schuler gekennzeichnet. Zur Anpassung der Fertigungskapazitäten an den Produktmix und an das Geschäftsvolumen wurde ein Betrag von 78 MEUR in der Ergebnisrechnung berücksichtigt, dem projektbedingte positive Sondereffekte im Geschäftsbereich PULP & PAPER von rund 40 MEUR gegenüberstanden. Das EBITA betrug 429,0 MEUR (+13,0% versus 2014: 379,5 MEUR), die EBITA-Marge erhöhte sich auf 6,7% (2014: 6,5%). Ohne diese im Berichtsjahr verbuchten Sondereffekte hätte das EBITA der Gruppe 467,0 MEUR und die EBITA-Marge 7,3% betragen.

Die Entwicklung der Rentabilität nach Geschäftsbereichen:

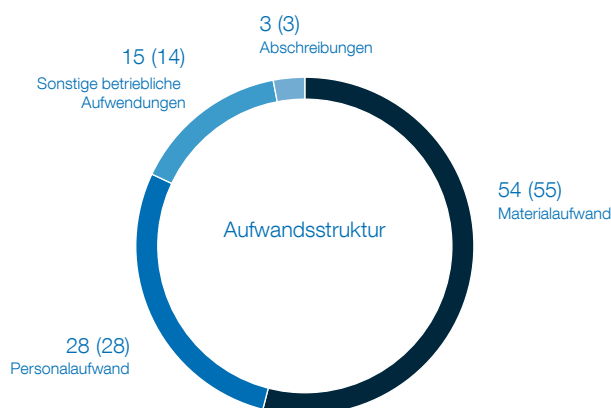
- Die EBITA-Marge im Geschäftsbereich HYDRO sank im Jahresvergleich leicht von 8,3% auf 7,9% und erreichte damit erneut ein gutes Niveau.
- Im Geschäftsbereich PULP & PAPER stieg die EBITA-Marge aufgrund der oben genannten Sondereffekte deutlich auf 8,7% an (2014: 5,2%). Auch ohne diese Sondereffekte erreichte die EBITA-Marge mit 6,9% einen sehr erfreulichen Wert.
- Die EBITA-Marge im Geschäftsbereich METALS sank aufgrund der finanziellen Vorsorgen zur Optimierung der Wertschöpfungskette bei Schuler auf 4,1% (2014: 7,1%). Ohne diese Restrukturierungsaufwendungen erreichte die EBITA-Marge ein sehr erfreuliches Niveau von 8,6%.

- Im Geschäftsbereich SEPARATION betrug die EBITA-Marge 3,6% und lag damit unverändert auf einem nicht zufriedenstellenden Niveau (2014: 3,7%).

### Konzern-Gewinn- und -Verlustrechnung

(in MEUR)	2015	2014	+/-
<b>Umsatz</b>	<b>6.377,2</b>	<b>5.859,3</b>	<b>+8,8%</b>
Veränderung des Bestands an fertigen und unfertigen Erzeugnissen und aktivierte Eigenleistungen	-7,7	3,1	-348,4%
Sonstige betriebliche Erträge	133,4	122,1	+9,3%
Materialaufwand	-3.377,3	-3.155,0	+7,0%
Personalaufwand	-1.698,6	-1.574,0	+7,9%
Sonstige betriebliche Aufwendungen	-892,3	-783,6	+13,9%
<b>EBITDA</b>	<b>534,7</b>	<b>471,9</b>	<b>+13,3%</b>
Abschreibungen und Wertminderungen von immateriellen Vermögenswerten und Sachanlagen	-150,4	-170,5	-11,8%
Wertminderung Firmenwerte	-15,3	-5,7	+168,4%
<b>EBIT</b>	<b>369,0</b>	<b>295,7</b>	<b>+24,8%</b>
<b>Finanzergebnis</b>	<b>7,3</b>	<b>3,7</b>	<b>+97,3%</b>
<b>EBT</b>	<b>376,3</b>	<b>299,4</b>	<b>+25,7%</b>
Steuern vom Einkommen und Ertrag	-106,0	-89,4	+18,6%
<b>KONZERNERGEBNIS</b>	<b>270,4</b>	<b>210,0</b>	<b>+28,8%</b>
Davon entfallen auf:			
Gesellschafter der Muttergesellschaft	267,7	210,9	+26,9%
Nicht beherrschende Anteile	2,7	-0,9	+400,0%
Unverwässertes Ergebnis je nennwertloser Stückaktie (in EUR)	2,60	2,04	+27,4%

### Anteil individueller Aufwendungen am betrieblichen Gesamtaufwand der Gruppe 2015 (2014) in %



54,2% der gesamten betrieblichen Aufwendungen entfielen 2015 auf den Materialaufwand (2014: 54,5%), die Materialtangente (Anteil des Materialaufwands am Umsatz) betrug damit 53,0% und lag damit leicht unter dem Niveau des Vorjahres (2014: 53,8%). Der Anteil des Personalaufwands lag mit 27,8% praktisch auf dem Vorjahresniveau (2014: 27,7%), die Personaltangente (Anteil des Personalaufwands am Umsatz) lag bei 26,6% (2014: 26,9%).

Die sonstigen betrieblichen Aufwendungen betragen im Berichtszeitraum 892,3 MEUR (2014: 783,6 MEUR) und umfassen vor allem Aufwendungen für Vertrieb, Miete und Leasing sowie für Reparaturen und Instandhaltungen. Die sonstigen betrieblichen Erträge lagen mit 133,4 MEUR leicht über dem Vorjahresniveau (2014: 122,1 MEUR) und umfassen vor allem Fremdwährungskursgewinne aus der Bewertung von Devisentermingeschäften, öffentliche Zuwendungen, Auflösung von sonstigen Rückstellungen und Erträge aus der Auflösung von Wertberichtigungen zu Forderungen.



Die Abschreibungen und Wertminderungen von immateriellen Vermögenswerten und Sachanlagen betragen 2015 150,4 MEUR (2014: 170,5 MEUR). Diese Veränderung ist insbesondere auf planmäßig zurückgehende Abschreibungen von immateriellen Vermögenswerten (IFRS 3) aus der Akquisition von Schuler zurückzuführen.

2015 wurden für die Gruppe eine Firmenwertminderung in Höhe von 15,3 MEUR (2014: 5,7 MEUR) sowie eine Wertminderung für immaterielle Vermögenswerte und Sachanlagen in Höhe von 12,1 MEUR erfasst (2014: 6,4 MEUR). Die Firmenwertminderung ist den Geschäftsbereichen HYDRO (3,1 MEUR), PULP & PAPER (1,4 MEUR), METALS (7,7 MEUR) und SEPARATION (3,0 MEUR) zuzuordnen, da der Geschäftsverlauf einiger Tochtergesellschaften sich nicht wie erwartet entwickelte. Die Wertminderung für immaterielle Vermögenswerte und Sachanlagen betrifft im Wesentlichen Grundstücke, Gebäude und Maschinen.

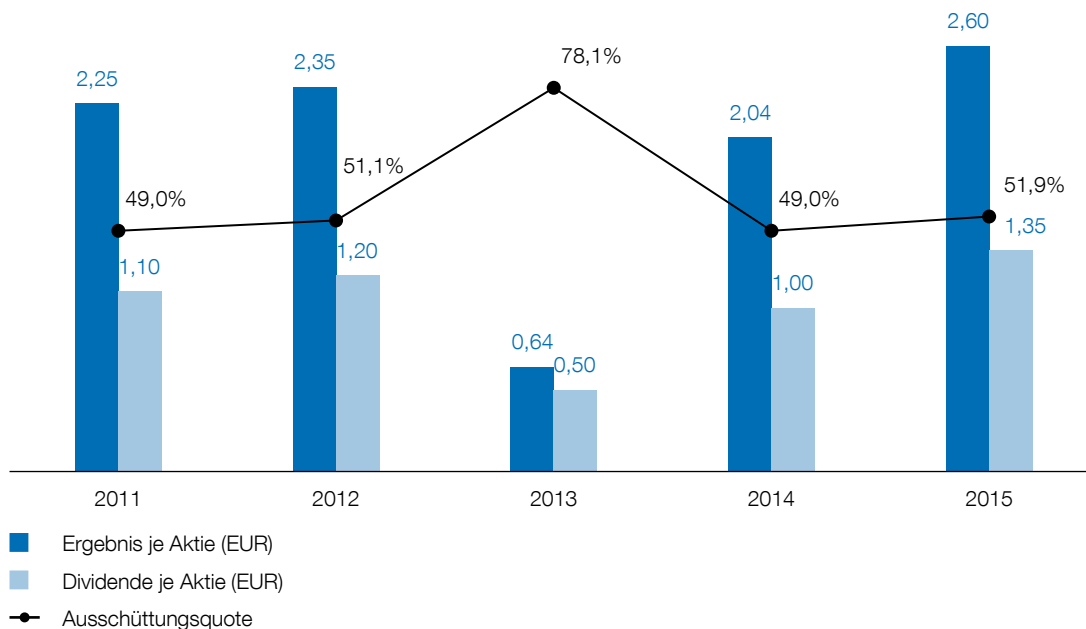
Das Finanzergebnis verbesserte sich deutlich auf 7,3 MEUR (2014: 3,7 MEUR). Diese positive Entwicklung ist insbesondere auf die im Jahresvergleich höhere durchschnittliche Nettoliquidität und auf einen Einmal-Zinseffekt im Zusammenhang mit einer von einem Kunden erhaltenen Ausgleichszahlung zurückzuführen.

Die Steuerquote reduzierte sich im Wesentlichen aufgrund höherer Steuergutschriften aus Vorperioden sowie der Veränderung aktiver latenter Steuern auf 28,2% (2014: 29,9%); siehe dazu auch Konzernanhang Kapitel „H) 8. Steuern vom Einkommen und Ertrag“.

Das Konzernergebnis (vor Abzug von nicht beherrschenden Anteilen) betrug 270,4 MEUR (+28,8% versus 2014: 210,0 MEUR), wovon 267,7 MEUR auf die Gesellschafter der Muttergesellschaft und 2,7 MEUR (siehe dazu auch Konzernanhang Kapitel „J) 23. Eigenkapital“) auf nicht beherrschende Anteile entfielen.

Das Ergebnis je Aktie erhöhte sich auf 2,60 EUR (2014: 2,04 EUR). Bei der Hauptversammlung am 30. März 2016 wird der Vorstand für das Geschäftsjahr 2015 eine deutliche Erhöhung der Dividende auf 1,35 EUR je Aktie vorschlagen (2014: 1,00 EUR). Dies entspricht einer Ausschüttungsquote von rund 51,9% (2014: rund 49,0%).

#### Ergebnis und Dividende je Aktie/Ausschüttungsquote



Anmerkung: Bei der Dividende für 2015 handelt es sich um den Vorschlag an die Hauptversammlung.

#### Eigene Aktien

Zum 31. Dezember 2015 hat die Gesellschaft 1.675.699 eigene Aktien bzw. 1,6% des Grundkapitals mit einem Marktwert von 75,5 MEUR gehalten.

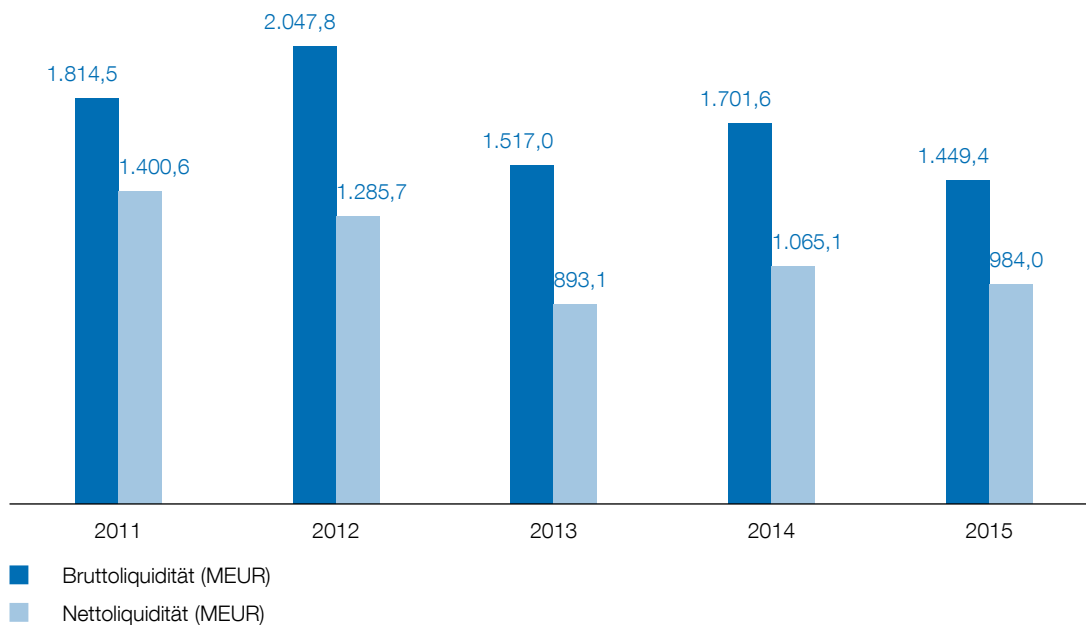
Weitere Informationen zu eigenen Aktien sind im Konzernanhang Kapitel „J) Erläuterungen zur Bilanz“ ersichtlich.

### Vermögens- und Kapitalstruktur

Die Vermögens- und Kapitalstruktur per 31. Dezember 2015 war unverändert solide. Die Bilanzsumme betrug 5.778,0 MEUR (31. Dezember 2014 angepasst: 5.995,2 MEUR), die Eigenkapitalquote 21,0% (31. Dezember 2014 angepasst: 17,3%).

Die Bruttoliquidität (Zahlungsmittel plus Wertpapiere des Umlaufvermögens plus Schuldscheindarlehen) erreichte 1.449,4 MEUR (per ultimo 2014: 1.701,6 MEUR), die Nettoliquidität (Bruttoliquidität plus Marktwert der Zinsswaps abzüglich Finanzverbindlichkeiten) 984,0 MEUR (per ultimo 2014: 1.065,1 MEUR).

### Entwicklung der Brutto- und Nettoliquidität



Zusätzlich zur hohen Nettoliquidität standen der ANDRITZ-GRUPPE per Jahresende 2015 folgende Kredit- und Avallinien für Vertragserfüllungen, Anzahlungen, Gewährleistungen etc. zur Verfügung:

- Kreditlinien: 188 MEUR, davon 102 MEUR ausgenutzt
- Avallinien: 5.995 MEUR, davon 2.971 MEUR ausgenutzt

#### Aktiva

<b>1.844,7 MEUR</b>	<b>2.573,9 MEUR</b>	<b>1.359,4 MEUR</b>
Langfristiges Vermögen: 32%	Sonstiges kurz- fristiges Vermögen: 44%	Flüssige Mittel und Wertpapiere des Umlaufvermögens: 24%

#### Passiva

<b>1.215,6 MEUR</b>	<b>483,3 MEUR</b>	<b>827,8 MEUR</b>	<b>3.251,3 MEUR</b>
Summe Eigenkapital inkl. nicht beherrschende Anteile: 21%	Finanzver- bindlich- keiten: 8%	Sonstige langfristige Verbindlich- keiten: 14%	Sonstige kurzfristige Verbindlichkeiten: 57%

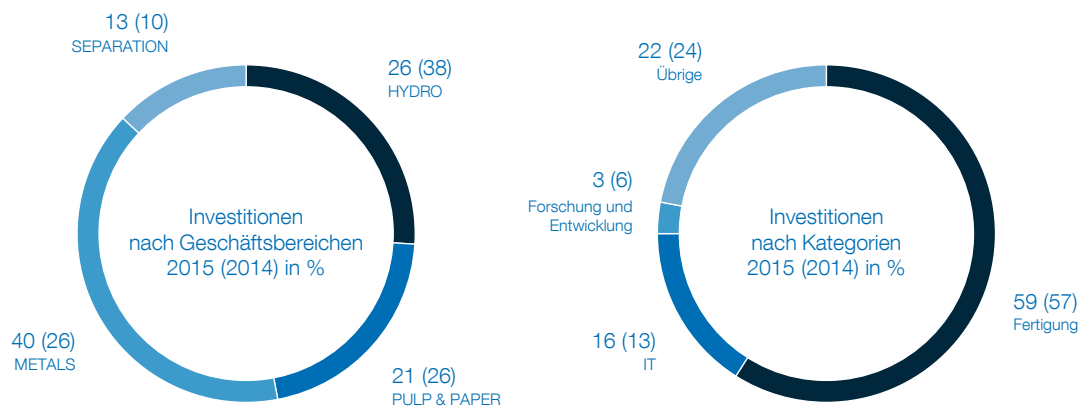
Auf der Aktivseite waren per 31. Dezember 2015 Sachanlagen (715,4 MEUR), Firmenwerte (528,5 MEUR) und immaterielle Vermögenswerte (203,4 MEUR) die bedeutendsten Positionen im Bereich des langfristigen Vermögens (1.844,7 MEUR). Zu den wichtigsten Positionen des sonstigen kurzfristigen Vermögens von 2.573,9 MEUR zählen Forderungen aus Lieferungen und Leistungen inklusive Forderungen aus Aufträgen (1.446,4 MEUR), die nach der Percentage-of-Completion-Methode (Umsatz- und Ergebnisrealisierung nach Projektfortschritt) bilanziert werden, sowie Vorräte (665,4 MEUR).

Passivseitig inkludieren die sonstigen kurzfristigen Verbindlichkeiten (3.251,3 MEUR) vor allem erhaltene An- und Teilzahlungen aus ebenfalls nach der Percentage-of-Completion-Methode bilanzierten Aufträgen (1.313,7 MEUR), Rückstellungen (524,1 MEUR) sowie Verbindlichkeiten aus Lieferungen und Leistungen (478,5 MEUR). In den sonstigen Verbindlichkeiten (910,1 MEUR) sind ausstehende Rechnungen für auftragsbezogene Kosten (470,8 MEUR) sowie Urlaubsverpflichtungen und sonstige Personalverbindlichkeiten (220,0 MEUR) die bedeutendsten Positionen. Die sonstigen langfristigen Verbindlichkeiten von insgesamt 827,8 MEUR beinhalten im Wesentlichen Rückstellungen (606,3 MEUR) und Passive latente Steuern (159,2 MEUR).

Weitere Informationen zu Rückstellungen sind im Konzernanhang Kapitel „J) Erläuterungen zur Bilanz“ ersichtlich.

### Investitionen

Die Investitionen in materielle und immaterielle Vermögensgegenstände betragen 2015 101,4 MEUR und lagen damit etwas unter dem Niveau des Vorjahrs (2014: 106,5 MEUR). Die Investitionen verteilen sich wie folgt auf die Geschäftsbereiche:



Die Investitionsschwerpunkte betrafen – wie in den Vorjahren – insbesondere Modernisierungen von Fertigungsstätten sowie vereinzelte Erweiterungsinvestitionen. Bei den Neuinvestitionen ist der Bau des Engineering Centers sowie des Formhärtezentrum für Schuler in Göppingen, Deutschland, nennenswert.

### Cashflow

Der Cashflow aus betrieblicher Tätigkeit betrug 179,4 MEUR und lag damit deutlich unter dem Vorjahresvergleichswert (2014: 342,1 MEUR). Der Rückgang ist vor allem auf projektbedingte Veränderungen des Nettoumlaufvermögens (Reduktion der Verbindlichkeiten, Erhöhung der Forderungen) zurückzuführen.

Der Cashflow aus Investitionstätigkeit betrug -57,2 MEUR (2014: -85,3 MEUR).

Der Cashflow aus Finanzierungstätigkeit betrug -302,0 MEUR (2014: -50,9 MEUR). Die starke Veränderung resultiert hauptsächlich aus der Tilgung einer Unternehmensanleihe der ANDRITZ AG im Februar 2015 (Nominale: 150 MEUR) und aus höheren Dividendenzahlungen (-103,2 MEUR in 2015 vs. -51,9 MEUR in 2014).

**Weitere wichtige Kennzahlen im Überblick**

	<i>Einheit</i>	<b>2015</b>	<b>2014*</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Umsatzrendite <sup>1)</sup>	%	<b>5,8</b>	5,0	1,6	6,5	6,8
EBITDA <sup>2)</sup>	MEUR	<b>534,7</b>	472,0	255,2	418,6	386,2
Ergebnis vor Zinsen und Steuern (EBIT)	MEUR	<b>369,1</b>	295,7	89,8	334,5	312,7
Ergebnis vor Steuern (EBT)	MEUR	<b>376,4</b>	299,4	80,3	330,4	321,7
Konzernergebnis (vor Abzug von nicht beherrschenden Anteilen)	MEUR	<b>270,4</b>	210,0	53,2	241,3	231,5
Free Cashflow <sup>3)</sup>	MEUR	<b>85,0</b>	245,8	-11,5	239,7	361,1
Free Cashflow je Aktie <sup>4)</sup>	EUR	<b>0,8</b>	2,4	-0,1	2,3	3,5
Eigenkapitalrentabilität <sup>5)</sup>	%	<b>31,0</b>	28,8	8,6	32,0	34,3
Gesamtkapitalrentabilität <sup>6)</sup>	%	<b>6,4</b>	4,9	1,6	6,5	6,8
Nettoverschuldung <sup>7)</sup>	MEUR	<b>-601,6</b>	-659,4	-585,0	-1.053,3	-1.198,4
Nettoumlaufvermögen <sup>8)</sup>	MEUR	<b>-182,1</b>	-570,9	-539,4	-631,8	-639,2
Capital employed <sup>9)</sup>	MEUR	<b>736,7</b>	387,0	443,6	-36,5	-128,6
Verschuldungsgrad <sup>10)</sup>	%	<b>-49,5</b>	-63,5	-62,9	-101,9	-127,6

\* Angepasst, siehe Konzernanhang Kapitel „C) Angaben zu Anpassungen aus früheren Perioden“.

