



# Q1-Q3 2016

**ANDRITZ**

Interim financial report first three quarters of 2016

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## KEY FINANCIAL FIGURES OF THE ANDRITZ GROUP

	<i>Unit</i>	<b>Q1-Q3 2016</b>	<b>Q1-Q3 2015*</b>	<b>+/-</b>	<b>Q3 2016</b>	<b>Q3 2015*</b>	<b>+/-</b>	<b>2015</b>
Order intake	MEUR	4,036.5	3,767.6	+7.1%	1,470.1	1,187.6	+23.8%	6,017.7
Order backlog (as of end of period)	MEUR	7,043.6	6,891.8	+2.2%	7,043.6	6,891.8	+2.2%	7,324.2
Sales	MEUR	4,239.3	4,589.1	-7.6%	1,478.1	1,583.5	-6.7%	6,377.2
Return on sales <sup>1)</sup>	%	6.2	5.6	-	6.7	6.3	-	5.8
EBITDA <sup>2)</sup>	MEUR	363.5	364.1	-0.2%	133.9	133.2	+0.5%	534.7
EBITA <sup>3)</sup>	MEUR	292.1	295.0	-1.0%	109.1	110.1	-0.9%	429.0
Earnings Before Interest and Taxes (EBIT)	MEUR	261.8	259.1	+1.0%	98.8	99.5	-0.7%	369.1
Earnings Before Taxes (EBT)	MEUR	277.5	263.1	+5.5%	105.6	96.7	+9.2%	376.4
Net income (including non- controlling interests)	MEUR	194.3	183.5	+5.9%	73.9	67.6	+9.3%	270.4
Net income (without non- controlling interests)	MEUR	194.2	181.3	+7.1%	73.9	67.4	+9.6%	267.7
Cash flow from operating activities	MEUR	345.7	132.8	+160.3%	145.1	140.6	+3.2%	179.4
Capital expenditure <sup>4)</sup>	MEUR	76.3	59.7	+27.8%	31.5	23.4	+34.6%	101.4
Employees (as of end of period; without apprentices)	-	25,547	24,769	+3.1%	25,547	24,769	+3.1%	24,508
Non-current assets	MEUR	1,905.4	1,918.2	-0.7%	1,905.4	1,918.2	-0.7%	1,844.7
Current assets	MEUR	4,105.1	3,802.9	+7.9%	4,105.1	3,802.9	+7.9%	3,933.3
Total shareholders' equity <sup>5)</sup>	MEUR	1,228.9	1,105.5	+11.2%	1,228.9	1,105.5	+11.2%	1,215.6
Provisions	MEUR	1,140.8	1,056.1	+8.0%	1,140.8	1,056.1	+8.0%	1,130.4
Liabilities	MEUR	3,640.8	3,559.5	+2.3%	3,640.8	3,559.5	+2.3%	3,432.0
Total assets	MEUR	6,010.5	5,721.1	+5.1%	6,010.5	5,721.1	+5.1%	5,778.0
Equity ratio <sup>6)</sup>	%	20.4	19.3	-	20.4	19.3	-	21.0
Return on equity <sup>7)</sup>	%	22.6	23.8	-	8.6	8.7	-	31.0
Return on investment <sup>8)</sup>	%	4.4	4.5	-	1.6	1.7	-	6.4
Liquid funds <sup>9)</sup>	MEUR	1,494.9	1,367.1	+9.3%	1,494.9	1,367.1	+9.3%	1,449.4
Net liquidity <sup>10)</sup>	MEUR	974.0	930.3	+4.7%	974.0	930.3	+4.7%	984.0
Net debt <sup>11)</sup>	MEUR	-542.5	-524.1	-3.5%	-542.5	-524.1	-3.5%	-601.6
Net working capital <sup>12)</sup>	MEUR	-261.0	-354.1	+26.3%	-261.0	-354.1	+26.3%	-182.1
Capital employed <sup>13)</sup>	MEUR	727.2	575.1	+26.4%	727.2	575.1	+26.4%	736.7
Gearing <sup>14)</sup>	%	-44.1	-47.4	+7.0%	-44.1	-47.4	+7.0%	-49.5
EBITDA margin	%	8.6	7.9	-	9.1	8.4	-	8.4
EBITA margin	%	6.9	6.4	-	7.4	7.0	-	6.7
EBIT margin	%	6.2	5.6	-	6.7	6.3	-	5.8
Net income <sup>15)</sup> /sales	%	4.6	4.0	-	5.0	4.3	-	4.2
Depreciation and amortization/sales	%	2.4	2.2	-	2.4	2.1	-	2.4

\* Restated, refer to chapter "C) Restatement of prior years" in the Notes to the consolidated financial statements 2015.

1) EBIT (Earnings Before Interest and Taxes)/sales 2) Earnings Before Interest, Taxes, Depreciation, and Amortization 3) Earnings Before Interest, Taxes, Amortization of identifiable assets acquired in a business combination and recognized separately from goodwill at the amount of 30,382 TEUR (33,952 TEUR for Q1-Q3 2015, 44,644 TEUR for 2015) and impairment of goodwill at the amount of 0 TEUR (1,955 TEUR for Q1-Q3 2015, 15,273 TEUR for 2015) 4) Additions to intangible assets and property, plant, and equipment 5) Total shareholders' equity incl. non-controlling interests 6) Shareholders' equity/total assets 7) EBT (Earnings Before Taxes)/shareholders' equity 8) EBIT (Earnings Before Interest and Taxes)/total assets 9) Cash and cash equivalents plus marketable securities plus loans against borrowers' notes 10) Liquid funds plus fair value of interest rate swaps minus financial liabilities 11) Interest bearing liabilities including provisions for severance payments, pensions, and jubilee payments minus cash and cash equivalents, marketable securities and loans against borrowers' notes 12) Non-current receivables plus current assets (excluding cash and cash equivalents as well as marketable securities and loans against borrowers' notes) minus other non-current liabilities and current liabilities (excluding financial liabilities and provisions) 13) Net working capital plus intangible assets and property, plant, and equipment 14) Net debt/total shareholders' equity 15) Net income (including non-controlling interests)

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

## KEY FINANCIAL FIGURES OF THE BUSINESS AREAS

### HYDRO

	<i>Unit</i>	<b>Q1-Q3 2016</b>	<b>Q1-Q3 2015</b>	<i>+/-</i>	<b>Q3 2016</b>	<b>Q3 2015</b>	<i>+/-</i>	<b>2015</b>
Order intake	MEUR	1,060.9	1,122.0	-5.4%	469.5	327.3	+43.4%	1,718.7
Order backlog (as of end of period)	MEUR	3,393.5	3,585.8	-5.4%	3,393.5	3,585.8	-5.4%	3,640.9
Sales	MEUR	1,179.7	1,309.6	-9.9%	372.4	443.3	-16.0%	1,834.8
EBITDA	MEUR	105.8	116.1	-8.9%	34.0	42.3	-19.6%	183.6
EBITDA margin	%	9.0	8.9	-	9.1	9.5	-	10.0
EBITA	MEUR	82.4	91.6	-10.0%	26.4	33.6	-21.4%	145.3
EBITA margin	%	7.0	7.0	-	7.1	7.6	-	7.9
Employees (as of end of period; without apprentices)	-	7,626	8,474	-10.0%	7,626	8,474	-10.0%	8,230

