



1 | 2005

QUARTERLY REPORT

ANDRITZ



FIRST QUARTER OF 2005

- Continued recovery of global economy
- Order Intake, Sales and Net Income above previous year's reference Quarter
- Strong rise of Andritz share price

GENERAL ECONOMIC CONDITIONS

During the First Quarter of 2005, the global economy showed a mixed development. While the US continued its economic growth, Euroland's economic activities remained at a moderate level.

In the US, economic growth during the reporting Quarter was primarily based on continued strong investments by the industry and robust consumer spending. Leading economic indicators released during the reporting period point to a continuation of the economic growth during the coming Quarters. As a consequence of this development, and to dampen potential inflationary pressures, the Federal Reserve Board (the FED) increased key interest rates to 2.75 % during the First Quarter of 2005. OECD expects the Gross Domestic Product (GDP) of the US to increase by 3.3 % in 2005. Economic indicators released during April, however, signal that the strong economic growth may slow down somewhat in the coming months.

In contrast to the US, economic activities in Euroland remained very moderate. Continued weak development of domestic demand, the strong rise of crude oil prices, and the strength of the Euro against the US dollar, which dampens the activities of the European exporting industries, are the main reasons for this poor economic development. According to the OECD, the GDP of Euroland is expected to grow by only 1.9 % in 2005.

Sources: OECD, WIFO, OeNB, RZB, BA-CA, OEVAG

BUSINESS DEVELOPMENT IN THE FIRST QUARTER OF 2005

Increase in Sales

In the First Quarter of 2005, Sales of the Andritz Group increased to 342.5 MEUR. This was a slight increase of 3.2% compared to the reference Quarter of last year (Q1 2004: 331.8 MEUR). In every Business Area, many large orders were in their initial stages of processing, thus contributing only slightly to Sales during the reporting period. However, during the coming Quarters, increased Sales contributions from those orders are expected.

The companies/businesses acquired during 2004 – NETZSCH Filtration, VA TECH WABAG's fluidized bed drying systems, and Kaiser – added approximately 12.3 MEUR to Group Sales in the First Quarter of 2005.

Order Intake slightly above last year's reference Quarter

Order Intake of the Group amounted to 393.2 MEUR for the period under review, surpassing the value of the previous year's reference Quarter by 6.4 % (Q1 2004: 369.6 MEUR). Combined Order Intake of NETZSCH Filtration, the fluidized bed drying systems of VA TECH WABAG, and Kaiser amounted to approximately 23.6 MEUR.

While the Order Intake of the Rolling Mills and Strip Processing Lines and the Environment and Process Business Areas increased significantly compared to

the reference period of last year, the Pulp and Paper Business Area's Order Intake during the reporting period dropped by 40.2 % compared to the reference Quarter of last year. However several letters of intent for Pulp and Paper orders have been signed during the reporting Quarter, and are expected to come into force during the coming Quarters.

Order Backlog as of 31. 3. 2005 amounted to 1,487.7 MEUR, 33.9 % above the value for the previous year's reference date (31. 3. 2004: 1,110.7 MEUR). Compared to 31. 12. 2004 (1,439.2 MEUR), Order Backlog was up by 3.4 %.

Increase in Earnings

Earnings developed favorably. Due to the higher Sales and continued cost containments, Earnings Before Interest, Tax, Depreciation, and Amortization of Goodwill (EBITDA) increased to 25.4 MEUR, 12.9 % above the previous year's reference Quarter (Q1 2004: 22.5 MEUR).

As a consequence of the application of IFRS 3, which prohibits the amortization of goodwill from 2005 and obliges instead to test the goodwill for impairment at least annually, EBIT in the First Quarter of 2005 surged over proportionately to 19.6 MEUR (Q1 2005: 13.6 MEUR).

Net Income excluding minority interests amounted to 14.1 MEUR, exceeding last year's reference Quarter by 76.3 % (Q1 2004: 8.0 MEUR).

Net worth position and capital structure

The net worth position and capital structure as of 31. 3. 2005 showed no major changes compared to 31. 12. 2004.