1) Ergebnis vor Zinsen und Steuern/Umsatz 2) Ergebnis vor Zinsen, Steuern und Abschreibungen 3) Cashflow aus laufender Geschäftstätigkeit abzüglich Investitionen plus Einzahlungen aus dem Verkauf von immateriellen Vermögenswerten und Sachanlagen 4) Free Cashflow/Aktien-gesamtzahl 5) Ergebnis vor Steuern/Summe Eigenkapital 6) Ergebnis vor Zinsen und Steuern/Bilanzsumme 7) Verzinsliches Fremdkapital inkl. Rückstellungen für Abfertigungen, Pensionen und Jubiläumsgelder abzüglich Zahlungsmittel und Wertpapiere des Umlaufvermögens sowie Schuldscheindarlehen 8) Langfristige Forderungen plus kurzfristige Vermögenswerte (exkl. Wertpapiere des Umlaufvermögens, Zahlungsmittel und Schuldscheindarlehen) abzüglich sonstige langfristige Verbindlichkeiten und kurzfristige Verbindlichkeiten (exkl. Finanzverbindlichkeiten und Rückstellungen) 9) Nettoumlaufvermögen plus immaterielle Vermögenswerte und Sachanlagen 10) Nettoverschuldung/Summe Eigenkapital

**Wichtige Akquisitionen**

Der zu ANDRITZ gehörende Schuler-Konzern unterzeichnete im abgelaufenen Geschäftsjahr einen Vertrag zum Erwerb eines 51%-Anteils am chinesischen Pressen- und Werkzeugmaschinenhersteller Yangzhou Metal Forming Machine Tool Co., Ltd. (Yadon). Yadon ist einer der führenden Hersteller von mechanischen Pressen in China und erzielt einen Jahresumsatz von rund 120 Millionen Euro. Der Kauf erfolgte mit Zustimmung der Kartellbehörden; das Closing der Transaktion wird für das Ende des 1. Quartals 2016 erwartet. Yadon mit Sitz in Yangzhou, Provinz Jiangsu, rund 300 Kilometer nördlich von Shanghai gelegen, beschäftigt an drei Standorten in China rund 1.000 Mitarbeiter. Zu den wesentlichen Kundensegmenten, die Yadon bedient, gehören die Haushaltsgeräteindustrie, die Metall verarbeitende Industrie und die Automobilzulieferindustrie.

Weiters erwarb ANDRITZ die Firma Euroslot KDSS mit Hauptsitz in Scorbé Clairvaux, Frankreich, inklusive der Tochtergesellschaften in China und Indien. ANDRITZ Euroslot plant und fertigt Ausrüstungen für die Filtration und Fest-Flüssig-Trennung in der Zellstoff- und Papierindustrie, der Wasser- und Abwasseraufbereitung und in weiteren Industrieanwendungen.

Darüber hinaus übernahm ANDRITZ den restlichen 25,67%-Anteil an ANDRITZ HYDRO S.A., Brasilien.

Weitere Informationen zu Akquisitionen sind im Konzernanhang Kapitel „E) Akquisitionen“ ersichtlich.

**RISIKOMANAGEMENT/UNTERNEHMENSRIKEN**

Die ANDRITZ-GRUPPE ist ein global agierendes Unternehmen, das eine Vielzahl verschiedenster industrieller Märkte und Kunden beliefert. Als solches ist die Gruppe gewissen allgemeinen und branchenspezifischen Risiken ausgesetzt. ANDRITZ verfügt über ein konzernweites Kontroll- und Steuerungssystem, dessen Hauptaufgabe es ist, entstehende Risiken bereits in einem frühen Stadium zu identifizieren, um nach Möglichkeit rasch Gegenmaßnahmen ergreifen zu können.

**Wesentliche Merkmale des internen Kontroll- und Risikomanagementsystems in Hinblick auf den Rechnungslegungsprozess**

Die Einrichtung eines angemessenen internen Kontroll- und Risikomanagementsystems in Hinblick auf den Rechnungslegungsprozess bzw. die Finanzberichterstattung liegt in der Verantwortung des Vorstands. Dazu wurden sowohl für die wesentlichen Geschäftsrisiken innerhalb der Gruppe als auch für den Finanzberichterstattungsprozess gruppenweit verbindlich anzuwendende Regelungen und Richtlinien verabschiedet.

Das Rechnungswesen und die darin integrierte Finanzbuchhaltung sind dem Vorstand unterstellt. Durch organisatorische Maßnahmen wird sichergestellt, dass die gesetzliche Vorgabe, dass die Eintragungen in die Bücher und die sonstigen Aufzeichnungen vollständig, richtig, zeitgerecht und geordnet zu erfolgen haben, erfüllt wird. Der gesamte Prozess von der Beschaffung bis zur Zahlung unterliegt Richtlinien, die wesentliche damit in Zusammenhang stehende Risiken minimieren sollen. Zu diesen Maßnahmen und Regeln zählen unter anderem Funktionstrennungen, Unterschriftenordnungen, ausschließlich kollektive und auf wenige Personen eingeschränkte Zeichnungsermächtigungen für Zahlungen sowie systemunterstützte Prüfungen durch die verwendete Finanzsoftware (SAP).

Durch ein standardisiertes, konzernweites Finanzberichtswesen sowie durch sofortige, anlassbezogene Berichterstattung über bedeutende Ereignisse soll sichergestellt werden, dass der Vorstand angemessen über alle relevanten Sachverhalte in der Gruppe informiert wird. Der Aufsichtsrat wird in zumindest einer pro Quartal stattfindenden Aufsichtsratssitzung über den laufenden Geschäftsgang inklusive operative Planung und mittelfristige Strategie des Konzerns unterrichtet, in besonderen Fällen wird der Aufsichtsrat auch unmittelbar informiert. Darüber hinaus erhält der Vorsitzende des Aufsichtsrats einen monatlichen Bericht mit den wichtigsten Finanzkennzahlen einschließlich Kommentaren. In den Prüfungsausschusssitzungen wird unter anderem auch das interne Kontroll- und Risikomanagement behandelt.

Die Interne Revision, die als Stabsstelle des Vorstands eingerichtet ist, auditiert konzernweit einzelne Prozesse oder Gesellschaften anhand eines jährlich festgelegten Prüfplans sowie in besonderen Anlassfällen.

### **Finanzielle Risiken**

ANDRITZ verfügt über ein gruppenweites Risikomanagementsystem, mit dem Risikopotenziale erkannt und Gegenmaßnahmen getroffen werden sollen. Es stellt ein wichtiges Element in der aktiven Unternehmenssteuerung dar.

Überwachung und Management finanzieller Risiken sind integrale Bestandteile des Rechnungswesens und des Controllings innerhalb der gesamten ANDRITZ-GRUPPE. Kontinuierliches Controlling und regelmäßiges Reporting sollen die Wahrscheinlichkeit erhöhen, dass größere Risiken früh erkannt und wenn notwendig Gegenmaßnahmen getroffen werden können. Dennoch gibt es keine Garantie dafür, dass die Überwachungs- und Risikokontrollsysteme effektiv genug sind.

Die wesentlichen Risiken für die Geschäftsentwicklung der ANDRITZ-GRUPPE beziehen sich vor allem auf die Abhängigkeit der Gruppe von der allgemeinen Konjunkturentwicklung und der Entwicklung der von ihr bedienten Industrien, auf den Erhalt von Großaufträgen und auf die Erzielung der entsprechenden Umsatzerlöse aus dem hohen Auftragsstand. Darüber hinaus stellen bei der Abwicklung von Aufträgen unerwartete Kostensteigerungen wesentliche Risiken dar, insbesondere bei sogenannten Turnkey- oder EPC-Aufträgen, bei denen die Gruppe zusätzlich zur Lieferung von ANDRITZ-Ausrüstungen und -Systemen auch die Verantwortung für Engineering, Bau und Montage von Anlagen übernehmen kann. Siehe dazu unten „Risiken in Verbindung mit Großaufträgen und anderen Verträgen“.

Die finanziellen Schwierigkeiten einzelner Euroländer und die unverändert schwierige gesamtwirtschaftliche Entwicklung (insbesondere in Europa und in einzelnen Emerging Markets, vor allem in Brasilien, Russland und China) bedeuten ebenso ein ernstes Risiko für die finanzielle Entwicklung der ANDRITZ-GRUPPE. Eine neuerliche signifikante Schwäche der Weltwirtschaft bzw. eine deutliche Wirtschaftsverlangsamung in einer der wesentlichen Wirtschaftsregionen könnte zu Verzögerungen bei der Abwicklung bestehender Aufträge und zur Verzögerung oder Einstellung laufender Projekte führen. Die Stornierung bestehender Aufträge könnte den Auftragsstand der ANDRITZ-GRUPPE negativ beeinflussen, was sich wiederum negativ auf die Kapazitätsauslastung der Produktionsstätten der Gruppe auswirken könnte.

Auch eine vollständige oder teilweise Abschreibung einzelner im Zuge von Akquisitionen entstandener Firmenwerte könnte die Ergebnisentwicklung der ANDRITZ-GRUPPE negativ beeinflussen, wenn die wirtschaftlichen Ziele für diese Firmen nicht erreicht werden können. Abgesehen davon besteht jederzeit das Risiko, dass Forderungen aus Lieferungen und Leistungen teilweise oder gänzlich wertberichtigt werden müssen.

Das Zahlungsausfallsrisiko von Kunden wird für einen Großteil der Aufträge durch Besicherung von Zahlungen durch Banken und durch Abschluss von Exportversicherungen reduziert. Es kann jedoch nicht ausgeschlossen werden, dass es einzelne Zahlungsausfälle gibt, die im Eintrittsfall einen wesentlichen negativen Einfluss auf die Ergebnisentwicklung der Gruppe haben. Das Risiko für Lieferungen in als politisch durchschnittlich riskant oder sehr riskant eingestufte Länder wird üblicherweise ebenfalls umfassend versichert. Nicht immer sind jedoch die Voraussetzungen für eine vollständige Absicherung gegeben. Zur Transparenz hinsichtlich finanzieller Risiken bei Projekten und der raschen Möglichkeit zur Gegensteuerung wurde ein quartalsweises Credit-Risk-Reporting an

den Vorstand implementiert. Dabei werden das maximal erwartete ungedeckte Kundenausfallsrisiko für Aufträge mit einem Auftragswert von über einer Million Euro, die nach Projektfortschritt (Percentage-of-completion – POC) abgerechnet werden, und das Rating der Kunden dargestellt.

Gegenüber ANDRITZ HYDRO S.A., Brasilien, wurde von den brasilianischen Finanzbehörden aufgrund der früheren Minderheitsbeteiligung von Inepar eine wirtschaftliche Zugehörigkeit der Gesellschaft zur Inepar-Gruppe im Hinblick auf steuerliche und arbeitsrechtliche Verhältnisse angenommen. Daraus abgeleitet könnte eine gesamtschuldnerische Haftung für bestehende Steuerforderungen sowie Arbeitnehmerforderungen von Mitarbeitern der Inepar-Gesellschaften gegenüber Inepar gegen die ANDRITZ HYDRO S.A. geltend gemacht werden. ANDRITZ ficht die arbeitsrechtlichen Forderungen in mehreren arbeitsgerichtlichen Verfahren vehement an. Die ebenfalls angefochtenen Steuerverfahren sind mittlerweile aufgrund einer Teilnahme von Inepar an einem staatlichen Steueramnestieprogramm (REFIS) ausgesetzt. Falls Inepar die Verpflichtungen im Rahmen des REFIS-Programms nicht einhält, könnten die Steuerverfahren gegen ANDRITZ HYDRO S.A. wieder aufgenommen werden.

Zur bestmöglichen Reduktion der finanziellen Risiken sowie zur besseren Überwachung, Kontrolle und Bewertung der Finanz- und Liquiditätsposition hat die ANDRITZ-GRUPPE umfassende Treasury-Richtlinien und ein transparentes Informationssystem implementiert.

Die ANDRITZ-GRUPPE ist hinsichtlich Liquidität sehr gut positioniert und verfügt über hohe Liquiditätsreserven. Die Gruppe vermeidet es, von einer einzigen Bank oder von nur wenigen Banken abhängig zu sein. Zur Sicherstellung der Unabhängigkeit wird bei allen wichtigen Finanzprodukten (Zahlungsmittel, Finanzverbindlichkeiten, Finanzanlagevermögen, Garantien und Derivate) jeweils nur ein bestimmtes Volumen mit einer Bank abgewickelt. Durch diese Diversifikation versucht ANDRITZ, das Kontrahentenrisiko bestmöglich zu minimieren. Dennoch würde die Insolvenz einzelner oder mehrerer Banken einen wesentlichen negativen Einfluss auf die Ergebnisentwicklung und das Eigenkapital der ANDRITZ-GRUPPE haben. Darüber hinaus kann eine Verschlechterung der Einschätzung der Bonität von ANDRITZ durch mehrere Banken den finanziellen Spielraum von ANDRITZ, insbesondere im Hinblick auf zu erstellende Avale, einschränken. Liquidität bedeutet für die ANDRITZ-GRUPPE nicht nur die Zahlungsfähigkeit im engeren Sinn, sondern auch die Verfügbarkeit von Avalen. Die operative Tätigkeit erfordert die laufende Bereitstellung von Bietungs-, Vertragserfüllungs-, Anzahlungs-, Performance- und Gewährleistungsgarantien bzw. -bürgschaften. Der finanzielle Handlungsspielraum wird damit auch durch genügend freie Avallinien bestimmt.

ANDRITZ verfolgt eine risikoaverse Veranlagungsstrategie. Geld wird weitgehend in risikoarme Finanzanlagen investiert, wie zum Beispiel in Staatsanleihen, staatsgarantierte Anleihen, Geldmarktfonds, Wertpapierfonds zur Deckung der Pensionsverpflichtungen, einlagengesicherte Schuldscheindarlehen oder Termingelder. Turbulenzen an den internationalen Finanzmärkten können jedoch zu einer ungünstigen Preisentwicklung bei verschiedenen Wertpapieren, in welche die Gruppe investiert hat, oder zu deren Unhandelbarkeit führen. Dies könnte sich aufgrund notwendig werdender Abwertungen oder Wertberichtigungen negativ auf das Finanzergebnis oder das Eigenkapital der ANDRITZ-GRUPPE auswirken, zudem könnte sich das Ausfallsrisiko einzelner Emittenten erhöhen. Der Vorstand wird in regelmäßigen Abständen über den Umfang und den Betrag des aktuellen Risiko-Exposures in der ANDRITZ-GRUPPE informiert.

Das Risiko eines kompletten oder teilweisen Zerfalls der Eurozone und eines damit verbundenen möglichen Zusammenbruchs der Eurowährung hat sich zwar im Jahr 2015 verringert, kann aber nicht ausgeschlossen werden. Ein kompletter oder teilweiser Zerfall der Eurozone würde sich mit sehr großer Wahrscheinlichkeit negativ auf die Finanz-, Liquiditäts- und Ergebnisentwicklung der Gruppe auswirken. Weitere Informationen über Unternehmensrisiken sind dem ANDRITZ-Jahresfinanzbericht 2015 zu entnehmen.

Für weitere Informationen siehe Konzernanhang Kapitel „M) Risikomanagement“.

#### **Auswirkungen von Wechselkursänderungen**

Wechselkursänderungen im Zusammenhang mit der Abarbeitung des Auftragsstands werden durch die Verwendung von Devisentermingeschäften und Swaps weitgehend abgesichert. Bei in Fremdwährung fakturierten Aufträgen wird die Nettowährungsposition durch den Abschluss von Termingeschäften gesichert. Wechselkursrisiken aus der Bilanzierung des Eigenkapitals werden nicht abgesichert.

Die Abwertung des Euro gegenüber vielen anderen Währungen könnte sich auch umrechnungsbedingt positiv auf das Eigenkapital sowie die Umsatz- und Ertragsentwicklung der ANDRITZ-GRUPPE auswirken (Translationseffekt).

### **Nicht-finanzielle Risiken**

Im Bereich der Fertigung sind exakte Planung, hoher Einsatz und Flexibilität seitens der Mitarbeiter wesentliche Erfolgsfaktoren, um kurze Auftragsdurchlaufzeiten und hohe Termintreue zu garantieren. ANDRITZ setzt intern auf flexible Arbeitszeitmodelle und vor allem im europäischen Raum auf einen ebenfalls flexiblen Anteil an Leiharbeitskräften, um zyklischen Auslastungsschwankungen zu begegnen. Ebenso werden durch eine gezielte Make-or-Buy-Strategie die im Projektgeschäft typischen Schwankungen in der Kapazitätsauslastung besser ausgeglichen und die vorhandenen eigenen Fertigungskapazitäten bestmöglich ausgelastet. Dabei werden prozessrelevante Schlüsselkomponenten für Anlagen und Produkte von ANDRITZ meist in eigenen Produktionsstätten gefertigt und montiert. Einfache Komponenten werden dagegen vorwiegend bei qualifizierten Lieferanten beschafft, deren Qualität und Termintreue laufend kontrolliert werden. Die ANDRITZ-GRUPPE versucht, Auslastungsschwankungen möglichst flexibel durch die Zuteilung von Aufträgen auf die einzelnen globalen Standorte sowie lokal durch den Einsatz von Leiharbeitern bestmöglich auszugleichen. Es kann jedoch nicht ausgeschlossen werden, dass es ANDRITZ immer gelingen wird, größere Schwankungen in der Kapazitätsauslastung sofort auszugleichen, was sich wiederum negativ auf die Ergebnisentwicklung der Gruppe auswirken könnte. Es kann jedoch nicht garantiert werden, dass es ANDRITZ immer gelingt, größere Schwankungen in der Kapazitätsauslastung sofort auszugleichen, was sich widrigenfalls negativ auf die Ergebnisentwicklung der Gruppe auswirken könnte.

Im Bereich Personal wurde auch im Berichtsjahr größtes Augenmerk auf die Entwicklung und Stärkung von erforderlichen Mitarbeiterressourcen gelegt. Dies umfasst im Wesentlichen das Angebot interessanter Karrieremöglichkeiten, eine leistungsorientierte Entlohnung und fokussierte Managementtrainingsprogramme. Die ANDRITZ-GRUPPE möchte für bestens ausgebildete und hoch qualifizierte Mitarbeiter ein attraktiver Arbeitgeber sein und diese langfristig an das Unternehmen binden. Hohe Qualitätsstandards im Auswahlverfahren gewährleisten, dass die am besten geeigneten Kandidaten für die jeweiligen vakanten Positionen eingestellt werden. Für Schlüsselpositionen werden laufend interne Nachfolgekandidaten identifiziert, um für kurz- und mittelfristige Nachbesetzungen ausreichend Kandidaten verfügbar zu haben.

In zahlreichen Konzerngesellschaften wurden die in jüngster Vergangenheit ausgearbeiteten, lokalen Entwicklungsprogramme für spezielle Zielgruppen (zum Beispiel für Mitarbeiter im Verkauf, im Einkauf oder für Führungskräfte in der Fertigung) intensiv weitergeführt. Der Erwartung, dass sich verstärkt Geschäftsmöglichkeiten für die ANDRITZ-GRUPPE auch in China ergeben werden, wurde dahingehend Rechnung getragen, dass der Managementausbildung in chinesischen Gesellschaften verstärktes Augenmerk geschenkt wird. Bei der Programmentwicklung wird nach Möglichkeit darauf geachtet, diese Trainings mit globalen Personalentwicklungsprogrammen zu kombinieren. Mehrere sogenannte „Change-Projekte“ wurden zur Optimierung der Neuorganisation einzelner Divisionen bzw. Geschäftsbereiche durchgeführt. Es kann jedoch nicht garantiert werden, dass ANDRITZ frei werdende Stellen immer sofort mit Personen nachbesetzen kann, welche die Erfordernisse und Qualifikationen für die vakante Position erfüllen. Für vakante Positionen werden sowohl interne Konzernmitarbeiter als auch externe Kandidaten in Betracht gezogen.

Im Bereich Einkauf wird die finanzielle Lage von wichtigen Lieferanten regelmäßig überprüft. Das gilt auch für Aufträge ab einer festgelegten Höhe. Zusätzlich werden die Kapazitätsmöglichkeiten überprüft und wenn möglich, eine zweite Lieferoption überprüft.

### **Risiken in Verbindung mit der allgemeinen Wirtschaftsentwicklung**

#### **Auswirkungen der Finanz- und Wirtschaftskrise**

Die schwache Entwicklung der Weltwirtschaft stellt ein maßgebliches Risiko für die zukünftige finanzielle Entwicklung der ANDRITZ-GRUPPE dar und könnte zu Verzögerungen bei der Abwicklung bestehender Aufträge sowie zur Verzögerung oder Einstellung laufender Projekte führen. Dies könnte zu einem Rückgang des Auftragsengangs der Gruppe führen. Ebenso könnte die mögliche Stornierung bestehender Aufträge auch den Auftragsstand der ANDRITZ-GRUPPE negativ beeinflussen. Beides könnte sich negativ auf die zukünftige Umsatz- und Ertragsentwicklung sowie die Kapazitätsauslastung der Gruppe niederschlagen.

