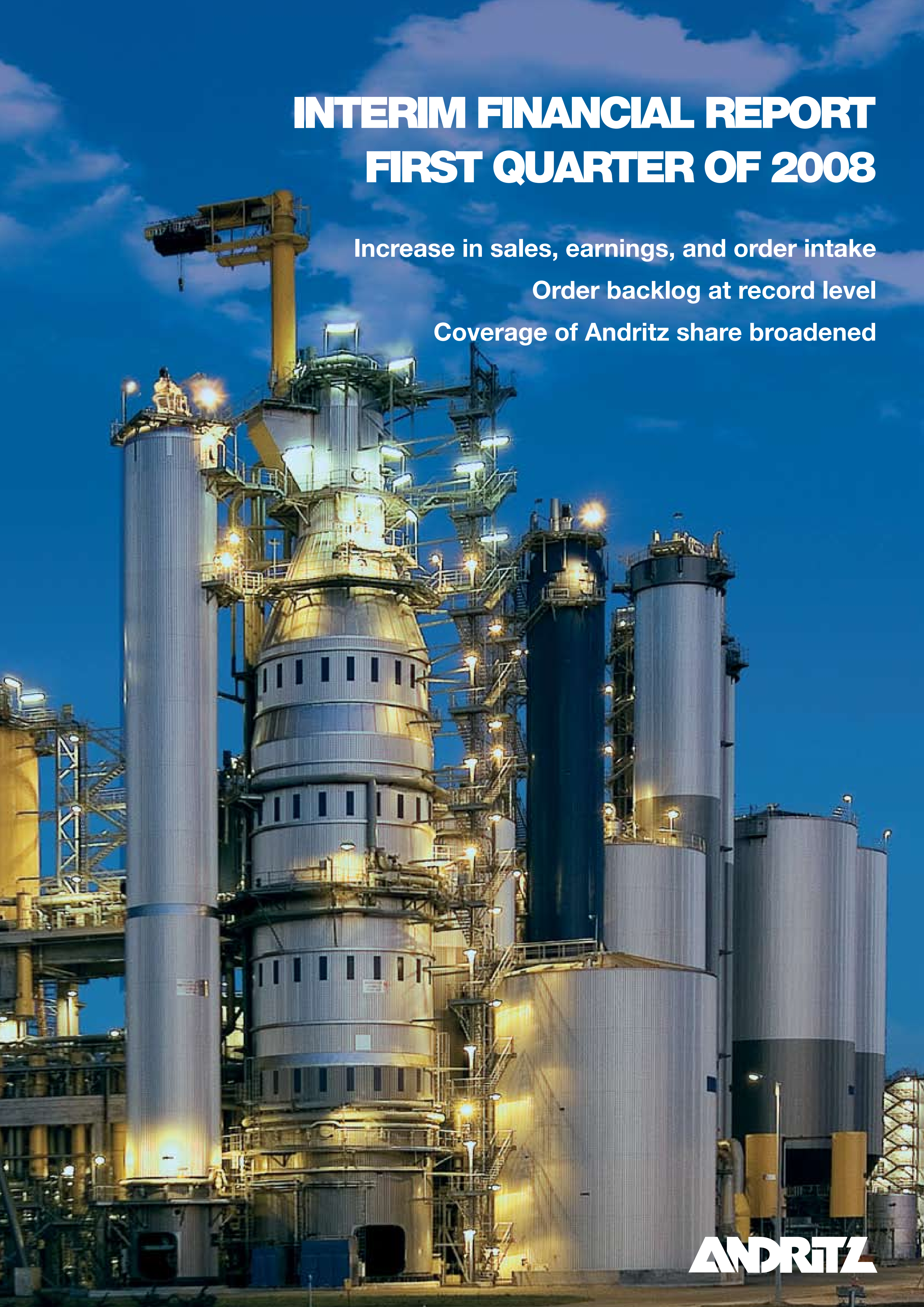
INTERIM FINANCIAL REPORT FIRST QUARTER OF 2008

Increase in sales, earnings, and order intake

Order backlog at record level

Coverage of Andritz share broadened



ANDRITZ

KEY FIGURES OF THE ANDRITZ GROUP

ACCORDING TO IFRS

MEUR	Q1 2008	Q1 2007*	+/-	2007
Order intake	1,195.7	1,031.0	+16.0%	3,749.5
Order backlog (as of end of period)	4,321.4	3,664.5	+17.9%	3,843.3
Sales	750.9	730.9	+2.7%	3,282.5
EBITDA[1]	55.4	49.5	+11.9%	242.3
EBITA[2]	44.3	39.8	+11.3%	201.3
Earnings before interest and taxes (EBIT)	42.8	38.4	+11.5%	192.6
Earnings before taxes (EBT)	43.5	40.5	+7.4%	198.0
Net income	31.2	29.1	+7.2%	136.1
Cash flow from operating activities	133.8	39.7	+237.0%	33.1
Capital expenditure[3]	13.9	10.8	+28.7%	57.0
Employees (as of end of period, excl. apprentices)	12,284	10,422	+17.9%	12,016
Fixed assets	634.0	608.0	+4.3%	630.4
Current assets	2,112.8	1,824.5	+15.8%	1,877.1
Total shareholders' equity[4]	446.8	406.4	+9.9%	481.6
Provisions	392.7	375.5	+4.6%	394.8
Other liabilities	1,907.3	1,650.6	+15.6%	1,631.1
Total assets	2,746.8	2,432.4	+12.9%	2,507.5
Equity ratio[5] (%)	16.3	16.7	-	19.2
Net liquidity[6]	303.1	401.5	-24.5%	246.5
Net debt[7]	-146.4	-253.1	-	-94.8
Net working capital[8]	1.6	-144.3	-	99.1
Capital employed[9]	311.9	143.3	+117.7%	405.6
Gearing[10] (%)	-32.8	-62.3	-	-19.7
EBITDA margin (%)	7.4	6.8	-	7.4
EBITA margin (%)	5.9	5.4	-	6.1
EBIT margin (%)	5.7	5.3	-	5.9
Net income/sales (%)	4.2	4.0	-	4.1

* restated

Notes

1) EBITDA: Earnings before interest, taxes, depreciation, and amortization
2) EBITA: Earnings before interest, taxes, amortization of identifiable assets acquired in a business combination and recognized separately from goodwill at the amount of 1,557 TEUR for Q1 2008 (1,445 TEUR for Q1 2007 and 5,967 TEUR for 2007) and impairment of goodwill (2007: 2,771 TEUR)
3) Capital expenditure: Additions to property, plant, and equipment and intangible assets
4) Equity: Total shareholders' equity incl. minority interests
5) Equity ratio: Shareholders' equity/total assets
6) Net liquidity: Cash and cash equivalents, and marketable securities, minus financial liabilities
7) Net debt: Interest-bearing liabilities including provisions for severance payments, provisions for pensions, and jubilee provisions minus cash and cash equivalents incl. marketable securities
8) Net working capital: Non-current and current receivables and other assets minus non-current and current liabilities excl. financial liabilities and provisions
9) Capital employed: Net working capital plus property, plant, and equipment and intangible assets
10) Gearing: Net debt/shareholders' equity

HIGHLIGHTS OF Q1 2008 AT A GLANCE

ORDER INTAKE AND ORDER BACKLOG

Order intake, at 1,195.7 MEUR for the first quarter of 2008, and order backlog, at 4,321.4 MEUR as of March 31, 2008, increase considerably compared to the previous year (order intake for Q1 2007: 1,031.0 MEUR, order backlog as of March 31, 2007: 3,664.5 MEUR).

