FINANCIAL REPORT
Q1 2014

ANDRITZ

KEY FINANCIAL FIGURES OF THE ANDRITZ GROUP

	Unit	Q1 2014	Q1 2013	+/-	2013
Order intake	MEUR	1,742.2	1,288.3	+35.2%	5,611.0
Order backlog (as of end of period)	MEUR	7,734.7	7,844.3	-1.4%	7,388.5
Sales	MEUR	1,219.5	1,163.8	+4.8%	5,710.8
Return on sales[1]	%	2.4	0.3	-	1.6
EBITDA[2]	MEUR	69.5	32.0	+117.2%	255.2
EBITA[3]	MEUR	48.6	14.2	+242.3%	164.1
Earnings Before Interest and Taxes (EBIT)	MEUR	29.0	3.1	+835.5%	89.8
Earnings Before Taxes (EBT)	MEUR	27.5	2.0	+1,275.0%	80.3
Net income (including non-controlling interests)	MEUR	19.3	1.8	+972.2%	53.2
Net income (without non-controlling interests)	MEUR	20.7	4.1	+404.9%	66.6
Cash flow from operating activities	MEUR	61.0	-79.7	+176.5%	93.7
Capital expenditure[4]	MEUR	17.2	21.4	-19.6%	111.4
Employees (as of end of period; without apprentices)	-	23,790	23,660	+0.5%	23,713
Fixed assets	MEUR	1,741.6	1,887.0	-7.7%	1,759.0
Current assets	MEUR	3,781.6	4,006.8	-5.6%	3,812.4
Shareholders' equity[5]	MEUR	893.5	931.7	-4.1%	929.5
Provisions	MEUR	953.0	943.2	+1.0%	993.6
Liabilities	MEUR	3,676.7	4,018.9	-8.5%	3,648.3
Total assets	MEUR	5,523.2	5,893.8	-6.3%	5,571.4
Equity ratio[6]	%	16.2	15.8	-	16.7
Return on equity[7]	%	3.1	0.2	-	8.6
Return on investment[8]	%	0.5	0.1	-	1.6
Liquid funds[9]	MEUR	1,524.0	1,750.4	-12.9%	1,517.0
Net liquidity[10]	MEUR	891.1	884.9	+0.7%	893.1
Net debt[11]	MEUR	-577.6	-554.1	-4.2%	-585.0
Net working capital[12]	MEUR	-590.2	-586.4	-0.6%	-539.4
Capital employed[13]	MEUR	367.1	486.3	-24.5%	443.6
Gearing[14]	%	-64.6	-59.5	-	-62.9
EBITDA margin	%	5.7	2.7	-	4.5
EBITA margin	%	4.0	1.2	-	2.9
EBIT margin	%	2.4	0.3	-	1.6
Net income[15]/sales	%	1.6	0.2	-	0.9
EV[16]/EBITDA	-	54.3	142.5	-	15.1
Depreciation and amortization/sales	%	3.3	2.5	-	2.8

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 19,619 TEUR (11,115 TEUR for Q1 2013, 70,529 TEUR for 2013) and impairment of goodwill at the amount of 0 TEUR (0 TEUR for Q1 2013, 3,800 TEUR for 2013) 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) 16) EV (Enterprise Value): market capitalization based on closing price as of end of period minus net liquidity

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

The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013.

KEY FINANCIAL FIGURES OF THE BUSINESS AREAS

HYDRO	Unit	Q1 2014	Q1 2013	+/-	2013
Order intake	MEUR	523.3	574.2	-8.9%	1,865.4
Order backlog (as of end of period)	MEUR	3,759.0	3,983.8	-5.6%	3,722.4
Sales	MEUR	362.8	381.2	-4.8%	1,804.8
EBITDA	MEUR	31.6	34.0	-7.1%	176.8
EBITDA margin	%	8.7	8.9	-	9.8
EBITA	MEUR	24.4	26.6	-8.3%	146.9
EBITA margin	%	6.7	7.0	-	8.1
Employees (as of end of period; without apprentices)	-	7,526	7,590	-0.8%	7,445

PULP & PAPER	Unit	Q1 2014	Q1 2013	+/-	2013
Order intake	MEUR	654.8	423.5	+54.6%	1,907.7
Order backlog (as of end of period)	MEUR	2,095.7	1,978.5	+5.9%	1,885.6
Sales	MEUR	399.6	452.4	-11.7%	2,005.3
EBITDA	MEUR	16.3	-18.1	+190.1%	-11.5
EBITDA margin	%	4.1	-4.0	-	-0.6
EBITA	MEUR	10.4	-23.7	+143.9%	-35.7
EBITA margin	%	2.6	-5.2	-	-1.8
Employees (as of end of period; without apprentices)	-	7,148	6,903	+3.5%	7,136

METALS*	Unit	Q1 2014	Q1 2013	+/-	2013
Order intake	MEUR	420.1	144.5	+190.7%	1,233.8
Order backlog (as of end of period)	MEUR	1,509.2	1,531.2	-1.4%	1,427.6
Sales	MEUR	332.8	202.0	+64.8%	1,311.0
EBITDA	MEUR	19.1	15.7	+21.7%	76.6
EBITDA margin	%	5.7	7.8	-	5.8
EBITA	MEUR	13.3	13.4	-0.7%	53.5
EBITA margin	%	4.0	6.6	-	4.1
Employees (as of end of period; without apprentices)	-	6,273	6,370	-1.5%	6,300

* The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013 and is allocated to the METALS business area.

SEPARATION	Unit	Q1 2014	Q1 2013	+/-	2013
Order intake	MEUR	144.0	146.1	-1.4%	604.1
Order backlog (as of end of period)	MEUR	370.8	350.8	+5.7%	352.9
Sales	MEUR	124.3	128.2	-3.0%	589.7
EBITDA	MEUR	2.5	0.4	+525.0%	13.3
EBITDA margin	%	2.0	0.3	-	2.3
EBITA	MEUR	0.5	-2.1	+123.8%	-0.6
EBITA margin	%	0.4	-1.6	-	-0.1
Employees (as of end of period; without apprentices)	-	2,843	2,796	+1.7%	2,832

MANAGEMENT REPORT

GENERAL ECONOMIC CONDITIONS

The economies of the world's main regions remained stable at a moderate level in the first quarter of 2014. However, there were still no signs of a major economic upswing in the coming quarters.

In the USA, the slight economic recovery continued during the reporting period, supported mainly by private consumption, which is the main contributor to GDP growth in the USA. The unemployment rate remained stable at approximately 6.7%. The Federal Reserve announced to keep key interest rates at low level until further notice, but will gradually cut back monetary expansion related bond purchases.