### **Branchenspezifische Risiken**

#### **Volatilität des Auftragseingangs**

Einige Kundengruppen und Industrien, die ANDRITZ beliefert, sind direkt von der allgemeinen Wirtschaftsentwicklung abhängig und unterliegen damit häufig Nachfrageschwankungen hinsichtlich ihrer Produkte. Dies trifft vor allem auf die Geschäftsbereiche PULP & PAPER sowie METALS zu; es können jedoch alle Geschäftsbereiche davon betroffen sein. Das Preisniveau für die von ANDRITZ für diese Branchen gelieferten Anlagen und Produkte steht teilweise in direktem Zusammenhang mit dem Verhältnis von Angebot und Nachfrage der Endprodukte, die mit den von ANDRITZ gelieferten Anlagen und Produkten hergestellt werden. Mögliche Preisschwankungen können daher einen direkten Einfluss auf die Investitionsentscheidungen

von Kunden und in weiterer Folge auf den Auftragseingang der Gruppe haben. Dies könnte daher zu einer Volatilität in der Entwicklung des Auftragseingangs führen.

#### Kundenkonzentration

In vielen Abnehmerindustrien der ANDRITZ-GRUPPE ist ein Trend zu Firmenzusammenschlüssen erkennbar. Dies trifft insbesondere auf die Zellstoff- und Papierindustrie sowie die Stahlindustrie zu. Eine solche Konsolidierung könnte dazu führen, dass die Gruppe in Zukunft einer kleineren Anzahl von Kunden mit größerer Kaufkraft gegenübersteht. Die Abhängigkeit von einzelnen Schlüsselkunden könnte steigen, was auch direkte Auswirkungen auf die Geschäftstätigkeit der Gruppe haben könnte.

#### Unsicherheiten bei zukünftigen Aufträgen

Der künftige Erfolg der Gruppe hängt unter anderem davon ab, ob neue Aufträge erhalten werden können. Es ist teilweise schwierig vorherzusagen, wann genau ein Auftrag, für den die Gruppe ein Angebot gelegt hat, vergeben wird. Die Vergabe von Aufträgen kann von Ereignissen beeinflusst werden, die nicht im Einflussbereich der Gruppe liegen, wie beispielsweise Preissituation, Nachfrage, allgemeine wirtschaftliche Bedingungen, behördliche Genehmigungen und Erhalt von Projektfinanzierungen. So kann es zu Schwierigkeiten beim Abgleich von Fixkosten und erwartetem Auftragsvolumen kommen.

#### Sicherheit und Umweltschutz

Die Gruppe unterliegt mit ihren Geschäftstätigkeiten zahlreichen lokalen, nationalen und internationalen Umweltvorschriften. In den Fertigungsstätten der ANDRITZ-GRUPPE werden auch gefährliche Substanzen verwendet und generiert. Weiters wurden und werden zahlreiche Grundstücke, die sich im Besitz der Gruppe befinden und/oder noch befinden, industriell genutzt. In diesen Fällen wurde und wird eine entsprechende Verbringung der Abfälle auf Deponien veranlasst. Es kann jedoch nicht ausgeschlossen werden, dass die Gruppe für die Untersuchung und Säuberung verseuchter Grundstücke haften muss. Die Geschäftsbereiche übernehmen bei bestimmten Projekten vereinzelt eine gemeinsame Haftung für Umweltrisiken.

Die ANDRITZ-GRUPPE liefert außerdem viele Systeme, bei denen Produkte und/oder Prozesse zum Einsatz kommen, die das Risiko von schwerer Verletzung, Tod – auch einer großen Anzahl von Menschen – oder bedeutender Eigentumsbeschädigung in sich bergen. In zahlreichen Systemen kommen gefährliche Chemikalien und Werkstoffe zum Einsatz. Produkte von ANDRITZ werden auch im Primärkühlkreislauf von Kernkraftwerken eingesetzt. Die Gruppe bietet Montage- und sonstige Dienstleistungen auf Baustellen an, auf denen gefährliche Chemikalien und Werkstoffe verwendet werden. Im Falle eines Unfalls, wie etwa des Auslaufens solcher gefährlichen Stoffe, eines Feuers oder einer Explosion, könnte die Gruppe für Sach- oder Personenschäden und die Beseitigung von Umweltschäden haften müssen.

#### Versicherungen

Obwohl die ANDRITZ-GRUPPE Versicherungsprogramme zur Abdeckung der für das Geschäft üblichen Risiken abgeschlossen hat, gibt es keine Garantie, dass mögliche Verluste durch diese Versicherungen vollständig abgedeckt werden, die Versicherungen schadenersatzpflichtig bzw. die Versicherungsbeträge ausreichend sind. Darüber hinaus ist die Gruppe in gewissen Industrien tätig (zum Beispiel in der Raumfahrt und Nuklearindustrie), für die Risiken nicht versicherbar sind bzw. nicht immer alle Voraussetzungen gegeben sind, um Versicherungen abschließen zu können. Jegliche substantielle Verbindlichkeit, die nicht durch Versicherungen gedeckt ist, könnte daher eine wesentliche negative Auswirkung auf die finanzielle Situation der Gruppe haben.

### Risiken in Verbindung mit der Geschäftstätigkeit der Gruppe

#### Währungen

Die Gruppe verfügt über Niederlassungen und Tochtergesellschaften in vielen Ländern außerhalb des Euroraums. Ein beträchtlicher Teil des Umsatzes bzw. der Kosten wird nicht in Euro, sondern in anderen Währungen, vor allem US-Dollar, abgerechnet. Die Währungen in diesen Ländern können erheblichen Wechselkursschwankungen unterliegen. Währungsrisiken im Zusammenhang mit Aufträgen, die nicht in Euro fakturiert werden, werden durch die Verwendung von derivativen Finanzinstrumenten – insbesondere Devisentermingeschäfte und Swaps – minimiert.

Obwohl die Gruppe bestrebt ist, die Nettowährungsposition von nicht in Euro fakturierten Aufträgen durch den Abschluss von Termingeschäften abzusichern, können sich Währungsschwankungen mit Wechselkursverlusten im Konzernabschluss niederschlagen. Die Entwicklung der Wechselkurse kann sich auch auf den in Euro umgerechneten Umsatz und das Ergebnis der Gruppe negativ auswirken. Wechselkursänderungen können auch dazu führen, dass sich die Position von ANDRITZ gegenüber der Konkurrenz verändert, obgleich viele Mitbewerber von ANDRITZ ihren Firmensitz ebenfalls im Euroraum haben. Da einige der größeren ANDRITZ-Kunden ihren Hauptsitz außerhalb des Euroraums haben, können Wechselkursänderungen zu einer Verzögerung



von Projektentscheidungen durch diese Kunden führen. Ebenso ist das Eigenkapital der ANDRITZ-GRUPPE nicht abgesichert und könnte durch Wechselkursänderungen beeinflusst werden.

#### Wettbewerbsposition

Die ANDRITZ-GRUPPE agiert in sehr wettbewerbsintensiven Märkten, in denen einige wenige große Anbieter um einige wenige Großaufträge bieten. Darüber hinaus gibt es lokal eine Vielzahl von kleinen konkurrierenden Unternehmen, die über eine vergleichsweise niedrige Kostenbasis verfügen. Diese Wettbewerbssituation wirkt sich negativ auf die Umsatzmargen der Gruppe aus. Es gibt keine Garantie dafür, dass die Gruppe ihre derzeitige Marktposition auch in Zukunft halten kann.

Da die Wettbewerbsposition der Gruppe auch auf proprietären Technologien beruht, kann die durch das digitale Zeitalter begünstigte Zunahme von Produktpiraterie und Industriespionage und die damit einhergehende erhöhte Piraterie von geistigem Eigentum ebenfalls negative Auswirkungen auf die Wettbewerbsposition der Gruppe haben. Die Gruppe bemüht sich, ihr geistiges Eigentum zu schützen, es gibt allerdings keine Garantie, dass dies immer ausreichend gelingt.

#### Akquisition und Integration von komplementären Geschäftsfeldern

Eines der wesentlichen strategischen Ziele der ANDRITZ-GRUPPE besteht darin, durch organisches Wachstum und komplementäre Akquisitionen in allen Geschäftsbereichen zum Komplettanbieter zu werden. In Umsetzung dieser Strategie akquirierte die Gruppe seit 1990 eine Reihe von weltweit tätigen Unternehmen und gliederte diese in den Konzern ein.

Es kann jedoch nicht garantiert werden, dass die Gruppe auch künftig in der Lage sein wird, geeignete Akquisitionsziele zu identifizieren und zu erwerben, dass überhaupt geeignete Unternehmen zur Verfügung stehen und ausreichend Finanzmittel für Akquisitionen aufgebracht werden können. ANDRITZ war bei der Integration neuer Unternehmen bisher erfolgreich. Es kann jedoch nicht garantiert werden, dass die angestrebten Ziele und Synergien bei allen zukünftigen Akquisitionen (wie auch bei der derzeit laufenden Integrationen der zuletzt akquirierten Unternehmen) vollständig erreicht werden, oder dass die Gruppe sich nicht neuen oder Altlastrisiken ausgesetzt sieht, die nicht identifiziert oder nicht exakt evaluiert wurden.

Der 2013 erworbene Schuler-Konzern erzielt rund 80% des Umsatzes in der Automobilindustrie, die in der Regel starken zyklischen Schwankungen ausgesetzt ist. Mögliche negative zyklische Schwankungen können daher eine negative Auswirkung auf die Umsatz- und Ergebnisentwicklung des Schuler-Konzerns und damit auf die ANDRITZ-GRUPPE haben.

#### Gerichtsverfahren

Im Rahmen ihrer Geschäftstätigkeit hat die ANDRITZ-GRUPPE in zahlreichen Verfahren bei Verwaltungsbehörden, Gerichten und Schiedsgerichten Parteienstellung. Der Großteil dieser Verfahren (wie beispielsweise Vertrags- und Projektstreitigkeiten, Produkthaftungsklagen und Verfahren im Bereich geistiges Eigentum) kann als typisch für die Branche, in der die Gruppe tätig ist, angesehen werden. Die ANDRITZ-GRUPPE bildet in Fällen, bei denen ein negativer Ausgang von Verfahren wahrscheinlich erscheint und zuverlässige Schätzungen gemacht werden können, entsprechende Rückstellungen. Es kann jedoch nicht garantiert werden, dass diese Rückstellungen ausreichend sind. In Anbetracht der Risikosummen in einigen dieser Streitfälle kann ein für ANDRITZ negativer Ausgang einer oder mehrerer dieser Rechtsstreitigkeiten zu einer wesentlichen negativen Auswirkung auf Ergebnis und Liquiditätsbestand der Gruppe führen.

Der Bereich Produkthaftung inkludiert einige Fälle wegen mutmaßlicher Körperverletzungen und/oder Todesfälle aufgrund Asbestbelastungen. Zwei Tochtergesellschaften der ANDRITZ-GRUPPE sind Beklagte in 51 Asbestverfahren in den USA (Stand per 31. Dezember 2015; 66 Asbestverfahren per 31. Dezember 2014), in die insgesamt 431 Kläger involviert sind (445 Kläger per 31. Dezember 2014). Alle Verfahren betreffen Forderungen gegenüber einer großen Anzahl von Beklagten. ANDRITZ ist der Ansicht, dass keine der beiden Tochtergesellschaften in diesen Fällen haftbar gemacht werden kann und beide Tochtergesellschaften haben vor, jede der Klagen nachdrücklich anzufechten.

#### Compliance-Fragen

In Österreich und in anderen Ländern, in denen die ANDRITZ-GRUPPE tätig ist, ist eine Reihe von rechtlichen Compliance-Bestimmungen, inklusive kartellrechtliche Bestimmungen und Antikorruptionsgesetze, einzuhalten. Die Gruppe hat ein Compliance-Komitee zur Überwachung der Compliance-Tätigkeiten eingerichtet sowie eine Reihe interner Richtlinien festgelegt, darunter geltende Richtlinien zur Verhinderung von Insider-Trading, von Verstößen gegen Kartellgesetze und Antikorruptionsgesetze sowie einen Kodex über Geschäftsverhalten und Geschäftsethik. Zwar ist die Gruppe bestrebt, die Einhaltung dieser Richtlinien durch eine Vielzahl von Maßnahmen sicherzustellen, doch gibt es keine Garantie, dass es nicht zu Verstößen kommen wird oder

gekommen ist. Derartige Verstöße könnten die Finanzlage und den Ruf der Gruppe nachhaltig schädigen bzw. auch zu Stornierungen von bestehenden Aufträgen führen.

### **Risiken in Verbindung mit Großaufträgen und anderen Verträgen**

#### Zahlungsrisiko durch Kunden

Ein Großteil der Geschäftsbereiche der ANDRITZ-GRUPPE hat Projekte mit hohem Auftragswert abzuwickeln. Die Nichteinhaltung von Zahlungsverpflichtungen durch Kunden im Rahmen solcher Großprojekte kann sich nachteilig auf die Finanz- und Liquiditätsposition der Gruppe auswirken. Die ANDRITZ-GRUPPE versucht, diese Risiken durch Besicherung von Zahlungen durch Banken und Exportkreditversicherungen zu beschränken. Auch im Fall des Abschlusses einer Exportkreditversicherung sind jedoch für gewöhnlich nur bis zu 85% des Verkaufspreises abgedeckt. Nicht immer sind allerdings auch die Voraussetzungen für eine vollständige Absicherung gegeben. Darüber hinaus ist ein Großteil des Servicegeschäfts nicht oder nur teilweise durch Bankgarantien abgesichert. Mögliche Zahlungsausfälle aus diesen Geschäften sollen durch die Implementierung einer Pauschalversicherung auf ein Minimum reduziert werden. Schlechter werdende gesamtwirtschaftliche Rahmenbedingungen könnten dazu führen, dass einige Kunden ihren Zahlungsverpflichtungen gegenüber ANDRITZ nicht nachkommen können.

Abseits davon besteht jederzeit das Risiko, dass Forderungen aus Lieferungen und Leistungen teilweise oder gänzlich wertberichtigt werden müssen.

#### Risiko durch Projekte

Im Zusammenhang mit Lieferungen von Ausrüstungen und Serviceleistungen ist die ANDRITZ-GRUPPE häufig vertraglich verpflichtet, Leistungs- und Termingarantien abzugeben. Werden die garantierten Leistungen nicht erreicht oder Termine nicht eingehalten, sind üblicherweise gestaffelte Vertragsstrafen zu leisten oder auf Kosten der Gruppe Änderungen an den gelieferten Teilen zu erbringen. Bleibt die Anlagenleistung weit hinter den garantierten Werten zurück, werden Termine deutlich überschritten oder akzeptiert der Kunde die Übernahme der Anlage aus sonstigen Gründen nicht, könnte der Kunde das Recht haben, vom Vertrag zurückzutreten und den Vertragsgegenstand bei vollem Kosten- und Schadenersatz an ANDRITZ zurückzugeben. Ein solcher Fall könnte die Finanzentwicklung der Gruppe nachteilig beeinflussen.

#### Kostenüberschreitungen

Viele der Aufträge, die ANDRITZ abwickelt, basieren auf langfristigen Fixpreisverträgen. Umsatz und Margen können bei Fixpreisverträgen, zum Beispiel wegen Änderungen bei Kosten (vor allem schwankenden Materialkosten), von ursprünglichen Kalkulationen abweichen, insbesondere bei Projekten, die das Engineering und den Bau gesamter Anlagen umfassen.

Da die Gruppe gewisse Teile einer zu liefernden Anlage von Unterlieferanten bezieht, kann es vorkommen, dass ein Angebot ohne genaue Kenntnis der Preise der zugekauften Teile gelegt werden muss. Obwohl ANDRITZ bei der Kalkulation auf Erfahrungswerte und Angebote potenzieller Lieferanten zurückgreifen kann, ist es möglich, dass diese Kalkulationen nicht immer exakt sind. Die Gruppe hat aus diesem Grund bei einigen vergangenen Projekten erhebliche Verluste erlitten. Derartige Probleme und Verluste können auch zukünftig auftreten und die finanzielle Entwicklung der Gruppe negativ beeinflussen.

#### Risiko durch EPC-/Turnkey-Verträge

Bei einzelnen Projekten übernimmt ANDRITZ – zusätzlich zur Lieferung von Ausrüstungen und Systemen von ANDRITZ – auch die Verantwortung für das gesamte Engineering und/oder die Errichtung und den Bau von Fabriken. Diese Verträge bergen neben den oben angeführten Risiken auch Risiken in sich, die sich aus größerer Vorort-Verantwortung ergeben; das sind beispielsweise Umweltrisiken, Risiken in Bezug auf die lokalen Arbeitsbedingungen oder Risiken, die mit der Geologie, mit dem Bau und der Errichtung der Anlagen zu tun haben. Darüber hinaus ist die Gruppe auch Risiken in Bezug auf die Zusammenarbeit mit Drittparteien ausgesetzt, die bei diesen Projekten mit Bau-, Montage- und Engineering-Leistungen beauftragt werden (z. B. Streiks oder andere Arbeitsunterbrechungen, die zu Verzögerungen bei der Inbetriebnahme führen, oder Nichteinhaltung von Terminen). Die Gruppe hat zur Minimierung dieser EPC-Risiken Risikomanagementsysteme implementiert, die – soweit vertraglich möglich – unter anderem den Abschluss von Versicherungen, die Festsetzung bestimmter vertraglicher Klauseln und standardisierte Abläufe beim Projektmanagement umfassen. Es gibt jedoch keine Garantie, dass diese Systeme ausreichend sind, um negative finanzielle Auswirkungen zu verhindern. Die Gruppe hat diesbezüglich bei bestimmten früheren Projekten große Verluste gemacht, und ähnliche Schwierigkeiten und Verluste könnten auch künftig auftreten und eine negative Auswirkung auf die finanzielle Situation der Gruppe haben.

### Konsortialrisiken

Bei vielen EPC- und anderen Projekten übernimmt die ANDRITZ-GRUPPE gemeinsam mit Drittparteien eine Reihe von gemeinsamen Risiken. Obwohl die Gruppe bestrebt ist, dass die Risiken aus solchen Projekten klar zugeordnet werden, kann nicht ausgeschlossen werden, dass die Gruppe dabei immer erfolgreich ist. Darüber hinaus kann der Fall, dass ein Konsortialpartner seinen Verbindlichkeiten (inklusive Schadenersatz gegenüber der Gruppe) nicht nachkommen kann, eine bedeutende negative Auswirkung auf die Geschäftsergebnisse und die Liquiditätssituation der Gruppe haben.

### Haftungsbeschränkungen

Haftungen, die sich aus Verträgen der Gruppe ergeben, können Haftungen bezüglich eines Gewinnentgangs von Kunden und andere Haftungen beinhalten, die den jeweiligen Vertragswert erheblich überschreiten können. Die ANDRITZ-GRUPPE ist bestrebt, in Verträgen entsprechende Haftungsbeschränkungen festzulegen; es kann jedoch keine Garantie dafür geben, dass in allen Verträgen ausreichende Haftungsbeschränkungen enthalten sind, oder dass Haftungsbeschränkungen im jeweils anzuwendenden Recht durchsetzbar sein werden.

### Verträge mit staatlichen Stellen

Bei diversen Projekten der Geschäftsbereiche sind staatliche Stellen die Auftraggeber. In Zusammenhang mit diesen Projekten kann die Gruppe den oben beschriebenen Leistungs-, Haftungs- und EPC-/Turnkey-Risiken in verstärktem Maße unterliegen, weil es der Gruppe aufgrund des Erfordernisses öffentlicher Ausschreibungen und lokaler Gesetze eventuell nicht immer möglich ist, ihre angestrebten vertraglichen Absicherungen zu erreichen.

### Risiken in Verbindung mit den Kapitalmärkten

#### Abhängigkeit von der Entwicklung internationaler Finanzmärkte

Die Entwicklung des ANDRITZ-Aktienkurses ist nicht nur von unternehmensspezifischen Faktoren, sondern auch von Kursschwankungen an den internationalen Finanzmärkten abhängig. Starke Kursschwankungen und starke Volatilität an den wichtigsten Wertpapierbörsen können den Kurs der ANDRITZ-Aktie negativ beeinflussen.

#### Empfehlungen von Analysten

Als börsennotiertes Unternehmen wird die ANDRITZ-GRUPPE regelmäßig von Finanzanalysten und institutionellen Investoren bewertet. Kauf- und Verkaufsempfehlungen von Analysten und darauf basierende Investitionsentscheidungen durch Aktionäre können erhebliche Kursschwankungen der ANDRITZ-Aktie bewirken. ANDRITZ ist bemüht, unbegründete Kursschwankungen durch offene und transparente Informationspolitik und durch gute Beziehungen zu den Aktionären und anderen Teilnehmern am Kapitalmarkt zu vermeiden.

#### Aktiver Handel mit ANDRITZ-Aktien

Der hohe Anteil des Streubesitzes der ANDRITZ-Aktien (knapp 70%) und die umfassenden Investor-Relations-Tätigkeiten haben zu einem aktiven Handel mit ANDRITZ-Aktien an der Wiener Börse geführt. Es gibt jedoch keine Garantie dafür, dass dieser aktive Handel auch in Zukunft anhalten wird. Sollte dies nicht der Fall sein, hätte dies negative Auswirkungen auf die Liquidität und den Kurs der ANDRITZ-Aktie; Investoren könnten ihre Aktien nicht zu einem für sie angemessenen Preis verkaufen. Ein Ausbleiben des aktiven Handels oder eine größere Veränderung der Marktkapitalisierung könnte weiters dazu führen, dass die ANDRITZ-Aktie aus verschiedenen internationalen Branchen- und Börsenindices, zum Beispiel dem ATX, dem Leitindex der Wiener Börse, oder anderen Indices, gestrichen wird. Dies könnte zu größeren Kursveränderungen der ANDRITZ-Aktie führen.