SALES AND EARNINGS

Sales amount to 750.9 MEUR, a slight increase compared to the first quarter of 2007 (730.9 MEUR) – several larger projects were in their initial processing stages, thus making low sales contributions. Earnings before interest and taxes (EBIT) increase by 11.5% compared to the first quarter of 2007, to 42.8 MEUR, thus showing a stronger growth than sales. EBIT margin amounts to 5.7% (Q1 2007: 5.3%). Net income excluding minority interests increases to 30.2 MEUR (Q1 2007: 28.5 MEUR).

BALANCE SHEET STRUCTURE

Total assets as of March 31, 2008, increase to 2,746.8 MEUR (December 31, 2007: 2,507.5 MEUR); the main reason being the successful issue of a 150 MEUR corporate bond in February 2008. Net liquidity rises to 303.1 MEUR as of March 31, 2008 (December 31, 2007: 246.5 MEUR).

ACQUISITION

In March 2008, Andritz acquires MAERZ Industrieofenanlagen GmbH, Düsseldorf, Germany, one of the world's leading suppliers of industrial furnace plants and heat treatment systems, thereby further extending the product portfolio of the Rolling Mills & Strip Processing Lines business area.

ANDRITZ SHARE

Capital Bank, Austria, takes up coverage of the Andritz share during the first quarter of 2008. As a result, already 12 national and international banks and investment houses publish reports on Andritz on a regular basis.

WORLD RECORD

The Metsä-Botnia pulp mill in Fray Bentos (see photo page 1), Uruguay, for which Andritz provided all major production technologies, reaches full production within 145 days from start-up (calculated on a 30-day rolling average) – a new world record.

CONTENTS

STATUS REPORT

GENERAL ECONOMIC CONDITIONS

During the first quarter of 2008, the global economy continued to be negatively influenced by the subprime market crisis in the USA and the resulting collapse of the home mortgage market. In addition, increasing liquidity problems of many banks and investment houses, especially in the USA, further impacted international money markets. Both private consumer spending and capital expenditure by companies in the USA continued to decline. To encounter a recession, the Federal Reserve Bank (FED) cut key interest rates in three steps from 4.25 to 2.25% during the first quarter of 2008, and injected massive amounts of cash liquidity into the money market to avoid a liquidity crunch.

Contrary to the USA, the economic development in Euroland remained on a relatively solid level in the first quarter of 2008. Despite the first signs of an economic slowdown, the European Central Bank (ECB) kept key interest rates unchanged because of inflation worries resulting from the strong Euro against the U.S. dollar and the high crude oil prices.

In Asia, economic activities remained quite strong, with China and India showing continued good economic growth during the first quarter of 2008.

Source: OECD

BUSINESS DEVELOPMENT

Sales

In the first quarter of 2008, sales of the Andritz Group amounted to 750.9 MEUR, a slight increase of 2.7% compared to the reference quarter of last year (Q1 2007: 730.9 MEUR). Several projects, especially in the Pulp & Paper, Rolling Mills & Strip Processing Lines as well as the Environment & Process business areas, have been in their initial processing stages, thus making only low sales contributions during the reporting period. The Hydro Power business area achieved a significant increase in sales.

Earnings

The Group's earnings before interest and taxes (EBIT) amounted to 42.8 MEUR. This is an increase of 11.5% compared to the first quarter of 2007 (38.4 MEUR), with EBIT showing a stronger growth than sales. As a result, the Group's EBIT margin increased to 5.7% in the first quarter of 2008 (Q1 2007: 5.3%). In particular, the Pulp & Paper, as well as the Hydro Power business areas showed a favorable development of margins.

Net income excluding minority interests amounted to 30.2 MEUR, exceeding last year's reference quarter by 6.0% (Q1 2007: 28.5 MEUR).

Order intake and order backlog

Order intake of the Group developed very favorably during the first quarter of 2008. At 1,195.7 MEUR, it surpassed the high level of last year's reference period (Q1 2007: 1,031.0 MEUR) by 16.0%. Especially the Hydro Power, Rolling Mills & Strip Processing Lines, and Pulp & Paper business areas increased their order intakes considerably compared to the reference period of last year. Organic growth of the order intake in the first quarter of 2008 was 9.3%.

Order backlog as of March 31, 2008 amounted to 4,321.4 MEUR, an increase of 17.9% compared to the value at the reference date of last year (March 31, 2007: 3,664.5 MEUR). Thus, the Andritz Group has a solid visibility with regard to sales for the coming months.

Sales by region in % Q1 2008 (Q1 2007)

Order intake by region in % Q1 2008 (Q1 2007)

Net worth position and capital structure

The net worth position and capital structure of the Andritz Group as of March 31, 2008 was influenced by the issue of a public 150 MEUR corporate bond, which was successfully placed on February 18, 2008. The bond has a tenor of seven years and is endowed with an annual fixed coupon rate of 5.25%. This bond supersedes the Andritz corporate bond 2002–2008 (total volume 100 MEUR) that will mature in June 2008.

As a result, total assets increased to 2,746.8 MEUR as of March 31, 2008 (December 31, 2007: 2,507.5 MEUR), the equity ratio decreased to 16.3% (December 31, 2007: 19.2%).

Net liquidity (cash and cash equivalents, and marketable securities, minus financial liabilities) amounted to 303.1 MEUR as of March 31, 2008, thus higher compared to the level as of the end of last year (December 31, 2007: 246.5 MEUR).

Acquisition

In March 2008, Andritz acquired 100% of MAERZ Industrieofenanlagen GmbH, Düsseldorf, Germany, from Hochtemperatur GmbH, a company of Deutsche Beteiligungs AG. With annual sales of approximately 50 MEUR and approximately 40 employees, MAERZ (now Andritz MAERZ) is one of the world's leading companies for furnaces and heat treatment plants. The service and product portfolio comprises engineering, know-how, and process technology for heat treatment plants for the steel industry, as well as melting/refining plants, including planning, design, supply, erection, and commissioning.

Major risks during the remaining months of the financial year and 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 in all of its business areas. The major risks for the business development of the Andritz Group during the remaining months of the financial year 2008 mainly relate to the industries served by the Group and their dependence on the general economic development, to the Group's business, major orders, and the conversion of the substantial backlog into sales. For detailed information on the major risks for the Andritz Group, see the Andritz annual report 2007.

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

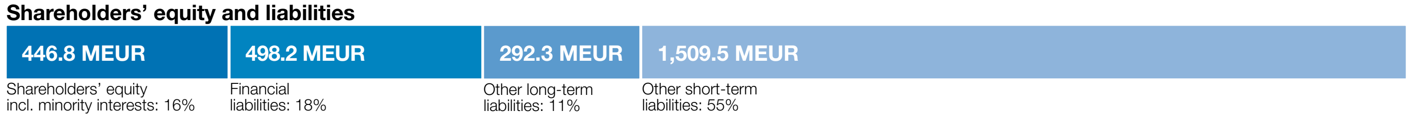
The monitoring and management of financial risks are integral parts of Andritz's Group-wide accounting and controlling activities. Continuous controlling and regular reporting should increase the probability that major risks are identified at an early stage and countermeasures are taken, if necessary.

For most of the orders, the risk of payment failure by customers is reduced by bank guarantees and export insurances. Risks related to deliveries in countries with medium to high political risks typically are also insured to a large extent. Interest and exchange rate risks are mitigated and controlled by using derivative financial instruments – in particular, forward exchange contracts and swaps. Net currency exposure of orders in non-Euro currencies – mainly U.S. dollars and British pounds – is frequently hedged by forward rate contracts. Cash flow risks are monitored by monthly cash reports. However, there is no guarantee that the monitoring and risk control systems are sufficiently effective.

Total assets as of March 31, 2008: 2,746.8 MEUR

Assets

Shareholders' equity and liabilities



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

During the first quarter of 2008, no major businesses with related persons and companies were concluded.

Effects from exchange rates

Changes in exchange rates are hedged by forward rate contracts.