### PULP & PAPER

	<i>Unit</i>	<b>Q1-Q3 2016</b>	<b>Q1-Q3 2015</b>	<i>+/-</i>	<b>Q3 2016</b>	<b>Q3 2015</b>	<i>+/-</i>	<b>2015</b>
Order intake	MEUR	1,351.0	1,255.7	+7.6%	435.0	346.8	+25.4%	2,263.9
Order backlog (as of end of period)	MEUR	1,790.6	1,609.6	+11.2%	1,790.6	1,609.6	+11.2%	1,998.6
Sales	MEUR	1,534.0	1,586.4	-3.3%	553.6	542.5	+2.0%	2,196.3
EBITDA	MEUR	150.8	167.4	-9.9%	60.4	85.7	-29.5%	214.8
EBITDA margin	%	9.8	10.6	-	10.9	15.8	-	9.8
EBITA	MEUR	132.1	149.5	-11.6%	53.9	79.6	-32.3%	190.9
EBITA margin	%	8.6	9.4	-	9.7	14.7	-	8.7
Employees (as of end of period; without apprentices)	-	7,546	7,226	+4.4%	7,546	7,226	+4.4%	7,324

### METALS

	<i>Unit</i>	<b>Q1-Q3 2016</b>	<b>Q1-Q3 2015</b>	<i>+/-</i>	<b>Q3 2016</b>	<b>Q3 2015</b>	<i>+/-</i>	<b>2015</b>
Order intake	MEUR	1,179.5	953.8	+23.7%	410.8	358.4	+14.6%	1,438.6
Order backlog (as of end of period)	MEUR	1,484.4	1,326.9	+11.9%	1,484.4	1,326.9	+11.9%	1,332.5
Sales	MEUR	1,110.3	1,239.8	-10.4%	406.7	443.7	-8.3%	1,718.1
EBITDA	MEUR	87.5	58.2	+50.3%	34.4	-2.2	+1,663.6%	104.8
EBITDA margin	%	7.9	4.7	-	8.5	-0.5	-	6.1
EBITA	MEUR	64.8	38.3	+69.2%	26.0	-8.9	+392.1%	70.5
EBITA margin	%	5.8	3.1	-	6.4	-2.0	-	4.1
Employees (as of end of period; without apprentices)	-	7,605	6,272	+21.3%	7,605	6,272	+21.3%	6,160

### SEPARATION

	<i>Unit</i>	<b>Q1-Q3 2016</b>	<b>Q1-Q3 2015</b>	<i>+/-</i>	<b>Q3 2016</b>	<b>Q3 2015</b>	<i>+/-</i>	<b>2015</b>
Order intake	MEUR	445.1	436.1	+2.1%	154.8	155.1	-0.2%	596.5
Order backlog (as of end of period)	MEUR	375.1	369.5	+1.5%	375.1	369.5	+1.5%	352.2
Sales	MEUR	415.3	453.3	-8.4%	145.4	154.0	-5.6%	628.0
EBITDA	MEUR	19.4	22.4	-13.4%	5.1	7.4	-31.1%	31.5
EBITDA margin	%	4.7	4.9	-	3.5	4.8	-	5.0
EBITA	MEUR	12.8	15.6	-17.9%	2.8	5.8	-51.7%	22.3
EBITA margin	%	3.1	3.4	-	1.9	3.8	-	3.6
Employees (as of end of period; without apprentices)	-	2,770	2,797	-1.0%	2,770	2,797	-1.0%	2,794

# MANAGEMENT REPORT

## GENERAL ECONOMIC CONDITIONS

In the third quarter of 2016, the world's most important economic regions continued to show unchanged, low growth. The Organization for Economic Co-operation and Development (OECD) once again revised its growth forecast for the global economy and now expects 2.9% (previously 3.0%) and 3.2% (previously 3.3%) economic growth for 2016 and 2017, respectively. The main reason for this is the weak world trade situation, which will show the lowest growth (+1.7% compared to 2.8% previously) in 2016 since the financial crisis, according to estimates by the World Trade Organization (WTO). This is mainly due to the economic slowdown in China and Brazil as well as the weakening of economic growth in North America compared to the preceding years.

Economic performance in the euro zone noted a moderate upswing in the reporting period, however many economic experts have revised their economic forecasts for the euro zone as a result of the UK's vote to leave the EU. The euro zone's gross domestic product (GDP) is expected to increase by 1.5% (previously 1.6%) in 2016 and by 1.4% (previously 1.7%) in 2017. The European Central Bank (ECB) announced that it would leave the key interest rate in the euro zone unchanged at its record low of 0.0%. The ECB's quantitative easing program, which foresees monthly purchases of government and corporate bonds with a total amount of approximately 80 billion euros, will be continued unchanged into 2017. The cheap money should stimulate the economy in the euro zone and lift the continuing low rate of inflation again towards the ECB's target of just under 2.0%.

In the USA, economic growth continued to be moderate. Private consumption, which accounts for around 70% of overall economic performance in the USA, saw somewhat weaker development than expected in the past few months. The OECD's growth forecast for the current year was lowered substantially from 1.8% to 1.4%. The unemployment rate was around 5%. The labor market continued to recover, but at a slightly slower pace. The US Federal Reserve (FED) announced that it would leave the key interest rate within a range of 0.25-0.5% for the time being.

Growth in the main emerging economies remained unchanged at a moderate level during the reporting period. The economy in China saw slightly more growth again in the past few months; in particular, the demand for cars increased substantially. For this year, China is targeting an economic growth of 6.5-7%. However, the Bank for International Settlements (BIS) warned of a credit bubble in China in September because the extremely strong credit growth is already more than three times higher than the level indicating a dangerous development. Debt is concentrated on sectors suffering from overcapacities (particularly real estate and construction); in addition, many companies that are heavily in debt are state-owned.

Brazil is still going through an economic recession and has announced extensive reforms and an austerity program. There are plans to fight the recession with the aid of a privatization program. The Russian economy is slowly improving after two years of recession, but economic experts do not expect a fast recovery.

Sources: research reports by various banks, OECD

## MARKET DEVELOPMENT

### HYDRO

Global investment and project activity for electromechanical equipment for hydropower plants remained at a subdued level during the third quarter of 2016 – some medium-sized projects were awarded selectively in Europe and Asia. Due to the unchanged difficult market conditions impacted by low electricity and energy prices, many modernization and refurbishment projects were postponed until further notice, especially in Europe. In the emerging markets, particularly in Africa and South America, some new hydropower projects are in the planning phase; however, these projects are expected to be awarded only in the medium term. Satisfactory project activity was noted both for small-scale hydropower plants and pumps.

### PULP & PAPER

The international pulp market showed mixed development, depending on the pulp grade, in the third quarter of 2016. While the price for NBSK (Northern Bleached Softwood Kraft) long-fiber pulp remained at a stable level of around 810 USD per ton, the price for short-fiber pulp (eucalyptus) decreased slightly again, falling from around 680 USD per ton at the end of June 2016 to approximately 660 USD per ton at the end of September 2016. The typical weak demand during the summer months and the expectation of new pulp production capacities coming on stream in the coming quarters were the main reasons for the slight decrease in prices.

Overall, the market for pulping equipment showed satisfactory project activity during the reporting period, particularly for modernization of existing pulp mills. No contracts were awarded for greenfield pulp mills, however there are some projects in the planning phase which are expected to be awarded in the medium term.