### Nicht-finanzielle Leistungsindikatoren

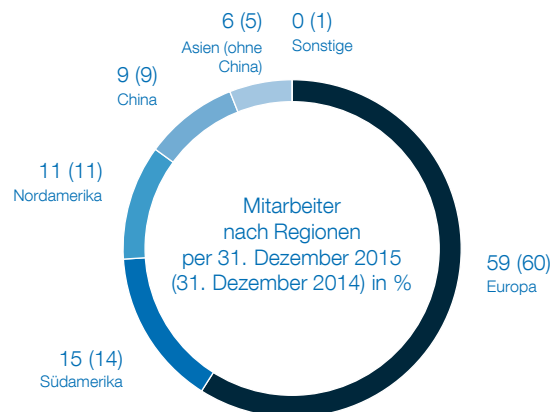
#### Fertigung

Bedingt durch eine zufriedenstellende Entwicklung des Auftragsstands war das Jahr 2015 im Bereich der Fertigung von einer guten Kapazitätsauslastung geprägt. An den ANDRITZ-Fertigungsstandorten konnten die geplanten Budgetwerte erreicht und in vielen Standorten auch überschritten werden.

Die Investitionen im Bereich der Fertigung konzentrierten sich – wie auch schon in den Vorjahren – auf Qualitäts- und Effizienzmaßnahmen der Produktionskapazitäten sowohl in den Emerging Markets Asiens und Osteuropas (insbesondere in Ungarn und der Slowakei) als auch an den bestehenden Standorten in Mitteleuropa und Nordamerika.

### Personalwesen

Die ANDRITZ-GRUPPE beschäftigte per Ende 2015 24.508 Mitarbeiter (-1,4% versus 31. Dezember 2014: 24.853 Mitarbeiter).



Group Human Resources ist gruppenweit für die Koordination und Planung der wesentlichen Personalprozesse verantwortlich. Die wichtigsten Aufgaben des Bereichs sind die Nachfolgeplanung und Nachbesetzung von vakant gewordenen Schlüsselpositionen. Ziel ist es, ein attraktives Arbeitsumfeld, gerechte Entlohnung und chancengleiche Entwicklung für alle Mitarbeiter zu schaffen. In gruppenweiten Programmen werden interne Nachfolgekandidaten gesucht und deren individueller Karriereweg gefördert. Das „ANDRITZ Global Talent Program“ soll sicherstellen, dass die Stärken von Nachwuchstalente gezielt und bedarfsorientiert unterstützt und entwickelt werden können. Es fokussiert die Unternehmens- und Mitarbeiterführung in einem globalen Umfeld unter besonderer Berücksichtigung von interkulturellen Kompetenzen. Damit wurde in den vergangenen Jahren der Anteil an internen Nachfolgekandidaten deutlich erhöht. Neben globalen Personalentwicklungsmaßnahmen gibt es in der ANDRITZ-GRUPPE mehrere regionale Programme zur Förderung der Potenziale der Mitarbeiter. Das „Austrian Young Talent Program“ zum Beispiel dient der Förderung der Potenziale von Nachwuchsführungskräften, um eine Gruppe von Kandidaten für die zukünftige Übernahme von Schlüsselpositionen aufzubauen.

ANDRITZ unterstützt seine Mitarbeiter, um Beruf und Familie bestmöglich vereinbaren zu können. So werden z. B. für Mitarbeiter mit Kindern flexible Teilzeitmodelle angeboten. Zudem wird am Standort Graz ein Betriebskindergarten betrieben.

Ein wichtiger Fokus liegt auch auf der Gesundheitsvorsorge für die Mitarbeiter, vor allem auf präventiven Maßnahmen im physischen und mentalen Bereich. Zahlreiche Beschäftigte profitieren im Rahmen von Initiativen, Seminaren und Workshops zum Thema Gesundheit, die an ANDRITZ-Standorten weltweit angeboten werden.

2015 wurden an ANDRITZ-Standorten auch sicherheitsrelevante Maßnahmen für das Personal durchgeführt, bei denen die Mitarbeiter unter anderem zu den Themen Arbeitssicherheit, Abfalltrennung sowie Brandschutz unterwiesen und informiert wurden.

### Umweltschutzelange

Die ANDRITZ-GRUPPE leistet mit einer Vielzahl an innovativen Produkten und Serviceleistungen einen wesentlichen Beitrag zum Schutz der Umwelt, zur Senkung des Energieverbrauchs und zur Steigerung der Energieeffizienz. Auch in der Fertigung dieser Produkte stehen die Reduktion von möglichen Umweltauswirkungen und die Schonung natürlicher Ressourcen an oberster Stelle. Der Fokus der Umweltschutzmaßnahmen lag insbesondere auf der Einsparung von Energie durch den Tausch von Fenstern, die Isolierung von Fassaden und Rohrleitungen, durch die Modernisierung der Heizungssysteme sowie durch Reduktion von Standzeiten von Fertigungsanlagen. Die Reduktion von CO<sub>2</sub>-Emissionen konnte durch laufenden Austausch von alten Transportfahrzeugen durch neue Fahrzeuge mit Hybridtechnik sowie durch den schrittweisen Einsatz von energiesparenden und kosteneffizienten Leuchtmitteln für Büros und Fertigungshallen erzielt werden. Wichtige Investitionen wurden auch mit der laufenden Erneuerung des Maschinenparks getätigt, die zur Steigerung der Energieeffizienz an den Fertigungsstandorten führten. Zahlreiche Initiativen im Bereich Müllvermeidung, Abfalltrennung und Recycling an den weltweiten ANDRITZ-Standorten leisten zudem einen wichtigen Beitrag zum Umweltschutz.

## FORSCHUNG UND ENTWICKLUNG

Im Bereich Forschung und Entwicklung (F&E) für neue Prozesse und Produkte wendete die ANDRITZ-GRUPPE im Berichtsjahr 88,5 MEUR auf (2014: 84,3 MEUR). Inklusive auftragsbezogener Arbeiten betragen die Forschungs- und Entwicklungsaufwendungen rund 3% des Umsatzes.

Wesentliche Schwerpunkte bei der Entwicklung neuer und innovativer Technologien sind erhöhter Umweltschutz, die Verminderung des Energie- und Ressourceneinsatzes bei der Produktion sowie die Verlängerung des Lebenszyklus von Maschinen und Anlagen. Damit unterstützt ANDRITZ seine Kunden weltweit, Umweltauflagen bestmöglich zu erfüllen und gleichzeitig durch Kostensenkungen und Produktivitätssteigerungen ökonomischen Mehrwert zu schaffen. Oft werden auftragsbezogene Entwicklungsarbeiten in Zusammenarbeit mit den Kunden durchgeführt.

### Wesentliche Forschungs- und Entwicklungsarbeiten nach Geschäftsbereichen

#### HYDRO

Die ersten Pilotprojekte mit Erregungs- und Schutzmodulen des Automatisierungssystems HIPASE wurden erfolgreich in Betrieb genommen. Diese Automatisierungsplattform ist ein weltweit einzigartiger Neuansatz zur Vereinheitlichung unterschiedlicher Gerätespezifikationen (für den elektrischen Schutz, den Spannungsregler und die Synchronisierereinrichtung) sowie zur Anwendung der neuesten und modernsten Hard- und Softwaretechnologien. Durch HIPASE können Kosten und Aufwand für den Einbau und den Anlagenbetrieb signifikant reduziert werden.

Vor dem Hintergrund steigender Stromerzeugung auf Basis von Windkraft und Sonnenergie, vor allem in Europa, ist Flexibilität im Anlagenbetrieb die wichtigste Voraussetzung für die Stromversorgung. Wasserkraftwerke leisten einen wesentlichen Beitrag zur Balance von Stromangebot und -nachfrage, indem sie die Schwankungen wetterabhängiger Energieträger ausgleichen. Gleichzeitig sind sie, weil eher auf kontinuierlichen Betrieb ausgelegt, aufgrund häufiger Start-Stoppmanöver auch höheren Belastungen ausgesetzt. ANDRITZ HYDRO hat ein neues Rechentool entwickelt, um die Ermüdung hoch beanspruchter Komponenten zu berechnen und deren Lebensdauer zu bestimmen. Zudem werden Kunden, die ältere Generatoren betreiben, durch Beratung und gezielte Serviceangebote unterstützt, die neuen Herausforderungen zu erfüllen und einen fortgesetzten sicheren Anlagenbetrieb garantieren zu können.

Für das geplante Gezeitenlagunen-Wasserkraftwerksprojekt in der Bucht von Swansea wurde eine neue Rohrturbine entwickelt. Diese verfügt über Laufradschaufeln, die man um mehr als 180 Grad verstellen kann und Leitschaufeln, die um mehr als 120 Grad geöffnet werden können, damit Wasser ungehindert in beiden Richtungen fließen kann. Die Turbine arbeitet sowohl als Pumpe wie auch als Turbine bei variabler Drehzahl. Dadurch wird die Jahresenergieleistung so optimiert, dass die Gezeitenlagunentechnik eine wirtschaftlich wettbewerbsfähige Lösung darstellt. Weiters wurde die Turbinenkonstruktion mit Hinblick auf Fischfreundlichkeit optimiert.

Die Division Pumpen konzentrierte sich auf Mehrstufenentwicklungen, die die Basis für zwei wichtige Aufträge bildeten. Eine sechsstufige Speicherpumpe mit verbesserter Leistung und erhöhter Produktion (32,3 MW) wird für einen Drei-Maschinen-Satz "Oschenik 1" geliefert. Als erster Meilenstein wurde die hydraulische Entwicklungsarbeit mit einem Modellabnahmetest gemeinsam mit dem Kunden abgeschlossen. Das zweite Projekt in Yuxi, Yunnan Province, China umfasste die Entwicklung und Lieferung von 18 Stück zwei- und dreistufigen doppelstufigen Pumpen (ASPM) für ein großes Infrastrukturprojekt im Westen Chinas. Die hydraulische Entwicklung, maschinelle Auslegung und komplette Fertigung sowie die Abnahmetests für die Pumpen konnten innerhalb weniger als 14 Monaten durchgeführt werden. Das Projekt wurde mit der erfolgreichen Inbetriebnahme aller Einheiten im Juni 2015 abgeschlossen.

#### PULP & PAPER

Mehrere aktuelle Forschungsprojekte des Geschäftsbereichs PULP & PAPER beschäftigen sich mit dem Thema Nachhaltigkeit und der besseren Verwertung von Abfallstoffen in Zellstoff- und Papierfabriken. Eine Neuentwicklung für die Behandlung von Abfällen aus der Stoffaufbereitung in Papierfabriken ist der Ballistikseparator ReBal. Bei dieser Technologie wird das Material über eine oszillierende Siebplatte geführt und dabei in drei Fraktionen getrennt, die gesondert abgeführt werden können. Durch die Abscheidung von Steinen und Metall wird die Lebensdauer der nachgeschalteten Maschinen, wie etwa Zerkleinerungsmaschinen, verlängert. Zusätzlich können auch verkaufsfähige Fraktionen, wie etwa Plastik für PET-Flaschen, generiert werden. ReBal wurde bereits mehrmals verkauft und wird zurzeit vor allem für Projekte im asiatischen Raum gefertigt.

Auch das Konzept der Bioaffinerien leistet einen wichtigen Beitrag zu einer nachhaltigen Entwicklung der Zellstoff- und Papierindustrie. Die Forschungsaktivitäten zielen darauf ab, Wertstoffe (Ligninbestandteile und Hemicellulosen) aus dem Abwasser von Holzstoffanlagen zurückzugewinnen. Diese wertvollen Bioprodukte (Biochemikalien) werden unter anderem in der Zellstoff- und Papierherstellung, in der Verpackungsindustrie, in der pharmazeutischen und kosmetischen Industrie sowie in der Lebensmittelindustrie verwendet. Trennt man die Wertstoffe vor der Abwasserbehandlung ab, können Anlagen wirtschaftlicher und ressourcenschonender betrieben werden, weil sich einerseits die Abwasserbelastung und damit auch die Produktionskosten verringern und andererseits durch den Verkauf der Bioprodukte Marktchancen in neuen Geschäftsfeldern entstehen.

Weitere innovative ANDRITZ-Technologien im Bereich Recycling verringern die Abhängigkeit von fossilen Brennstoffen und reduzieren den Anfall von Abfall auf Deponien. ANDRITZ MeWa etwa bietet Zerkleinerungstechnologien sowie spezifische Trenn-, Sortier- und Fördertechnik und damit komplette Recyclinglösungen aus einer Hand an. Dazu zählen Anlagen zur Aufbereitung von Elektro- und Elektronikschrott, Kühlgeräten, Kabeln und Altreifen, Anlagen zur Herstellung von Ersatzbrennstoffen, zur Metallreinigung und Substrataufbereitung in Biogasanlagen sowie zur Aufbereiten von sogenannten Spuckstoffen in der Altpapieraufbereitung (Spuckstoffe sind alle Materialien, die nicht aus Papier bestehen, wie Kunststoffe, Textilien oder Metalle). Der Fokus der Entwicklungstätigkeiten von ANDRITZ MeWa lag im vergangenen Jahr auf Verbesserungen und Kostenreduktionen von Maschinen und Prozessen, wie etwa der Granulatoren, und der Weiterentwicklung des Querstromzerspaners für Bioanwendungen. Dieser wird unter anderem für die Zerkleinerung von Bioabfällen aus Haushalten, Schlachthaus- und Speiseabfällen oder Energiepflanzen, wie Mais- und Grassilage, Mist, Roggensilage der Zuckerrüben, eingesetzt.

Vor dem Hintergrund des weltweit kontinuierlich ansteigenden Abfallvolumens entwickelte ANDRITZ gemeinsam mit dem Kooperationspartner Alucha eine Pyrolysetechnologie zur wirtschaftlichen Rückgewinnung und Aufbereitung der in gebrauchten Getränkekartons vorhandenen Wertstoffe, wie Papierfasern, Aluminium und Polyethylen. Durch Pyrolyse der Getränkeverpackungen wird Polyethylen in Gas oder Öl transformiert und Aluminium als reines Metall rückgewonnen. Hauptmerkmal der Pyrolyse ist die starke Erhitzung des Materials unter Ausschluss von Sauerstoff.

Die Pyrolyse ist derzeit das einzige ökonomisch sinnvolle Verfahren zur Aufbereitung aluminiumhaltiger Laminatverpackungen. Bisher konnte allerdings das abgetrennte Polyethylen nur zu Brennstoff (Gas, Öl) weiterverarbeitet werden. Ziel eines laufenden ANDRITZ-Entwicklungsprojekts ist es, daraus ein neues, für den Verkauf geeignetes Produkt zu erzeugen. Das neue Verfahren löst die aluminium- und kunststoffhaltigen Bestandteile nach der Abtrennung der Papierfasern in Salzsäure auf und trennt dabei Aluminium und Polyethylen. Das Aluminium wird als Korund (Aluminiumoxid) wiedergewonnen. Das Polyethylen kann in einem weiteren Prozessschritt zu Flocken aufbereitet werden und steht somit wieder als Rohstoff für die Kunststoffherstellung zur Verfügung.

Für die Entwässerung von Faserstoffen mit niedriger Zulaufkonsistenz wurde ein neuer Vertikaleindicker entwickelt, der den Faserstoff ohne Zwischenstufe von ca. 3 auf bis zu 30% entwässert. Bisher waren zwei separate Entwässerungsmaschinen notwendig, um diese Konsistenz zu erreichen. Durch den neuen Vertikaleindicker kann ein Prozessschritt übersprungen werden. Dadurch werden der maschinelle Aufwand und die Investitionskosten bei Neuanlagen gesenkt; darüber hinaus reduziert sich auch der Wasser- und Energieverbrauch der Anlagen. Nach einer Testphase in der ANDRITZ-Pilotanlage in Graz wird der neue Eindicker derzeit am Markt eingeführt.

Der PrimeCoat Curtain von ANDRITZ ist ein innovatives Verfahren, das die Streichsubstanz, die in der Papierproduktion zur Verbesserung der optischen Merkmale eingesetzt wird, als fertig dosierten Vorhangfilm direkt auf die Papier- oder Kartonbahn aufträgt. Das Verfahren gewährleistet einen idealen Konturstrich, wodurch eine optimale Abdeckung erzielt und Fehler in diesem Prozessschritt ausgeschlossen werden können. Das damit erreichte Abdeckungsverhalten ist besser als bei allen bisherigen Streichmethoden am Markt. Ein wertvoller Nebeneffekt sind Rohstoff- und Energieeinsparungen. Diese werden durch den Einsatz von kostengünstigeren Faserstoffen, teilweise ohne zusätzliche Aufbereitung wie Deinking, in der Schonschicht des Kartons ohne Qualitätseinbußen erreicht. Da das Auftragsverfahren völlig ohne Verschleißteile auskommt, gibt es auch keine Produktionsunterbrechungen bzw. -ausfälle aufgrund von Raket- oder Streichklingentausch.

Eine Neuentwicklung im Bereich Nonwovens sind biologisch abbaubare Vliesstoffprodukte wie feuchtes Toilettenpapier und Kosmetiktücher, die sich nach Gebrauch innerhalb kurzer Zeit im Wasser vollständig auflösen. Statt Synthefasern werden Nassvliese aus abbaubaren Zellulosefasern, wie etwa auch bei Teebeuteln, verwendet. Auf sonst übliche Bindemittel und deren thermische Verfestigung wird verzichtet. Stattdessen arbeiten die Anlagen von ANDRITZ mit chemiefreier Wasserstrahlverfestigung (Wetlace). Das beim Wetlace-Prozess eingesetzte Wasser wird gesammelt, auf Trinkwasserqualität gereinigt und in anderen

Prozessstufen wiederverwendet. Auch die heiße Luft für das Trocknen der Nassvliese wird teilweise aufgefangen und in den Anlagenkreislauf rückgeführt, um Energie einzusparen. So können Energieeinsparungen von bis zu 20% gegenüber Vorgängerlinien erreicht werden.

## METALS

Schuler wurde 2015 für die Entwicklung des Smart DC Grid, einem Gleichstromnetz für Pressenlinien, das den Energiebedarf deutlich senkt, mit dem Umwelttechnikpreis des Landes Baden-Württemberg ausgezeichnet. Die Pressen in einer Servopressenlinie benötigen nicht nur bei jedem Hub elektrische Energie, sondern erzeugen sie auch bei den zyklischen Bremsvorgängen. Die dadurch erzeugte Energie lässt sich über das intelligente Gleichstromnetz direkt an die Pressen weiterleiten, die gerade beschleunigen oder umformen und damit Energie benötigen. Das Schuler Smart DC Grid ist bereits in mehreren Pressenlinien in der Automobilindustrie im Einsatz.

Eine weitere Auszeichnung, nämlich den Red Dot Award, hat Schuler im Juli 2015 für den Crossbar Roboter 4.0 zur Automation von Pressenlinien erhalten. Der Roboter ist zu 20% energieeffizienter, 50% leichter und 50% dynamischer als das Vorgänger-Modell.

Schuler hat sich bisher auf die Warmumformung von Stahl konzentriert. Durch den Einsatz von Aluminium kann das Gewicht der Karosserie noch deutlicher verringert werden, der Werkstoff war aber bisher aufgrund der Elastizität des Metalls nur schwer umformbar. Dank einer speziellen Legierung kann aber Aluminium seit kurzem auch warm umgeformt und somit das Gewicht eines Karosserieteils um 30 bis 50% reduziert werden. Auch der Umformprozess benötigt deutlich weniger Energie.

Schuler hat 2015 auch an einer Verkürzung der Prozessketten durch die Kombination von Präzisionsschneiden und Massivumformung in einem Werkzeug gearbeitet. Bislang wurden Bauteile, die in unterschiedlichen Bereichen unterschiedliche Materialstärken aufweisen, durch Zusammenfügen mehrerer Einzelbauteile hergestellt. Die Verkürzung der Prozessketten durch die Produktion der Bauteile in einem Pressendurchgang bietet großes Einsparpotential.

Mit der CSC 1000 hat Schuler einen Ein-Pleuel-Stanzautomaten für den Automatik- und Handeinlegebetrieb entwickelt, der im Vergleich zu bisherigen Anlagen sowohl Ausbringungsleistung als auch Energie-Effizienz steigert. Der Grund dafür ist ein dynamischer Einbau-Torquemotor, der einen so genannten Pendelhub-Betrieb realisieren kann. Zudem ist das Antriebskonzept schmierölfrei, was die Gefahr der Vermischung mit Prozessstoffen ausschließt und den Wartungsaufwand minimiert.

2015 erhielt der Geschäftsbereich für die beiden Umweltschutztechnologien PYROMARS und ZEMAP den Energy Globe Award Austria in der Kategorie Wasser. Der renommierte Umweltpreis zeichnet seit 1999 herausragende nachhaltige Projekte mit Fokus auf Ressourcenschonung, Energieeffizienz und Einsatz erneuerbarer Energien aus. Die beiden ausgezeichneten Technologien ermöglichen einen abwasserfreien Betrieb von Edelstahlbeizen und eine nahezu vollständige Wiedergewinnung der Wertstoffe aus Abbeize und Spülwasser. PYROMARS hat sich bereits in zahlreichen Anwendungen bewährt, das neue ZEMAP-Verfahren wird derzeit erstmals an einen taiwanesischen Edelstahlproduzenten geliefert. Die Technologien wurden zudem 2016 für den österreichischen Staatspreis Innovation nominiert.