Outlook for the Andritz Group

Project activity in all relevant markets for the Andritz Group (pulp, hydropower, steel, environmental and feed technologies) remains at a high level; in the pulping area, several large projects are expected to be decided during the second half of 2008. In all business areas, business has developed favorably, and – based on the current economic environment – is expected to continue favorably during the coming quarters.

Based on the figures for the first quarter of 2008, the mix of orders of the existing backlog, and the expected solid development of Andritz's relevant markets, Andritz confirms its financial guidance for 2008 and expects Group sales to reach approximately 3.5 billion Euros and profitability (EBITA margin) to increase.

Significant events after March 31, 2008

At the beginning of May 2008, Andritz and General Electric Company (GE) reached an agreement for the purchase of certain assets of GE Energy's Hydro business. As part of the transaction, Andritz will acquire GE Energy's hydro power technology and certain other assets, including engineering and project management resources, research and development capabilities, and specialized generator component production facilities in Canada.

Declaration pursuant to Article 87 (1) of the (Austrian) Stock Exchange Act

The Executive Board of Andritz AG herewith declares that both the condensed financial statements drawn up in compliance with the applicable accounting standards and the status report for the first quarter of 2008 present fairly, in all material respects, the financial position of the Group as of March 31, 2008, and its financial performance and its cash flows for the financial period January 1, to March 31, 2008.

The Executive Board of Andritz AG
Graz, May 7, 2008

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 the 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.

Sales by business area in % Q1 2008 (Q1 2007)

Employees by region in % Q1 2008 (Q1 2007)

BUSINESS AREAS

PULP & PAPER

MARKET DEVELOPMENT

During the first quarter of 2008, international pulp markets developed very solidly with prices remaining at a very high level. Due to the continuing strong demand from international paper producers, the price for Northern Bleached Softwood Kraft Pulp (NBSK) increased from approximately 860 U.S. dollars per ton as of the beginning of January to approximately 890 U.S. dollars per ton as of the end of March 2008.

The price for short-fiber pulp (birch and eucalyptus) also increased during the first quarter of 2008. Unchanged strong demand and partial supply shortages led to a price increase for eucalyptus pulp from 750 U.S. dollars as of the beginning of January to 800 U.S. dollars as of the end of March 2008.

Project activity for both new pulp mills and the modernization of existing plants remained at a satisfactory level during the reporting period. The most active regions were again the southern hemisphere (South America, Australia), parts of Asia (especially China), and Europe.

BUSINESS DEVELOPMENT

During the first quarter of 2008, sales of the business area amounted to 319.1 MEUR, a decrease of 4.0% compared to the reference period of last year (Q1 2007: 332.5 MEUR). Several orders have been in their initial processing stages, thus contributing only slightly to sales during the reporting period. However, EBITA increased to 18.7 MEUR (Q1 2007: 14.9 MEUR), leading to an increase in profitability compared to Q1 2007.

Order intake amounted to 417.3 MEUR, an increase of 9.8% compared to last year's reference period (Q1 2007: 379.9 MEUR). All divisions showed a satisfactory development of order intake.

The Metsä-Botnia pulp mill in Fray Bentos, Uruguay, for which Andritz provided all major production technology, reached full production in just 145 days from start-up (calculated on a 30-day rolling average) in the reporting period, thus beating the old record (171 days), recently set by another mill where Andritz supplied the main equipment for the fiberline – from digester to the dried pulp bales – as well as the recovery boiler and the white liquor plant.

In the reporting period, Andritz established a new division, Automation Solutions, within the Pulp & Paper business area. The new division combines all of the company's control capabilities under one roof and offers clear benefits to customers from design, through implementation, to ongoing support. The new division has four product groups: Engineered Systems, Simulation, Advanced Process Control, and Instruments.

Aracruz Celulose S.A., one of the world's largest pulp producers, completed the upgrade of their line C in Barra do Riacho, Brazil. As part of the project, Andritz increased production on the 8 m wide pulp machine supplied in 2002 from initial design of 2,325 t/d to a guaranteed capacity of 2,972 t/d. After the performance test in March 2008, the machine achieved a new production record: 3,112 t/d of prime quality eucalyptus pulp.

MAJOR ORDERS

In the first quarter of 2008, the business area received an order from Mondi Syktyvkar pulp and paper mill in Komi Republic, Russia. Andritz will supply a new woodyard, evaporation plant, and recovery boiler to the mill and will rebuild the mill's two existing fiberlines. Order completion is scheduled for 2010.

The state-of-the-art 3,560 t/d recovery boiler – equipped with odorous gas incineration systems – maximizes electrical energy generation in the plant, thus ensuring cost-effective power generation in the mill and helping to protect the environment.

The supply also includes an evaporation plant and a condensate stripping plant. The six-effect evaporation plant has a water evaporation capacity of 550 t/h; the final product solids content is about 75%. All condensates are separated for further use within the pulp mill. The condensate stripping plant purifies the methanol-rich condensates from the new and the existing evaporators. The collected methanol is treated in a new methanol plant to produce liquid methanol fuel.

The woodyard, which has a capacity equivalent to a pulp production of 875,000 t/a, consists of two debarking lines with the highest capacity in the world. The chippers are the biggest in the world, with 3.87 m disc diameter and 18 knives. The chippers are designed to produce homogenous, high chip quality with extremely high capacity of the lines.

The fiberline delivery includes an upgrade of hard- and softwood lines. The hardwood fiberline comprises a brownstock washing upgrade with a pressure diffuser and two-stage DD Washer; the capacity will increase to 1,500 t/d. For the softwood fiberline, Andritz will convert the existing continuous digester to Downflow Lo-Solids® cooking. The upgrade also comprises a TurboFeed® chip feeding system; the capacity will increase to 1,000 t/d.

In addition, the individual divisions received among others the following major orders:

- The **Wood Processing** division received an order from Russia for the supply of a complete woodyard for a new MDF plant for Pfleiderer, Germany. It includes a debarking line with RotaBarker technology, a chipper, chip handling with two chip silos, and chip screening. The debarking plant operates completely without water while RotaBarker does not need de-icing of logs even during severe winter conditions. Also wood losses during debarking are lower than in conventional debarking methods.

- The **Recovery** division received an order from Visy Pulp & Paper for a new liquid methanol plant at Tumut, Australia. The division will also supply an ash leaching chlorine removal system for a MeadWestvaco mill in Texas, USA. This will be the first chlorine removal system in the USA that leaches the ash from the recovery boiler precipitator. Orders for biomass power boilers also developed favorably. The division received an order from Grupo Empresarial ENCE, S.A., Spain for a power boiler at its Huelva mill. In addition, the division received two orders from Portucel-Empresa Produtora de Pasta e Papel, S.A., Portugal for power boilers at the company's Setúbal and Cacia mills.

- The **Paper Machine** division received an order for a new tissue machine, as well as orders to upgrade several existing machines. Saigon Binh Dinh Paper Corp. in Vietnam ordered a new PrimeLineCOMPACT tissue machine, including a steel Yankee. The working width of the machine is 2,850 mm at the reel; the design speed is 1,650 m/min. The paper grades will be facial, toilet, and towel. In addition, the division will upgrade a paper/board machine for Cartonstrong Italia S.r.l. at Monza, Italy and will supply a new headbox. The wire width of the machine is 3,050 mm and design speed is 1,000 m/min. Start-up is scheduled for September 2008. Also in Italy, the division will upgrade a paper/board machine for Cartiere Modesto Cardella S.p.A. at San Pietro. As part of the delivery, Andritz will supply its gap former technology for a packaging grade machine. The wire width of the machine is 3,180 mm and design speed is 1,200 m/min. Start-up is scheduled for January 2009. Latif Paper, the biggest tissue manufacturer in Iran, placed an order with Andritz to rebuild its 12-year-old tissue machine. The machine has a working width of 2.74 m and a design speed of 1,400 m/min. Paper grades are facial and towel, the start-up is scheduled for the end of 2008. Sappi Austria Produktions-GmbH & Co KG., Austria ordered another sheet stabilizer, this time for its paper machine 11 in Gratkorn, Austria.