## METALS

In the metal forming sector for the automotive and automotive supplying industries (market segment of Schuler), the third quarter of 2016 showed satisfactory project and investment activity overall; some important orders were awarded by international car manufacturers and their suppliers. Project activity for equipment for the production and processing of stainless and carbon steel strips remained at an unchanged low level. Selective projects mainly targeted modernization and improvement of productivity and energy efficiency at existing plants, while only a few investments in new plants were realized in view of the continuing low capacity utilization rates. Project and investment activity in the aluminum sector was below the favorable level of the previous year.

## SEPARATION

The global markets for solid/liquid separation equipment showed unchanged mixed development in the third quarter of 2016. While investment and project activity in the environment, chemicals, and mining sectors was satisfactory, demand from the food industry was low. In the animal feed industry, project activity for conventional and special feed remained solid. There was also good project activity in the biomass pelleting sector.

## BUSINESS DEVELOPMENT

### Notes

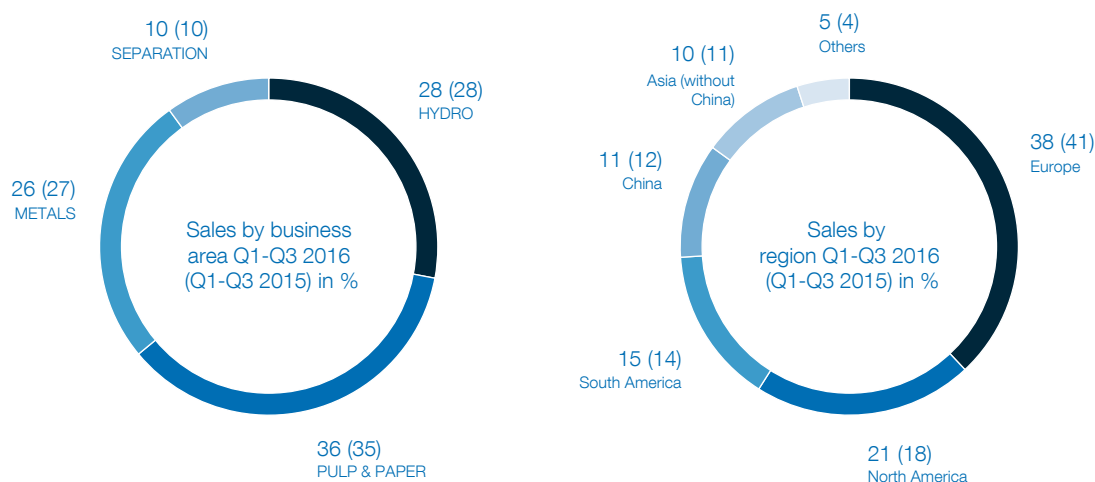
- All figures according to IFRS
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- MEUR = million euros, TEUR = thousand euros

### Sales

Sales of the ANDRITZ GROUP amounted to 1,478.1 MEUR in the third quarter of 2016 and were thus 6.7% below the high reference figure for the previous year (Q3 2015: 1,583.5 MEUR). This decline is mainly attributable to the HYDRO business area, which noticed a significant project-related decline in sales to 372.4 MEUR (-16.0% versus Q3 2015: 443.3 MEUR). While sales in the PULP & PAPER business area increased slightly (+2.0%) compared to the previous year, sales in METALS (-8.3%) and SEPARATION (-5.6%) business areas declined.

In the first three quarters of 2016, sales of the Group amounted to 4,239.3 MEUR, thus decreasing by 7.6% compared to the reference figure of the previous year (Q1-Q3 2015: 4,589.1 MEUR). The business areas' sales development at a glance:

	<i>Unit</i>	<b>Q1-Q3 2016</b>	<b>Q1-Q3 2015</b>	<b>+/-</b>
HYDRO	<i>MEUR</i>	<b>1,179.7</b>	1,309.6	-9.9%
PULP & PAPER	<i>MEUR</i>	<b>1,534.0</b>	1,586.4	-3.3%
METALS	<i>MEUR</i>	<b>1,110.3</b>	1,239.8	-10.4%
SEPARATION	<i>MEUR</i>	<b>415.3</b>	453.3	-8.4%



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

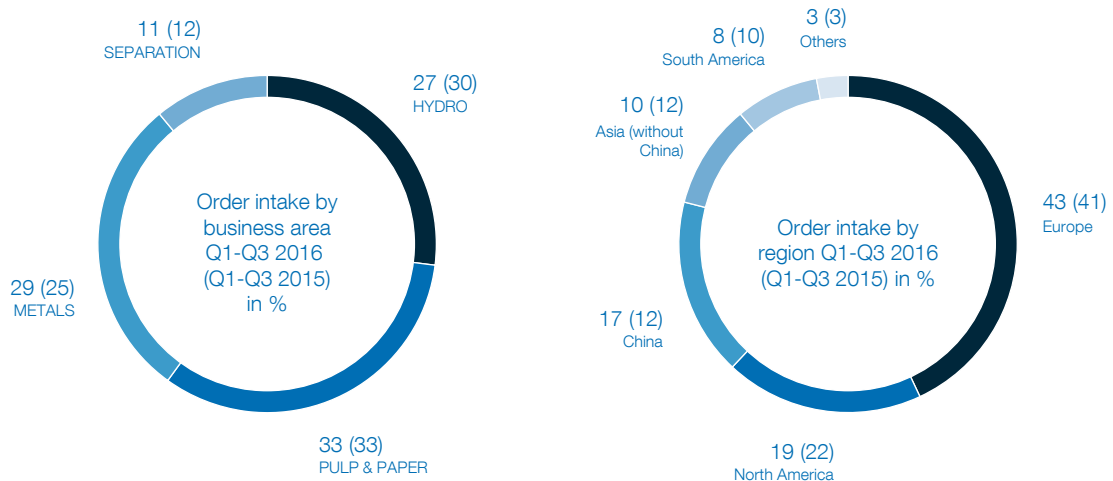
	Q1-Q3 2016	Q1-Q3 2015	Q3 2016	Q3 2015
ANDRITZ GROUP	32	29	32	30
HYDRO	27	25	28	25
PULP & PAPER	40	36	37	37
METALS	22	19	23	19
SEPARATION	48	44	47	45

#### Order intake

The order intake of the Group amounted to 1,470.1 MEUR in the third quarter of 2016, thus increasing by 23.8% compared to the low reference figure for the previous year (Q3 2015: 1,187.6 MEUR). It was also significantly higher than the figures for the two preceding quarters (+11.5% versus Q2 2016: 1,319.0 MEUR; +17.9% versus Q1 2016: 1,247.4 MEUR). The business areas' development in detail for the third quarter of 2016:

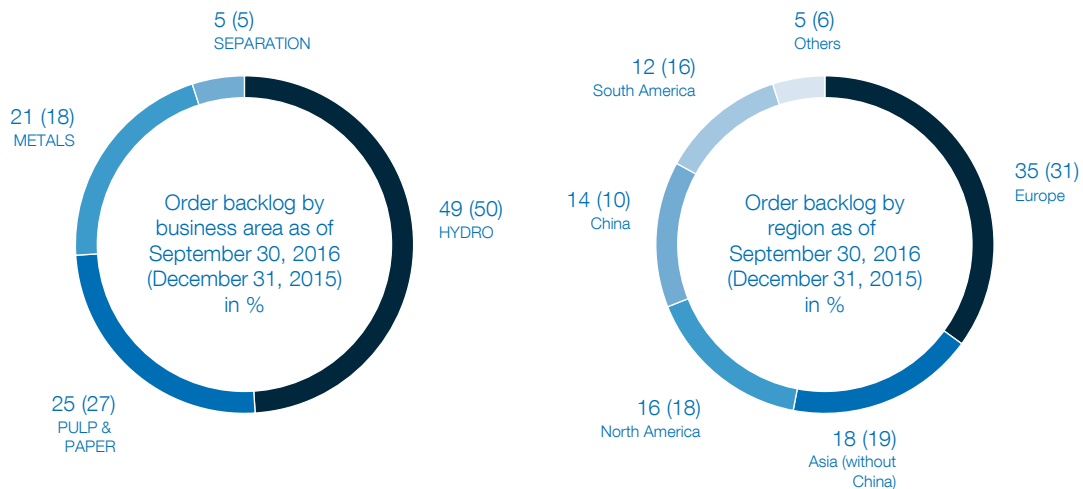
- HYDRO: The order intake, at 469.5 MEUR, reached a very favorable level in view of the continuing difficult market environment and was well above the level for the previous year's reference period (+43.4% versus Q3 2015: 327.3 MEUR). This significant increase is mainly due to several medium-sized order awards in Europe and Asia.
- PULP & PAPER: Order intake amounted to 435.0 MEUR and improved significantly compared to the previous year's reference period (+25.4% versus Q3 2015: 346.8 MEUR).
- METALS: At 410.8 MEUR, order intake also developed very favorably (+14.6% versus Q3 2015: 358.4 MEUR). The metal forming sector for the automotive and the automotive supplying industries (Schuler) received several large orders from Europe, the USA, and China.
- SEPARATION: Order intake amounted to 154.8 MEUR and was thus practically at the same level as for the previous year's reference period (-0.2% versus Q3 2015: 155.1 MEUR).

In the first three quarters of 2016, the Group's order intake of 4,036.5 MEUR was 7.1% higher than in the previous year's reference period (Q1-Q3 2015: 3,767.6 MEUR). While order intake increased compared to the previous year in the PULP & PAPER (+7.6% versus Q1-Q3 2015: 1,255.7 MEUR), METALS (+23.7% versus Q1-Q3 2015: 953.8 MEUR), and SEPARATION (+2.1% versus Q1-Q3 2015: 436.1 MEUR) business areas, order intake in the HYDRO business area was 5.4% below the figure for the previous year's reference period (Q1-Q3 2015: 1,122.0 MEUR).



### Order backlog

As of September 30, 2016, the order backlog of the ANDRITZ GROUP amounted to 7,043.6 MEUR (-3.8% versus December 31, 2015: 7,324.2 MEUR).



### Earnings

Despite of a decline in sales, the EBITA of the Group in the third quarter of 2016 amounted to 109.1 MEUR and was thus practically at the same level as the reference figure for the previous year (-0.9% versus Q3 2015: 110.1 MEUR). Thus, the EBITA margin increased to a solid level of 7.4% (Q3 2015: 7.0%).

Profitability in the business areas developed as follows in the second quarter of 2016:

- The EBITA margin in the HYDRO business area decreased to 7.1% (Q3 2015: 7.6%), which is primarily due to lower sales.
- In the PULP & PAPER business area, profitability amounted to 9.7% and thus reached a very favorable level, but was still below the very high level of the previous year's reference period (Q3 2015: 14.7%), which included project-related one-off improvements of around 30 MEUR.
- The EBITA margin in the METALS business area reached 6.4% and was thus significant above the previous year's reference figure (Q3 2015: -2.0%), which included financial provisions of approximately 55 MEUR for optimization of the value chain at Schuler.
- In the SEPARATION business area, the EBITA margin amounted to 1.9%, thus remaining at an unsatisfactory level (Q3 2015: 3.8%).



In the first three quarters of 2016, the Group's EBITA amounted to 292.1 MEUR and was thus only slightly below the previous year's reference figure (-1.0% vs. Q1-Q3 2015: 295.0 MEUR) in spite of a decline in sales. Profitability (EBITA margin) increased to 6.9% (Q1-Q3 2015: 6.4%).

The financial result increased to 15.7 MEUR (Q1-Q3 2015: 4.0 MEUR). This increase mainly results from a significant improvement of the other financial result, which increased substantially compared to the previous year's reference period as a result of the valuation of intercompany loans and bank balances in foreign currencies (FX) on balance sheet date.

Net income (without non-controlling interests) reached 194.2 MEUR and was thus higher than the reference figure for the previous year (Q1-Q3 2015: 181.3 MEUR).

### Net worth position and capital structure

The net worth position and capital structure as of September 30, 2016 remained solid. Total assets amounted to 6,010.5 MEUR (December 31, 2015: 5,778.0 MEUR). The equity ratio reached 20.4% (December 31, 2015: 21.0%).

Liquid funds (cash and cash equivalents plus marketable securities plus loans against borrowers' notes) amounted to 1,494.9 MEUR (December 31, 2015: 1,449.4 MEUR), net liquidity (liquid funds plus fair value of interest rate swaps minus financial liabilities) amounted to 974.0 MEUR (December 31, 2015: 984.0 MEUR).

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

- Credit lines: 254 MEUR, thereof 144 MEUR utilized
- Surety and guarantee lines: 6,299 MEUR, thereof 2,921 MEUR utilized

#### Assets

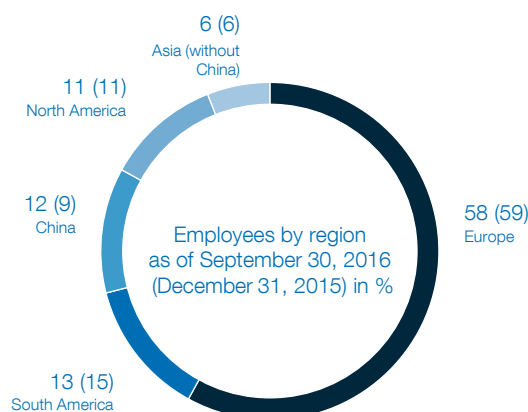
1,905.4 MEUR	2,710.2 MEUR	1,394.9 MEUR
Long-term assets: 32%	Short-term assets: 45%	Cash and cash equivalents and marketable securities: 23%

#### Shareholders' equity and liabilities

1,228.9 MEUR	538.6 MEUR	912.8 MEUR	3,330.2 MEUR
Shareholders' equity incl. minority interests: 20%	Financial liabilities: 9%	Other long-term liabilities: 15%	Other short-term liabilities: 56%

### Employees

As of September 30, 2016, the number of ANDRITZ GROUP employees amounted to 25,547 (December 31, 2015: 24,508 employees). This increase is mainly due to the first-time consolidation of AWEBA Werkzeugbau GmbH Aue, Germany, including group companies, and Yangzhou Metal Forming Machine Tool Co., Ltd. (Yadon). Total number of staff of both companies amounts to 1,583 employees, thereof AWEBA: 568 and Yadon: 1,015 employees.



## Major risks during the remaining months of the financial year

### General risks

The ANDRITZ GROUP is a company operating globally and serving a variety of industrial markets and customers. As such, the Group is subject to certain general and industry-specific risks. ANDRITZ has a Group-wide control and steering system whose main task is to identify nascent risks at an early stage and – if possible – to take countermeasures. This is an important element of active risk management within the Group. However, there is no guarantee that these monitoring and risk control systems are effective enough.

For further information on possible corporate risks and the internal controlling and risk management system, please refer to the ANDRITZ annual financial report 2015.