In Europe, the economy has stabilized, although at a very moderate level. There are still no signs of a substantial economic recovery, particularly in the peripheral countries. As a result, the European Central Bank has announced that it is leaving the key interest rate at its record low level of 0.25% in order to continue supporting the economy in the euro zone.

In the emerging markets, the announcement of the change of the US monetary policy resulted in increasing cash outflows by foreign investors, which led to a considerable weakening of some emerging countries' currencies (especially in Brazil, Turkey, Indonesia, and India). The subsequent significant increase in key interest rates in these countries will most likely hinder a significant economic upswing in the coming quarters. Also in China, declining industrial production and stagnating exports signal continuation of the just moderate economic development.

Sources: research reports by various banks, OECD

BUSINESS DEVELOPMENT

Notes

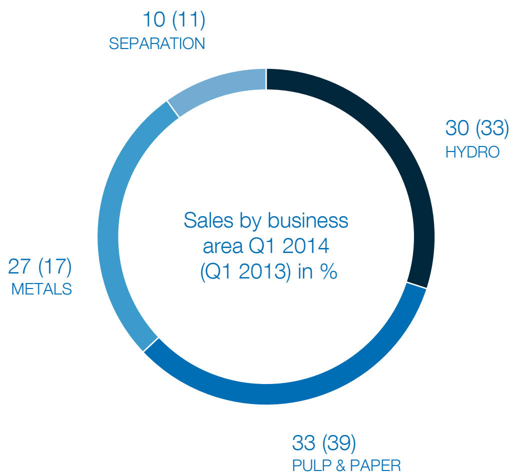
- All figures according to IFRS
- Due to the utilization of automatic calculation programs, differences can arise in the addition of rounded totals and percentages.
- MEUR = million euro; TEUR = thousand euro
- The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013 and is allocated to the METALS business area.

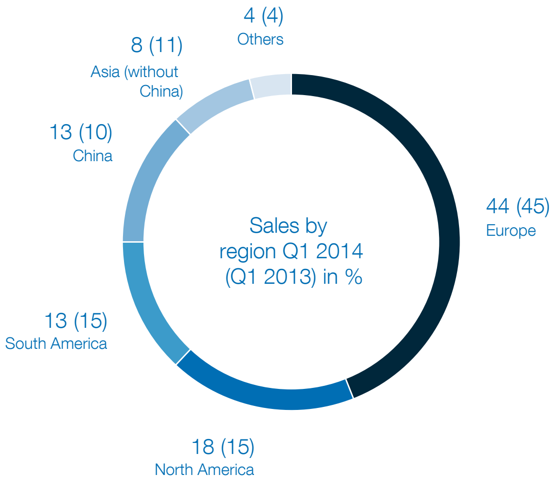
Sales

In the first quarter of 2014, sales of the ANDRITZ GROUP amounted to 1,219.5 MEUR and were thus 4.8% higher than the reference figure for the previous year (Q1 2013: 1,163.8 MEUR). This increase is due to the Schuler Group, which contributed 257.9 MEUR to sales and was included in the first quarter of 2013 with the sales for one month only (first-time consolidation of Schuler: March 1, 2013). Excluding Schuler, the Group's sales would have decreased by 8.9% mainly as a result of the project-related low sales generation in several business areas.

Sales in the PULP & PAPER business area dropped significantly by 11.7% due to the strong sales contribution of a large-scale pulp mill project in the first quarter of 2013. Sales in the HYDRO business area also declined compared to the previous year's reference period (-4.8%). The METALS business area, however, noted a substantial increase in sales due to consolidation of the Schuler Group; excluding Schuler, sales in the METALS business area would have declined substantially by 19.7% mainly due to the low stage of completion in some projects. In the SEPARATION business area, sales decreased slightly by 3.0% compared to the previous year's reference period. The business areas' sales development at a glance:

	Q1 2014 (MEUR)	Q1 2013 (MEUR)	+/- (%)
HYDRO	362.8	381.2	-4.8
PULP & PAPER	399.6	452.4	-11.7
METALS	332.8	202.0	+64.8
SEPARATION	124.3	128.2	-3.0





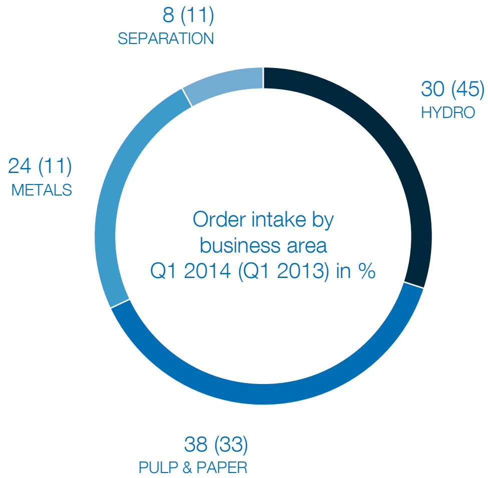
Share of service sales of Group and business area sales in %

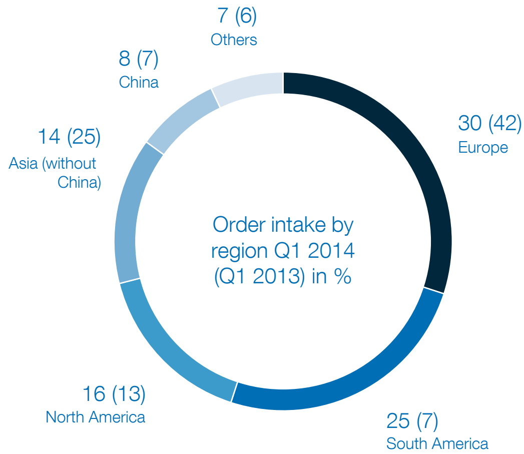
	Q1 2014	Q1 2013
ANDRITZ GROUP	31	28
HYDRO	26	24
PULP & PAPER	39	34
METALS	21	15
SEPARATION	44	41

Order intake

The Group's order intake, at 1,742.2 MEUR, saw a very favorable development, rising by 35.2% compared to the last year's reference figure (Q1 2013: 1,288.3 MEUR). The Schuler Group contributed 319.8 MEUR; excluding Schuler, the order intake would have increased by 19.3%. The business areas' development in detail:

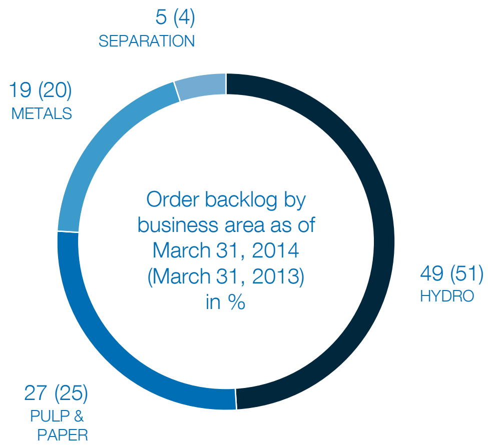
- HYDRO: At 523.3 MEUR, the order intake reached a good level, although it was 8.9% below the high level in the first quarter of 2013 (574.2 MEUR).
- PULP & PAPER: The development in order intake was very satisfactory and rose substantially to 654.8 MEUR compared to the last year's reference period (+54.6% versus Q1 2013: 423.5 MEUR). This increase is mainly due to the order received from Klabin to supply major equipment for a new pulp mill in Brazil (see also section "PULP & PAPER business area").
- METALS: The order intake increased significantly to 420.1 MEUR, due to consolidation of Schuler (Q1 2013: 144.5 MEUR); excluding Schuler, the business area's order intake more than doubled compared to the previous year's very low level as a result of a larger order from China.
- SEPARATION: At 144.0 MEUR, the order intake practically reached the same level as in the first quarter of 2013 (146.1 MEUR).

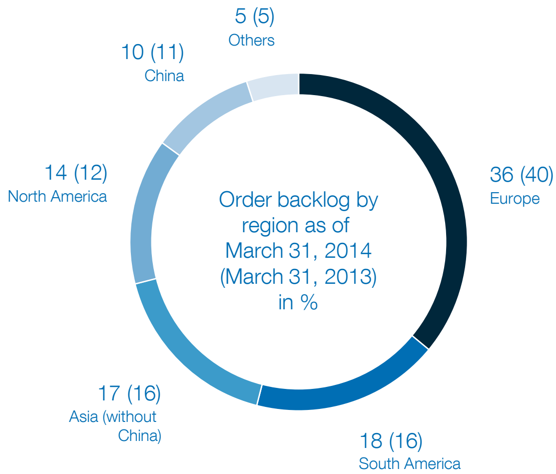




Order backlog

As of March 31, 2014, the order backlog of the ANDRITZ GROUP, at 7,734.7 MEUR, rose by 4.7% compared to the end of last year (December 31, 2013: 7,388.5 MEUR). Schuler contributed 1,100.6 MEUR to the order backlog.





Earnings

The EBITA of the Group amounted to 48.6 MEUR (Q1 2013: 14.2 MEUR). Earnings were thus considerably above the very low reference figure of last year, which was strongly negatively impacted by high provisions booked for a pulp mill project in South America, but still failed to reach a satisfactory level, as did the EBITA margin at 4.0% (Q1 2013: 1.2%). This is attributable in particular to the project-related low sales generation and cost overruns on some projects in the PULP & PAPER, METALS (excluding Schuler), and SEPARATION business areas.

The financial result, at -1.5 MEUR, and was below the reference figure for the previous year (Q1 2013: -1.1 MEUR).

Net income (excluding non-controlling interests) reached 20.7 MEUR and was thus significantly above the very low reference figure for the previous year (Q1 2013: 4.1 MEUR).

Net worth position and capital structure

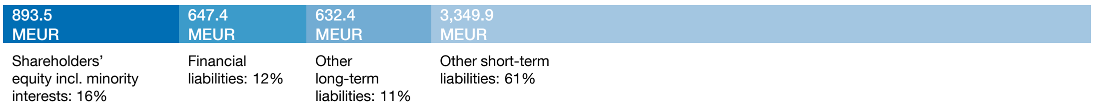
The net worth position and capital structure as of March 31, 2014 remained solid. Total assets amounted to 5,523.2 MEUR (December 31, 2013: 5,571.4 MEUR). The equity ratio reached 16.2% (December 31, 2013: 16.7%).

Liquid funds (cash and cash equivalents plus marketable securities plus loans against borrowers' notes) amounted to 1,524.0 MEUR (December 31, 2013: 1,517.0 MEUR), net liquidity (liquid funds plus fair value of interest rate swaps minus financial liabilities) amounted to 891.1 MEUR (December 31, 2013: 893.1 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, and so on, at its disposal:
- Credit lines: 347 MEUR, thereof 114 MEUR utilized
- Surety and guarantee lines: 5,518 MEUR, thereof 2,969 MEUR utilized

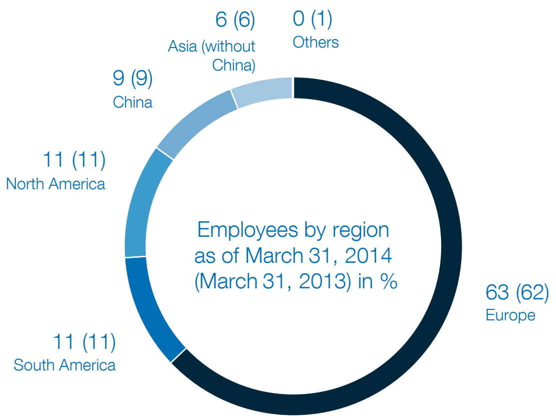
Assets

Shareholders' equity and liabilities



Employees

As of March 31, 2014, the number of ANDRITZ GROUP employees amounted to 23,790 employees (+0.3% versus December 31, 2013: 23,713 employees).



Major risks during the remaining months of the financial year and risk management

The ANDRITZ GROUP has a long-established Group-wide risk management system whose goal is to identify nascent risks at an early stage and take countermeasures if necessary. This is an important element of active risk management within the Group. However, there is no guarantee that the monitoring and risk control systems are sufficiently effective.

The essential risks for the business development of the ANDRITZ GROUP relate above all to the Group's dependence on the general economic environment and the development of the industries it serves, to whether major orders are received and to the risks they entail; and to whether adequate sales proceeds are realized from the high order backlog. Furthermore, unexpected cost increases during the execution of orders constitute a considerable risk, particularly in so-called turnkey or EPC orders, where the Group also assumes responsibility for engineering, civil work, and erection of a factory in addition to delivery of ANDRITZ equipment and systems. Projects of this kind involve high risks concerning cooperation with third parties contracted to carry out engineering, as well as civil and construction work (for example the risk of strikes, failure to meet deadlines, or quality problems of components/services purchased from sub-suppliers). Delays and difficulties in achieving the guaranteed performance parameters in the plants that ANDRITZ supplies as well as a possible malfunction in the components and systems supplied by ANDRITZ, that can have serious consequences for individuals and on material assets, also pose substantial risks.