Net liquidity (cash and cash equivalents minus interest bearing financial liabilities) as of 31. 3. 2005 amounted to 231.6 MEUR, a slight increase of 5.5 % compared to the level as of 31. 12. 2004 (219.6 MEUR). The equity ratio as of 31. 3. 2005 was 21.9 % (31. 12. 2004: 23.4 %).

Effects from changes in exchange rates

At an unchanged Euro/US dollar exchange rate, Group Sales would have been higher by 3.0 MEUR, Order Intake by 4.2 MEUR, and EBITA by 0.1 MEUR.

KEY FIGURES FOR THE FIRST QUARTER OF 2005 (IFRS)

MEUR	Q1 2004	Q1 2005	Change	2004
Sales	331.8	342.5	+ 3.2 %	1,481.3
Order Intake	369.6	393.2	+ 6.4 %	1,837.0
Order Backlog (as of end of period)	1,110.7	1,487.7	+ 33.9 %	1,439.2
EBITDA ¹⁾	22.5	25.4	+ 12.9 %	115.4
EBITDA Margin	6.8 %	7.4 %	-	7.8 %
EBITA ²⁾	17.1	19.6	+ 14.6 %	92.8
EBITA Margin	5.2 %	5.7 %	-	6.3 %
Earnings before Interest and Taxes (EBIT)	13.6	19.6	+ 44.1 %	76.1
Earnings before Taxes	13.6	20.2	+ 48.5 %	77.2
Net Income excl. Minority Interests	8.0	14.1	+ 76.3 %	53.4
Cash Flow from Operating Activities	51.6	23.6	- 54.3 %	208.0
Capital Expenditure ³⁾	2.5	4.9	+ 96.0 %	29.4
Employees (as of end of period)	5,008	5,408	+ 8.0 %	5,314

1) EBITDA: Earnings before Interest, Tax, Depreciation, and Amortization of Goodwill

2) EBITA: Earnings before Interest, Tax, and Amortization of Goodwill

3) Additions to tangible and intangible assets

PULP AND PAPER

MARKET DEVELOPMENT

The international pulp market developed favorably during the First Quarter of 2005. Due to the slightly increasing demand from European and Asian paper producers, the price for NBSK (Northern Bleached Softwood Kraft) pulp rose from approximately 620 US dollars at the beginning of January to approximately 650 US dollars at the end of March. Following initial price increases in February, most of the international pulp producers announced further price hikes for the coming months.

Prices for short fiber pulps (eucalyptus, birch etc.) also developed very favorably. Price increases were somewhat more robust than for NBSK due to the continued strong demand and unchanged supply.

Project activity for both greenfield plants and modernizations/refurbishments remained at a satisfactory level.

BUSINESS DEVELOPMENT

Sales of the Business Area during the First Quarter of 2005 were 209.2 MEUR, almost unchanged compared to the First Quarter of 2004 (209.8 MEUR). Many large orders, e.g. from CMPC (complete fiberline), and from SCA and Weyerhaeuser (recovery boilers), were still in the engineering phase during the reporting period, thus

contributing only moderately to Sales. EBITA increased to 13.7 MEUR (Q1 2004: 12.2 MEUR).

The newest and largest single-line drying machine in the world, supplied by the Pulp Drying Systems Division to Jiang Lin Pulp Mill, China successfully started up and set a new world production record. A similar drying line, with a working width of 9.38 m, is in the commissioning phase for Veracel in Brazil. Start-up will be in May 2005.

In the recovery area, a new Andritz recovery boiler and an ARC chloride removal unit were started up at Soporcel's Figueira da Foz mill, Portugal. An evaporator upgrade for Phoenix Pulp & Paper's Khoen Kaen mill, Thailand was also started up.

The formal opening of the new Fiber Preparation Pilot Plant in Graz, Austria took place at the end of April. With the new Pilot Plant, Andritz is able to perform extensive customer trials and R&D development work on complete systems for recycling waste paper.