### Current risks

The unchanged challenging overall economic development (particularly in Europe and in individual emerging markets) constitutes a serious risk for the ANDRITZ GROUP's financial development. The economic impact of the UK's exit from the European Union cannot be estimated at this point in time; however it could impact economic growth in Europe and globally according to economic experts. If economic growth in Europe declines significantly as a result of the UK leaving the EU, this could have a negative impact on the business development of the ANDRITZ GROUP because Europe is the most important economic region for the Group, accounting for an average of 35-40% of its total sales. The ANDRITZ GROUP's direct business volume with the UK is very small. Ongoing weak economic development in Brazil, China, and Russia could also have a negative impact on individual business areas and, as a consequence, on the business development of the ANDRITZ GROUP.

ANDRITZ HYDRO S.A., Brazil, faces tax and labor claims based on allegations of joint and several liability with the Inepar Group arising out of the previous minority holding of Inepar. With regard to the labor claims, ANDRITZ is vigorously contesting them in numerous labor lawsuits in Brazil. The tax claims, which were also contested, have been suspended in the meantime as a result of Inepar's participation in a governmental tax refinancing program (REFIS). Certain appeals by ANDRITZ however relating to these claims are still active. If Inepar does not comply with its obligations under the REFIS program or if Inepar's participation in the REFIS program is not confirmed, the tax proceedings against ANDRITZ HYDRO S.A may be resumed.

### Impact of exchange rate fluctuations

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

Depreciation of the euro against many other currencies could also have a positive impact on the shareholders' equity as well as on the sales and earnings development of the ANDRITZ GROUP (translation effect). The impact of the recent depreciation of the pound sterling against the euro following the Brexit referendum is not considered significant for the ANDRITZ GROUP.

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

No major business transactions were conducted with related persons and companies during the reporting period.

### Important events after the balance sheet date

There were no important events after the balance sheet date.

## OUTLOOK

Economic experts do not expect any significant changes in the general economic environment in the coming months. While the US economy should continue to recover slightly, unchanged subdued development of the already very low economic growth is expected in Europe. Furthermore, the countries in the emerging markets that play a major role in the development of the global economy are not expected to generate any sustained growth impulses on the demand side. While Brazil remains in an economic recession, the economy in Russia is gradually gaining momentum, but will probably only see moderate growth as well in the coming year. In China, government and infrastructure investments in addition to private consumer demand continue to be the most important growth driver, while the export industry is suffering from the general weakness of the global economy.

The prospects for the ANDRITZ business areas are largely unchanged compared to the previous quarter. A continuing difficult environment is anticipated in the HYDRO business area as a result of the unchanged low electricity and energy prices. Many modernization projects are still postponed or stopped temporarily. Some larger, new hydropower projects are currently in the planning, but award of these projects is expected only in the medium to long term. In the PULP & PAPER business area, good project activity is expected to continue, however below the extraordinarily high level of the previous year. Investment activity in the metal forming sector (Schuler, METALS business area) is expected to see somewhat better project and investment activity compared to the previous year. In the stainless steel/steel strip production segment, low investment activity is expected to continue. Unchanged moderate project activity is also expected for the SEPARATION business area.

Based on the current business results, ANDRITZ expects a decrease in Group sales for the 2016 business year compared to 2015, but profitability should continue to show solid development.

However, if global economic growth suffers any severe setbacks in the coming months, this could have a negative impact on ANDRITZ's business development. This may lead to organizational and capacity adjustments and, as a result, to financial provisions that could have a negative effect on the ANDRITZ GROUP's earnings.

## HYDRO

### IMPORTANT EVENTS

The bulb turbines delivered for the Santo Antônio hydropower plant, Brazil, were successfully commissioned. Santo Antônio is one of the largest hydropower plants in the world, with 3,568 megawatts of total installed capacity. The bulb turbine units supplied by ANDRITZ HYDRO are among the largest of their kind, with an output of 71.6 megawatts each and featuring a huge diameter of 8,410 millimeters.

In Costa Rica, the Reventazón hydropower plant, which is the largest in Central America, was officially commissioned. ANDRITZ HYDRO supplied four 74-megawatt Francis turbines, generators, shut-off valves, and the electrical equipment.

### IMPORTANT ORDERS

ANDRITZ HYDRO received an order from the Spanish energy utility Iberdrola S.A. to supply the electrical and hydromechanical equipment for the new pumped storage hydropower plant Gouvães in Portugal. The scope of supply includes four 220-megawatt pump turbines, spherical valves, four motor-generators, as well as penstocks weighing a total of 12,000 tons.

Phonesack Group Co. Ltd selected ANDRITZ HYDRO to supply and commission the electromechanical equipment, including three Francis units, for the Nam Theun 1 670-megawatt hydropower plant in the Lao People's Democratic Republic.

The business area will supply the entire electromechanical equipment, including three 186-megawatt units, for Yusufeli hydropower station, Turkey, for an order from DSI.

Société en Commandite Hydroélectrique Mar, Canada, is upgrading the McCormick hydropower station. The ANDRITZ HYDRO scope of supply includes refurbishing and rehabilitation work on the turbines and generators for the two 47-megawatt units #1 and #2.

For the city of Zurich, Switzerland, ANDRITZ HYDRO will modernize the electromechanical turbine and generator equipment for the three units (total output: 25 megawatts) at the Wettingen hydropower station.

ANDRITZ HYDRO received an order from Ontario Power Generation, Canada, for refurbishment, supply, and commissioning of eight excitation systems for the Chat Falls hydropower plant.

The business area will supply the complete hydromechanical and electromechanical equipment for the Upper Nam Htum small-scale hydropower plant, Myanmar, for the Ministry of Electric Power (MOEP).

The business area received an order to supply three double-suction submersible motor pumps for a large drinking water supply project in Atlanta, USA.

178 pump sets and nine agitators will be supplied for a pulp mill in Huanggang, China. The plant is the largest of its kind in China for the production of dissolved pulp.

## PULP & PAPER

### IMPORTANT EVENTS

Guangdong Shaoneng Group, China, started up a new *PrimeLine*COMPACT II tissue machine with steel Yankee. ANDRITZ also supplied the stock preparation systems, automation, and motor drives.

St. Croix Tissue, USA, started up its second *PrimeLine*TM tissue machine delivered by ANDRITZ this year.

Zellstoff Rosenthal, Germany, started up a lime kiln after ANDRITZ upgraded the lime mud drying subsystem with new LimeFlash technology.

Smurfit Kappa, Sweden, started up the evaporator plant at its Piteå mill after ANDRITZ provided several new units for a capacity increase.

Vinda Paper, China, started up a new stock preparation line at its Sanjiang mill. Also in China, Nine Dragons started up cleaner systems for five paper machines; Sun Paper started up an Old Corrugated Containers (OCC) processing line, reject handling systems, stock preparation, machine approach, and a new pulper.

The first installation of the Hydraulic Commander refiner control system for BHW Beeskow Holzwerkstoffe, Germany, on a competitor's M-Series refiner started up successfully.

In the panelboard sector, a pressurized refining system was started up for Shanghai SongRui Enterprise Development, China.

With pilot testing successfully completed, ANDRITZ launched a new bark press technology (HQ-Press) which reduces the moisture content of bark biomass, thus increasing its value as a fuel.