The financial difficulties and the continuing, challenging overall economic development (particularly in Europe and the USA) also constitute a serious risk for the ANDRITZ GROUP's financial development. In addition, a possible greater slowdown in economic activities in the emerging markets also creates a risk for the Group. The weak economy may lead to delays in the execution of existing orders and to the postponement or cancellation of existing projects. Cancellations of existing contracts could adversely affect the ANDRITZ GROUP's order backlog, which in turn would have a negative impact on the utilization of the Group's manufacturing capacities.

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

The Schuler Group acquired in 2013 derives approximately 80% of its sales from the automotive industry, which is generally exposed to severe cyclical swings. Thus, possible negative cyclical fluctuations can have a negative impact on the sales and earnings development of the Schuler Group and thus of the ANDRITZ GROUP. Potential further expenses for continuation of the "Growing Together" growth and strategy program initiated by Schuler in 2011 to integrate the Müller-Weingarten company could possibly have a negative impact on the earnings of Schuler, and thus of the ANDRITZ GROUP, in 2014.

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

ANDRITZ has substantial tax credits in Brazil from various transfer taxes. Some of these tax credits were seized as security by the tax authorities for tax liabilities of the minority shareholder of ANDRITZ's affiliate ANDRITZ HYDRO Inepar. Although the laws of Brazil do not allow access to the company's assets for the liabilities of a minority shareholder, the possibility of payment default on some of the tax receivables in Brazil cannot be excluded.

Exchange rate risks in connection with the execution of the order backlog are minimized and controlled by derivative financial instruments, in particular by forward exchange contracts and swaps. Net currency exposure of orders in foreign currencies is hedged by forward contracts.

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

The ANDRITZ GROUP's position in terms of liquidity is very good, and the Group has high liquidity reserves. The Group avoids dependence on one single or only a few banks. To ensure independence, no bank will receive more than a certain defined amount of the business in any important product (cash and cash equivalents, financial liabilities, financial assets, guarantees, and derivatives). With this diversification, ANDRITZ is seeking to minimize the counterparty risk as best possible. Nevertheless, if one or more banks were to become insolvent, this would have a considerable negative influence on the earnings development and shareholders' equity of the ANDRITZ GROUP. In addition, the lowering of ANDRITZ's credit rating by several banks can limit the financial leeway available to ANDRITZ, particularly regarding sureties to be issued.

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

Due to the continuing difficult financial situation in some member states of the European Union, there is still a risk of complete or partial collapse of the euro zone and of a possible breakdown of the euro currency system linked to it. Most likely, this would have a negative effect on the financial, liquidity, and earnings development of the ANDRITZ GROUP. Similarly, the currency devaluations at the beginning of 2014 in many emerging economies, such as Brazil, Argentina, Indonesia, Turkey, and India, as well as the subsequent increase in key interest rates by the respective central banks could lead to a significant weakening of the economy in these countries, which may have a negative impact on the development of sales, earnings, and order intake in the ANDRITZ GROUP. In addition, projects in these countries may be canceled or delayed because currency devaluations have made many projects considerably more expensive for customers and thus substantially reduced their profitability.

For further information on the risks for the ANDRITZ GROUP, please refer to the ANDRITZ annual financial report 2013.

Impact of exchange rate fluctuations

Fluctuations in exchange rates in connection with the execution of the order backlog are largely hedged by forward rate contracts. Exchange rate risks resulting from the recognition of equity are not hedged.

The currency devaluations at the beginning of 2014 in many emerging countries, such as Brazil, Argentina, Indonesia, Turkey, and India, as well as the subsequent increase in key interest rates by the respective central banks could also lead to a significant weakening of the economy in these countries, which may have a negative impact on the development of sales, earnings, and order intake of the ANDRITZ GROUP. In addition, projects in these countries may be canceled or delayed because currency devaluations have made many projects considerably more expensive for customers and thus substantially reduced their profitability. The weakness of currencies in many emerging countries could negatively impact the consolidated balance sheet as well as sales and earnings development of the ANDRITZ GROUP (translation risk).

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

During the reporting period, no major business transactions were conducted with related persons and companies.

Important events after March 31, 2014

The status of the global economy and the financial markets did not change substantially in the period between the date of the balance sheet and publication of the present report.

In connection with pulp mill deliveries to Montes del Plata, Uruguay, ANDRITZ informed the customer during the reporting period that it is ready for start-up. At present, the customer is still working on finishing some areas for which he is responsible and is waiting for government approvals to operate the mill, which are expected in the coming weeks according to the customer. Start-up is expected to begin immediately afterwards.

OUTLOOK

For the coming months, leading economic experts expect the moderate general economic development to continue. In view of these conditions, no substantial change is expected in project activity during the remaining months of the 2014 business year compared to the satisfactory level of 2013 in the markets served by the ANDRITZ GROUP.

On the basis of these expectations, the order backlog, and the sales contribution by the Schuler Group, which was not included in the accounts for full twelve months in 2013, the ANDRITZ GROUP expects a slight rise in sales in the 2014 business year compared to the previous year. The net income of the Group, which was heavily negatively impacted by earnings development in the PULP & PAPER and SEPARATION business areas in 2013, is currently expected to show a significant improvement compared to the previous year.

However, if the global economy suffers again a more severe setback in the coming months, this could have a negative impact on the ANDRITZ GROUP's business development. This may lead to a need for organizational and capacity adjustments, as well as for respective financial provisions needed, which could have a negative effect on earnings.

HYDRO

MARKET DEVELOPMENT

Worldwide project activity for electromechanical equipment in hydropower plants was satisfactory during the first quarter of 2014. In addition to various modernization and rehabilitation projects in Europe and North America, some new hydropower projects, particularly in South America and Africa, are currently being implemented or in the planning phase. Solid project activity was noted for both small-scale hydropower plants and pumps.

IMPORTANT EVENTS

Following extensive refurbishing work, ANDRITZ HYDRO handed over a Kaplan turbine for the Iovskaya hydropower plant, Russia. On behalf of the Kolsky Branch of JSC TGK1 regional utility company, the business area is supplying two Kaplan turbines, the automation equipment, and a new generator winding, and replaced the secondary technology.

The first of eight bulb turbines to be supplied by ANDRITZ HYDRO to the Jirau hydropower station, Brazil, went into commercial operation. As part of this order received from Energia Sustentável do Brasil in 2009, the business area is also supplying seven generators and 28 excitation systems. The other units will be put into operation within the next two years.

IMPORTANT ORDERS

The business area received an order from Lyse Produksjon utility company to supply the electromechanical equipment for the new Lysebotn II hydropower station, Norway. The scope of supply includes two high-pressure Francis turbines (185 megawatts each), two generator units, hydraulic steelwork, and steel linings. Due to the favorable reservoir situation, the generating units for this underground hydropower station are designed for frequent start/stop to optimize energy production. Lysebotn II will replace the existing Lysebotn hydropower plant and increase the annual electricity production by almost 15% to reach 1.5 terawatt-hours.