Ein wesentlicher Schritt zur Steigerung der Energieeffizienz bei der Säureregeneration in der Kohlenstoffstahlproduktion wurde mit dem neuen ANDRITZ ECOMode-Verfahren gesetzt. Basierend auf einem neu entwickelten Berechnungsmodell wird ein Teil der Abbeize vor der Regeneration abgezweigt und nach der Regeneration wieder zugeführt, ohne das Beizergebnis zu beeinflussen. Dadurch kann der Gasverbrauch um bis zu 25% reduziert werden, wodurch auch die Gesamtemissionen sinken. Die Optimierung wird durch ein Upgrade der Anlagensteuerung umgesetzt und ist mit sehr geringen Investitionskosten verbunden. Das patentierte Verfahren wurde in einem taiwanesischen Stahlwerk erfolgreich getestet und wird derzeit am Markt eingeführt.

Ein weiterer Schwerpunkt in der Entwicklungstätigkeit von ANDRITZ METALS sind Prozessmodelle und hier insbesondere mathematische Modelle sowie darauf basierende modellprädiktive Regler für kontinuierliche Glühöfen. Ziel ist es, dem Wunsch der Industrie nach mehr Produktivität bei gleichzeitiger Verringerung des Energieverbrauchs und der Emissionen gerecht zu werden. Darüber hinaus gilt es, die Produktqualität zu steigern, den Ausschuss zu minimieren und den technologischen Prozess vorab durch exakte Simulation abzubilden.

Die von ANDRITZ entwickelten Low- und Ultralow-NOx-Brenner reduzieren die Stickstoffemissionen von Stahl- und Aluminiumwerken. Die Brenner basieren auf dem Prinzip der Rauchgaszirkulation und der Verdünnung der Reaktionsmedien. Durch eine optimierte Mischung und Verteilung von Brennstoff, Verbrennungsluft und Rauchgas sinken die Spitzentemperaturen der Flamme. Dadurch entsteht deutlich weniger Stickoxid als bei

herkömmlichen Brennern. Diese Technologie setzt ANDRITZ sowohl bei konventionellen Seitenwandbrennern als auch bei verbrauchoptimierten Regenerativbrennern ein.

## SEPARATION

Die aktuellen Entwicklungen im Bereich nachhaltiger Technologien zielen auch im Geschäftsbereich SEPARATION auf eine Senkung des Energieverbrauchs (Strom, Wärme) bei Neuanlagen und die damit verbundene Erhöhung der Wirtschaftlichkeit ab. Auch die Nachfrage nach Serviceleistungen zur Verlängerung der Lebensdauer bestehender Maschinen und Anlagen nimmt deutlich zu.

Mit der Entwicklung einer neuen Separatorproduktlinie für Olivenöl hat ANDRITZ SEPARATION sein Produktportfolio deutlich erweitert. Durch die kontinuierlich gleichbleibende Temperatur im Separator wird die erforderliche hohe Qualität des Olivenöls sichergestellt. Die Trommel aus rostfreiem Stahl garantiert höchste Sauberkeit. Die Reinigungskosten sind gering, weil die Trommel für die Reinigung nicht ausgebaut werden muss, da es einen automatisierten Reinigungsdurchgang gibt.

Der neue Separator verbraucht kein Wasser, da der geringe Anteil an Wasser im Olivenölgemisch für den eingesetzten Trennprozess bereits ausreichend ist und daher kein zusätzliches Wasser zur Verbesserung des Trennergebnisses zugeführt werden muss. Dank der hohen Effektivität des Trennprozesses bietet der Separator zudem eine höhere Produktivität bei geringerem Energieverbrauch und niedrigeren Ersatzteilkosten.

Die neu entwickelte Automatisierungslösung CentriTune ist ein modular zusammenstellbares, komplettes Steuerungs- und Kontrollsystem für alle ANDRITZ-Dekanterzentrifugen. Das einfach zu bedienende System regelt unter anderem Geschwindigkeit sowie Drehmoment und erfüllt sämtliche sicherheitsrelevanten Anforderungen.

Das neue Sicherheitspaket Zero-Access für den Trommeltrockner von ANDRITZ Gouda reduziert durch den Einbau von Barrieren oder Abdeckkappen bei Schälmessern das Unfallrisiko und verbessert die Bedienbarkeit. Das wirkt sich auch positiv auf die Betriebskosten aus. Die Lösung wurde in enger Zusammenarbeit mit einem Kunden entwickelt.

ANDRITZ Feed & Biofuel Technologies hat mit der Markteinführung eines neuen Paddelmischers die bestehende Serie erweitert. Der OptiMix 4000 mischt bis zu 30 Chargen pro Stunde und ist damit drei Mal schneller als bisherige Mischer. Dank seiner Konstruktionsmerkmale arbeitet der Mischer außerdem äußerst sauber und wartungsfreundlich. Auf Basis einer speziellen Selbstreinigungsfunktion wechselt der Rotor zwischen jeder Charge die Richtung und stellt somit sicher, dass alle Flächen vom Mischmaterial gereinigt werden. Weiters sorgt die Anordnung der Düsen direkt im Einlauf dafür, dass auch diese bei der Chargenzufuhr gereinigt werden. Das neue Modell wurde bereits mehrfach auf Fachmessen als innovativste bzw. optisch attraktivste Maschine ausgezeichnet. Die Marktfreigabe einer weiteren Innovation, des OptiMix 8000 ist für 2016 geplant, die gesamte Serie soll bis zum Sommer 2016 marktreif sein.

Im Bereich Haustierfutter hat ANDRITZ Feed & Biofuel Technologies neue maschinelle Ausrüstungen entwickelt, mit denen es möglich ist, Pellets mit bis zu vier verschiedenen Farben und Formen auf nur einem Extruder herzustellen. Der erste erfolgreiche Testlauf fand bereits statt, derzeit wird an der Entwicklung eines Prototyps, der in einer Kundenanlage zum Einsatz kommen soll, gearbeitet.

Auch die Verbesserung der Leistung der Pressen für Biobrennstoff ist regelmäßiger Bestandteil der Forschungs- und Entwicklungstätigkeiten. Die in diesem Bereich im Jahr 2015 durchgeführten Entwicklungen sichern eine längere Lebensdauer für die wichtigsten Verschleißteile.

## Corporate-Governance-Bericht

Den Corporate-Governance-Bericht finden Sie im nachfolgenden Kapitel – oder auf der ANDRITZ-Website [www.andritz.com](http://www.andritz.com).

## Wesentliche Ereignisse nach dem Bilanzstichtag

Die Situation der Weltwirtschaft und an den Finanzmärkten hat sich in der Zeit zwischen dem Bilanzstichtag und der Veröffentlichung dieses Berichts nicht wesentlich geändert.



## AUSBLICK

Gemäß der Einschätzung von Wirtschaftsexperten wird sich auch 2016 das leichte Wachstum der Weltwirtschaft fortsetzen. In den USA soll demnach das Bruttoinlandsprodukt (BIP) um 2,8% und in Europa um 2,1% ansteigen. Für China wird eine weitere leichte Verlangsamung des Wirtschaftswachstums auf 6,5% prognostiziert, und für Brasilien wird – nach einer Rezession 2015 - ein geringfügiges Wirtschaftswachstum erwartet.

Die Aussichten für die ANDRITZ-Geschäftsbereiche sind im Vergleich zum Vorjahr im Wesentlichen unverändert. Im Geschäftsbereich HYDRO ist – bedingt durch die unverändert niedrigen Strom- und Energiepreise – mit einem anhaltend schwierigen Umfeld zu rechnen. Viele Modernisierungsprojekte sind nach wie vor verschoben oder vorübergehend gestoppt. Einige größere neue Wasserkraftwerksprojekte sind zwar in Planung, jedoch ist die Vergabe dieser Projekte erst mittel- bis langfristig zu erwarten. Im Geschäftsbereich PULP & PAPER wird weiterhin mit einer guten Projektaktivität, wenngleich auch unter dem Niveau des Vorjahrs, gerechnet. Im Bereich Metallumformung (Schuler, Geschäftsbereich METALS) ist im Jahr 2016 von einer unverändert zurückhaltenden Investitionstätigkeit auszugehen. Bedingt durch die anhaltend schwache Nachfrage im Automobilbereich in China stoppten oder verschoben die meisten Automobilproduzenten und -lieferanten vorerst ihre Investitionsentscheidungen; im Segment der Anlagen zur Produktion von Edelstahl-/Stahlbändern wird ein Anhalten der geringen Investitionsaktivität erwartet. Eine insgesamt moderate und gegenüber dem Vorjahr unveränderte Projektaktivität wird auch für den Geschäftsbereich SEPARATION erwartet.

Unternehmensintern wird ANDRITZ auch 2016 weiter den Fokus auf Kostendisziplin sowie Optimierung der Organisations- und Kostenstrukturen legen. Im Schuler-Konzern werden die im Geschäftsjahr 2015 beschlossenen Maßnahmen zur Optimierung der Wertschöpfungskette 2016 und 2017 umgesetzt.

Basierend auf den oben angeführten Erwartungen zur Entwicklung der Weltwirtschaft sowie der Projekt- und Investitionsaktivität in den ANDRITZ-Geschäftsbereichen sowie basierend auf dem Auftragsstand per ultimo 2015 erwartet die ANDRITZ-GRUPPE für das Geschäftsjahr 2016 eine zufriedenstellende Geschäftsentwicklung.

Sollte sich 2016 die globale Weltwirtschaft jedoch entgegen den allgemeinen Erwartungen eintrüben, ist mit negativen Auswirkungen auf die Geschäftsentwicklung von ANDRITZ zu rechnen. Dies könnte zu weiteren organisatorischen und kapazitiven Anpassungen sowie möglicherweise daraus entstehenden finanziellen Vorsorgen führen, die das Ergebnis negativ beeinträchtigen könnten.

## AKTIEN UND AKTIONÄRSSTRUKTUR

### Offenlegung gemäß § 243a UGB

Das Grundkapital der ANDRITZ AG per 31. Dezember 2015 betrug 104.000.000 EUR. Auf jede nennwertlose Aktie entfällt damit ein anteiliger Betrag am Grundkapital von 1,00 EUR. Es bestehen keine Beschränkungen, welche die Stimmrechte oder die Übertragung von Aktien betreffen.

ANDRITZ verfügt über eine langfristig sehr stabile und ausgewogene Aktionärsstruktur. Mit einem Streubesitz von knapp unter 70% stellen nationale und internationale institutionelle Anleger sowie Privataktionäre den Hauptanteil der Aktionäre. Darunter befinden sich mit einem Aktienanteil von 6,7% FMR LLC (Fidelity Management & Research, eine 1946 gegründete US-Fondgesellschaft mit Sitz in Boston, Massachusetts) und mit 3,96% The Capital Group Companies, Inc. (eine 1931 gegründete US-amerikanische Investmentgesellschaft mit Sitz in Los Angeles, Kalifornien). Der Hauptteil der institutionellen Anleger kommt aus Großbritannien, den USA, Österreich und Deutschland, jener der Privataktionäre aus Österreich und Deutschland. 25% plus eine Aktie sind im Besitz der Custos Vermögensverwaltungs GmbH (Custos) und 0,77% im Besitz der Cerberus Vermögensverwaltung GmbH (Cerberus). Die Geschäftsanteile dieser Gesellschaften werden teils direkt und teils indirekt von der Custos Privatstiftung beziehungsweise von Wolfgang Leitner, dem Vorstandsvorsitzenden der ANDRITZ AG, gehalten. 5,721% gehören der Certus Beteiligungs-GmbH (Certus), deren Geschäftsanteile sich mittelbar im Eigentum der Manile Privatstiftung befinden.



Die Übernahmekommission hat der ANDRITZ AG am 25. März 2015 die Entscheidung zum Nachprüfungsverfahren gem. § 33 ÜbG übermittelt. Gegenstand des Verfahrens war die Prüfung, ob im Zusammenhang mit den im August 2014 von den Kernaktionären der ANDRITZ AG, insbesondere Custos Privatstiftung bzw. Certus Beteiligungs-GmbH durchgeführten Umgründungsmaßnahmen sowie mit der erfolgten Rückführung eines seit 2004 bestehenden Wertpapierdarlehens über Aktien der ANDRITZ AG ein Pflichtangebot zu Unrecht nicht gestellt wurde (§§ 22ff ÜbG). Die Übernahmekommission sprach aus, dass die von Certus Beteiligungs-GmbH gehaltenen Aktien zwar der Custos Privatstiftung übernahmerechtlich zurechenbar sind, jedoch keine Verletzung der Angebotspflicht vorlag und daher kein Pflichtangebot gestellt werden musste. Custos Privatstiftung kann mit wenigen Ausnahmen die ihr übernahmerechtlich zurechenbaren Stimmrechte zwischen 26% und 30% jedenfalls bis zum 30. Juni 2018 ausüben.

Es gibt derzeit kein genehmigtes Kapital. Aufgrund eines Beschlusses der Hauptversammlung vom 22. März 2013 ist der Vorstand ermächtigt, zwischen 1. Oktober 2013 und 31. März 2016 bis zu 10% des Grundkapitals der ANDRITZ AG zurück zu erwerben. Anfang Oktober 2013 hat der Vorstand der ANDRITZ AG beschlossen, von dieser Ermächtigung Gebrauch zu machen und Aktien zwischen 12. November 2013 und 31. März 2016 zurückzukaufen. Es gibt keine sich nicht unmittelbar aus dem Gesetz ergebenden Befugnisse für Mitglieder des Vorstands, insbesondere hinsichtlich der Möglichkeit, Aktien auszugeben oder zurückzukaufen.

Soweit der Gesellschaft bekannt ist, gibt es keine Inhaber von Aktien mit besonderen Kontrollrechten. Die Arbeitnehmer üben das Stimmrecht direkt aus. Es existieren darüber hinaus auch keine sich nicht unmittelbar aus dem Gesetz ergebenden Bestimmungen über die Ernennung und Abberufung der Mitglieder des Vorstands und des Aufsichtsrats sowie über die Änderung der Satzung der Gesellschaft.

Die Gesellschaft ist keine bedeutenden Vereinbarungen eingegangen, die bei einem Kontrollwechsel der Gesellschaft infolge eines Übernahmeangebots wirksam werden, sich ändern oder enden würden.

Gemäß der Bedingungen der im Juli 2012 begebenen ANDRITZ-Anleihe 2012-2019 ist jeder Inhaber von Teilschuldverschreibungen berechtigt, seine Teilschuldverschreibungen fällig zu stellen und sofortige Rückzahlung zum Nennbetrag zuzüglich der bis zum Tag der Rückzahlung aufgelaufenen Zinsen zu verlangen, falls ein Kontrollwechsel durch einen neuen Großaktionär erfolgt und dieser Kontrollwechsel zu einer wesentlichen Beeinträchtigung der Fähigkeit der Emittentin führt, ihre Verpflichtungen aus den Teilschuldverschreibungen zu erfüllen.

Es existieren Entschädigungsvereinbarungen zwischen der Gesellschaft und Mitgliedern des Vorstands im Falle eines Kontrollwechsels. Es gibt keine Entschädigungsvereinbarungen für die Aufsichtsratsmitglieder und Arbeitnehmer.

Graz, 22. Februar 2016

Der Vorstand der ANDRITZ AG

			
Wolfgang Leitner Vorstandsvorsitzender	Humbert Köfler PULP & PAPER (Service & Systemlösungen), SEPARATION	Joachim Schönbeck PULP & PAPER (Neuanlagen), METALS	Wolfgang Semper HYDRO

**Disclaimer:**

Bestimmte Aussagen im Jahresfinanzbericht 2015 und im Geschäftsbericht 2015 sind „zukunftsgerichtete Aussagen“. Diese Aussagen, welche die Worte „glauben“, „beabsichtigen“, „erwarten“ und Begriffe ähnlicher Bedeutung enthalten, spiegeln die Ansichten und Erwartungen der Geschäftsleitung wider und unterliegen Risiken und Unsicherheiten, welche die tatsächlichen Ergebnisse wesentlich beeinträchtigen können. Der Leser sollte daher nicht unangemessen auf diese zukunftsgerichteten Aussagen vertrauen. Die Gesellschaft ist nicht verpflichtet, das Ergebnis allfälliger Berichtigungen der hierin enthaltenen zukunftsgerichteten Aussagen zu veröffentlichen, außer dies ist nach anwendbarem Recht erforderlich.

Der Jahresfinanzbericht 2015 und der Geschäftsbericht 2015 enthalten Annahmen und Prognosen, die auf Basis aller bis Redaktionsschluss am 22. Februar 2016 zur Verfügung stehenden Informationen getroffen wurden. Sollten die den Annahmen und Prognosen zugrunde liegenden Einschätzungen nicht eintreffen oder die im Kapitel „Unternehmensrisiken“ und im Lagebericht des Jahresfinanzberichts 2015 angesprochenen Risiken eintreten, so können die tatsächlichen Ergebnisse von den im Jahresfinanzbericht 2015 und im Geschäftsbericht 2015 erwarteten Ergebnissen abweichen. Trotz größter Sorgfalt erfolgen daher alle zukunftsbezogenen Aussagen ohne Gewähr.

**BILANZ zum 31. Dezember 2015**

(Beträge in EUR)

**AKTIVA**

				31.12.2014	
				TEUR	
<b>A. Anlagevermögen</b>					
<b>I. Immaterielle Vermögensgegenstände</b>					
1.	Software, Lizenzen und andere Rechte	5.956.888,05		5.722	
2.	Firmenwert	5.508.480,79		--	
			11.465.368,84	5.722	
<b>II. Sachanlagen</b>					
1.	Grundstücke und Bauten	46.939.756,60		48.329	
2.	technische Anlagen und Maschinen	9.819.614,89		9.135	
3.	andere Anlagen, Betriebs- und Geschäftsausstattung	6.501.170,19		5.750	
4.	geleistete Anzahlungen und Anlagen in Bau	734.362,67		3.061	
			63.994.904,35	66.274	
<b>III. Finanzanlagen</b>					
1.	Anteile an verbundenen Unternehmen	1.349.877.233,80		1.634.627	
2.	Beteiligungen	32.380,50		32	
3.	Wertpapiere des Anlagevermögens	1.196.160,00		1.196	
			1.351.105.774,30	1.635.855	
			1.426.566.047,49	1.707.851	
<b>B. Umlaufvermögen</b>					
<b>I. Vorräte</b>					
1.	Roh-, Hilfs- und Betriebsstoffe	3.463.090,06		3.600	
2.	fertige Erzeugnisse und Waren	13.134.583,88		14.206	
3.	noch nicht abrechenbare Leistungen mit erhaltenen Anzahlungen verrechnet	1.814.103.893,65 (1.611.210.410,41)		1.455.021 (1.191.007)	
		202.893.483,24		264.014	
4.	geleistete Anzahlungen mit erhaltenen Anzahlungen verrechnet	29.416.900,14 (5.692.906,21)		21.299 (7.668)	
		23.723.993,93		13.631	
			243.215.151,11	295.451	
<b>II. Forderungen und sonstige Vermögensgegenstände</b>					
1.	Forderungen aus Lieferungen und Leistungen	35.434.785,65		19.744	
2.	Forderungen gegenüber verbundenen Unternehmen	298.924.601,47		22.875	
3.	sonstige Forderungen und Vermögensgegenstände	13.940.814,35		8.682	
			348.300.201,47	51.301	
<b>III. Wertpapiere und Anteile</b>					
1.	eigene Anteile	68.572.238,50		29.406	
2.	sonstige Wertpapiere und Anteile	30.969.035,56		71.550	
			99.541.274,06	100.956	
<b>IV. Kassenbestand, Guthaben bei Kreditinstituten</b>					
			93.999.174,16	39.054	
			785.055.800,80	486.761	
<b>C. Rechnungsabgrenzungsposten</b>					
			5.863.931,13	3.372	
			<b>2.217.485.779,42</b>	<b>2.197.984</b>	

**PASSIVA**

				31.12.2014	
				TEUR	
<b>A. Eigenkapital</b>					
<b>I. Grundkapital</b>					
		104.000.000,00		104.000	
<b>II. gebundene Kapitalrücklagen</b>					
		39.631.373,23		39.631	
<b>III. Optionsrücklage</b>					
		11.653.441,41		20.875	
<b>IV. gesetzliche Gewinnrücklage</b>					
		5.338.626,77		5.339	
<b>V. Rücklage für eigene Anteile</b>					
		68.572.238,50		29.406	
<b>VI. Bilanzgewinn</b>					
	davon Gewinnvortrag 263.186.832,31 (Vorjahr TEUR 201.178)	452.662.567,14		366.427	
			681.858.247,05	565.677	
<b>B. Rückstellungen</b>					
1.	Rückstellungen für Abfertigungen	36.541.991,00		40.559	
2.	Rückstellungen für Pensionen	9.175.531,48		10.741	
3.	Steuerrückstellungen	729.547,92		4.664	
4.	sonstige Rückstellungen	201.624.611,09		221.554	
			248.071.681,49	277.518	
<b>C. Verbindlichkeiten</b>					
<b>1. Anleihen</b>					
		350.000.000,00		500.000	
<b>2. Verbindlichkeiten gegenüber Kreditinstituten</b>					
		--		10	
<b>3. erhaltene Anzahlungen auf Bestellungen mit Vorräten verrechneter Anteil</b>					
		1.970.991.661,80 (1.616.903.316,62)		1.493.418 (1.198.675)	
		354.088.345,18		294.742	
<b>4. Verbindlichkeiten aus Lieferungen und Leistungen</b>					
		77.987.125,04		34.585	
<b>5. Verbindlichkeiten gegenüber verbundenen Unternehmen</b>					
		492.972.422,81		515.508	
<b>6. sonstige Verbindlichkeiten</b>					
		12.400.599,85		9.944	
	davon aus Steuern 2.224.938,07 (Vorjahr TEUR 1.746) davon im Rahmen der sozialen Sicherheit 3.135.116,27 (Vorjahr TEUR 2.422)		1.287.448.492,88	1.354.789	
<b>D. Rechnungsabgrenzungsposten</b>					
			107.358,00	--	
			<b>2.217.485.779,42</b>	<b>2.197.984</b>	
			2.577.881.910,81	3.006.679	