### IMPORTANT ORDERS

Heinzel Group, Austria, selected the business area to convert an existing paper machine to be able to produce packaging grades at its Laakirchen mill. The scope of supply includes a new headbox, consistency profiling system, gap former, film press, post-dryer section, and a ropeless tail threading system. The business area will also rebuild the OCC line, approach system, sludge system, and rejects handling system.

In the USA, ANDRITZ received an order from Sappi North America for the supply of a high-capacity debarking line and woodyard equipment, including a new debarking drum, extra-large HHQ Chipper, and a chipper EKG condition monitoring system for its Somerset Mill in Skowhegan, Maine.

JSC Volga, Russia, selected ANDRITZ to deliver a state-of-the-art Advanced Thermo-Mechanical Pulp (ATMP) line for the production of softwood pulp. Also in Russia, Naberezhnye Chelny is continuing the upgrade of its paper machine in order to increase production capacity. ANDRITZ will deliver a new size press, pope reeler, machine drive, and two under-machine pulpers.

UPM, Finland, ordered equipment for the upgrade of the hardwood fiberline, evaporation plant, and white liquor plant at its Kymi mill. Also in Finland, Stora Enso selected ANDRITZ to deliver equipment to modernize the fiberline, including a new Drum Displacer (DD) washer for brownstock washing and systems to convert the bleaching plant from single-stage to two-stage oxygen delignification at its Kemi mill. The order is part of a program to reduce mill effluents and improve both cost and energy efficiency.

In Brazil, Suzano Papel e Celulose ordered new fiberline equipment and the retrofit of an evaporation plant, including the addition of a Mechanical Vapor Recompression (MVR) pre-evaporator to increase production capacity for its Mucuri mill. Also in Brazil, Eldorado Celulose selected the business area to supply the Optimization of Process Performance (OPP) service for process optimization at its Três Lagoas mill. Finally, Fibria ordered duct stripper technology for two evaporation plants at the Jacaré mill. It is the first in Brazil for a lamella evaporation plant and the first in the world for a tube-type evaporation plant.

Smurfit Kappa, Sweden, selected the business area to optimize the operational performance at its Piteå mill (OPP service). This is the first OPP contract in Sweden.

Bashundhara Paper Mills Limited, Bangladesh, selected the business area to supply a turnkey tissue production line, including complete stock preparation, a *PrimeLine*COMPACT VI tissue machine, automation, and electrification.

ANDRITZ received an order from Caima Indústria de Celulose, Portugal, to rebuild a pulp cutter and baling line.

Sappi Southern Africa selected ANDRITZ for a rebuild of the economizer section of a SulfitePower boiler installed at the Sappi Saiccor mill.

Shandong Bohui Paper, China, selected the business area to upgrade its BCTMP processing line with the addition of a low consistency (LC) refiner and LC screening system.

Metsä Tissue, Germany, ordered a new FibreFlow drum pulping system for processing recycled fiber at the Kreuzau mill.

In the panelboard sector, the business area received an order from Dieffenbacher for a chip washing and pressurized refining system to be delivered to Placas do Brasil.

## METALS

### IMPORTANT EVENTS

Schuler opened the first technical center for metalforming plants in Tianjin, China. The Servo TechCenter offers car manufacturers, their suppliers, and other metalworking companies the opportunity to see a latest-generation servo press in action. Customers can run their own tests on the TwinServo press. In addition, they can improve the efficiency of their production processes and use the option of alternate production. Tianjin also offers hands-on training for employees.

Following successful start-up four weeks ahead of schedule, the business area received the acceptance certificate for the single-stand S6-high cold rolling mill at Baosteel, China. This is the first cold rolling mill for high-strength steel grades in China.

ANDRITZ METALS received the acceptance certificate from Arinox, Italy, for the world's first 62-inch wide, 20-high precision rolling mill in 4-column design, which can produce final thicknesses of up to 70 microns.

Taigang Group International Trade Co., China, confirmed the final acceptance test for the mixed acid regeneration plant, which was built by the business area for Taiyuan Iron & Steel Co., China.

ANDRITZ METALS received the acceptance certificate from ThyssenKrupp, Rasselstein, Germany, for refurbishment of the electrical and mechanical equipment at the continuous annealing furnace #4.

### IMPORTANT ORDERS

A Chinese car manufacturer awarded Schuler a large order to supply two servo-press lines and two servo tryout presses. Schuler's ServoDirect technology results in a high output and greater flexibility in production.

Schuler received several orders to supply hot-stamping lines. Customers include car manufacturers and their suppliers with locations in China, Mexico, the USA, and Turkey. In hot stamping, sheet steel is heated to 930 degrees Celsius, and then cooled and thus hardened in the subsequent metal forming process. This makes it possible to produce particularly light, high-strength vehicle parts.

A car manufacturer in the USA ordered a cutting line from Schuler with external coil preparation for the production of blanks. The line will be used for the manufacture of an electric vehicle.

A Chinese automotive industry supplier ordered a tie-rod press with a pressing force of 27,000 kilonewtons. In addition, tie-rod and monoblock presses were ordered by various automotive suppliers in Germany and Austria.

# SEPARATION

## IMPORTANT EVENTS

The business area has developed a new generation of decanter centrifuges that can be used for solids in the feed – from thin blend to streams with heavy solids load – and can process all kinds of slurries (from food to abrasive minerals, from sticky to dusty, and from light to heavy).

ANDRITZ SEPARATION has launched a new product for the pharmaceuticals industry. The PUREVO pharma peeler centrifuge ensures highest product purity, yield, and flexibility.

ANDRITZ and CONQORD OIL, a global player in the production of lubricating oils and emulsions and active in the metalworking industry, signed a strategic partnership agreement for the supply of separators for the treatment of coolants, washing fluids, and industrial oils. For the treatment of all industrial oils, ANDRITZ will supply skid-mounted and plug-and-play separators in a concentrator version for coolants and washing fluid management, and also separators in purifier and clarifier versions. The partnership is a step forward for ANDRITZ in entering and further developing the Italian metalworking market.

## IMPORTANT ORDERS

ANDRITZ sold three large side-bar filter presses to a sugar producer in Switzerland and four side-bar chamber filter presses for the production of pectin to a customer in Brazil. A repeat order for an olive oil decanter was received in Italy.

Several orders for separators for the dairy industry were received from customers in India and Brazil.

A customer in Serbia ordered a baby food drum drying line for the production of cereal-based baby food.

To optimize sludge treatment a customer in the UK selected the business area to supply eight PowerDrum thickeners.

The business area received an order from one of China's leading companies for oil and gas exploration to supply three solid bowl centrifuges and one fluid bed dryer process plant package for a new high-density polyethylene plant (HDPE) in Yanan, China. The scope of supply also includes engineering, procurement, commissioning, training, and start-up.

A major petrochemicals company in Saudi Arabia ordered an A10 decanter. Several orders for screw presses were received in the USA and Canada. Additionally, a Russian customer ordered the new heavy-duty belt press CPF3000SMX, which can dewater approximately 30 tons of dry solids.

For a customer in India, ANDRITZ will supply two KMPT helix dryers. Also in India, a KMPT vacuum drum filter for fine chemicals was sold due to its sophisticated technology. Three KMPT siphon peeler HZ centrifuges were sold to a starch client in Thailand, and three KMPT pusher centrifuges were sold to customers in China and Taiwan.

Several orders for animal feed and aqua feed processing lines as well as for pelleting and extrusion equipment were received from customers in Europe, Asia, North America, and South America. In the biomass pelleting sector, orders were received from customers in Asia.