For the Xekaman 1 hydropower plant, Lao People's Democratic Republic, ANDRITZ HYDRO received an order from Song Da Construction Corp of Vietnam and Viet-Lao Power Investment and Development Joint Stock Company to supply the complete electromechanical equipment. The supply comprises two Francis turbine/generator units with 147 megawatts each, turbine governors, automation and protection systems, auxiliary equipment, and the entire switchgear.

Officine Idroelettriche di Blenio (OFIBLE) ordered the replacement of both main units in the Olivone hydropower plant, Switzerland. The order comprises hydraulic model tests, as well as delivery, supervision of erection work, and commissioning of the 60-megawatt Pelton turbine, generators, spherical valve, and the electrical equipment.

On behalf of ESKOM Generation, the electromechanical equipment (including three 40-megawatt Kaplan turbine units) at the Manantali hydropower plant, Mali, will be refurbished.

For the Obervermunt hydropower plant operated by Vorarlberger Illwerke AG, Austria, ANDRITZ HYDRO is supplying two Francis turbines (180 megawatts each).

AGRIMECO awarded the business area an order to supply electromechanical equipment for the Chi Khe hydropower station, Vietnam. The hydropower plant will be fitted with two bulb turbines and have an installed capacity of 41 megawatts.

ANDRITZ HYDRO received an order from Länsi-Suomen Voimato to modernize the two existing Kaplan turbines and supply an additional, new turbine for the existing Harjavalta hydropower plant, Finland. The new 23-megawatt Kaplan turbine will be installed in the existing dam. The modernization project will increase the plant's output by around 30%.

South Tyrolean utility company SEL ordered the delivery of two 7.2-megawatt Francis turbines and generators for the Ponte Gardena hydropower station, Italy.

The Cerro de Aguila hydropower plant, Peru, will be fitted with an additional Francis turbine in order to improve the ecological flow.

In the small-scale hydropower sector, numerous orders were booked worldwide during the reporting period. These include a delivery to Hidrelgen, Ecuador, comprising the entire electromechanical equipment with turbine and generator for the Sabanilla small-scale hydropower plant.

Eighteen multi-stage split-case pumps will be supplied for a water transport project of the city of Yuxi, Yunnan province, China. The pumping station being supplied conveys 2.5 cubic meters of water per second and contributes to the water supply for two million people in Yuxi.

PULP & PAPER

MARKET DEVELOPMENT

The international pulp market showed positive development in the first quarter of 2014. Driven by the continuing high demand from Chinese paper producers (especially tissue producers), the price for NBSK (Northern Bleached Softwood Kraft) increased from approximately 860 US dollars per ton at the beginning of January 2014 to around 920 US dollars per ton at the end of March 2014. The favorable demand for pulp in North America also facilitated this price development. In contrast, the price of short-fiber pulp (eucalyptus) remained largely stable during the reporting period at around 770 US dollars per ton. The reason for this is a short-term surplus anticipated as a result of two new pulp mills going into operation in South America, which can only be partly compensated by closures of existing mills.

The market for pulping equipment saw good project and investment activity during the reporting period, both for modernization projects and greenfield pulp mills. However, the competitive environment remains very challenging for suppliers of technology and systems for pulp production.

IMPORTANT EVENTS

The business area noted several successful start-ups during the reporting period, these include the following modernization projects:

- Yuanjiang Paper, China: production line for mechanical pulping (start-up in record time: it took only 16 hours from first chips to quality fiber)
- Xuan Mai Paper, Vietnam: 350 tons-per-day line for processing OCC (Old Corrugated Containers)
- Oji Paper's Yonago mill, Japan: fiberline and sheet drying plant converted for dissolving pulp production
- PT. Indah Kiat Pulp & Paper, Indonesia: the first of six stock preparation and paper machine approach systems for new tissue machines
- AGT Agac Sanayi ve Ticaret, Turkey: panelboard front end system for fiber processing

IMPORTANT ORDERS

ANDRITZ received an order from Klabin, the largest integrated pulp and paper manufacturer in Brazil to supply the woodyard, the complete fiberline (for softwood and hardwood), and the white liquor plant at the new pulp mill in Ortigueira, Brazil. The project is the largest investment in Klabin's history and will double its production capacity.

OKI Pulp & Paper Mills, Indonesia, selected the business area to supply the world's largest recovery boiler. At 11,600 tons of dry solids per day, the capacity of the High Energy Recovery Boiler (HERB) is about 50% higher than any other recovery boiler operating today worldwide. OKI also ordered the world's largest chipping plant, consisting of nine chippers with log loading decks, feed systems, and discharge systems.

In the USA, a customer ordered a HERB system to replace three existing recovery boilers and make the pulp mill to be energy self-sufficient. The same customer also ordered a seven-effect, high-solids evaporation plant.

International Paper, France, selected the business area to deliver an oxygen delignification system and a drum displacer washer for a modernization project at its Saillat mill.

Mondi Steti, Czech Republic, ordered a green liquor filtration system as part of a plant modernization project.

Middle East Paper, Saudi Arabia, selected ANDRITZ to rebuild three paper machines in order to improve quality and increase capacity.

For Estonian Cell, Estonia, a screening system will be upgraded to improve fiber quality and increase throughput.

Shandong Sun Paper Industry Joint Stock, China, ordered ANDRITZ equipment as part of a rebuild and modernization project for its stock preparation and paper machine approach processes.

From Siam Kraft Industry (SGP Paper), Thailand, the business area received an order to rebuild a production line for processing OCC and old newspapers. In addition, ANDRITZ is to deliver the approach system for a board machine.

P.T. Mekabox International, Indonesia, selected the business area to provide a new OCC processing line.

In the panelboard industry, Dieffenbacher ordered a pressurized refining system to be installed at PRO MDF's plant in Mexico.

Fibria, Brazil, signed a five-year contract with ANDRITZ to provide mechanical and civil maintenance at its Barra do Riacho mill. The business area already has a service agreement with the mill for maintenance of electrical, instrumentation, automation, and other systems.

Treofan, Germany, ordered a complete line for the production of five-layer BOPP (Biaxially Oriented Polypropylene) film. The line is designed for a fast product changeover, including direct dosing equipment and state-of-the-art winding.

Dalian Ruiguang Nonwoven Group, China, ordered a complete high-speed wetlace line. By combining wet forming and hydroentanglement, the highly flexible ANDRITZ technology enables manufacturing of a great variety of products, such as biodegradable (flushable) nonwoven wipes without any chemical binder.