Order Intake during the First Quarter of 2005 amounted to 145.5 MEUR, a decrease of 40.2 % compared to the First Quarter of 2004 (243.3 MEUR). However, several letters of intent for orders have been signed during the reporting period, and are expected to be put into force during the coming Quarters. The order from Marusumi in Japan to supply a new fiberline will be booked in the

KEY FIGURES PULP AND PAPER

MEUR	Q1 2004	Q1 2005	Change	2004
Sales	209.8	209.2	- 0.3 %	884.6
Order Intake	243.3	145.5	- 40.2 %	1,218.9
Order Backlog (as of end of period)	644.0	882.9	+ 37.1 %	951.1
EBITDA	15.4	17.1	+ 11.0 %	77.9
EBITDA Margin	7.3 %	8.2 %	-	8.8 %
EBITA	12.2	13.7	+ 12.3 %	64.8
EBITA Margin	5.8 %	6.5 %	-	7.3 %
Employees (as of end of period)	2,847	2,874	+ 0.9 %	2,805

Second Quarter of 2005. Based on the current project activity, Andritz is confident about the Order Intake for the full year of 2005.

MAJOR ORDERS

- Marusumi Paper, one of Japan's major integrated newsprint producers, selected Andritz to deliver a new 700 tons/d fiberline and chemical recovery systems for their Ohe mill. The value of the order is approximately 100 MEUR. Andritz will deliver the project on an Engineer-Procure-Construct (EPC) basis, including continuous digester, brownstock washing, oxygen delignification, screening, bleaching, evaporation, and a white liquor plant including white liquor oxidation. The fiberline will operate on both hardwood and softwood to meet the raw material requirements of Marusumi's paper machines. The six-effect evaporation plant is the first complete evaporator train to be supplied by Andritz to a Japanese customer. The order was booked in April 2005.
- Andritz has established itself as the clear market leader in Lo-Solids® cooking technology for eucalyptus, being able to secure all orders for new cooking plants and cooking plant upgrades so far this year. During the reporting period, the Fiberline Division received three orders – Votorantim Celulose e Papel at Jacarei, Cenibra Nipo-Brasileira (CENIBRA) at Ipinga, and Aracruz Celulosa's Fiberline B digester – for upgrading existing cooking systems in Brazil. All three upgrades include the yield enhancing Lo-Solids® cooking technology as the main technical component. The upgrade at Jacarei will create the world's largest capacity single-line cooking system (3,740 tons/d). The order from Marusumi also contains a Lo-Solids® digester.
- The Wood Processing Division received a significant order from Martco Limited Partnership, USA for two portal cranes. Footner Forest Products, Canada signed a three-year maintenance contract for their two portal cranes and JSC Arkhangelsk Pulp and Paper Mill, Russia ordered a conveying system for chip handling.
- The Recovery Division will commence two projects for the Mondi Group: an evaporator upgrade at the Swiecie mill, Poland, and a recovery boiler upgrade for the Syktyvkar mill, Russia. Weyerhaeuser ordered a recovery boiler upgrade for their Flint River mill, USA and an order to upgrade the evaporation system at the Husum mill, Sweden was received from M-real.
- The Chemical Systems Division was awarded the white liquor plant at CENIBRA's Belo Oriente mill in Brazil. A new technology LMD-Filter™ will be supplied to Sappi Fine Paper North America's Somerset mill, USA. This represents the latest technology for lime mud dewatering and is equipped with the Continuous Precoat Renewal (CPR) system.
- The Pulp Mill Services Division received two orders for recovery boiler upgrades from Stora Enso's Kotka mill, Finland, and Mondi's Swiecie mill, Poland. The full service maintenance contract renewal for Portucel's Setubal mill, Portugal was received. Several renewals for HQ Plus™ service contracts for woodyards were received in Finland. Ilim Group's Ust-Ilimsk mill, Russia selected the Division to upgrade its digester. VCP's Luiz Antonio mill, Brazil selected the Division to perform a digester feed line upgrade.
- The Mechanical Pulping Systems Division will upgrade an existing refining system for KFB, Germany which will create the world's largest single line production unit (over 1,300 tons/d). In addition, the Division will supply a laboratory refining system for the processing of wheat straw for ARC Canada.
- The Pulp Drying Systems Division received an order for a 4.2 m working width pulp drying plant from Guizhou Chitianhua Paper Ind., China. The Division also booked orders for upgrading the drying line at Zellstoff Pöls AG, Austria and for a confidential customer in North America.
- Procter & Gamble selected Andritz to upgrade the dry end of a tissue machine at its Neuss mill in Germany. This is the third contract with Procter & Gamble for a machine modernization at Neuss within a year. The scope of the most recent order for Andritz comprises a new dust removal and web stabilization system between the creping doctor and reel.