- The **Fiber Preparation Systems** division received an order from Portucel Empresa Produtora de Pasta e Papel for a FlyingWing Deculator® at the Setúbal mill, Portugal. Stock preparation and paper machine approach equipment was ordered by Nanping Paper at Nanping, Fujian, China. A deinking line for tissue was ordered by Latif Paper in Tehran, Iran, and a FibreFlow® drum pulper for deinked pulp was ordered by SCA's Menasha mill in Wisconsin, USA.

- The **Mechanical Pulping Systems** division received an order to double the capacity of an existing bleach plant for cotton combers at Louisenthal's Königstein mill, Germany. Papierfabrik Louisenthal is a leading producer of banknote and security papers. The expanded Andritz bleach plant will supply a planned new paper machine. Both the bleach plant and paper machine are scheduled to start production next year.

- The **Panelboard Systems** department received an order from Pfleiderer MDF OOO for the supply of a complete front end system for a new plant in Novgorod, Russia. The system includes a complete woodroom, chip washing, and pressurized refining for a line with a design capacity of 1,248 t/d. The department was also awarded two orders by Yingang Wood Based Panel Co. Ltd. for the delivery of pressurized refining systems for plants in Sichuan and Hubei, China. Both plants are scheduled to start up in the first half of 2009. Also in China, the department received an order from Baoshan Corporation (Group) Co. Ltd. for delivery of a pressurized refining system for a new plant in Sichuan province. The system is designed for a capacity of 600 t/d. An additional order was awarded by Hunan Xianglin New Environmental Protect Wood Co. Ltd., China for a pressurized refining system with a design capacity of 432 t/d.

- The **Paper Finishing** division introduced a new product – PrimeRoll ECO – to help mills save energy. The first unit was sold to a mill in Sweden. In lab tests, the unit was able to reduce energy consumption by 40% over conventional technology. After the first successful installation of the PrimeFeeder at Burgo Mantova, Italy, in May 2007, eight more feeding systems have been installed. Seven systems will be installed at a German mill.

- The **Engineered Wear Products** division was awarded a corporate contract by Boise Cascade, USA, for refiner plates at all of their mill locations. The division also received a major order for refiner plates from PT Kertus Kraft in Ache, Indonesia for the restart of its kraft linerboard mill. Major orders for screen baskets were received from Nine Dragon, China, Ust-Ilimsk, Russia, and AbitibiBowater, Canada.

- The **Pulp Mill Engineered Services** division received several major rebuild and upgrade orders for evaporation plants in Sweden and for cooking systems in Finland. The division also signed its first long-term Overall Production Efficiency (OPE®) maintenance and process agreements for customer mills in Russia and Sweden.

- The **Paper Mill Engineered Services** division received significant orders for dewatering equipment from CMPC in Chile, Matussière in France, and AbitibiBowater in the USA. Orders were received from New Page, USA and Canada for a three refiner rebuild and a rotary valve rebuild; from CMPC, Chile for service and a refiner upgrade; from Perlen Papier, Switzerland for refiner upgrades, and from White Birch Papers, Canada for a refiner rebuild.

KEY FIGURES PULP & PAPER

MEUR	Q1 2008	Q1 2007	+/-	2007
Order intake	417.3	379.9	+9.8%	1,406.4
Order backlog (as of end of period)	1,151.5	1,163.2	-1.0%	1,060.4
Sales	319.1	332.5	-4.0%	1,462.2
EBITDA	23.1	19.1	+20.9%	101.1
EBITDA margin	7.2%	5.7%	-	6.9%
EBITA	18.7	14.9	+25.5%	83.5
EBITA margin	5.9%	4.5%	-	5.7%
Employees (as of end of period)	4,860	3,986	+21.9%	4,843

HYDRO POWER

MARKET DEVELOPMENT

Project activity in the hydropower sector during the first quarter of 2008 continued on a high level. A large number of hydropower projects are being developed or implemented as a result of the continuously increasing use of renewable energy sources in view of climate protection. Currently, hydropower supplies the world with as much as one fifth of its electricity.

Investment activity in Europe and North America focused on modernization, rehabilitation, and capacity increases for existing plants. There is a large potential demand for replacement investments as the average age of the installed base in these regions is rather high. The emerging markets of South America and Asia also saw heightened investment activity. A continued high level of project activity was noted for pumped storage systems with the aim of securing network stability. The market for small-scale hydropower stations also saw a continued positive development.

During the first quarter of 2008, project activity for pumps for irrigation and drinking water in Asia continued to be strong, especially in China and India. In China and Southeast Asia, the market for centrifugal pumps continued to be very attractive. With its 60:40 joint venture Andritz-Kenflo in Foshan, China, Andritz has been the clear market leader in this region for several years.

BUSINESS DEVELOPMENT

The business area's sales during the first quarter of 2008 amounted to 217.6 MEUR, an increase of 34.3% compared to the reference quarter of last year (Q1 2007: 162.0 MEUR). All product segments of the business area showed favorable sales developments. EBITA reached 12.6 MEUR (+65.8% vs. Q1 2007: 7.6 MEUR). As a result, EBITA margin increased significantly, to 5.8%, in Q1 2008 (Q1 2007: 4.7%).

Order intake continued to develop favorably during the first quarter of 2008. At 392.2 MEUR, it increased 33.4% compared to the high level of last year's reference period (Q1 2007: 294.0 MEUR). All divisions of the business area showed a solid development of order intake, thus confirming Andritz's strong market position for hydropower equipment worldwide.

The existing 40% shareholding in Waplans Mekaniska Verkstads AB, Sweden, was increased to 100% at the beginning of the first quarter of 2008. Waplans Mekaniska Verkstads (now Andritz Waplans) specializes in repair and rehabilitation work for hydropower plants and pulp and paper making equipment. With this move, Andritz has strengthened its presence in Sweden and offers its customers local competence combined with international experience.

In an effort to serve local customers even better, Andritz VA TECH HYDRO opened a new site in Melbourne, Australia, from where the New Zealand and Australian markets can be handled even more efficiently.

On January 18, 2008, the first unit for the Kardjali power station, Bulgaria, was officially handed over. Andritz VA TCH HYDRO is performing modernization orders for Natsionalna Elektricheska Kompania EAD (NEK), the state-owned Bulgarian energy company, on three hydropower stations (Kardjali, Studen Kladenets, and Ivailovgrad in the Dolna Arda cascade). In addition to a considerable increase in the useful life and the failure safety, the scheme will bring about a considerable capacity boost from 270 to 331 MW. NEK operates a total of 29 hydropower and pumped storage power stations with 2,563 MW total installed capacity. Cooperation with NEK dates back to 1910, and Andritz VA TECH HYDRO has so far supplied NEK with more than 45 hydro turbines and replacement runners.

On February 28, 2008, the first out of a total of four Francis runners to be replaced in the Infiernillo hydropower station, Mexico was officially commissioned. In mid-2006, Andritz VA TECH HYDRO had received the order for modernizing and overhauling this hydropower station in Morelia from Comisión Federal de Electricidad (CFE), the state-owned Mexican utility company. The output of each of the four Francis turbines is to be increased from 170 to 205 MW. With this and other hydropower projects, Mexico – one of the world's largest producers of petrol – has recently been favoring renewable energy sources.

During the first quarter of 2008, Andritz VA TECH HYDRO received the final acceptance certificate for one bulb turbine in the framework of a modernization program for eight bulb turbines, each with a capacity of 33 MW, in the Portile de Fier II power station on the Danube in Romania. One additional unit was also handed over to the customer for commercial operation three months ahead of the contractual schedule. In this same power station, Andritz has been entrusted with modernization work on the entire electro-mechanical equipment.