Haftungsverhältnisse

**GEWINN- UND VERLUSTRECHNUNG für das Geschäftsjahr 2015**

(Beträge in EUR)

		2014 TEUR
1. Umsatzerlöse	783.515.457,99	578.594
2. Bestandsveränderungen		
a) Veränderung des Bestands an fertigen Erzeugnissen sowie an noch nicht abrechenbaren Leistungen	67.369.340,70	(9.582)
b) Veränderungen der Auftragsrückstellungen	<u>45.911.102,05</u>	<u>9.667</u>
	113.280.442,75	85
3. andere aktivierte Eigenleistungen	86.700,02	171
4. sonstige betriebliche Erträge		
a) Erträge aus dem Abgang vom Anlagevermögen mit Ausnahme der Finanzanlagen	106.388,17	16
b) Erträge aus der Auflösung von Rückstellungen	4.510.304,42	--
c) übrige	<u>89.558.211,83</u>	<u>88.195</u>
	94.174.904,42	88.211
5. Aufwendungen für Material und sonstige bezogene Herstellungsleistungen		
a) Materialaufwand	(609.756.301,91)	(329.045)
b) Aufwendungen für bezogene Leistungen	<u>(63.214.145,14)</u>	<u>(53.617)</u>
	(672.970.447,05)	(382.662)
6. Personalaufwand		
a) Löhne	(22.531.086,11)	(20.785)
b) Gehälter	(110.088.389,63)	(101.363)
c) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen	(1.274.460,34)	(5.681)
d) Aufwendungen für Altersversorgung	(260.162,37)	(5.247)
e) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	(31.983.499,91)	(25.897)
f) sonstige Sozialaufwendungen	<u>(220.450,00)</u>	<u>(347)</u>
	(166.358.048,36)	(159.321)
7. Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen	(10.154.563,97)	(7.553)
8. sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Z 18 fallen	(1.200.539,98)	(850)
b) übrige	<u>(135.539.813,07)</u>	<u>(132.030)</u>
	(136.740.353,05)	(132.880)
<b>9. Zwischensumme aus Z 1 bis 8 (Betriebserfolg)</b>	<b>4.834.092,75</b>	<b>(15.355)</b>
10. Erträge aus Beteiligungen	244.739.621,21	204.664
davon aus verbundenen Unternehmen 244.739.621,21 (Vorjahr TEUR 204.663)		
11. Erträge aus anderen Wertpapieren und Ausleihungen des Finanzanlagevermögens	109.884,50	107
12. sonstige Zinsen und ähnliche Erträge	8.730.580,74	1.941
davon aus verbundenen Unternehmen 7.504.854,62 (Vorjahr TEUR 769)		
13. Erträge aus dem Abgang von und der Zuschreibung zu Finanzanlagen und Wertpapieren des Umlaufvermögens	5.648.649,79	2.792
14. Aufwendungen aus Finanzanlagen und aus Wertpapieren des Umlaufvermögens	(35.933.101,72)	(5.072)
davon aus Abschreibungen -22.510.942,33 (Vorjahr TEUR -5.036)		
davon Aufwendungen aus verbundenen Unternehmen -35.720.288,72 (Vorjahr TEUR -5.036)		
15. Zinsen und ähnliche Aufwendungen	(9.256.173,44)	(12.517)
davon betreffend verbundene Unternehmen -333.656,81 (Vorjahr TEUR -1.131)		
<b>16. Zwischensumme aus Z 10 bis 15 (Finanzerfolg)</b>	<b>214.039.461,08</b>	<b>191.914</b>
<b>17. Ergebnis der gewöhnlichen Geschäftstätigkeit</b>	<b>218.873.553,83</b>	<b>176.559</b>
18. Steuern vom Einkommen und vom Ertrag	7.285.546,08	11.273
19. Verschmelzungsgewinn	2.483.232,98	--
<b>20. Jahresüberschuss</b>	<b>228.642.332,89</b>	<b>187.832</b>
21. Zuweisung Rücklage für eigene Anteile	(39.166.598,06)	(22.583)
22. Gewinnvortrag aus dem Vorjahr	<u>263.186.832,31</u>	<u>201.178</u>
<b>23. Bilanzgewinn</b>	<b>452.662.567,14</b>	<b>366.427</b>

## Jahresabschluss zum 31. Dezember 2015

### ANHANG

Im abgelaufenen Geschäftsjahr 2015 wurden die zu 100% in Besitz der Andritz Technology and Asset Management GmbH befindlichen Beteiligungen an der Andritz Energy & Environment GmbH mit Sitz in Raaba und an der Andritz Finance GmbH mit Sitz in Wien zur Aufnahme in die Andritz AG nach §17 SpaltG unter Inanspruchnahme der Begünstigungen des Art. VI UmgrStG abgespalten. In weiterer Folge wurden diese beiden Beteiligungen als jeweils übertragende Gesellschaften mit ihrer Muttergesellschaft Andritz AG als übernehmende Gesellschaft verschmolzen. Gemäß §96 GmbHG iVm § 234 AktG übernahm die Andritz AG das jeweilige Gesellschaftsvermögen dieser beiden Gesellschaften als Ganzes im Zuge der Gesamtrechtsnachfolge mit allen Aktiva und Passiva der Schlussbilanzen zum 31.12.2014.

#### **I. Bilanzierungs- und Bewertungsmethoden**

Der Jahresabschluss zum 31. Dezember 2015 wurde unter Beachtung der Grundsätze ordnungsgemäßer Buchführung sowie unter Beachtung der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage zu vermitteln, aufgestellt. Für die Gewinn- und Verlustrechnung wird das Gesamtkostenverfahren angewendet.

Die immateriellen Vermögensgegenstände und das Sachanlagevermögen werden zu Anschaffungs- bzw. Herstellungskosten abzüglich planmäßiger linearer Abschreibungen bewertet. Für Zugänge werden ab dem Folgemonat der Anschaffung monatlich Abschreibungen vorgenommen. Bei voraussichtlich dauernder Wertminderung werden außerplanmäßige Abschreibungen vorgenommen. Geringwertige Vermögensgegenstände werden im Jahr des Zugangs voll abgeschrieben und als Abgang behandelt. Die Sätze der Normalabschreibungen entsprechen den unternehmensrechtlichen Vorschriften. Sie betragen für das übrige immaterielle Anlagevermögen zwischen 20% und 25%, für Gebäude und sonstige Baulichkeiten zwischen 2% und 14,29%, für technische Anlagen und Maschinen, andere Anlagen und Betriebs- und Geschäftsausstattung zwischen 10% und 33,3%.

Beteiligungen werden mit den Anschaffungskosten oder im Falle einer dauernden Wertminderung mit dem niedrigeren beizulegenden Wert bewertet. Ausleihungen und

Wertpapiere des Anlagevermögens werden zu den Anschaffungskosten oder den niedrigeren Kurswerten bewertet.

Die Vorräte und Forderungen werden unter Beachtung des strengen Niederstwertprinzips bewertet.

Aufträge werden mit ihren Herstellungskosten abzüglich allfälliger Vorsorgen für drohende Verluste bewertet. Gewinnrealisierungen erfolgen bei Endabrechnung der Kundenaufträge, für das Gewährleistungsrisiko werden Einzelsvorsorgen gebildet.

Der Bilanzansatz der noch nicht abrechenbaren Leistungen wird mit erhaltenen Anzahlungen, soweit diese bereits angearbeitete Aufträge betreffen, offen saldiert.

Wertpapiere und eigene Anteile werden zu den Anschaffungskosten oder den niedrigeren Kurswerten bewertet.

Die Verpflichtungen aus vertraglichen Pensionszusagen und laufenden Pensionen, aus Abfertigungen sowie die kollektivvertraglichen Jubiläumsgelder sind nach versicherungsmathematischen Grundsätzen passiviert, wobei die Bewertungsvorschriften von IAS 19 angewandt wurden. Die Rückstellungen berücksichtigen die nach den Grundsätzen unternehmerischer Beurteilung erkennbaren Risiken und Verpflichtungen.

Anleihen werden mit ihren Rückzahlungsbeträgen ausgewiesen.

Fremdwährungsforderungen werden mit dem Entstehungskurs oder mit dem für die Bilanzierung maßgeblichen, niedrigeren Stichtagskurs bewertet. Fremdwährungsverbindlichkeiten werden mit dem Entstehungskurs oder mit dem für die Bilanzierung maßgeblichen, höheren Stichtagskurs bewertet.

Die Ansätze für die Vermögensgegenstände und Schulden entsprechen im Übrigen den bereits in den Vorjahren angewandten Grundsätzen.

## II. Erläuterungen zur Bilanz

### AKTIVA

#### Anlagevermögen

#### Entwicklung der Anschaffungskosten

(Beträge in EUR)

	Stand am 1.1.2015	Umstrukturierung	Zugänge	Umbuchung	Abgänge	Stand am 31.12.2015
<b>I. Immaterielle Vermögensgegenstände</b>						
1. Software, Lizenzen und andere Rechte	12.843.097,47	12.134.515,65	1.729.391,54	0,00	1.564.621,07	25.142.383,59
2. Firmenwert	0,00	7.806.005,04	0,00	0,00	0,00	7.806.005,04
	<b>12.843.097,47</b>	<b>19.940.520,69</b>	<b>1.729.391,54</b>	<b>0,00</b>	<b>1.564.621,07</b>	<b>32.948.388,63</b>
<b>II. Sachanlagen</b>						
1. Grundstücke und Bauten	80.331.087,04	283.474,73	0,00	0,00	448.697,05	80.165.864,72
2. technische Anlagen und Maschinen	15.113.688,20	0,00	715.996,30	1.505.248,00	32.420,00	17.302.512,50
3. andere Anlagen, Betriebs- und Geschäftsausstattung*)	12.267.572,43	1.634.246,44	2.610.520,37	0,00	1.033.132,16	15.479.207,08
4. geleistete Anzahlungen und Anlagen in Bau	3.060.570,69	0,00	566.539,98	-1.505.248,00	1.387.500,00	734.362,67
	<b>110.772.918,36</b>	<b>1.917.721,17</b>	<b>3.893.056,65</b>	<b>0,00</b>	<b>2.901.749,21</b>	<b>113.681.946,97</b>
<b>III. Finanzanlagen</b>						
1. Anteile an verbundenen Unternehmen	1.685.647.662,29	-283.244.292,52	20.438.883,81	0,00	0,00	1.422.842.253,58
2. Ausleihungen an verbundene Unternehmen	9.369.841,98	0,00	0,00	0,00	9.369.841,98	0,00
3. Beteiligungen	32.380,00	0,50	0,00	0,00	0,00	32.380,50
4. Wertpapiere des Anlagevermögens	1.584.190,00	0,00	0,00	0,00	0,00	1.584.190,00
	<b>1.696.634.074,27</b>	<b>-283.244.292,02</b>	<b>20.438.883,81</b>	<b>0,00</b>	<b>9.369.841,98</b>	<b>1.424.458.824,08</b>
<b>Summe</b>	<b>1.820.250.090,10</b>	<b>-261.386.050,16</b>	<b>26.061.332,00</b>	<b>0,00</b>	<b>13.836.212,26</b>	<b>1.571.089.159,68</b>

\*) Im Zugang und Abgang sind geringwertige Vermögensgegenstände in Höhe von 96.644,66 EUR enthalten.



**Entwicklung der kumulierten Abschreibungen**

(Beträge in EUR)

	Stand am 1.1.2015	Umstrukturierung	Jahres- Abschreibung	Abgänge/ Zuschreibung	Stand am 31.12.2015
<b>I. Immaterielle Vermögensgegenstände</b>					
1. Software, Lizenzen und andere Rechte	7.121.438,22	9.437.669,14	4.190.468,26	1.564.080,08	19.185.495,54
2. Firmenwert		1.777.123,58	520.400,67	0,00	2.297.524,25
	<b>7.121.438,22</b>	<b>11.214.792,72</b>	<b>4.710.868,93</b>	<b>1.564.080,08</b>	<b>21.483.019,79</b>
<b>II. Sachanlagen</b>					
1. Grundstücke und Bauten	32.002.390,22	30.304,09	1.642.110,86	448.697,05	33.226.108,12
2. technische Anlagen und Maschinen	5.978.370,57	0,00	1.536.946,62	32.419,58	7.482.897,61
3. andere Anlagen, Betriebs- und Geschäftsausstattung*)	6.517.948,98	1.094.325,80	2.264.637,55	898.875,44	8.978.036,89
	<b>44.498.709,77</b>	<b>1.124.629,89</b>	<b>5.443.695,03</b>	<b>1.379.992,07</b>	<b>49.687.042,62</b>
<b>III. Finanzanlagen</b>					
1. Anteile an verbundenen Unternehmen	51.021.000,16	0,00	21.944.019,62	0,00	72.965.019,78
2. Ausleihungen an verbundene Unternehmen	9.369.841,98	0,00	0,00	9.369.841,98	0,00
3. Beteiligungen	0,00	0,00	0,00	0,00	0,00
4. Wertpapiere des Anlagevermögens	388.030,00	0,00	0,00	0,00	388.030,00
	<b>60.778.872,14</b>	<b>0,00</b>	<b>21.944.019,62</b>	<b>9.369.841,98</b>	<b>73.353.049,78</b>
<b>Summe</b>	<b>112.399.020,13</b>	<b>12.339.422,61</b>	<b>32.098.583,58</b>	<b>12.313.914,13</b>	<b>144.523.112,19</b>

\*) In der Jahresabschreibung und in den Abgängen sind geringwertige Vermögensgegenstände in Höhe von 96.644,66 EUR enthalten.

**Buchwerte zum 31.12.2015**

(Beträge in EUR)

	Anschaffungs- kosten	kumulierte Abschreibungen	Buchwerte
<b>I. Immaterielle Vermögensgegenstände</b>			
1. Software, Lizenzen und andere Rechte	25.142.383,59	19.185.495,54	5.956.888,05
2. Firmenwert	7.806.005,04	2.297.524,25	5.508.480,79
	<b>32.948.388,63</b>	<b>21.483.019,79</b>	<b>11.465.368,84</b>
<b>II. Sachanlagen</b>			
1. Grundstücke und Bauten	80.165.864,72	33.226.108,12	46.939.756,60
2. technische Anlagen und Maschinen	17.302.512,50	7.482.897,61	9.819.614,89
3. andere Anlagen, Betriebs- und Geschäfts- ausstattung	15.479.207,08	8.978.036,89	6.501.170,19
4. geleistete Anzahlungen und Anlagen in Bau	734.362,67	0,00	734.362,67
	<b>113.681.946,97</b>	<b>49.687.042,62</b>	<b>63.994.904,35</b>
<b>III. Finanzanlagen</b>			
1. Anteile an verbundenen Unternehmen	1.422.842.253,58	72.965.019,78	1.349.877.233,80
2. Ausleihungen an verbundene Unternehmen	0,00	0,00	0,00
3. Beteiligungen	32.380,50	0,00	32.380,50
4. Wertpapiere des Anlagevermögens	1.584.190,00	388.030,00	1.196.160,00
	<b>1.424.458.824,08</b>	<b>73.353.049,78</b>	<b>1.351.105.774,30</b>
<b>Summe</b>	<b>1.571.089.159,68</b>	<b>144.523.112,19</b>	<b>1.426.566.047,49</b>

### **Sachanlagen**

Der in den Grundstücken enthaltene Grundwert beträgt 1.748.591,62 EUR (Vorjahr: 1.748.591,62 EUR).

### **Finanzanlagen**

Die Zugänge unter den Anteilen an verbundenen Unternehmen betreffen im Jahr 2015 getätigte Akquisitionen sowie Kapitalmaßnahmen bei bestehenden Tochtergesellschaften.

Die aus steuerrechtlichen Gründen unterlassene Zuschreibung bei den Wertpapieren des Anlagevermögens beträgt 261.660,00 EUR (Vorjahr: 274.120,00 EUR).

### **Roh-, Hilfs- und Betriebsstoffe**

Die Bewertung erfolgte zu durchschnittlichen Einstandspreisen oder den niedrigeren Wiederbeschaffungspreisen des Bilanzstichtags. Für nicht- oder schwergängige Materialien wurden angemessene Abwertungen vorgenommen.

### **Fertige Erzeugnisse und Waren**

Die fertigen Erzeugnisse wurden zu Herstellungskosten angesetzt. Wertberichtigungen wurden nach dem Grad der Verwertbarkeit bzw. dem unternehmerischen Vorsichtsgebot entsprechend in angemessener Höhe gebildet.

### **Noch nicht abrechenbare Leistungen**

Der Wertansatz bei diesen Leistungen erfolgte zu Herstellungskosten, wobei auch bei langfristiger Fertigung keine Zuschläge für Verwaltungs- und Vertriebskosten angesetzt werden. Wertberichtigungen wurden für aus Kundenaufträgen erwartete Verluste sowie für schwere Verwertbarkeit bei Vorratsaufträgen gebildet. Noch nicht verrechnete Anzahlungen von Kunden wurden, soweit die Aufträge bereits angearbeitet waren, in dieser Bilanzposition offen saldiert.

**Forderungen und sonstige Vermögensgegenstände**

(Beträge in TEUR)

	Restlaufzeit bis 1 Jahr (Vorjahr)	Restlaufzeit > 1 Jahr (Vorjahr)	Bilanz- wert (Vorjahr)
Forderungen aus Lieferungen und Leistungen	35.435 (19.744)	0 (0)	35.435 (19.744)
Forderungen gegenüber verbundenen Unternehmen	298.925 (22.875)	0 (0)	298.925 (22.875)
sonstige Forderungen und Vermögensgegenstände	13.941 (8.682)	0 (0)	13.941 (8.682)
	348.301 (51.301)	0 (0)	348.301 (51.301)

Unter Beachtung des strengen Niederstwertprinzips wurden bei den Forderungen und sonstigen Vermögensgegenständen erkennbare Risiken durch Einzelwertberichtigungen berücksichtigt. Auslandsforderungen sind in den meisten Fällen durch Exportgarantien besichert. Unverzinsliche langfristige Forderungen aus Lieferungen und Leistungen wurden abgezinst.

In den Forderungen gegen verbundene Unternehmen sind 16.174.688,26 EUR (Vorjahr: 11.376.485,48 EUR) aus Lieferungen und Leistungen enthalten.

In den sonstigen Forderungen sind 112.530,77 EUR (Vorjahr: 454.173,46 EUR) Erträge enthalten, welche erst nach dem Abschlussstichtag zahlungswirksam werden.

**Eigene Anteile**

Der Vorstand hat auf Basis einer Ermächtigung der Hauptversammlung und mit Zustimmung des Aufsichtsrats ein Aktienrückkauf- und -wiederverkaufsprogramm beschlossen, welches den Erwerb von bis zu 10.400.000 Stückaktien im Zeitraum 6. November 2013 bis 31. März 2016 ermöglicht. Zum 31. Dezember 2015 befinden sich 1.675.699 Stückaktien in Besitz der Andritz AG, dies entspricht einem Anteil am Grundkapital in Höhe von 1,61% bzw. 1.675.699 EUR. Es ist vorgesehen, diese Aktien für die Bedienung der Optionen im Rahmen der Aktienbeteiligungsprogramme für Führungskräfte sowie für Mitarbeiterbeteiligungsaktionen zu verwenden.

## Im Geschäftsjahr 2015 erworbene Stückaktien:

Datum des Erwerbs	Anzahl der erworbenen Stückaktien	Anteil am Grundkapital in %	Anteil am Grundkapital in EUR	Gewichteter Durchschnittspreis je Aktie	Wert der rückgekauften Aktien
27. Aug. 15	15.000	0,01%	15.000,00	43,86	657.849,00
28. Aug. 15	40.000	0,04%	40.000,00	43,20	1.727.836,00
31. Aug. 15	27.500	0,03%	27.500,00	42,68	1.173.829,25
1. Sep. 15	40.000	0,04%	40.000,00	41,52	1.660.744,00
2. Sep. 15	50.000	0,05%	50.000,00	40,91	2.045.305,00
3. Sep. 15	27.500	0,03%	27.500,00	40,59	1.116.252,50
4. Sep. 15	35.000	0,03%	35.000,00	40,37	1.412.894,00
7. Sep. 15	4.500	0,00%	4.500,00	40,63	182.842,20
9. Sep. 15	15.000	0,01%	15.000,00	42,23	633.462,00
10. Sep. 15	7.250	0,01%	7.250,00	41,83	303.271,85
11. Sep. 15	15.500	0,01%	15.500,00	42,42	657.522,40
14. Sep. 15	22.000	0,02%	22.000,00	42,19	928.206,40
15. Sep. 15	5.750	0,01%	5.750,00	41,97	241.316,00
16. Sep. 15	1.000	0,00%	1.000,00	42,98	42.978,70
17. Sep. 15	29.000	0,03%	29.000,00	42,64	1.236.484,60
18. Sep. 15	45.000	0,04%	45.000,00	41,32	1.859.283,00
21. Sep. 15	1.500	0,00%	1.500,00	40,61	60.908,70
22. Sep. 15	31.500	0,03%	31.500,00	40,13	1.264.167,45
23. Sep. 15	37.000	0,04%	37.000,00	39,75	1.470.824,00
24. Sep. 15	40.000	0,04%	40.000,00	38,35	1.534.068,00
25. Sep. 15	40.000	0,04%	40.000,00	38,85	1.553.868,00
28. Sep. 15	40.000	0,04%	40.000,00	39,66	1.586.284,00
29. Sep. 15	40.000	0,04%	40.000,00	39,43	1.577.344,00
30. Sep. 15	50.000	0,05%	50.000,00	40,25	2.012.470,00
1. Okt. 15	50.000	0,05%	50.000,00	40,06	2.003.210,00
2. Okt. 15	40.000	0,04%	40.000,00	39,83	1.593.264,00
5. Okt. 15	7.500	0,01%	7.500,00	40,79	305.912,25
6. Okt. 15	5.000	0,00%	5.000,00	41,04	205.197,00
7. Okt. 15	6.500	0,01%	6.500,00	41,85	272.049,70
8. Okt. 15	20.000	0,02%	20.000,00	41,53	830.516,00
9. Okt. 15	40.000	0,04%	40.000,00	41,37	1.654.864,00
12. Okt. 15	31.000	0,03%	31.000,00	41,53	1.287.337,00
13. Okt. 15	40.000	0,04%	40.000,00	40,93	1.637.396,00
14. Okt. 15	40.000	0,04%	40.000,00	40,78	1.631.112,00
15. Okt. 15	10.000	0,01%	10.000,00	42,10	420.952,00
<b>Gesamt</b>	<b>950.000</b>	<b>0,91%</b>	<b>950.000,00</b>	<b>40,82</b>	<b>38.781.821,00</b>

Im Rahmen eines Aktienoptionsprogramms wurden 66.000 Stückaktien zu einem Preis von 23,18 EUR je Aktie an berechnigte Führungskräfte verkauft. 2.705 Stückaktien wurden an eine Tochtergesellschaft zu einem Kurs von 47,62 EUR je Aktie anlässlich einer Mitarbeiterbeteiligungsaktion verkauft. Der auf alle verkauften Aktien entfallende Betrag des Grundkapitals ist 68.705 EUR, der Anteil am Grundkapital beträgt 0,07%. Die aus den Verkäufen erzielten Erlöse wurden zur kurzfristigen Liquiditätssteuerung verwendet.