ROLLING MILLS AND STRIP PRO- CESSING LINES



MARKET DEVELOPMENT

In the First Quarter of 2005, the market for steel and stainless steel products continued to develop favorably. As a result of the unchanged high demand in China, prices for cold-rolled steel and stainless steel products remained at a very high level. According to preliminary figures, world production of crude steel increased by approximately 3-4 % compared to the reference Quarter of last year, and stainless steel production was approximately 5-6 % higher compared to the reference period of last year. Once again, project activity for crude and stainless steel equipment was concentrated on China. In North America and Europe only selective investments were made.

BUSINESS DEVELOPMENT

Sales of the Business Area during the First Quarter of 2005 amounted to 52.1 MEUR. This is a slight decrease of 3.0 % compared to the First Quarter of 2004 (53.7 MEUR). This is mainly due to the fact that several large projects are in their initial stages of processing.

EBITA decreased to 2.1 MEUR in the First Quarter of 2005 (Q1 2004: 2.9 MEUR) mainly as a result of the processing of some orders with pass-through components from third-party suppliers.

Andritz successfully handed over a regeneration plant with WAPUR (Waste Acid Purification) to Maanshan Iron & Steel Co. Ltd. in the Chinese province of Anhui. The plant achieves a capacity of 9,500 l/h and is designed to produce high-purity iron oxide.

Order Intake for the First Quarter of 2005 developed very favorably. At 88.6 MEUR, it more than doubled compared to the reference period of last year (35.1 MEUR). Again, the major share of orders came from China, amounting to approximately 37 % of the Business Area's Order Intake in the First Quarter of 2005.

KEY FIGURES ROLLING MILLS/STRIP PROCESSING LINES

MEUR	Q1 2004	Q1 2005	Change	2004
Sales	53.7	52.1	- 3.0 %	235.4
Order Intake	35.1	88.6	+ 152.4 %	266.7
Order Backlog (as of end of period)	246.6	329.0	+ 33.4 %	293.1
EBITDA	3.4	2.6	- 23.5 %	14.3
EBITDA Margin	6.3 %	5.0 %	-	6.1 %
EBITA	2.9	2.1	- 27.6 %	12.1
EBITA Margin	5.4 %	4.0 %	-	5.1 %
Employees (as of end of period)	578	738	+ 27.7 %	736

MAJOR ORDERS

- Jindal Stainless Steel Ltd., the largest stainless steel strip manufacturer in India, ordered a continuous annealing and pickling line for cold rolled stainless steel strip. Annual capacity of the line will be 250,000 tons. Production of the first strip is expected in July 2006.
- For Voest Stahl Service Center, Linz, Austria, the Business Area will supply a multi blanking line. A specific feature of the plant, which will be put into operation in early 2006, is its potential to simultaneously cut four strips placed alongside each other into plates.
- Andritz Sundwig received an order from Jiangyin Honglian Galvanizing Strip Co. Ltd. to supply two six-high reversing rolling mills, which will be used to roll carbon steel strip. In addition to the mechanical equipment, the Sundwig Automation department will supply the complete electrical equipment. This will increase operational reliability and productivity and improve product quality.
- For Maanshan Iron & Steel Co. Ltd., Anhui, China, Andritz will supply two additional acid regeneration plants for 7,500 l/h with WAPUR (Waste Acid Purification). Total capacity of the plant will be 15,000 l/h. The plant will be put into operation at the beginning of 2007.