At Aschach power station on the Danube in Austria, which is operated by Verbund-Austrian Hydro Power (AHP), the machine renewals are in the implementation phase. Reconstruction of the second of a total of four machine sets was successfully completed at the end of March 2008 ahead of schedule.

During the period under report, the first of a total of eight horizontal double-flow pumps was delivered for Hui Nang Zhuang pumping station in China. These pumps will be the largest pumps of their kind in the world. Two large orders for pumping stations in India are in the realization phase.

MAJOR ORDERS

- Elektroprivreda Serbia entrusted Andritz VA TECH HYDRO with the renewal of the entire Bajina Basta hydropower station in Serbia. The station is located on the Drina River and provides 12% of Serbia's entire electric power production. Apart from the complete modernization of the electro-mechanical equipment, the output of each of the four machine sets will be increased from 95.4 to 108 MW, a 13% increase in the output of the entire hydropower station. In addition, the rehabilitation program secures reliability of operation for another 30 years. Work will begin in June 2009 and be finalized in December 2012.

- Private energy company First Gen Hydro Power Corp ordered the entire modernization of Pantabangan hydropower station, Nueva Ecija, Philippines, from Andritz VA TECH HYDRO. The station's output will go up by 18 MW and its life span will be extended by 25 years. The order pertains to the rehabilitation of two machine sets (each with a capacity of 52 MW), the electrical equipment, the automation equipment, and the controls. This work is scheduled to be concluded in late 2010.

- From ENDESA Italia, VA TECH Escher Wyss S.r.l., Italy, an affiliate of Andritz VA TECH HYDRO, received a modernization contract for its Galleto hydropower station. Two new vertical Francis turbines with generators of 87 MW output capacity each will be installed in the so-called Monte Sant' Angelo section of the station. Furthermore, the supply comprises new hydraulic and digital turbine governors, static excitation systems, the complete controls, and a SCADA system for the hydropower station. Completion of the project is scheduled for 2010. This is the fourth major order that Andritz VA TECH HYDRO has received from ENDESA Italia. In 2007, this Italian utility company had contracted with Andritz VA TECH HYDRO on the renewal of the Galleto, Baschi, and Alviano power stations. Modernization projects for hydropower stations have become economically attractive in Italy due to the introduction of the electric power stock exchange and the trade in emission certificates. Thus, Andritz VA TECH HYDRO was in a position to conclude a large number of additional contracts relating to different turbine type supplies.

- From EDP Gestão da Produção de Energia S.A., Portugal, Andritz VA TECH HYDRO received a contract for the extension of the Bemposta hydropower station on the Douro River located close to the border with Spain. With a runner diameter of 5.9 m and a runner weight of 100 t, this Andritz Francis turbine will be one of the largest in Europe, as will the generator, whose diameter is approximately 13 m. The new machine set will be placed in a 60 meter-deep pit. Work on this project will last until the second half of 2011. This major order underlines the presence of Andritz VA TECH HYDRO in the strongly growing hydropower market in Southwest Europe. At the end of 2007, two orders had been booked from that region – for Cabril and Bouca stations of the Spanish utility company EDP.

- Verbund-Austrian Hydro Power (AHP) awarded the contract for the supply of a Compact Bulb Turbine unit for the Gstatterboden, Austria, weir power station to Andritz VA TECH HYDRO.

- The order intake for centrifugal pumps and turbo generators progressed well during the first quarter of 2008; approximately 2,300 pumps were ordered, including large cooling water pumps for thermal power stations concluded with Siemens AG (power station Gent, Belgium) and Vattenfall, Europe's fifth largest power generator (power station Moorburg, Germany). In addition, turbo generators with an overall capacity of approximately 1,800 MW were delivered to several customers.

KEY FIGURES HYDRO POWER

MEUR	Q1 2008	Q1 2007	+/-	2007
Order intake	392.2	294.0	+33.4%	**1,216.1**
Order backlog (as of end of period)	2,127.1	1,770.2	+20.2%	**1,954.9**
Sales	217.6	162.0	+34.3%	**910.0**
EBITDA	16.9	10.9	+55.0%	**63.6**
EBITDA margin	7.8%	6.7%	-	**7.0%**
EBITA	12.6	7.6	+65.8%	**49.5**
EBITA margin	5.8%	4.7%	-	**5.4%**
Employees (as of end of period)	4,519	3,738	+20.9%	**4,390**

ROLLING MILLS & STRIP PROCESSING LINES

MARKET DEVELOPMENT

In the first quarter of 2008, the market for carbon steel and stainless steel equipment continued to develop positively. Project activity of the business area remained on a high level, especially in Europe, China, and India. Several orders for new plants and modernization of existing mills were awarded.

In the stainless steel sector, project activity for both modernization and new plants developed favorably. The strong demand for stainless steel – in particular, in the emerging markets like China and India – was again the main driver of this development.

BUSINESS DEVELOPMENT

Sales of the business area during the first quarter of 2008 amounted to 113.2 MEUR, a decrease of 6.8% compared to the reference period of last year (Q1 2007: 121.5 MEUR). EBITA amounted to 7.0 MEUR in Q1 2008 (Q1 2007: 8.7 MEUR).

Order intake, at 244.5 MEUR for the first quarter of 2008, surpassed the very high level of last year's reference period by 12.7% (Q1 2007: 216.9 MEUR). Order backlog, at 810.0 MEUR, reached a new record high (+62.4% vs. Q1 2007: 498.9 MEUR), giving a good visibility for the sales development in the coming quarters.

MAJOR ORDERS

- Jindal Stainless Steel Ltd. ordered annealing and pickling lines for hot-rolled and cold-rolled strip for the new stainless steel mill in Orissa, India. Both lines incorporate special S-6 high cold-rolling mills to enable production of final products in one manufacturing process. The annealing and pickling line for hot-rolled strip with integrated S-6 high cold-rolling mill will have an annual capacity of 850,000 t and produce strip with a width of up to 1,650 mm in the thickness range 1.4–10 mm. The annealing and pickling line for cold-rolled strip incorporates three S-6 high cold-rolling mills and a skin pass mill; it will have an annual capacity of 450,000 t and produce strip with a width of up to 1,650 mm in the thickness range 0.3–5 mm. Start-up of the plants will be during the first half of 2010.

- WISCO Wuhan Iron & Steel Group Corp., China ordered an electrolytic galvanizing line. This line – the first electrolytic galvanizing line in the Chinese steel works in Wuhan – will produce galvanized steel strip for the highest quality standard of the automotive and electrical appliance market. Andritz, with its Gravitel process, was chosen as the key supplier for the process section of the electrolytic galvanizing line. This order confirms again the continuous success of Andritz in the field of electro-galvanizing after having received two orders from Baosteel, China in 2006.

- As part of the expansion program of all steel plants under its fold, Steel Authority of India Limited, India's largest steel group, placed an order for the erection of a hot-dip galvanizing line in the Bokaro steel plant, India. The line will have an annual capacity of 380,000 t and is scheduled for start-up in May 2010. The line will produce high end galvanized and galvannealed products for the automotive industry, white goods industry, and appliance industry. Andritz's scope for this project comprises engineering, as well as supply, erection, and commissioning of the furnace and cooling tower.

- Salem Steel, a subsidiary of Steel Authority of India Limited, awarded Andritz an order to supply a combined annealing and pickling line for hot-rolled and cold-rolled stainless strip including a regeneration plant for used mixed acids. It is the first regeneration system of this kind in India and markedly reduces production effluents, thus significantly contributing to the protection of the environment. The lines are scheduled to start up in December 2009.

- SZ Acroni, Slovenia ordered a side trimming and cut-to-length line for hot strip plates from Andritz Sundwig. The line effects the side trimming and cutting to length of plates of 8–25 mm thickness with a width of up to 2,200 mm. In addition to the mechanical equipment, Andritz Sundwig supplies the complete automation and drive technology.