Weiters wurden im Rahmen einer Mitarbeiterbeteiligungsaktion 8.703 Stückaktien an Mitarbeiter der Andritz AG abgegeben.

### **Wertpapiere des Umlaufvermögens**

Die aus steuerrechtlichen Gründen unterlassene Zuschreibung bei den Wertpapieren des Umlaufvermögens beträgt 0,00 EUR (Vorjahr: 22.000 EUR).

## **PASSIVA**

### **Grundkapital**

Das Grundkapital der Gesellschaft beträgt 104.000.000 EUR (Vorjahr: 104.000.000 EUR). Es ist in 104.000.000 Stückaktien (Vorjahr: 104.000.000 Stückaktien) ohne Nennwert zerlegt.

### **Optionsrücklage**

Der Betrag der Verpflichtung, die aus den seit dem Jahr 2010 beschlossenen Optionsprogrammen resultiert, wird während des Erdienungszeitraums in gleichen Raten als Aufwand verrechnet und in eine Optionsrücklage eingestellt. Der Aufwand für diese anteilsbasierten Vergütungen betrug im Geschäftsjahr 2.449.452 EUR (Vorjahr: 6.104.211 EUR).

Die Optionen aus dem im Jahr 2012 beschlossenen Optionsprogramm können nicht gezogen werden, da nicht sämtliche für die Ausübung notwendige Kriterien erfüllt werden konnten. Folglich wurde die Optionsrücklage um 11.670.978 EUR reduziert und in selber Höhe wurde ein Ertrag ausgewiesen.

### **Rücklage für eigene Anteile**

Die Rücklage für eigene Anteile zum 31. Dezember 2015 beträgt 68.572.238,50 EUR (Vorjahr: 29.405.640 EUR); ihr stehen auf der Aktivseite ausgewiesene eigene Anteile in gleicher Höhe gegenüber.

### **Rückstellungen für Abfertigungen, Rückstellungen für Pensionen**

Die Verpflichtungen aus den theoretischen Abfertigungsansprüchen der Dienstnehmer sowie die Rückstellungen für Pensionen wurden zum 31.12.2015 nach versicherungsmathematischen Grundsätzen berechnet. Bei Ermittlung der Abfertigungsansprüche wurden ein Zinssatz von 2,06% (Vorjahr: 1,70%) und ein Gehaltstrend von 2,00% (Vorjahr 2,00%), bei den Pensionsverpflichtungen ein Zinssatz von 1,53% (Vorjahr: 1,70%) und ein Rententrend von 1,75% (Vorjahr 1,90%) herangezogen. Für die Berechnung wurden die AVÖ2008 – Angestellte Pagler & Pagler zugrunde gelegt. Aufgrund der geänderten Prozentsätze sind Erträge in Höhe von 1.817.015 EUR (Vorjahr: 5.511.935 EUR Aufwendungen) entstanden. Das rechnungsmäßige

Pensionsalter entspricht wie im Vorjahr dem frühest möglichen Anfallsalter für die vorzeitige Alterspension gemäß der im Budgetbegleitgesetz 2003 verankerten Pensionsreform. Für die im Jahr 1999 an eine Pensionskasse übertragenen Pensionsansprüche wurde ein Gutachten nach den gleichen Grundsätzen erstellt, es wurde jedoch aufgrund der höheren Duration ein Zinssatz von 2,20% (Vorjahr 1,70%) herangezogen.

Zum 31. Dezember 2015 lag das Deckungskapital der Pensionsversicherung unter dem Niveau der entsprechenden Pensionsverpflichtungen; eine entsprechende Rückstellung für zu erwartende Nachschüsse wurde gebildet.

**Sonstige Rückstellungen**

	<u>31.12.2015</u> in MEUR	<u>31.12.2014</u> in MEUR
Auftragsbezogene Vorsorgen für		
- fehlende Selbstkosten	60,0	52,6
- Gewährleistungen und Mehrkosten	69,8	77,0
Personalaufwendungen	49,6	45,4

Zu erwartende Auftragsverluste werden in Höhe der Unterschiedsbeträge zwischen den voraussichtlichen Gesamtselbstkosten und den Erlösen ermittelt und passiviert.

Die Rückstellung für unverbrauchte Urlaube ist mit 22,0 MEUR (Vorjahr: 18,4 MEUR) angesetzt.

Die Rückstellung für Jubiläumsgelder wurde nach versicherungsmathematischen Grundsätzen (IAS 19) berechnet. Aufgrund der geänderten %-Sätze sind Erträge in Höhe von 291.220 EUR (Vorjahr: 831.832 EUR Aufwendungen) entstanden.



**Verbindlichkeiten**

(Beträge in TEUR)

	Restlaufzeit bis 1 Jahr <i>(Vorjahr)</i>	Restlaufzeit 1 bis 5 Jahre <i>(Vorjahr)</i>	Restlaufzeit > als 5 Jahre <i>(Vorjahr)</i>	Bilanz- wert <i>(Vorjahr)</i>	davon Hypothekar- schulden <i>(Vorjahr)</i>
Anleihen	0 <i>(150.000)</i>	350.000 <i>(350.000)</i>	0 <i>(0)</i>	350.000 <i>(500.000)</i>	0 <i>(0)</i>
Verbindlichkeiten gegenüber Kreditinstituten	0 <i>(10)</i>	0 <i>(0)</i>	0 <i>(0)</i>	0 <i>(10)</i>	0 <i>(0)</i>
erhaltene Anzahlungen auf Bestellungen	158.751 <i>(88.921)</i>	191.508 <i>(205.822)</i>	3.830 <i>(0)</i>	354.088 <i>(294.742)</i>	0 <i>(0)</i>
Verbindlichkeiten aus Lieferungen und Leistungen	71.845 <i>(33.711)</i>	5.835 <i>(874)</i>	307 <i>(0)</i>	77.987 <i>(34.585)</i>	0 <i>(0)</i>
Verbindlichkeiten gegenüber verbundenen Unternehmen	492.972 <i>(515.508)</i>	0 <i>(0)</i>	0 <i>(0)</i>	492.972 <i>(515.508)</i>	0 <i>(0)</i>
sonstige Verbindlichkeiten	12.256 <i>(9.767)</i>	144 <i>(177)</i>	0 <i>(0)</i>	12.401 <i>(9.944)</i>	0 <i>(0)</i>
	735.824 <i>(797.917)</i>	547.487 <i>(556.873)</i>	4.137 <i>(0)</i>	1.287.448 <i>(1.354.789)</i>	0 <i>(0)</i>

Am 20. Februar 2008 wurde eine öffentliche Anleihe in Höhe von 150 MEUR mit einer Laufzeit von 7 Jahren und einer Fixverzinsung von 5,25% p.a. begeben; diese Anleihe wurde am 20. Februar 2015 planmäßig getilgt. Am 9. Juli 2012 wurde eine öffentliche Anleihe in Höhe von 350 MEUR mit einer Laufzeit von 7 Jahren und einer Fixverzinsung von 3,875% begeben. Über das gesamte Volumen und die gesamte Laufzeit der noch bestehenden Anleihe wurden Zinsswaps abgeschlossen, mit denen die fixen Zinszahlungen der Gesellschaft gegen variable Zinszahlungen auf Basis 3-Monats-EURIBOR bzw. 6-Monats-EURIBOR getauscht wurden.

In den Verbindlichkeiten gegenüber verbundenen Unternehmen sind 32.197.109,96 EUR (Vorjahr: 23.078.360,09 EUR) aus Lieferungen und Leistungen und 128.666.618,23 EUR (Vorjahr: 200.716.294,04 EUR) aus erhaltenen Anzahlungen enthalten.

In den sonstigen Verbindlichkeiten sind Aufwendungen in Höhe von 2.964.165,83 EUR (Vorjahr: 6.350.394,32 EUR) enthalten, welche erst nach dem Abschlussstichtag zahlungswirksam werden.

**Haftungsverhältnisse**

In den Haftungsverhältnissen sind Haftungen für verbundene Unternehmen in Höhe von 1.947.057 TEUR (Vorjahr: 2.761.947 TEUR) enthalten. Die Haftungsverhältnisse entfallen zur Gänze auf übernommene Garantien.

**Verpflichtungen aus der Nutzung von in der Bilanz nicht ausgewiesenen Sachanlagen**

	des folgenden Geschäftsjahres MEUR	der folgenden fünf Geschäftsjahre MEUR
Verpflichtungen aus Leasing- und Mietverträgen	2,0	4,1
<i>davon gegenüber verbundenen Unternehmen</i>	<i>1,0</i>	<i>2,1</i>
Vorjahr	2,0	4,8
<i>davon gegenüber verbundenen Unternehmen</i>	<i>1,5</i>	<i>4,4</i>

**Sonstige finanzielle Verpflichtungen**

Zum 31. Dezember 2015 bestand ein Bestellobligo für Investitionsgüter in Höhe von 0,0 MEUR (Vorjahr: 0,40 MEUR).

**Außerbilanzielle Geschäfte**

Es bestehen keine Geschäfte, die weder in der Bilanz ausgewiesen noch gemäß § 237 Z 8 UGB oder § 199 UGB anzugeben sind, aus denen wesentliche Risiken oder Vorteile entstehen.

**III. Erläuterungen zur Gewinn- und Verlustrechnung****Umsatzerlöse**

(Beträge in TEUR)

	Inland	Export	2015 Gesamt	2014 Gesamt
PULP & PAPER	128.734	429.926	558.660	296.847
METALS	23.696	75.194	98.890	173.680
HYDRO	34.314	53.192	87.506	54.456
SEPARATION	3.181	23.928	27.109	39.279
Sonstige	3.012	8.469	11.481	14.468
Nebenerlöse, Skonti	(131)	0	(131)	(136)
	192.806	590.709	783.515	578.594

**Umsatzerlöse nach Märkten**

	in TEUR	
	2015	2014
Inland	192.806	29.514
Europäische Union	90.137	97.803
Übriges Europa	81.925	39.047
Nordamerika	43.085	24.892
Asien	136.616	265.344
Übrige Welt	238.946	121.994
	783.515	578.594

Der Exportanteil bei den Umsatzerlösen beträgt 76% (Vorjahr 95%).

**Übrige sonstige betriebliche Erträge**

Die übrigen sonstigen betrieblichen Erträge setzen sich im Wesentlichen aus Mieterlösen (1.149 TEUR, Vorjahr: 1.080 TEUR), Erträgen aus Wechselkursdifferenzen (1.661 TEUR, Vorjahr:

1.148 TEUR) und Verrechnungen an Tochtergesellschaften (74.259 TEUR, Vorjahr: 74.591 TEUR) zusammen.

### **Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen**

In den Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen sind Aufwendungen für Abfertigungen in Höhe von 232 TEUR (Vorjahr: 4.994 TEUR) enthalten. Der restliche Betrag von 1.042 TEUR (Vorjahr: 687 TEUR) betrifft Leistungen an betriebliche Mitarbeitervorsorgekassen.

### **Übrige betriebliche Aufwendungen**

Die übrigen betrieblichen Aufwendungen setzen sich im Wesentlichen aus auftragsbezogenen Kosten (31.002 TEUR, Vorjahr: 20.290 TEUR), Wechselkursdifferenzen (480 TEUR, Vorjahr: 906 TEUR) sowie aus Beratungsleistungen (13.919 TEUR, Vorjahr: 15.827 TEUR), Reisekosten (24.442 TEUR, Vorjahr: 21.131 TEUR), Instandhaltungskosten (3.579 TEUR, Vorjahr: 4.016 TEUR), Mietaufwendungen (3.122 TEUR, Vorjahr: 2.606 TEUR), IT-Aufwendungen (14.918 TEUR, Vorjahr: 14.364 TEUR), Versicherungsaufwendungen (5.023 TEUR, Vorjahr: 7.308 TEUR), Forschungs- und Entwicklungskosten (6.931 TEUR, Vorjahr: 6.736 TEUR) und sonstigen allgemeinen Verwaltungskosten zusammen.

### **Finanzergebnis**

Die Erträge aus Beteiligungen von 244.740 TEUR (Vorjahr: 204.664 TEUR) stammen aus Gewinnausschüttungen von Tochterunternehmen.

### **Steuern vom Einkommen und vom Ertrag**

Die Steuern vom Einkommen und vom Ertrag betreffen insbesondere Ertragssteuern der Geschäftsjahre 2014 und 2015 sowie ausländische Quellensteuern. Seitens der Andritz AG als Gruppenträger erfolgten im Geschäftsjahr Weiterbelastungen an Gruppenmitglieder in Höhe von 1.333 TEUR (Vorjahr: 12.622 TEUR).

Die gemäß § 198 Abs. 10 UGB aktivierbare Steuerabgrenzung hätte zum 31. Dezember 2015 15,6 MEUR (Vorjahr: 9,0 MEUR) betragen.

### **Verschmelzungsgewinn**

In dieser Position sind ein Gewinn aus der Verschmelzung der Andritz Finance GmbH mit der Andritz AG in Höhe von 12.142 TEUR, sowie ein Verlust aus der Verschmelzung der Andritz Energy & Environment GmbH mit der Andritz AG in Höhe von 9.659 TEUR enthalten.

## IV. Sonstiges

### Beteiligungen, verbundene Unternehmen

(Beträge in TEUR)

Unternehmen	Sitz	Beteiligungsquote		2015 (in TEUR)		2014 (in TEUR)	
		direkt	indirekt	Jahresüberschuss	Eigenkapital	Jahresüberschuss	Eigenkapital
Anstalt für Strömungsmaschinen GmbH	Graz, Österreich	100,00%		16	1.557	13	1.541
ANDRITZ Technology and Asset Management GmbH	Graz, Österreich	100,00%		10.250	28.860	15.912	334.711
ANDRITZ Environmental Engineering (Shanghai) Co., Ltd.	Shanghai, China	100,00%		-350	506	-9	1.496
ANDRITZ Deutschland Beteiligungs GmbH	Krefeld, Deutschland	48,98%	51,02%	13.180	180.682	27.033	190.616
ANDRITZ GmbH	Hemer, Deutschland	6,25%	93,75%	18.773	52.238	6.319	52.367
ANDRITZ HYDRO GmbH	Wien, Österreich	100,00%		70.425	263.686	117.887	302.994
HGI Holdings Limited	Limassol, Zypern	100,00%		-127	23	-1.159	400
ANDRITZ SEPARATION (India) Private Ltd.	Chennai, Indien	100,00%		135	1.910	-103	1.667
ANDRITZ FEED & BIOFUEL A/S	Esbjerg, Dänemark	100,00%		-9.076	-3.629	-1.026	-558
ANDRITZ Slovakia s.r.o.	Humenné, Slowakei	100,00%		-115	16.189	-192	6.304
ANDRITZ Chile Ltda.	Santiago de Chile, Chile	100,00%		2.272	7.734	974	5.873
ANDRITZ (USA) Inc.	Alpharetta / Georgia, USA	100,00%		20.729	75.652	17.214	78.068
ANDRITZ S.A.S.	Vélizy-Villacoublay, Frankreich	100,00%		-689	19.573	-533	19.653
Jaybee Eng. (Holdings) Pty. Ltd.	Carrum Downs / Victoria, Australien	100,00%		-1.028	-15.912	-7.333	-14.960
ANDRITZ Ingeniería S.A.	Madrid, Spanien	100,00%		404	1.390	-27	986
ANDRITZ Brasil Ltda.	Curitiba, Brasilien	100,00%		14.709	47.739	7.761	49.258
ANDRITZ Pirão Equipamentos Ltda.	São Paulo, Brasilien	100,00%		-1	-1.335	-201	-2.120
ANDRITZ Oy	Helsinki, Finnland	100,00%		15.994	65.946	5.019	49.425
ANDRITZ HYDRO Canada Inc.	Pointe-Claire / Québec, Kanada	100,00%		17.361	32.363	600	33.031
ANDRITZ AB	Örnsköldsvik / Växjö, Schweden	100,00%		7.793	10.735	6.973	12.267
ANDRITZ Ltd.	Staffordshire, Großbritannien	100,00%		412	3.830	522	4.924
ANDRITZ (China) Ltd.	Foshan, China	77,31%	22,69%	49.375	190.951	37.406	138.106
ANDRITZ - Wolfensberger Special Alloy Foundry Co. Ltd.	Foshan, China	100,00%		-347	-5.690	-1.438	-5.012
ANDRITZ Technologies H.K. Ltd.	Hong Kong, China	100,00%		1.824	5.307	3.157	6.583
ANDRITZ Thermtec Holding B.V.	Rotterdam, Niederlande	100,00%		212	2.449	328	2.537
ANDRITZ Technologies Pvt. Ltd.	Bangalore, Indien	100,00%		2.048	6.260	296	4.004
ANDRITZ FEED & BIOFUEL Ltd.	Hull, Großbritannien	100,00%		1.027	2.722	778	2.406
ANDRITZ FEED & BIOFUEL B.V.	Geldrop, Niederlande	100,00%		4.559	16.756	4.020	16.197
ANDRITZ Singapore Pte. Ltd.	Singapur, Singapur	100,00%		1.220	5.054	1.967	5.453
ANDRITZ Uruguay S. A.	Fray Bentos, Uruguay	100,00%		5.052	8.065	3.101	8.175
ANDRITZ Industrias S. A.	Fray Bentos, Uruguay	100,00%		-	28	-1	31
ANDRITZ Pulp Technologies Punta Pereira S.A.	Montevideo, Uruguay	100,00%		-1.383	-4.164	-3.577	-3.194
ANDRITZ K.K.	Tokyo, Japan	100,00%		141	4.311	489	4.236
ANDRITZ DELKOR (Pty) Ltd.	Kyalami, Südafrika	100,00%		627	3.912	375	4.092
PT. ANDRITZ	Jakarta, Indonesien	100,00%		164	714	268	745
LLC ANDRITZ	St. Petersburg, Russland	100,00%		1.128	972	1.033	716
LLC ANDRITZ HYDRO	Moskau, Russland	100,00%		27	95	161	76
ANDRITZ Kufferath s.r.o.	Levice, Slowakei	100,00%		402	7.479	424	7.177
ANDRITZ Kft.	Tiszakécske, Ungarn	100,00%		826	18.906	118	18.120
ANDRITZ Perfojet S.A.S.	Montbonnot Saint-Martin, Frankreich	100,00%		1.654	4.709	2.279	5.192
ANDRITZ Biax S.A.S.	Le Bourget, Frankreich	100,00%		-1.391	-1.355	-1.141	30
ANDRITZ Frautech S.R.L.	Schio, Italien	100,00%		-2.244	1.482	-1.767	198
ANDRITZ Como S.R.L.	Grandate, Italien	100,00%		30	197	29	168
ANDRITZ Iggesund Tools AB	Igesund, Schweden	100,00%		4.948	12.448	4.877	13.446
ANDRITZ Asselin-Thibeau S.A.S.	Elbeuf, Frankreich	100,00%		3.447	11.094	2.230	7.618
ANDRITZ Beteiligungsgesellschaft IV GmbH	Krefeld, Deutschland	100,00%		2.970	581.717	6.379	585.248
ANDRITZ (Wuxi) Nonwoven Technology Co. Ltd.	Wuxi, China	100,00%		-946	3.095	318	3.969
ANDRITZ Soutec AG	Neftenbach, Schweiz	100,00%		4.748	463	4.505	-3.033
ANDRITZ Gouda B.V.	Waddinxveen, Niederlande	100,00%		2.254	17.177	2.600	17.936
EK Finance	Scorbé-Clairvaux, Frankreich	100,00%		788	5.124	-	-

Die Angaben für Eigenkapital und Jahresüberschuss der verbundenen Unternehmen wurden den zur Erstellung des Konzernabschlusses herangezogenen Abschlüssen, welche entsprechend den „International Financial Reporting Standards“ (IFRS) aufgestellt wurden, entnommen.