# CONSOLIDATED INCOME STATEMENT

## For the first three quarters of 2016 (unaudited)

<i>(in TEUR)</i>	<b>Q1-Q3 2016</b>	<b>Q1-Q3 2015</b>	<b>Q3 2016</b>	<b>Q3 2015</b>
<b>Sales</b>	<b>4,239,295</b>	<b>4,589,053</b>	<b>1,478,106</b>	<b>1,583,474</b>
Changes in inventories of finished goods and work in progress	85,189	59,862	38,256	5,432
Capitalized cost of self-constructed assets	3,145	7,265	1,245	2,268
	<b>4,327,629</b>	<b>4,656,180</b>	<b>1,517,607</b>	<b>1,591,174</b>
Other operating income	137,961	103,370	32,215	23,118
Cost of materials	-2,207,936	-2,457,251	-801,211	-825,311
Personnel expenses	-1,236,584	-1,289,055	-407,740	-440,847
Other operating expenses	-657,545	-649,183	-206,982	-215,016
<b>Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)</b>	<b>363,525</b>	<b>364,061</b>	<b>133,889</b>	<b>133,118</b>
Depreciation, amortization, and impairment of intangible assets and of property, plant, and equipment	-101,760	-102,998	-35,097	-33,639
Impairment of goodwill	0	-1,955	0	-2
<b>Earnings Before Interest and Taxes (EBIT)</b>	<b>261,765</b>	<b>259,108</b>	<b>98,792</b>	<b>99,477</b>
Result from associated companies	61	-89	72	-69
Interest income	31,291	33,467	12,643	6,790
Interest expenses	-22,217	-23,828	-7,260	-9,020
Other financial result	6,561	-5,557	1,381	-455
<b>Financial result</b>	<b>15,696</b>	<b>3,993</b>	<b>6,836</b>	<b>-2,754</b>
<b>Earnings Before Taxes (EBT)</b>	<b>277,461</b>	<b>263,101</b>	<b>105,628</b>	<b>96,723</b>
Income taxes	-83,210	-79,633	-31,715	-29,134
<b>NET INCOME</b>	<b>194,251</b>	<b>183,468</b>	<b>73,913</b>	<b>67,589</b>
Thereof attributable to:				
Shareholders of the parent	194,181	181,267	73,932	67,401
Non-controlling interests	70	2,201	-19	188
Weighted average number of no-par value shares	102,112,228	103,173,835	102,095,346	103,086,647
Basic earnings per no-par value share (in EUR)	1.90	1.76	0.72	0.66
Effect of potential dilution of share options	0	589,603	0	389,256
Weighted average number of no-par value shares and share options	102,112,228	103,763,438	102,095,346	103,475,903
Diluted earnings per no-par value share (in EUR)	1.90	1.75	0.72	0.65

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## For the first three quarters of 2016 (condensed, unaudited)

<i>(in TEUR)</i>	<b>Q1-Q3 2016</b>	<b>Q1-Q3 2015*</b>	<b>Q3 2016</b>	<b>Q3 2015*</b>
<b>NET INCOME</b>	<b>194,251</b>	<b>183,468</b>	<b>73,913</b>	<b>67,589</b>
<b>Items that may be reclassified to profit or loss:</b>				
Currency translation adjustments	-3,984	9,137	-4,583	-24,268
Available-for-sale financial assets, net of tax	-1,285	2,053	1,388	2,081
Cash flow hedges, net of tax	3,746	395	576	2,385
<b>Items that will not be reclassified to profit or loss:</b>				
Actuarial gains/losses, net of tax	-33,810	0	-7,517	0
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-35,333</b>	<b>11,585</b>	<b>-10,136</b>	<b>-19,802</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>158,918</b>	<b>195,053</b>	<b>63,777</b>	<b>47,787</b>
Thereof attributable to:				
Shareholders of the parent	159,222	193,665	63,958	48,260
Non-controlling interests	-304	1,388	-181	-473

\* Restated, refer to chapter "C) Restatement of prior years" in the Notes to the consolidated financial statements 2015.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**As of September 30, 2016 (unaudited)**

<i>(in TEUR)</i>	<b>September 30, 2016</b>	<b>December 31, 2015</b>
<b>ASSETS</b>		
Intangible assets	200,908	203,397
Goodwill	576,449	528,515
Property, plant, and equipment	787,340	715,394
Shares in associated companies	2,686	0
Other investments	84,957	140,585
Trade accounts receivable	18,886	11,450
Other receivables and assets	51,501	62,105
Deferred tax assets	182,691	183,284
<b>Non-current assets</b>	<b>1,905,418</b>	<b>1,844,730</b>
Inventories	816,313	665,419
Advance payments made	117,635	126,664
Trade accounts receivable	701,257	735,375
Cost and earnings of projects under construction in excess of billings	621,975	711,062
Other receivables and assets	453,034	335,415
Marketable securities	90,780	103,618
Cash and cash equivalents	1,304,099	1,255,746
<b>Current assets</b>	<b>4,105,093</b>	<b>3,933,299</b>
<b>TOTAL ASSETS</b>	<b>6,010,511</b>	<b>5,778,029</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Share capital	104,000	104,000
Capital reserves	36,476	36,476
Retained earnings	1,071,755	1,057,557
<b>Equity attributable to shareholders of the parent</b>	<b>1,212,231</b>	<b>1,198,033</b>
Non-controlling interests	16,639	17,543
<b>Total shareholders' equity</b>	<b>1,228,870</b>	<b>1,215,576</b>
Bonds	361,787	364,984
Bank loans and other financial liabilities	102,865	74,785
Obligations under finance leases	16,106	15,018
Provisions	640,880	606,262
Other liabilities	111,268	62,414
Deferred tax liabilities	160,679	159,168
<b>Non-current liabilities</b>	<b>1,393,585</b>	<b>1,282,631</b>
Bank loans and other financial liabilities	56,851	27,633
Obligations under finance leases	989	868
Trade accounts payable	484,368	478,464
Billings in excess of cost and earnings of projects under construction	1,134,629	1,044,976
Advance payments received	296,493	268,756
Provisions	499,875	524,134
Liabilities for current taxes	28,577	24,926
Other liabilities	886,274	910,065
<b>Current liabilities</b>	<b>3,388,056</b>	<b>3,279,822</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>6,010,511</b>	<b>5,778,029</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