- For Arcelor Mittal Genk-Stainless Europe, Belgium Andritz Sundwig will extend the existing hot and cold strip annealing and pickling line for stainless steel strips with a strip width of max. 2,100 mm and a max. thickness of 8 mm (cold strip) and 13 mm (hot strip). The scope of supply for the Genk plant in Belgium comprises a 2-high skinpassing mill stand with shapemeter roll and control, the basic electrical technology for the installation in the line exit section, as well as corresponding equipment such as bridles for tension increase and reduction, strip accumulator, and steering rolls.

KEY FIGURES ROLLING MILLS & STRIP PROCESSING LINES

MEUR	Q1 2008	Q1 2007	+/-	2007
Order intake	244.5	216.9	+12.7%	636.4
Order backlog (as of end of period)	810.0	498.9	+62.4%	631.6
Sales	113.2	121.5	-6.8%	408.0
EBITDA	7.7	9.3	-17.2%	32.1
EBITDA margin	6.8%	7.7%	-	7.9%
EBITA	7.0	8.7	-19.5%	29.7
EBITA margin	6.2%	7.2%	-	7.3%
Employees (as of end of period)	945	836	+13.0%	880

ENVIRONMENT & PROCESS

MARKET DEVELOPMENT

During the first quarter of 2008, the market for sewage sludge dewatering equipment remained at a satisfactory level, especially in Asia, China, and the USA. Project activity for industrial applications for the petrochemical, mining, and food processing industries was high in most regions of the world. The demand for dewatering equipment to treat industrial sludges remained at a very high level; an increased project activity for the dewatering of contaminated earth and harbor sludges was noted.

Project activities for sludge drying plants continued to focus on the UK, the Arabic States, and Southeast Asia. Due to rising fuel prices, the market for refurbishments of drying plants with combined heat and power solutions, heat recovery, and plants with combined incineration increased. The demand for alternative fuel sources was significantly rising indicating high project activities for the drying of wood chips and sawdust for the production of pellets.

BUSINESS DEVELOPMENT

The business area's sales during the first quarter of 2008 amounted to 66.3 MEUR, a decrease of 16.7% compared to the reference quarter of last year (Q1 2007: 79.6 MEUR). Both divisions of the business area, Separation Technologies and Thermal Process Technologies, showed a decline in sales during the reporting period. Sales in the Separation Technologies division were mainly impacted by the fact that several projects were in their initial processing stages. Sales in the Thermal Process Technologies division were down due to the unchanged weak market environment. As a result, EBITA of the business area decreased to 2.7 MEUR (Q1 2007: 5.3 MEUR).

Order intake during the first quarter of 2008 amounted to 99.0 MEUR, practically unchanged compared to the reference period of last year (Q1 2007: 98.0 MEUR).

MAJOR ORDERS

- Anglo American, Chile ordered two hyperbaric filters for the dewatering of copper concentrate in order to extend the capacity of the existing plant that had been equipped with Andritz hyperbaric filters already in the 1990s.
- Three hyperbaric filters for fine coal dewatering will be delivered to China.
- From OAO Severstal, Russia, orders for one disc filter, two heavy duty belt presses, and one centrifuge for the recycling of coal from old tailing ponds were received.
- For beneficiation plants in Brazil and Peru, Votorantim ordered a total of 22 filter presses for various mining applications.
- Four large decanters for the dewatering of bisphenol will be delivered to Taiwan.
- To Korea, four fully equipped mobile centrifuge units will be supplied.
- OAO Kaustik, Sterlitamak, Russia placed an order for a fluidized bed dryer line for PVC.
- For the plant of Isdemir (Iskenderun Demir ve Cellik A.S.) located near Iskenderun, Turkey a fluidized bed dryer line for gas cleaning sludge (iron oxide) will be delivered.

KEY FIGURES ENVIRONMENT & PROCESS

MEUR	Q1 2008	Q1 2007	+/-	2007
Order intake	99.0	98.0	+1.0%	346.9
Order backlog (as of end of period)	190.2	195.4	-2.7%	161.1
Sales	66.3	79.6	-16.7%	364.5
EBITDA	3.9	6.5	-40.0%	30.3
EBITDA margin	5.9%	8.2%	-	8.3%
EBITA	2.7	5.3	-49.1%	25.3
EBITA margin	4.1%	6.7%	-	6.9%
Employees (as of end of period)	1,388	1,325	+4.8%	1,350

FEED & BIOFUEL

MARKET DEVELOPMENT

Project activity for animal feed plants continued to develop very favorably during the first quarter of 2008, especially in the emerging regions of Asia, Eastern Europe, Russia, as well as Central and South America.

In the area of aquatic feed, projects focused on both plant expansions and new greenfield projects; in particular, the freshwater fish farming sector in Asia was very active. Investment activity in the pet food industry remained at a high level with Europe and South America being the most active regions.

The capacity expansion activity in the renewable energy sector continued at a high level, especially for wood pelleting. The most active regions were North and South America, Northern and Central Europe, and Asia.

BUSINESS DEVELOPMENT

Sales of the business area during the first quarter of 2008 amounted to 34.7 MEUR (Q1 2007: 35.3 MEUR). EBITA, at 3.3 MEUR, remained at the high level of the first quarter of 2007 (3.3 MEUR).

Order intake during the first quarter of 2008 reached 42.7 MEUR, thus slightly up compared to the very high level of last year's reference quarter (Q1 2007: 42.2 MEUR).

MAJOR ORDERS

- The business area received significant orders for large processing lines from the wood pelleting industries in Scandinavia, Eastern Europe, as well as North and South America.
- Several orders were booked for aquatic feed extrusion lines; among them a large order for a greenfield aquatic feed plant, which was awarded by a Western European customer. In addition, several orders for extrusion lines from Asia were received.
- An order for a high-capacity pet food extrusion line was secured in South America.

KEY FIGURES FEED & BIOFUEL

MEUR	Q1 2008	Q1 2007	+/-	2007
Order intake	42.7	42.2	+1.2%	143.7
Order backlog (as of end of period)	42.6	36.8	+15.8%	35.3
Sales	34.7	35.3	-1.7%	137.8
EBITDA	3.8	3.7	+2.7%	15.2
EBITDA margin	11.0%	10.5%	-	11.0%
EBITA	3.3	3.3	+0.0%	13.3
EBITA margin	9.5%	9.3%	-	9.7%
Employees (as of end of period)	572	537	+6.5%	553

CONSOLIDATED FINANCIAL STATEMENTS OF THE ANDRITZ GROUP

CONSOLIDATED INCOME STATEMENT

FOR Q1 2008 (CONDENSED, UNAUDITED)

TEUR	Q1 2008	Q1 2007*
Sales	**750,882**	**730,899**
Changes in inventories of finished goods and work in progress	25,599	2,504
Capitalized cost of self-constructed assets	60	455
	776,541	733,858
Other operating income	10,405	6,193
Cost of materials	(451,988)	(426,959)
Personnel expenses	(177,499)	(163,826)
Other operating expenses	(102,096)	(99,750)
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	**55,363**	**49,516**
Depreciation, amortization and impairment of intangible assets and property, plant, and equipment	(12,592)	(11,147)
Impairment of goodwill	0	0
Earnings before interest and taxes (EBIT)	**42,771**	**38,369**
Income/expenses from associated companies	300	806
Interest result	336	1,264
Other income from financing activities	114	101
Financial results	**750**	**2,171**
Earnings before taxes (EBT)	**43,521**	**40,540**
Income taxes	(12,289)	(11,479)
NET INCOME	**31,232**	**29,061**
Thereof attributable to:		
Shareholders of the parent company	30,218	28,537
Minority interests	1,014	524
Weighted average number of no-par value shares	51,093,009	51,579,789
Earnings per no-par value share (in EUR)	0.59	0.55
Effect of potential dilution of share options	64,556	183,452
Weighted average number of no-par value shares and share options	51,157,565	51,763,241
Diluted earnings per no-par value share (in EUR)	0.59	0.55