### **Steuerliche Unternehmensgruppe**

Zwischen der Andritz AG als Gruppenträger und der Andritz Hydro GmbH, Wien als Gruppenmitglied besteht eine steuerliche Unternehmensgruppe gem. § 9 KStG. Die aus dem Gruppenvertrag resultierenden Steuerumlagen werden nach der sogenannten Belastungsmethode verrechnet, wobei im Falle eines steuerlichen Gewinns das Gruppenmitglied eine Steuerumlage an den Gruppenträger zu entrichten hat, im Falle eines steuerlichen Verlusts dieser evident gehalten und mit späteren Gewinnen des Gruppenmitglieds ausgeglichen wird. Die Steuerumlage ist spätestens bis zum 30.9. des folgenden Geschäftsjahrs zu leisten, der Gruppenträger kann jedoch entsprechende Vorauszahlungen vorschreiben. Der Vertrag wurde auf unbestimmte Dauer geschlossen und unterliegt österreichischem Recht.

### **Beschäftigte**

Im Jahresdurchschnitt wurden 1.768 Mitarbeiter (ohne Lehrlinge) (Vorjahr: 1.490), davon 389 Arbeiter (Vorjahr: 391) und 1.379 Angestellte (Vorjahr: 1.099), beschäftigt.

### **Aufwendungen für Abfertigungen und Pensionen**

	2015	2014
	TEUR	TEUR
für Vorstandsmitglieder und leitende Angestellte	1.159	4.430
für andere	<u>376</u>	<u>6.499</u>
	<u>1.535</u>	<u>10.929</u>

### **Aufwendungen für den Abschlussprüfer**

Die Aufwendungen für den Abschlussprüfer werden im Konzernabschluss der Andritz AG angegeben.

## **Aktienbeteiligungsprogramm für Führungskräfte**

Sämtliche Angaben wurden entsprechend dem im Geschäftsjahr 2012 durchgeführten Aktiensplit (1 : 2) angepasst.

### **Optionsprogramm 1:**

Die 103. ordentliche Hauptversammlung vom 26. März 2010 hat ein Aktienoptionsprogramm für leitende Angestellte und Mitglieder des Vorstands beschlossen.

Die Anzahl der je berechtigter Führungskraft gewährten Optionen beträgt je nach Verantwortungsbereich 12.000, 20.000, 30.000 oder 40.000, für Mitglieder des Vorstands 80.000 und für den Vorsitzenden des Vorstands 100.000. Die Optionen sollen aus von der Gesellschaft rückerworbenen eigenen Aktien bedient werden.

Eine Aktienoption berechtigt zum Bezug einer Aktie. Um eine Aktienoption ausüben zu können, muss der Berechtigte vom 1. Mai 2010 bis vor einem jeden Ausübungszeitpunkt dauernd in einem aktiven Arbeitsverhältnis zur Gesellschaft oder einer zum Andritz-Konzern gehörenden Gesellschaft gestanden haben. Weitere Voraussetzung ist ein Eigeninvestment in Andritz-Aktien von zumindest 20.000 EUR für leitende Angestellte und 40.000 EUR für Mitglieder des Vorstands.

Der Ausübungspreis für die Aktienoptionen ist der ungewichtete Durchschnitt der Börsenschlusskurse der Andritz-Aktie während der vier auf die 103. ordentliche Hauptversammlung vom 26. März 2010 folgenden Kalenderwochen und beträgt 23,18 EUR.

Die Optionen können in der Zeit vom 1. Mai 2013 bis 30. April 2015 (= Ausübungszeitraum) ausgeübt werden und nur dann, wenn

- der ungewichtete Schlusskurs der Andritz-Aktie im Durchschnitt von zwanzig aufeinanderfolgenden Handelstagen im Zeitraum von 1. Mai 2012 bis 30. April 2013 mindestens 15% über dem Ausübungspreis liegt und
- der Gewinn je Aktie (bezogen auf die Gesamtzahl der gelisteten Aktien) des Geschäftsjahrs 2011 oder der Gewinn je Aktie des Geschäftsjahrs 2012 (bezogen auf die Gesamtzahl der gelisteten Aktien) mindestens 15% über dem Gewinn je Aktie (bezogen auf die Gesamtzahl der gelisteten Aktien) des Geschäftsjahrs 2009 liegt

oder wenn

- der ungewichtete Schlusskurs der Andritz-Aktie im Durchschnitt von zwanzig aufeinanderfolgenden Handelstagen im Zeitraum 1. Mai 2013 bis 30. April 2014 mindestens 20% über dem Ausübungspreis liegt und
- der Gewinn je Aktie (bezogen auf die Gesamtzahl der gelisteten Aktien) des Geschäftsjahrs 2012 oder der Gewinn je Aktie (bezogen auf die Gesamtzahl der gelisteten Aktien) des Geschäftsjahrs 2013 mindestens 20% über dem Gewinn je Aktie (bezogen auf die Gesamtzahl der gelisteten Aktien) des Geschäftsjahrs 2009 liegt.

Im Falle der Erfüllung der Ausübungsbedingungen können 50% der Optionen sofort, 25% der Optionen nach drei Monaten und die restlichen 25% nach weiteren drei Monaten bezogen werden. Aktienoptionen können nur durch schriftliche Erklärung an die Gesellschaft ausgeübt werden. Die Aktienoptionen sind nicht übertragbar. Die in Ausübung der Aktienoptionen bezogenen Aktien unterliegen keiner Behaltfrist.

### **Optionsprogramm 2:**

Die 105. ordentliche Hauptversammlung vom 22. März 2012 hat ein Aktienoptionsprogramm für leitende Angestellte und Mitglieder des Vorstands beschlossen.

Die Anzahl der je berechtigter Führungskraft gewährten Optionen beträgt je nach Verantwortungsbereich 12.000, 20.000, 30.000 oder 40.000, für Mitglieder des Vorstands 80.000 und für den Vorsitzenden des Vorstands 100.000. Die Optionen sollen aus von der Gesellschaft rückerworbenen eigenen Aktien bedient werden.

Eine Aktienoption berechtigt zum Bezug einer Aktie. Um eine Aktienoption ausüben zu können, muss der Berechtigte vom 1. Mai 2012 bis vor einem jeden Ausübungszeitpunkt dauernd in einem aktiven Arbeitsverhältnis zur Gesellschaft oder einer zum Andritz-Konzern gehörenden Gesellschaft gestanden haben. Weitere Voraussetzung ist ein Eigeninvestment in Andritz-Aktien von zumindest 20.000 EUR für leitende Angestellte und 40.000 EUR für Mitglieder des Vorstands.

Der Ausübungspreis für die Aktienoptionen ist der ungewichtete Durchschnitt der Börsenschlusskurse der Andritz-Aktie während der vier auf die 105. ordentliche Hauptversammlung vom 22. März 2012 folgenden Kalenderwochen und beträgt 37,15 EUR.



Die Optionen können in der Zeit vom 1. Mai 2015 bis 30. April 2017 (= Ausübungszeitraum) ausgeübt werden und nur dann, wenn

- der ungewichtete Schlusskurs der Andritz-Aktie im Durchschnitt von zwanzig aufeinanderfolgenden Handelstagen im Zeitraum von 1. Mai 2014 bis 30. April 2015 mindestens 15% über dem Ausübungspreis liegt und
- der Gewinn je Aktie (bezogen auf die Gesamtzahl der gelisteten Aktien) des Geschäftsjahrs 2013 oder der Gewinn je Aktie des Geschäftsjahrs 2014 (bezogen auf die Gesamtzahl der gelisteten Aktien) mindestens 15% über dem Gewinn je Aktie (bezogen auf die Gesamtzahl der gelisteten Aktien) des Geschäftsjahrs 2011 liegt

oder wenn

- der ungewichtete Schlusskurs der Andritz-Aktie im Durchschnitt von zwanzig aufeinanderfolgenden Handelstagen im Zeitraum 1. Mai 2015 bis 30. April 2016 mindestens 20% über dem Ausübungspreis liegt und
- der Gewinn je Aktie (bezogen auf die Gesamtzahl der gelisteten Aktien) des Geschäftsjahrs 2014 oder der Gewinn je Aktie (bezogen auf die Gesamtzahl der gelisteten Aktien) des Geschäftsjahrs 2015 mindestens 20% über dem Gewinn je Aktie (bezogen auf die Gesamtzahl der gelisteten Aktien) des Geschäftsjahrs 2011 liegt.

Im Falle der Erfüllung der Ausübungsbedingungen können 50% der Optionen sofort, 25% der Optionen nach drei Monaten und die restlichen 25% nach weiteren drei Monaten bezogen werden. Aktienoptionen können nur durch schriftliche Erklärung an die Gesellschaft ausgeübt werden. Die Aktienoptionen sind nicht übertragbar. Die in Ausübung der Aktienoptionen bezogenen Aktien unterliegen keiner Behaltfrist.

Es konnten jedoch nicht sämtliche Ausübungsbedingungen erfüllt werden, daher sind die Optionen verfallen.

### **Optionsprogramm 3:**

Die 107. ordentliche Hauptversammlung vom 21. März 2014 hat ein Aktienoptionsprogramm für leitende Angestellte und Mitglieder des Vorstands beschlossen.

Die Anzahl der je berechtigter Führungskraft gewährten Optionen beträgt je nach Verantwortungsbereich bis zu 20.000, für Mitglieder des Vorstands jeweils 37.500. Die Optionen sollen aus von der Gesellschaft rückerworbenen eigenen Aktien bedient werden.

Eine Aktienoption berechtigt zum Bezug einer Aktie. Um eine Aktienoption ausüben zu können, muss der Berechtigte vom 1. Mai 2014 bis vor einem jeden Ausübungszeitpunkt dauernd in einem aktiven Arbeitsverhältnis zur Gesellschaft oder einer zum Andritz-Konzern gehörenden Gesellschaft gestanden haben. Weitere Voraussetzung ist ein Eigeninvestment in Andritz-Aktien von zumindest 20.000 EUR für leitende Angestellte und 40.000 EUR für Mitglieder des Vorstands.

Der Ausübungspreis für die Aktienoptionen ist der ungewichtete Durchschnitt der Börsenschlusskurse der Andritz-Aktie während der vier auf die 107. ordentliche Hauptversammlung vom 21. März 2014 folgenden Kalenderwochen und beträgt 44,42 EUR.

Die Optionen können in der Zeit vom 1. Mai 2017 bis 30. April 2019 (= Ausübungszeitraum) ausgeübt werden und nur dann, wenn

- der ungewichtete Schlusskurs der Andritz-Aktie im Durchschnitt von zwanzig aufeinanderfolgenden Handelstagen im Zeitraum von 1. Mai 2016 bis 30. April 2017 mindestens 15% über dem Ausübungspreis liegt und
- der Gewinn je Aktie (bezogen auf die Gesamtzahl der gelisteten Aktien) des Geschäftsjahrs 2015 oder der Gewinn je Aktie des Geschäftsjahrs 2016 (bezogen auf die Gesamtzahl der gelisteten Aktien) mindestens 20% über dem Gewinn je Aktie (bezogen auf die Gesamtzahl der gelisteten Aktien) des Geschäftsjahrs 2012 liegt

oder wenn

- der ungewichtete Schlusskurs der Andritz-Aktie im Durchschnitt von zwanzig aufeinanderfolgenden Handelstagen im Zeitraum 1. Mai 2017 bis 30. April 2018 mindestens 20% über dem Ausübungspreis liegt und
- der Gewinn je Aktie (bezogen auf die Gesamtzahl der gelisteten Aktien) des Geschäftsjahrs 2016 oder der Gewinn je Aktie (bezogen auf die Gesamtzahl der gelisteten Aktien) des Geschäftsjahrs 2017 mindestens 25% über dem Gewinn je Aktie (bezogen auf die Gesamtzahl der gelisteten Aktien) des Geschäftsjahrs 2012 liegt.

Im Falle der Erfüllung der Ausübungsbedingungen können 50% der Optionen sofort, 25% der Optionen nach drei Monaten und die restlichen 25% nach weiteren drei Monaten bezogen werden. Aktienoptionen können nur durch schriftliche Erklärung an die Gesellschaft ausgeübt werden. Die Aktienoptionen sind nicht übertragbar. Die in Ausübung der Aktienoptionen bezogenen Aktien unterliegen keiner Behaltefrist.

	Optionsprogramm 1	Optionsprogramm 2	Optionsprogramm 3
	im Jahr 2015 ausgenützte Optionen	eingräumte Optionen per 31.12.2015**)	eingräumte Optionen per 31.12.2015
Vorstand			
Wolfgang Leitner	0	100.000	37.500
Humbert Köfler	0	80.000	37.500
Friedrich Papst <sup>*)</sup>	0	80.000	37.500
Joachim Schönbeck	0	0	37.500
Wolfgang Semper	0	80.000	37.500
Leitende Angestellte	66.000	1.527.000	795.000
<b>GESAMT</b>	<b>66.000</b>	<b>1.867.000</b>	<b>982.500</b>
Ausübungspreis je Aktie in EUR	23,18	37,15	44,42
Innerer Wert Optionen gesamt in EUR	bei Ausübung 1.979.097	31.12.2015 14.749.300	31.12.2015 618.975

\*) bis 31.3.2015

\*\*) verfallen

**Derivative Finanzinstrumente**

Zum Bilanzstichtag bestanden folgende Devisentermingeschäfte (in TEUR):

Währung		Umfang	Zeitwert
USD	Kauf	3.624	39
	Verkauf	156.279	-3.755
	USD Summe	159.902	-3.716
CNY	Kauf	7.468	-160
	Verkauf	168	2
	CNY Summe	7.636	-158
Andere Währungen	Kauf	4.020	-50
	Verkauf	18.062	-152
	Andere Währungen Summe	22.082	-202
Summe		189.621	-4.076

Der beizulegende Zeitwert wird auf Basis der Terminkurse zum Bilanzstichtag durch Abzinsung des ermittelten Endwerts über die Restlaufzeit errechnet.

Die beizulegenden Zeitwerte für die Zinssicherung der Anleihen in Form von Zinsswaps betragen zum 31.12.2015 18.245,21 TEUR (Vorjahr: 20.968,46 TEUR) und repräsentieren die Marktwerte zum Bilanzstichtag.

Drohende Verluste aus derivativen Finanzinstrumenten werden in der Bilanz nicht passiviert, da diese mit bilanzierten Aktiv- bzw. Passivposten eine geschlossene Position bilden.

**Vorstand und Aufsichtsrat**

Als Aufwendungen für den Vorstand wurden erfasst:

	in TEUR	
	2015	2014
Kurzfristige Leistungen	9.625	8.398
Leistungen nach Beendigung des Arbeitsverhältnisses	434	723
Aktienbasierte Vergütungen	891	1.501
	10.950	10.622

Der Gegenwert der aktienbasierten Vergütungen wurde nach IFRS ermittelt. Für Pensions-, Abfertigungs- und Jubiläumsgeldansprüche werden die Dienstzeitaufwendungen gemäß IAS 19 angesetzt.

Von verbundenen Unternehmen wurden keine Bezüge ausbezahlt. An ehemalige Vorstandsmitglieder und deren Hinterbliebene wurden 383.765 EUR (Vorjahr: 370.305 EUR) ausbezahlt.

Eine dem Vorstandsvorsitzenden der Andritz AG zuzurechnende Gesellschaft überlässt den Betrieb eines der in ihrem Eigentum stehenden Geschäftsflugzeuge einem professionellen Privatflugunternehmen, von dem die Andritz AG 2015 rund 52 % (Vorjahr: 34 %) der Jahresflugstunden dieses Flugzeugs für Dienstreisen des Vorstandsvorsitzenden und anderer Vorstandsmitglieder gechartert hat. Der diesbezügliche Aufwand betrug 2015 859 TEUR (Vorjahr: 400 TEUR). Es bestanden zum 31. Dezember 2015 Verbindlichkeiten in Höhe von 0 TEUR (Vorjahr: 0 TEUR).

Die Aufsichtsratsvergütungen (inklusive Sitzungsgelder) für das Geschäftsjahr 2015 betragen vorbehaltlich der Genehmigung durch die Hauptversammlung insgesamt 285.000 EUR (Vorjahr: 295.000 EUR).

**Aufsichtsrat:**

Gewählte Mitglieder:

Christian Nowotny  
Vorsitzender  
Klaus Ritter  
Stellvertreter des Vorsitzenden  
Ralf Dieter  
Monika Kircher  
Fritz Oberlerchner  
Kurt Stiassny

Delegierte Mitglieder:

Georg Auer  
Isolde Findenig  
Andreas Martin

**Vorstand:**

Wolfgang Leitner  
Vorsitzender  
Humbert Köfler  
Friedrich Papst (bis 31.3.2015)  
Joachim Schönbeck  
Wolfgang Semper

Graz, am 23. Februar 2016

**Der Vorstand**

Wolfgang Leitner

Humbert Köfler

Joachim Schönbeck

Wolfgang Semper

## **Bestätigungsvermerk**

### **Bericht zum Jahresabschluss**

Wir haben den beigefügten Jahresabschluss der ANDRITZ AG, Graz, für das Geschäftsjahr vom 1. Jänner 2015 bis zum 31. Dezember 2015 unter Einbeziehung der Buchführung geprüft. Dieser Jahresabschluss umfasst die Bilanz zum 31. Dezember 2015, die Gewinn- und Verlustrechnung für das am 31. Dezember 2015 endende Geschäftsjahr sowie den Anhang.

#### *Verantwortung der gesetzlichen Vertreter für den Jahresabschluss und für die Buchführung*

Die gesetzlichen Vertreter der Gesellschaft sind für die Buchführung sowie für die Aufstellung und den Inhalt eines Jahresabschlusses verantwortlich, der ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften vermittelt. Diese Verantwortung beinhaltet: Gestaltung, Umsetzung und Aufrechterhaltung eines internen Kontrollsystems, soweit dieses für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, damit dieser frei von wesentlichen Fehldarstellungen ist, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern; die Auswahl und Anwendung geeigneter Bilanzierungs- und Bewertungsmethoden; die Vornahme von Schätzungen, die unter Berücksichtigung der gegebenen Rahmenbedingungen angemessen erscheinen.

*Verantwortung des Abschlussprüfers und Beschreibung von Art und Umfang der gesetzlichen Abschlussprüfung*

Unsere Verantwortung besteht in der Abgabe eines Prüfungsurteils zu diesem Jahresabschluss auf der Grundlage unserer Prüfung. Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und Grundsätze ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern, dass wir die Standesregeln einhalten und die Prüfung so planen und durchführen, dass wir uns mit hinreichender Sicherheit ein Urteil darüber bilden können, ob der Jahresabschluss frei von wesentlichen Fehldarstellungen ist.

Eine Prüfung beinhaltet die Durchführung von Prüfungshandlungen zur Erlangung von Prüfungsnachweisen hinsichtlich der Beträge und sonstigen Angaben im Jahresabschluss. Die Auswahl der Prüfungshandlungen liegt im pflichtgemäßen Ermessen des Abschlussprüfers unter Berücksichtigung seiner Einschätzung des Risikos eines Auftretens wesentlicher Fehldarstellungen, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern. Bei der Vornahme dieser Risikoeinschätzung berücksichtigt der Abschlussprüfer das interne Kontrollsystem, soweit es für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, um unter Berücksichtigung der Rahmenbedingungen geeignete Prüfungshandlungen festzulegen, nicht jedoch um ein Prüfungsurteil über die Wirksamkeit der internen Kontrollen der Gesellschaft abzugeben. Die Prüfung umfasst ferner die Beurteilung der Angemessenheit der angewandten Bilanzierungs- und Bewertungsmethoden und der von den gesetzlichen Vertretern vorgenommenen wesentlichen Schätzungen sowie eine Würdigung der Gesamtaussage des Jahresabschlusses.

Wir sind der Auffassung, dass wir ausreichende und geeignete Prüfungsnachweise erlangt haben, sodass unsere Prüfung eine hinreichend sichere Grundlage für unser Prüfungsurteil darstellt.



### *Prüfungsurteil*

Unsere Prüfung hat zu keinen Einwendungen geführt. Auf Grund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Jahresabschluss nach unserer Beurteilung den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage der ANDRITZ AG zum 31. Dezember 2015 sowie der Ertragslage der Gesellschaft für das Geschäftsjahr vom 1. Jänner 2015 bis zum 31. Dezember 2015 in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Buchführung.

### **Aussagen zum Lagebericht**

Der Lagebericht ist auf Grund der gesetzlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob die sonstigen Angaben im Lagebericht nicht eine falsche Vorstellung von der Lage der Gesellschaft erwecken. Der Bestätigungsvermerk hat auch eine Aussage darüber zu enthalten, ob der Lagebericht mit dem Jahresabschluss in Einklang steht und ob die Angaben nach § 243a UGB zutreffen.

Der Lagebericht steht nach unserer Beurteilung in Einklang mit dem Jahresabschluss. Die Angaben gemäß § 243a UGB sind zutreffend.

Wien, am 23. Februar 2016

### **Deloitte Audit Wirtschaftsprüfungs GmbH**

Mag. Walter Müller e.h.  
Wirtschaftsprüfer

Dr. Alfons Stimpfl-Abele e.h.  
Wirtschaftsprüfer

Die Veröffentlichung oder Weitergabe des Jahresabschlusses mit unserem Bestätigungsvermerk darf nur in der von uns bestätigten Fassung erfolgen. Dieser Bestätigungsvermerk bezieht sich ausschließlich auf den deutschsprachigen und vollständigen Jahresabschluss samt Lagebericht. Für abweichende Fassungen sind die Vorschriften des § 281 Abs 2 UGB zu beachten.