ENVIRONMENT AND PROCESS

MARKET DEVELOPMENT

During the reporting period, the market for sewage sludge treatment developed satisfactorily. Whereas the market for sewage sludge dewatering equipment was relatively moderate, the market for sewage sludge drying systems has continued its recovery which began during the Fourth Quarter of 2004.

Project activity for industrial applications for the petrochemical, minerals, mining and food processing industries was very high, especially in China, Southeast Asia and Eastern Europe, and also partly in the US. The investments in the mining industry are expected to remain at a high level for the next few years.

BUSINESS DEVELOPMENT

The Business Area's Sales of the First Quarter of 2005 increased to 50.2 MEUR, up 26.8 % compared to the reference Quarter of last year (Q1 2004: 39.6 MEUR). The high Order Backlog at the end of 2004, and Sales contributions from NETZSCH Filtration and the fluidized bed drying systems Business Area of VA TECH WABAG, which were not included in the financial figures of last year's reference Quarter, were the main reasons for this positive development.

The Business Area's EBITA increased to 1.5 MEUR (Q1 2004: 0.4 MEUR). All companies acquired in 2004 have developed as planned and contributed positively to Earnings in Q1 2005.

Order Intake of the First Quarter of 2005 amounted to 123.2 MEUR, more than double the amount in the First Quarter of 2004 (57.1 MEUR). This strong increase is mainly due to the acquisitions made during 2004, adding approximately 16.0 MEUR to the Business Area's Order Intake in the First Quarter of 2005. In addition, the Business Area was able to win several orders for drying systems, mainly from municipalities.

KEY FIGURES ENVIRONMENT AND PROCESS

MEUR	Q1 2004	Q1 2005	Change	2004
Sales	39.6	50.2	+ 26.8 %	217.9
Order Intake	57.1	123.2	+ 115.8 %	200.7
Order Backlog (as of end of period)	163.4	214.7	+ 31.4 %	138.3
EBITDA	0.9	2.3	+ 155.6 %	12.6
EBITDA Margin	2.3 %	4.6 %	-	5.8 %
EBITA	0.4	1.5	+ 275.0 %	9.9
EBITA Margin	1.0 %	3.0 %	-	4.5 %
Employees (as of end of period)	708	928	+ 31.1 %	926

MAJOR ORDERS

- Order Intake for industrial dewatering equipment developed very favorably. Major orders were booked for PTA plants in China (centrifuges and filters), for the chemical industry in Germany (filter presses), for potash in Russia (centrifuges), for drinking water sludge in China (filter presses), and for the mining industry in Australia (filter presses).
- Long-term service and maintenance contracts were obtained from the City of Vienna, Austria, the City of Philadelphia, USA, and the City of Stuttgart, Germany.
- Andritz DDS Drum Drying Systems were ordered from the municipalities in Tampa and Bonita Springs, both in Florida, as well as Winston-Salem, North Carolina, and Encina, California, all in the US. Anglian Water ordered a turn-key sludge treatment center for their Tilbury site, east of London, UK.
- For the municipality of Strassbourg, France, and for Schwenk Zement AG, Germany, the Business Area will supply Andritz BDS Belt Drying Systems. Two Andritz FDS Fluidbed Drying Systems were ordered by Infilco for the City of Madrid in Spain.
- For the industrial drying business major orders were booked for technical plastics (PVC, PP, HDPE) in Russia, China, and Oman as well as for proteins (lysine) in Brazil.

FEED TECHNOLOGY

MARKET DEVELOPMENT

The global market for animal feed remained moderate during the First Quarter of 2005. In Western Europe and North America, project activity for animal feed production equipment was on the same level as in 2004. However, in Asia and South America, market activity for animal feed equipment increased during the First Quarter of 2005. Especially the vertically integrated meat producers showed increasing demand. Several projects, which were on hold during 2004, have been re-started during the reporting period.

The renewable energy market segment remains very active for waste pelleting in Western Europe, and for wood pelleting in both Europe and North America.

BUSINESS DEVELOPMENT

Sales of the Business Area during the First Quarter of 2005 were 21.0 MEUR (Q1 2004: 22.3 MEUR). This decline of 5.8 % is mainly due to the relatively low Order Backlog as of the end of 2004, and the strength of the Euro against the US dollar leading to a shortfall in Sales from currency of approximately 0.3 MEUR in Q1 2005.