* restated

CONSOLIDATED BALANCE SHEET

AS OF MARCH 31, 2008 (CONDENSED, UNAUDITED)

TEUR	March 31, 2008	December 31, 2007
ASSETS		
Intangible assets	44,614	46,373
Goodwill	228,598	227,083
Property, plant, and equipment	265,639	260,153
Shares in associated companies	7,575	6,825
Other investments	32,775	32,997
Non-current receivables and other non-current assets	10,531	10,221
Deferred tax assets	54,764	56,982
Non-current assets	**644,496**	**640,634**
Inventories	270,067	250,632
Advance payments made	97,448	85,669
Trade accounts receivable	355,655	400,163
Cost and earnings of projects under construction in excess of billings	407,394	391,305
Other current receivables	158,373	128,716
Prepayments and deferred charges	12,013	11,595
Marketable securities	101,661	101,887
Cash and cash equivalents	699,657	496,926
Current assets	**2,102,268**	**1,866,893**
TOTAL ASSETS	**2,746,764**	**2,507,527**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	104,000	104,000
Capital reserves	36,476	36,476
Retained earnings	290,878	326,933
Equity attributable to shareholders of the parent	**431,354**	**467,409**
Minority interests	**15,474**	**14,166**
Total shareholders' equity	**446,828**	**481,575**
Bonds – non-current	345,746	192,268
Bank loans and other financial liabilities – non-current	25,715	28,804
Provisions – non-current	188,746	184,214
Obligations under finance leases – non-current	469	551
Other liabilities – non-current	4,428	6,976
Liabilities for deferred taxes	99,117	99,604
Non-current liabilities	**664,221**	**512,417**
Bonds – current	99,981	99,995
Bank loans and other financial liabilities – current	25,446	29,931
Obligations under finance leases – current	837	799
Trade accounts payable	273,844	314,028
Billings in excess of cost and earnings of projects under construction	490,884	388,034
Advance payments received	82,494	82,255
Provisions – current	203,959	210,592
Liabilities for current taxes	23,871	20,182
Other liabilities – current	434,399	367,719
Current liabilities	**1,635,715**	**1,513,535**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**2,746,764**	**2,507,527**

CONSOLIDATED CASH FLOW STATEMENT

FOR Q1 2008 (CONDENSED, UNAUDITED)

TEUR	Q1 2008	Q1 2007*
Cash flow from operating activities	133,771	39,747
Cash flow from investing activities	(24,967)	(56,983)
Cash flow from financing activities	93,927	8,566
Change in cash and cash equivalents	202,731	(8,670)
Cash and cash equivalents at the beginning of the period	**496,926**	**670,591**
Cash and cash equivalents at the end of the period	**699,657**	**661,921**

* restated

CASH FLOWS FROM ACQUISITION OF SUBSIDIARIES*

TEUR	Hydro Power	Rolling Mills & Strip Processing Lines	Q1 2008	Q1 2007
Cash and cash equivalents	(90)	(2,050)	(2,140)	0
Receivables and other current assets	(4,014)	(32,914)	(36,928)	0
Inventories	(1,306)	(6,918)	(8,224)	0
Intangible assets	0	(95)	(95)	0
Property, plant, and equipment	(2,498)	(1,457)	(3,955)	0
Financial assets	(11)	0	(11)	0
Liabilities	5,031	35,512	40,543	0
Financial debt	1,748	0	1,748	0
Net assets/liabilities acquired	(1,140)	(7,922)	(9,062)	0
Cash and cash equivalents	90	2,050	2,140	0
Goodwill	0	(4,406)	(4,406)	0
Purchase price for investments previously accounted under the equity method	64	0	64	0
Net cash flow	**(986)**	**(10,278)**	**(11,264)**	**0**

* converted by using exchange rates as per dates of transaction

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

FOR Q1 2008 (CONDENSED, UNAUDITED)

(in TEUR)	Share capital	Capital reserves	Other retained earnings	IAS 39 reserve	Currency translation adjustment	Total	Minority interests	Total share-holders'equity
	Attributable to shareholders of the parent							
Status as at January 1, 2007*	**94,510**	**45,966**	**283,725**	**673**	**(22,046)**	**402,828**	**11,712**	**414,540**
Currency translation adjustments					(1,403)	(1,403)	143	(1,260)
Changes to IAS 39 reserve				2,320		2,320	(24)	2,296
Gains/(losses) recognized directly in equity, net of taxes on income	**0**	**0**	**0**	**2,320**	**(1,403)**	**917**	**119**	**1,036**
Net income			28,537			28,537	524	29,061
Total gains/(losses) for the year	**0**	**0**	**28,537**	**2,320**	**(1,403)**	**29,454**	**643**	**30,097**
Dividends			(38,690)			(38,690)	(583)	(39,273)
Changes concerning own shares			211			211		211
Other changes			811			811		811
Status as at March 31, 2007*	**94,510**	**45,966**	**274,594**	**2,993**	**(23,449)**	**394,614**	**11,772**	**406,386**
Status as at January 1, 2008	**104,000**	**36,476**	**360,713**	**644**	**(34,424)**	**467,409**	**14,166**	**481,575**
Currency translation adjustments					(13,355)	(13,355)	(120)	(13,475)
Changes to IAS 39 reserve				(2,441)		(2,441)	(6)	(2,447)
Gains/(losses) recognized directly in equity, net of taxes on income	**0**	**0**	**0**	**(2,441)**	**(13,355)**	**(15,796)**	**(126)**	**(15,922)**
Net income			30,218			30,218	1,014	31,232
Total gains/(losses) for the year	**0**	**0**	**30,218**	**(2,441)**	**(13,355)**	**14,422**	**888**	**15,310**
Dividends			(51,087)			(51,087)		(51,087)
Changes from acquisitions						0	420	420
Changes concerning own shares			(966)			(966)		(966)
Other changes			1,576			1,576		1,576
Status as at March 31, 2008	**104,000**	**36,476**	**340,454**	**(1,797)**	**(47,779)**	**431,354**	**15,474**	**446,828**

* restated

NOTES

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL REPORT AS OF MARCH 31, 2008

GENERAL

The interim report as of March 31, 2008 was prepared in accordance with the principles set forth in the International Financial Reporting Standards (IFRS) – guidelines for interim reporting (IAS 34) – which are to be applied in the European Union. The accounting and valuation methods as of December 31, 2007 have been maintained without any change. For additional information on the accounting and valuation principles, see the consolidated financial statements as of December 31, 2007, which form the basis for this interim consolidated financial report.

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

This interim report as of March 31, 2008 was neither subject to a complete audit nor to an audit review by an auditor.

CHANGES IN THE CONSOLIDATED COMPANIES/ACQUISITIONS

The following companies were not, or only partially, included in the Andritz Group's consolidated financial statements of the reference period January 1–March 31, 2007:

- Sindus Human Technology (service company for pulp and paper plants)
- MAERZ Industrieofenanlagen GmbH (heat treatment plants and melting furnaces)
- Tigép Kft. (production of heavy machinery, especially for Hydro Power)
- Remaining 60% of Waplans Mekaniska Verkstads AB (service company for hydropower as well as the pulp and paper industries)

The initial accounting for these companies was based on preliminary figures. The initial accounting for the companies acquired in 2006 was based on preliminary figures and led to restatements within the 12 months after the acquisition date according to IFRS 3. Details are explained in the consolidated financial statements 2007.

SEASONALITY

As a rule, the business of the Andritz Group is not characterized by any seasonality.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

In the first quarter of 2008, sales of the Andritz Group amounted to 750.9 MEUR, a slight increase of 2.7% compared to the reference quarter of last year (Q1 2007: 730.9 MEUR). The Group's earnings before interest and taxes (EBIT) amounted to 42.8 MEUR. This is an increase of 11.5% compared to the first quarter of 2007 (38.4 MEUR).