## For the first three quarters of 2016 (unaudited)

<i>(in TEUR)</i>	<b>Q1-Q3 2016</b>	<b>Q1-Q3 2015</b>
<b>Earnings Before Taxes (EBT)</b>	<b>277,461</b>	<b>263,101</b>
Interest result	-9,074	-9,639
Depreciation, amortization, write-ups, and impairment of fixed assets	101,760	104,953
Expense from associated companies	-61	89
Changes in provisions	-45,839	10,461
Losses/gains from the disposal of fixed and financial assets	-1,539	-644
Other non-cash income/expenses	8,914	-7,356
<b>Gross cash flow</b>	<b>331,622</b>	<b>360,965</b>
Changes in inventories	-97,820	-52,326
Changes in advance payments made	10,058	-8,726
Changes in receivables	63,196	117,310
Changes in cost and earnings of projects under construction in excess of billings	97,668	-95,940
Changes in advance payments received	709	9,294
Changes in liabilities	-85,457	-77,076
Changes in billings in excess of cost and earnings of projects under construction	81,574	-43,497
<b>Change in net working capital</b>	<b>69,928</b>	<b>-150,961</b>
Interest received	27,749	23,156
Interest paid	-17,371	-18,048
Dividends received	2,076	8
Taxes paid	-68,307	-82,275
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>345,697</b>	<b>132,845</b>
Payments received for asset disposals (including financial assets)	13,806	2,972
Payments made for property, plant, and equipment, and for intangible assets	-78,667	-61,317
Payments made for non-current financial assets	-8,902	-49,307
Net cash flow from company acquisitions	-98,717	-10,061
Payments received for securities and other current financial assets	107,275	168,787
Payments made for securities and other current financial assets	-106,133	-63,892
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-171,338</b>	<b>-12,818</b>
Payments made for the redemption of bonds	0	-150,000
Repurchase of own corporate bonds	-2,947	-2,032
Cash receipts from other financial liabilities	42,347	20,475
Repayments of other financial liabilities	-33,690	-54,214
Dividends paid by ANDRITZ AG	-137,802	-103,240
Purchase of non-controlling interests	0	-17,935
Dividends paid to non-controlling and former interest holders	-2,458	-734
Proceeds from re-issuance of treasury shares	0	1,530
Purchase of treasury shares	-10,723	-26,954
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-145,273</b>	<b>-333,104</b>
<b>CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>29,086</b>	<b>-213,077</b>
Changes in cash and cash equivalents resulting from exchange rate fluctuation	19,267	-35,751
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>1,255,746</b>	<b>1,457,335</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>1,304,099</b>	<b>1,208,507</b>

\* Change in presentation compared to prior year.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the first three quarters of 2016 (unaudited)

	Attributable to shareholders of the parent							Non-control- ling interests	Total share- holders' equity	
	Share capital	Capital reserves	Other retained earnings	IAS 39 reserve	Actuarial gains/ losses	Currency translation adjustments	Treasury shares			Total
<i>(in TEUR)</i>										
<b>STATUS AS OF JANUARY 1, 2015*</b>	104,000	36,476	992,482	17,964	-83,001	-13,419	-32,947	1,021,555	16,721	1,038,276
Net income			181,267					181,267	2,201	183,468
Other comprehensive income*				2,434		9,964		12,398	-813	11,585
<b>Total comprehensive income*</b>			181,267	2,434		9,964		193,665	1,388	195,053
Dividends			-103,240					-103,240	-734	-103,974
Changes in treasury shares			-1,039				-23,778	-24,817		-24,817
Other changes			2,393			-981		1,412	-466	946
<b>STATUS AS OF SEPTEMBER 30, 2015*</b>	104,000	36,476	1,071,863	20,398	-83,001	-4,436	-56,725	1,088,575	16,909	1,105,484
<b>STATUS AS OF JANUARY 1, 2016</b>	104,000	36,476	1,144,880	48,932	-70,534	2,852	-68,573	1,198,033	17,543	1,215,576
Net income			194,181					194,181	70	194,251
Other comprehensive income				2,335	-33,810	-3,484		-34,959	-374	-35,333
<b>Total comprehensive income</b>			194,181	2,335	-33,810	-3,484		159,222	-304	158,918
Dividends			-137,802					-137,802	-601	-138,403
Changes from acquisitions									1	1
Changes in treasury shares			153				-9,897	-9,744		-9,744
Changes concerning share option programs			2,402					2,402		2,402
Changes in consolidation type			120					120		120
<b>STATUS AS OF SEPTEMBER 30, 2016</b>	104,000	36,476	1,203,934	51,267	-104,344	-632	-78,470	1,212,231	16,639	1,228,870

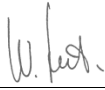
\* Restated, refer to chapter "C) Restatement of prior years" in the Notes to the consolidated financial statements 2015.

# DECLARATION PURSUANT TO ARTICLE 87 (1) OF THE (AUSTRIAN) STOCK EXCHANGE ACT

We hereby confirm that, to the best of our knowledge, the condensed interim financial statements of the ANDRITZ GROUP drawn up in compliance with the applicable accounting standards provide a true and fair view of the asset, financial, and earnings positions of the ANDRITZ GROUP, and that the management report provides a true and fair view of the asset, financial, and earnings positions of the ANDRITZ GROUP with regard to the important events of the first nine months of the financial year and their impact on the condensed interim financial statements of the ANDRITZ GROUP, and with regard to the major risks and uncertainties during the remaining three months of the financial year, and also with regard to the major business transactions subject to disclosure and concluded with related persons and companies.

Graz, November 2016

The Executive Board of ANDRITZ AG



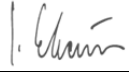
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Wolfgang Leitner  
President and CEO



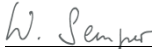
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Humbert Köfler  
PULP & PAPER  
(Service & Units),  
SEPARATION



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Joachim Schönbeck  
PULP & PAPER  
(Capital Systems),  
METALS



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Wolfgang Semper  
HYDRO

# SHARE

## Relative price performance of the ANDRITZ share compared to the ATX (October 1, 2015-September 30, 2016)



Source: Vienna Stock Exchange

### Share price development

During the reporting period, the development of the international financial markets was characterized by the continuing uncertainty with regard to the development of the global economy, rising oil prices, the economic slowdown in China, and the UK's vote to leave the European Union. In this environment, the ANDRITZ share price increased by 7.6% in the first three quarters and by 14.1% in the third quarter of 2016. The ATX, the leading share index on the Vienna Stock Exchange, increased by 0.3% and by 14.8%, respectively, in the same periods. The highest closing price of the ANDRITZ share was 49.70 EUR (April 20, 2016) and the lowest was 38.69 EUR (February 11, 2016).

### Trading volume

The average daily trading volume of the ANDRITZ share (double count, as published by the Vienna Stock Exchange) was 349,642 shares in the first three quarters of 2016 (Q1-Q3 2015: 361,542 shares). The highest daily trading volume was noted on June 17, 2016 (1,298,738 shares) and the lowest trading volume on July 22, 2016 (112,560 shares).

### Investor Relations

During the third quarter of 2016, meetings with institutional investors and financial analysts were held in Frankfurt, London, Melbourne, Munich, New York, Sydney, and Toronto.

### Key figures of the ANDRITZ share

	Unit	Q1-Q3 2016	Q1-Q3 2015	Q3 2016	Q3 2015	2015
Highest closing price	EUR	49.70	57.49	49.01	53.69	57.49
Lowest closing price	EUR	38.69	38.14	41.98	38.14	38.14
Closing price (as of end of period)	EUR	48.46	40.24	48.46	40.24	45.05
Market capitalization (as of end of period)	MEUR	5,039.3	4,185.0	5,039.3	4,185.0	4,685.2
Performance	%	+7.6	-12.5	+14.1	-23.3	-2.1
ATX weighting (as of end of period)	%	9.9711	9.2950	9.9711	9.2950	9.5854
Average daily number of shares traded	Share unit	349,642	361,542	251,648	388,371	355,821

Source: Vienna Stock Exchange

**Basic data of the ANDRITZ share**

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

**Financial calendar 2016 and 2017**

November 4, 2016	Results for the first three quarters of 2016
March 3, 2017	Results for the 2016 business year
March 28, 2017	Annual General Meeting
March 30, 2017	Ex-dividend
March 31, 2017	Record date dividend
April 3, 2017	Dividend payment
May 4, 2017	Results for the first quarter of 2017
August 4, 2017	Results for the first half of 2017
November 3, 2017	Results for the first three quarters of 2017

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

**Disclaimer:**

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



**ANDRITZ**