Despite the drop in Sales, Earnings developed favorably. Due to internal process optimizations and the

restructuring measures taken in 2003 and 2004, EBITA improved to 1.5 MEUR (Q1 2004: -0.1 MEUR).

At 22.3 MEUR, Order Intake of the Business Area was significantly below the level of last year's reference Quarter (Q1 2004: 26.8 MEUR), which was exceptionally high due to the receipt of some larger orders.

MAJOR ORDERS

- During the reporting period, the Business Area received several orders, especially from Asia. This included the supply of key equipment for a new feed mill for SCF in South Korea and a follow-up order from CPF Group, the largest producer of animal feed in Asia, for the largest feed process line in Asia which was delivered by Andritz and commissioned in 2004.
- Andritz will supply a new animal feed process plant to Consorzio Agraria in Sardinia, Italy.
- Orders for renewable fuel – wood powder grinding – were secured from a Western European power plant of Electrabel.

KEY FIGURES FEED TECHNOLOGY

MEUR	Q1 2004	Q1 2005	Change	2004
Sales	22.3	21.0	- 5.8 %	99.6
Order Intake	26.8	22.3	- 16.8 %	92.0
Order Backlog (as of end of period)	28.8	17.2	- 40.3 %	16.0
EBITDA	0.7	2.1	+ 200.0 %	5.1
EBITDA Margin	3.1 %	10.0 %	-	5.1 %
EBITA	- 0.1	1.5	n.a.	2.2
EBITA Margin	- 0.4 %	7.1 %	-	2.2 %
Employees (as of end of period)	542	468	- 13.7 %	482

HYDRAULIC MACHINES/ OTHER OPERATIONS

MARKET DEVELOPMENT

In the First Quarter of 2005, project activity in the area of turbines and large-scale pumps continued to focus on Asia, especially China. In addition, investments by the European power generation industry have increased, not only for rebuilds and modernizations but also for new plants.

In China, the market for stock pumps for pulp and paper applications continued to be very active. With its successful 60:40 joint venture, Andritz-Kenflo in Foshan, Andritz is the clear market leader in this product segment.

BUSINESS DEVELOPMENT

Sales of the Hydraulic Machines Business Area / Other Operations increased to 10.0 MEUR (Q1 2004: 6.4 MEUR), and EBITA amounted to 0.8 MEUR compared to 1.7 MEUR for Q1 2004.

Order Intake during the First Quarter of 2005 increased to 13.6 MEUR, almost double the amount of last year's reference Quarter (Q1 2004: 7.3 MEUR). This is

mainly due to the strong development of the Andritz-Kenflo joint venture in China as well as larger orders in the turbine business.

MAJOR ORDERS

- Two orders for turbine projects in China have been awarded.
- Electromechanical equipment for two pumping stations, comprising ten pumps each, will be supplied to an irrigation plant in Sudan.
- The Business Area secured several small-scale turbine orders, thus continuing the success in this sector.

KEY FIGURES HYDRAULIC MACHINES/OTHERS

MEUR	Q1 2004	Q1 2005	Change	2004
Sales	6.4	10.0	+56.3%	43.8
Order Intake	7.3	13.6	+86.3%	58.7
Order Backlog (as of end of period)	27.9	43.9	+57.3%	40.7
EBITDA	2.1	1.3	-38.1%	5.5
EBITDA Margin	32.8%	13.0%	-	12.6%
EBITA	1.7	0.8	-52.9%	3.8
EBITA Margin	26.6%	8.0%	-	8.7%
Employees (as of end of period)	333	400	+20.1%	365

OUTLOOK

The economic environment for Andritz and its relevant markets – pulp, paper, and steel – remains solid. According to economic forecasts by renowned researchers, the global economy should continue to grow in 2005, although a regionally mixed development is expected. While the US should continue its strong growth, Euroland's economy is expected to develop moderately.