METALS

MARKET DEVELOPMENT

Project activity for metalforming equipment for the automotive and automotive supplying industries was good in the first quarter of 2014. While investment activity in Europe remained stable at a satisfactory level, some orders were awarded by international car manufacturers in China, South America, and the USA for the supply of press lines.

Project activity for plants and equipment for the production and processing of strips made of stainless steel, carbon steel, and non-ferrous metal remained unchanged at a low level during the reporting period. Due to overcapacities in the international steel/stainless steel industry and the weak demand for stainless steel caused by the general economic environment, only a few orders – especially within the aluminum industry – were placed. Low investment activity was noted in the industrial furnace sector.

IMPORTANT EVENTS

The largest hydraulic forging press built to date by Schuler was started up at Oil & Gas Systems in Sukhodol, Russia. The press, which will be used to manufacture forged parts for pipeline fittings, has a pressing force of two times 140,000 kilonewtons and a height of 22 meters.

Schuler has entered into a strategic partnership with the Aachen Center for Integrative Lightweight Production, Germany, in order to continue the development of press technology and production processes for modern lightweight materials.

A plate stretcher for the production of high-grade aluminum plates for the aircraft and car industries was handed over successfully to AMAG Rolling, Austria.

In a record time of just eleven days, ANDRITZ METALS completed a rebuild of the process part of a continuous pickling line for carbon steel at OAO Severstal, Russia, thus enhancing the speed of the process significantly.

At ThyssenKrupp Steel Europe, Germany, the upgraded rinsing section went into operation successfully. The modern control engineering equipment for the rinsing unit was integrated into the existing automation system. Consumption of rinsing water is reduced substantially with the new compact rinsing unit.

IMPORTANT ORDERS

A German premium car manufacturer awarded Schuler an order to supply four servo-tryout presses, which are used to test new tools.

A European car manufacturer ordered a mechanical press line with robot automation for a plant in South America. The scope of supply comprises a lead press (total pressing force of 28,300 kilonewtons), two loading carts, a mechanical centering station, exit-side conveyors, and the complete fuse protection of the plant.

Schuler is to supply a complete tube rolling mill to Group Five Pipe Saudi, Saudi Arabia. The scope of supply comprises an offline spiral-weld tube plant, which can produce pipes with diameters between 508 and 2,235 millimeters and a length of 12 to 24.4 meters; four welding stands and inspection stations will also be supplied.

A premium car manufacturer in China ordered a six-stage press line with servo-direct technology, a crossbar feeder, and a servo-tryout press from Schuler. The new plant will be used to produce parts for a new SUV (Sport Utility and off-road Vehicle) and transporter.

Schuler received the largest service order in the company's history from a German premium car manufacturer. The order comprises mechanical overhaul of the main assemblies of a transfer suction press (69,000 kilonewtons pressing force), upgrade of the electrical equipment, and new automation equipment for the servo-loader. The plant will be used to produce exterior car body panels.

Yieh Phui Technomaterial, China, commissioned the business area to supply a complete hot-dip galvanizing line, including mechanical equipment, the process section with furnace, and the electrical equipment. The new line, with an annual capacity of 400,000 tons, is designed to produce high-strength steel grades for the automotive industry.

Great Dynasty, Hong Kong, ordered a tension-leveling line for cold-rolled aluminum strip with an annual capacity of 80,000 tons.

Aluminum producer Constellium Singen, Germany, placed an order for the rebuild of an annealing line.

ANDRITZ Soutec received an order from Great Wall Motors, China, to supply a Soulas laser welding plant. Great Wall Motors, one of China's leading car manufacturers, is improving the safety of its vehicles with this investment. With increasing use of tailored welded blanks, which are welded using laser welding equipment, cars are not only becoming safer, but the vehicles are also becoming lighter, thus reducing fuel consumption and environmental impact.

SEPARATION

MARKET DEVELOPMENT

Global project and investment activity for solid/liquid separation equipment showed a varied development during the first quarter of 2014. While demand for both municipal/industrial waste water treatment and food and chemical processing was solid, investment activity in the mining industry remained at a very low level. Project activity in the animal feed and special feed industries was good, particularly in Asia, South America, and Europe. The biomass pelleting area noted solid project activity.

IMPORTANT ORDERS

The business area received an order to supply three high-performance decanter centrifuges for the waste water treatment plant of a large city in Texas, USA. Two automatic filter presses will be supplied for the waste water treatment plant of a large city in western China.

A paddle dryer will be delivered for a sludge and waste incineration plant in South Korea. The ANDRITZ technology will improve operational performance and reduce energy consumption.

Zhanjiang Chenming Pulp & Paper, China, ordered one of the largest biomass belt dryers in the world for its biomass gasification project.

One of the major potash producers in Russia ordered vacuum belt and disc filters.

An order for the supply of gypsum centrifuges for flue gas desulphurization was received from a customer in China.

ANDRITZ secured decanter centrifuge orders from a BPA (bisphenol A) producer in China and from a Spanish contractor acting on behalf of a customer in Saudi Arabia that produces POM (polyoxymethylene).

A repeat order was received from a Chinese customer to supply separators for the production of tea.

ANDRITZ Gouda will deliver drum drying systems to customers in the food industry in Asia and North America.

One of the major food producers in the UK placed an order for the supply of steam peelers for its vegetable and fruit processing line.

The business area received an order to supply filter presses for the production of animal feed in North America.

Several orders for new feed process lines were received from customers in Asia and South America; a customer in India ordered a new dairy feed plant. In the biomass pelleting area, orders were noted from customers in Asia, North America, and South America.

CONSOLIDATED INCOME STATEMENT

For the first quarter of 2014 (condensed, unaudited)

(in TEUR)	Q1 2014	Q1 2013
Sales	**1,219,542**	**1,163,788**
Changes in inventories of finished goods and work in progress	39,741	30,913
Capitalized cost of self-constructed assets	905	449
	1,260,188	**1,195,150**
Other operating income	30,849	26,818
Cost of materials	-642,252	-691,864
Personnel expenses	-389,778	-326,772
Other operating expenses	-189,489	-171,286
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	**69,518**	**32,046**
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	-40,549	-28,972
Earnings Before Interest and Taxes (EBIT)	**28,969**	**3,074**
Income/expense from associated companies	-24	-71
Interest result	-1,516	-1,300
Other financial result	89	316
Financial result	**-1,451**	**-1,055**
Earnings Before Taxes (EBT)	**27,518**	**2,019**
Income taxes	-8,247	-216
NET INCOME	**19,271**	**1,803**
Thereof attributable to:		
Shareholders of the parent	20,657	4,102
Non-controlling interests	-1,386	-2,299
Weighted average number of no-par value shares	103,802,257	103,214,221
Earnings per no-par value share (in EUR)	0.20	0.04
Effect of potential dilution of share options	268,815	1,433,390
Weighted average number of no-par value shares and share options	104,071,072	104,647,611
Diluted earnings per no-par value share (in EUR)	0.20	0.04