NOTES TO THE CONSOLIDATED BALANCE SHEET

Total assets as of March 31, 2008 amounted to 2,746.8 MEUR, thus 239.3 MEUR higher than as of December 31, 2007. The main reason for this increase was the successful issue of a 150 MEUR corporate bond in February 2008. The net working capital as of March 31, 2008 amounted to 1.6 MEUR.

During the current business year, Andritz AG paid dividends in the amount of 51.1 MEUR for the business year 2007.

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

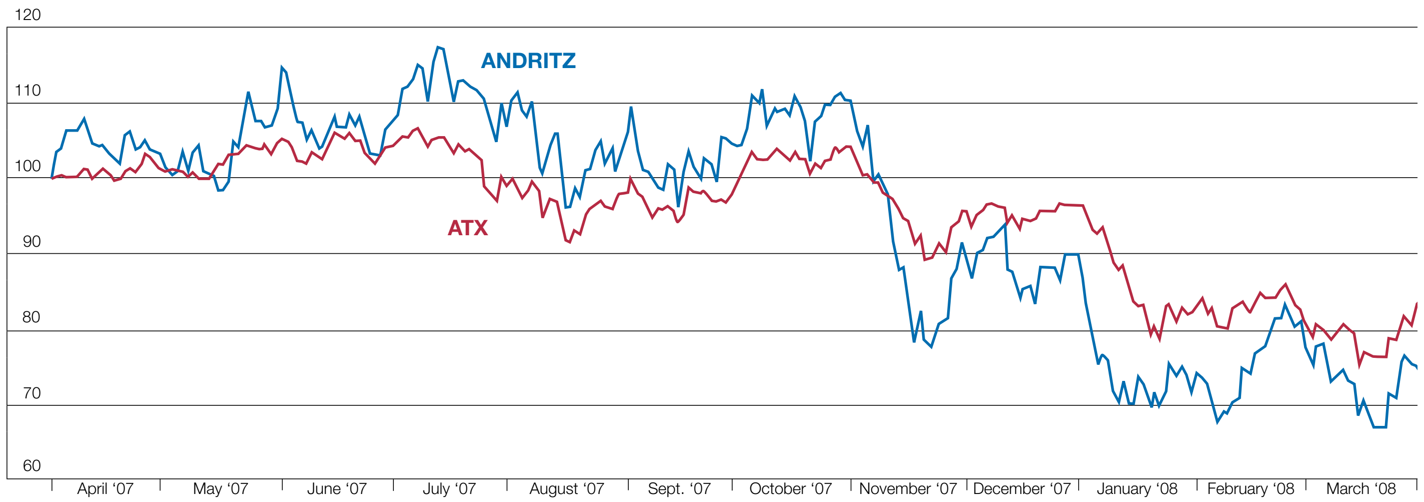
Cash flow from operating activities amounted to 133.8 MEUR for the first quarter of 2008 (Q1 2007: 39.7 MEUR). This increase, compared to the reference period of last year, was mainly due to the good earnings development and the changes in the net current assets.

Cash flow from investing activities during the first quarter of 2008 amounted to 25.0 MEUR (Q1 2007: 57.0 MEUR) and resulted from investments in tangible and intangible assets and securities of 13.9 MEUR, plus payments for the acquisition of companies or business areas.

ANDRITZ SHARE

Share price performance of the Andritz share vs. the ATX (April 1, 2007–March 31, 2008)

Note: On May 3, 2007, the Andritz share was split in a ratio of 1:4; historical price data were adjusted accordingly.



STOCK EXCHANGE FIGURES

	Q1 2008	Q1 2007	2007
Highest closing price (EUR)	39.81	47.53	54.00
Lowest closing price (EUR)	30.94	38.12	35.80
Closing price as of end of period (EUR)	34.77	46.95	41.45
Market capitalization as of end of period (MEUR)	1,808.0	2,441.3	2,155.4
Performance	-12.7%	+16.2%	+2.6%
ATX weighting as of end of period (%)	2.4619	2.7090	2.3946
Average daily number of shares traded	542,082	360,516	452,909

Source: Vienna Stock Exchange

KEY FIGURES FOR ANDRITZ SHARES

ISIN code	AT0000730007
First listing day	June 25, 2001
Types of shares	no-par value shares, bearer shares
Total number of shares	52 million
Authorized capital	none
Free float	approximately 72%
Stock exchange	Vienna (Prime Market)
Ticker symbols	Reuters: ANDR.VI; Bloomberg: ANDR, AV
Stock exchange indices	ATX, ATXPrime, WBI

FINANCIAL CALENDAR FOR 2008

August 1, 2008	**Results for first half of 2008**
November 7, 2008	**Results for Q1–Q3 2008**

Further information about planned roadshows, participations in investor conferences, etc. can be found on www.andritz.com

SHARE PRICE DEVELOPMENT

During the first quarter of 2008, the development of the Andritz share price continued to be influenced by the negative sentiment on the international financial markets. Uncertainties with regard to the further development of the global economy as a result of the subprime crisis in the USA continued to weigh on investors' sentiment. In line with the peer group, the Andritz share price decreased by 12.7% during the first quarter of 2008, but again outperformed the ATX, the leading stock index on the Vienna stock exchange, which fell by 16.5% during the same period.

The highest closing price of the Andritz share during the reporting period was 39.81 Euros (January 2, 2008), the lowest was 30.94 Euros (March 20, 2008).

TRADING VOLUME

The average daily trading volume during the first quarter of 2008 was 542,082 shares (Q1 2007: 360,516 shares). The highest daily trading volume was noted on February 14, 2008 (1,052,494 shares), the lowest trading volume on March 10, 2008 (218,892 shares).

SHARE BUY-BACK

On March 27, 2008 the annual general meeting of shareholders authorized the Executive Board to buy back and sell up to 10% of Andritz's total share capital for 30 months, starting October 1, 2008. The minimum price was fixed at 5.00 EUR per share, the maximum price for buy-back shares was fixed at 30% above the average unweighted closing price during the ten trading days preceding the buy-back.

STOCK OPTION PROGRAM

The annual general meeting of shareholders also approved a stock option program (SOP) for the members of the Executive Board and approximately 50–70 executives of the Andritz Group. Participation in the SOP is contingent on investing at least 20,000 EUR (40,000 EUR for the members of the Executive Board) in Andritz shares and owning these shares uninterruptedly until the exercise of these options, which is contingent on a certain share price increase as well as a certain increase of earnings per share. Options may be exercised between May 1, 2010 and April 30, 2012.

INVESTOR RELATIONS

During the first quarter of 2008, meetings with institutional investors were held in Lugano, Milan, Boston, Salt Lake City, San Francisco, Vancouver, Denver, New York, Tokyo, London, Frankfurt, Brussels, and Paris.

In the reporting period, Capital Bank, Austria initiated the research coverage on Andritz. As a consequence, already 12 national and international banks and investment companies publish reports on Andritz on a regular basis. They are (in alphabetical order): Berenberg Bank, Capital Bank, Crédit Agricole Cheuvreux, Deutsche Bank, Erste Bank, Goldman Sachs, JPMorgan, Kaupthing Sofi, Sal. Oppenheim, Raiffeisen Centrobank, UBS, and Unicredit.

Shareholder structure in % as of March 31, 2008

Shareholder structure of the free float by region in % as of March 31, 2008

Source: Andritz estimate

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Photo page 1:
Fray Bentos, Uruguay is the first pulp mill in the world to have all production systems as well as the entire maintenance concept and maintenance services provided by one supplier – Andritz.

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Online versions of financial reports
The online version of this financial report as well as the online versions of former financial reports are available on the Andritz website (www.andritz.com) or directly on http://reports.andritz.com/2008q1/