For the Pulp and Paper Business Area, the project activity should remain favorable. Greenfield projects should focus on the Southern hemisphere, where at least one project should be decided during 2005. For Europe and Asia, projects are expected to concentrate on modernizations and refurbishments.

In the area of Rolling Mills and Strip Processing Lines, investment activities should remain concentrated on Asia, especially China. However, also for Europe and the US, selective investments are expected.

In Environment and Process, full integration of the companies acquired in 2004 will be one of the main goals for the coming Quarters. Andritz expects project activity for both separation and drying to be at a satisfactory level in 2005.

Given the expected solid economic development for 2005, along with the favorable project activity in all of Andritz's relevant markets, and the high Order Backlog

as of the end of March 2005, Andritz expects Sales and Net Income for 2005 to increase compared to the previous year.

Disclaimer:

Certain statements contained in this report constitute "forward-looking statements." These statements, which contain the words "believe", "intend", "expect" and words of similar meaning reflect Management'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.

INTERIM CONSOLIDATED STATEMENT OF INCOME

for the First Quarters of 2005 and 2004 (unaudited)

	Q1 2005 (in TEUR)	Q1 2004 (in TEUR)
Sales	342,462	331,774
Changes in inventories of finished goods and work in progress	18,359	11,248
Capitalized cost of self-constructed assets	15	177
	360,836	343,199
Other operating income	5,109	6,049
Cost of materials	(208,662)	(203,021)
Personnel expenses	(84,412)	(78,247)
Other operating expenses	(47,447)	(45,518)
Earnings before interest, taxes, depreciation, and amortization of goodwill (EBITDA)	25,424	22,462
Depreciation and amortization (without amortization of goodwill)	(5,869)	(5,352)
Earnings before interest, taxes, and amortization of goodwill (EBITA)	19,555	17,110
Amortization of goodwill	0	(3,511)
Earnings before interest and taxes (EBIT)	19,555	13,599
Income/Expense from associated companies	(17)	(161)
Interest result	550	(254)
Other income from financing activities	123	391
Financial results	656	(24)
Earnings before taxes (EBT)	20,211	13,575
Income taxes	(5,861)	(5,289)
Net income	14,350	8,286
Share of profit due to minority interests	(245)	(295)
Net income excluding minority interests	14,105	7,991
Earnings per non par value share (EUR)	1.09	0.62
Weighted average number of non par value shares	12,908,190	12,889,002

CONSOLIDATED BALANCE SHEET

as at 31 March 2005 (unaudited) and 31 December 2004

	31. 3. 05 (in TEUR)	31. 12. 04 (in TEUR)
Assets		
Intangible assets	6,691	7,061
Goodwill	108,936	107,561
Property, plant and equipment	125,801	125,390
Shares in associated companies	2,085	2,102
Investments	12,987	12,321
Fixed and financial assets	256,500	254,435
Deferred tax assets	22,665	21,854
Inventories	166,109	139,972
Advance payments made	28,119	14,142
Trade accounts receivable	190,122	201,763
Cost and earnings of projects under construction in excess of billings	104,014	115,950
Other receivables	54,894	63,314
Prepayments and deferred charges	6,419	4,920
Marketable securities	68,419	63,097
Cash and cash equivalents	277,330	273,939
Current assets	895,426	877,097
Total assets	1,174,591	1,153,386
Equity and liabilities		
Share capital	94,510	94,510
Capital reserves	45,966	45,966
Retained earnings	116,239	129,436
Shareholders' Equity	256,715	269,912
Minority interests	7,294	7,169
Equity	264,009	277,081
Bonds	100,000	100,000
Bank loans - non current	5,017	5,211
Provisions - non current	76,625	77,800
Obligation under finance leases - non current	486	582
Non-current liabilities	182,128	183,593
Liabilities for deferred taxes	56,856	58,693
Bank loans - current	8,280	11,207
Obligations under finance lease - current	395	421
Bills of exchange	0	0
Trade accounts payable	130,583	132,970
Billings in excess of cost and earnings of projects under construction	197,918	197,832
Advance payments received	69,395	49,564
Provisions - current	84,270	81,823
Liabilities for current taxes	13,311	10,368
Other current liabilities	167,446	149,834
Current liabilities	671,598	634,019
Total Equity and liabilities	1,174,591	1,153,386