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the first quarter of 2014 (condensed, unaudited)

(in TEUR)	Q1 2014	Q1 2013
Net income	**19,271**	**1,803**
Items that may be reclassified subsequently to profit or loss		
Currency translation adjustments, net of tax	-3,096	14,015
Available for sale financial assets, net of tax	-102	-376
Cash flow hedges, net of tax	831	-453
Items that will not be reclassified to profit or loss		
Actuarial gains/losses, net of tax	0	0
Other comprehensive income for the year	**-2,367**	**13,186**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**16,904**	**14,989**
Thereof attributable to:		
Shareholders of the parent	17,945	15,771
Non-controlling interests	-1,041	-782

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of March 31, 2014 (condensed, unaudited)

(in TEUR)	March 31, 2014	December 31, 2013
ASSETS		
Intangible assets	288,832	309,458
Goodwill	529,387	530,067
Property, plant, and equipment	668,477	673,479
Other investments	64,570	45,649
Trade accounts receivable	16,291	16,849
Other non-current receivables and assets	72,754	75,338
Deferred tax assets	190,370	200,318
Non-current assets	**1,830,681**	**1,851,158**
Inventories	727,184	673,761
Advance payments made	158,367	152,786
Trade accounts receivable	573,211	620,821
Cost and earnings of projects under construction in excess of billings	479,715	509,534
Other current receivables	360,116	376,368
Marketable securities	131,133	159,107
Cash and cash equivalents	1,262,831	1,227,860
Current assets	**3,692,557**	**3,720,237**
TOTAL ASSETS	**5,523,238**	**5,571,395**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	104,000	104,000
Capital reserves	36,476	36,476
Retained earnings	725,238	759,261
Equity attributable to shareholders of the parent	**865,714**	**899,737**
Non-controlling interests	**27,809**	**29,743**
Total shareholders' equity	**893,523**	**929,480**
Bonds - non-current	360,287	510,658
Bank loans and other financial liabilities - non-current	60,266	44,483
Obligations under finance leases - non-current	15,081	15,324
Provisions - non-current	436,361	438,563
Other liabilities - non-current	54,633	54,374
Deferred tax liabilities	141,428	159,040
Non-current liabilities	**1,068,056**	**1,222,442**
Bonds - current	155,187	0
Bank loans and other financial liabilities - current	55,719	63,004
Obligations under finance leases - current	899	962
Trade accounts payable	385,263	453,219
Billings in excess of cost and earnings of projects under construction	1,173,134	1,081,412
Advance payments received	272,426	269,066
Provisions - current	516,676	555,063
Liabilities for current taxes	36,225	39,622
Other liabilities - current	966,130	957,125
Current liabilities	**3,561,659**	**3,419,473**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**5,523,238**	**5,571,395**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the first quarter of 2014 (condensed, unaudited)

	Attributable to shareholders of the parent								Non-controlling interests	Total shareholders' equity
(in TEUR)	Share capital	Capital reserves	Other retained earnings	IAS 39 reserve	Actuarial gains/losses	Currency translation adjustments	Treasury shares	Total		
STATUS AS OF JANUARY 1, 2013*	**104,000**	**36,476**	**925,558**	**695**	**-30,886**	**-7,410**	**-20,940**	**1,007,493**	**26,302**	**1,033,795**
Total comprehensive income for the year			4,102	-809		12,478		15,771	-782	14,989
Dividends			-123,738					-123,738		-123,738
Changes from acquisitions			-5,645					-5,645	20,468	14,823
Changes concerning own shares							-9,945	-9,945		-9,945
Other changes			386		-27	1,402		1,761		1,761
STATUS AS OF MARCH 31, 2013*	**104,000**	**36,476**	**800,663**	**-114**	**-30,913**	**6,470**	**-30,885**	**885,697**	**45,988**	**931,685**
STATUS AS OF JANUARY 1, 2014	**104,000**	**36,476**	**838,057**	**-381**	**-24,240**	**-45,718**	**-8,457**	**899,737**	**29,743**	**929,480**
Total comprehensive income for the year			20,657	698		-3,410		17,945	-1,041	16,904
Dividends			-51,907					-51,907		-51,907
Changes concerning own shares			-287				1,005	718		718
Other changes			-765			-14		-779	-893	-1,672
STATUS AS OF MARCH 31, 2014	**104,000**	**36,476**	**805,755**	**317**	**-24,240**	**-49,142**	**-7,452**	**865,714**	**27,809**	**893,523**

* As of December 31, 2013 restated due to IAS 19 – for more information, see ANDRITZ annual financial report 2013

CONSOLIDATED STATEMENT OF CASH FLOWS

For the first quarter of 2014 (condensed, unaudited)

(in TEUR)	Q1 2014	Q1 2013
Cash flow from operating activities	61,007	-79,693
Cash flow from investing activities	11,897	-6,843
Cash flow from financing activities	-35,109	-135,511
Change in cash and cash equivalents	**37,795**	**-222,047**
Change in cash and cash equivalents resulting from exchange rate fluctuation	-2,824	10,619
Cash and cash equivalents at the beginning of the period	**1,227,860**	**1,492,848**
Cash and cash equivalents at the end of the period	**1,262,831**	**1,281,420**

CASH FLOWS FROM ACQUISITIONS OF SUBSIDIARIES*

For the first quarter of 2014 (condensed, unaudited)

(in TEUR)	Total Q1 2014	Total Q1 2013
Intangible assets	0	300,022
Property, plant, and equipment	0	176,558
Inventories	0	166,215
Trade and other receivables	0	270,112
Liabilities excluding financial liabilities	0	-728,036
Non-interest bearing net assets	**0**	**184,871**
Cash and cash equivalents acquired	0	332,964
Fixed financial assets	0	2,626
Debt assumed	0	-109,952
Goodwill	0	190,867
Non-controlling interests	0	-30,338
Total purchase price	**0**	**571,038**
Purchase price paid	0	-419,188
Cash and cash equivalents acquired	0	332,964
NET CASH FLOW	**0**	**-86,224**
Liabilities from purchase price not paid	0	-3,396
Fair value of investments held prior to acquisition	0	-148,454
PURCHASE PRICE NOT PAID IN CASH	**0**	**-151,850**

* Converted by using exchange rates as per dates of transaction

The initial accounting for the businesses acquired is based on preliminary figures. The final evaluation of the balance sheet items disclosed in the cash flows from acquisition will be carried out according the regulations of IFRS 3 (revised) “Business Combinations”.