DEVELOPMENT OF SHAREHOLDERS' EQUITY

(unaudited)

(in TEUR)	Share capital	Capital reserves	Retained earnings	Currency translation adjustments	Shareholders' Equity	Minority interests	Equity
Status 1. 1. 2004	94,510	45,966	119,682	(27,674)	232,484	6,616	239,100
Net income excluding minority interests			7,991		7,991	295	8,286
Dividend payments			(12,889)		(12,889)		(12,889)
Currency translation adjustments				3,571	3,571	29	3,600
Changes to IAS 39 reserve			(3,716)		(3,716)		(3,716)
Status 31. 3. 2004	94,510	45,966	111,068	(24,103)	227,441	6,940	234,381
Status 1. 1. 2005	94,510	45,966	164,307	(34,871)	269,912	7,169	277,081
Net income excluding minority interests			14,105		14,105	245	14,350
Dividend payments			(18,013)		(18,013)	(190)	(18,203)
Currency translation adjustments				5,367	5,367	70	5,437
Buyback of own shares			(6,769)		(6,769)		(6,769)
Changes to IAS 39 reserve			(7,887)		(7,887)		(7,887)
Status 31. 3. 2005	94,510	45,966	145,743	(29,504)	256,715	7,294	264,009

INTERIM CONSOLIDATED CASH FLOW STATEMENT

for the First Quarters of 2005 and 2004 (unaudited)

	Q1 2005	Q1 2004
Cash flow from operating activities	23,615	51,578
Cash flow from investing activities	(10,192)	4,653
Cash flow from financing activities	(10,032)	1,289
Change in cash and cash equivalents	3,391	57,520
Cash and cash equivalents at the beginning of the period	273,939	120,876
Cash and cash equivalents at end of the period	277,330	178,396

PERFORMANCE OF THE ANDRITZ SHARES SINCE THE IPO



SHARE PRICE DEVELOPMENT

During the First Quarter of 2005, the Andritz share price developed very favorably. With an increase of 20.8 %, it significantly outperformed the ATX, which increased by 7.4% in the same period. The highest closing price of the Andritz share during the reporting period was 74.41 Euros (March 3, 2005), and the lowest was 56.59 Euros (January 5, 2005).

TRADING VOLUME

The average daily trading volume during the First Quarter of 2005 was 96,284 shares (Q1 2004: 72,300 shares). The highest daily trading volume was noted on February 23, 2005 (294,410 shares), the lowest trading volume was 19,160 shares (January 28, 2005).

SHARE BUY-BACK/SALE PROGRAM

On March 30, 2005 the Annual General Meeting of Shareholders extended the authorization of the Managing Board to buy back and sell up to 10 % of Andritz AG's total shares by a further 18 months, starting October 1, 2005. The maximum price for buy-back shares was fixed at 30 % above the average, unweighted closing price of the share over the 10 trading days preceding the buy-back. The minimum price was fixed at 10.00 Euros per share.

FINANCIAL CALENDAR 2005

→ First Half of 2005 August 5, 2005
Q1-Q3 2005 November 8, 2005

CONTACT

→ Andritz Investor Relations
Dr. Michael Buchbauer
Stattegger Strasse 18, 8045 Graz, Austria
Tel.: +43 316 6902 2722
Fax: +43 316 6902 465
www.andritz.com, welcome@andritz.com

KEY FIGURES FOR ANDRITZ SHARES

	Q1 2004	Q1 2005	2004
Highest closing price (EUR)	39.90	74.41	56.50
Lowest closing price (EUR)	35.00	56.59	35.00
Closing price as of end of period (EUR)	37.63	68.94	56.10
Market capitalization as of end of period (MEUR)	489.2	896.2	729.3
Performance	+ 2.3 %	+ 20.8 %	+ 52.5 %
ATX-weighting as of end of period (%)	1.7169	2.0011	1.7656
Average daily number of shares traded	72,300	96,284	70,744

Source: Vienna Stock Exchange