NOTES

Explanatory notes to the interim consolidated financial statements as of March 31, 2014

General

The interim consolidated financial statements as of March 31, 2014 were prepared in accordance with the principles set forth in the International Financial Reporting Standards (IFRS) – guidelines for interim reporting (IAS 34) – which are to be applied in the European Union. The accounting and valuation methods as of December 31, 2013 have been maintained without any change. For additional information on the accounting and valuation principles, see the consolidated financial statements as of December 31, 2013, which form the basis for this interim consolidated financial report.

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

The interim consolidated financial statements as of March 31, 2014 were neither subject to a complete audit nor to an audit review by an auditor.

Application of new standards

ANDRITZ applies the following new standards:
- IFRS 10: Consolidated financial statements
- IFRS11: Joint arrangements
- IFRS12: Disclosures of interests in other entities
- IAS 27 (as revised 2011): Separate financial statements
- IAS 28 (as revised 2011): Investments in associates and joint ventures
- IAS 32 (as revised 2011): Offsetting of financial assets and financial liabilities

The application of these new standards did not have any material impact on the interim consolidated financial statements.

Change in consolidated companies

The scope of consolidated financial statements changed as follows:

	Full consolidation	Equity method
Balance as of January 1, 2014	**146**	**3**
Acquisition of companies	0	0
Changes in consolidation type		
Additions	0	0
Disposals	-2	0
Reorganization	-10	0
Balance as of March 31, 2014	**134**	**3**

Acquisitions

The following companies were not, or only partially, included in the ANDRITZ GROUP's consolidated financial statements for the reference period January 1 to March 31, 2013:

Acquired in 2013:
- Shanghai Shende Machinery Co. Ltd., China (80%): plants for the production of animal/aquatic feed pelleting equipment for mid-size capacities
- Schuler Group, Germany (> 95%): machines, production lines, dies, process know-how, and services for the metalworking industry
- FBB Engineering GmbH, Germany (100%): burners and fireproof systems for the steel and aluminum industries
- ANDRITZ MeWa GmbH, Germany (100%): engineering and service of shredding and crushing machines and complete recycling plants
- Modul Group, Germany (remaining 50%): machines and plants for wood treatment; the first 50% have been acquired in 2010
- Certain assets of Vandenbroek Thermal Processing B.V., Netherlands: thermal sludge drying technologies
- Certain assets of Hydreo Engineering, France
- Warkaus Works OY, Finland (remaining 50%); manufacturing of pressure-bearing components for recovery boilers and power plant boilers; the first 50% have been acquired in 2001

Acquired in 2014:
The remaining 20% stake in Shanghai Shende Machinery Co. Ltd.; since the closing was not completed during the reporting period, these shares are reported under non-controlling interests in the interim financial statements as of March 31, 2014.

Acquisition of non-controlling interests
ANDRITZ acquired additional shares of the Schuler Group in 2014. The ANDRITZ GROUP recognized this participation rate change as an equity transaction.

Seasonality
As a rule, the business of the ANDRITZ GROUP is not characterized by any seasonality.

Notes to the interim consolidated income statement
In the first quarter of 2014, sales of the ANDRITZ GROUP amounted to 1,219.5 MEUR and were thus 4.8% higher than the reference figure for the previous year (Q1 2013: 1,163.8 MEUR). The EBIT reached 29.0 MEUR (Q1 2013: 3.1 MEUR).

Notes to the consolidated statement of financial position
Total assets of the ANDRITZ GROUP as of March 31, 2014 amounted to 5,523.2 MEUR and were thus 48.2 MEUR lower than the figure as of December 31, 2013 (5,571.4 MEUR). The net working capital as of March 31, 2014 amounted to -590.2 MEUR (December 31, 2013: -539.4 MEUR).

During the current business year, ANDRITZ AG paid dividends in the amount of 51.9 MEUR for the 2013 business year. No shares were bought back and 31,000 shares were issued to ANDRITZ employees (mainly in connection with the exercise of share option programs) during the first quarter of 2014.

Notes to the consolidated statement of cash flows
Cash flow from operating activities of the ANDRITZ GROUP amounted to 61.0 MEUR in the first quarter of 2014 (Q1 2013: -79.7 MEUR). This increase was mainly due to project-related changes in the working capital.

Cash flow from investing activities during the first quarter of 2014 amounted to 11.9 MEUR (Q1 2013: -6.8 MEUR). The change resulted mainly from net proceeds from the sale of financial securities (29.0 MEUR in Q1 2014 versus -97.2 MEUR in Q1 2013) as well as lower investments in tangible and intangible assets (-17.2 MEUR in Q1 2014 versus -21.4 MEUR in Q1 2013). In addition, during the reporting period no cash flow-effective expenses for acquisitions were made (Q1 2013: -82,8 MEUR).

Segment information

Segment information is prepared on the following basis:

Business areas

The ANDRITZ GROUP conducts its business activities through the following business areas:

- HYDRO (HY)
- PULP & PAPER (PP)
- METALS (ME)
- SEPARATION (SE)

Business area data as of March 31, 2014:

(in TEUR)	HY	PP	ME	SE	Total
Sales	362,849	399,614	332,813	124,266	1,219,542
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	31,588	16,312	19,147	2,471	69,518
Capital expenditure	7,851	4,178	3,501	1,667	17,197
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	8,324	8,438	19,747	4,040	40,549
Share of net profit/loss of associates	0	-24	0	0	-24
Shares in associated companies	0	0	0	0	0

Business area data as of March 31, 2013:

(in TEUR)	HY	PP	ME	SE	Total
Sales	381,156	452,449	202,005	128,178	1,163,788
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	33,995	-18,058	15,722	387	32,046
Capital expenditure	10,232	6,194	4,097	865	21,388
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	8,662	8,003	7,690	4,617	28,972
Share of net profit/loss of associates	0	-71	0	0	-71
Shares in associated companies	0	556	0	0	556

Fair value hierarchy

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

- Level 1: Prices quoted in active markets for identical assets or liabilities
- Level 2: Information other than prices quoted on the market and which can be observed, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Information on assets and liabilities is not based on observable market data

The following table allocates financial assets and liabilities measured at fair value to the three levels of the fair value hierarchy. It distinguishes fair value measurements by the significance of the input parameters used and reflects the availability of observable market data when estimating fair values.

(in TEUR)	Total as of March 31, 2014	thereof level 1	thereof level 2	thereof level 3
FINANCIAL ASSETS				
At fair value through profit and loss - trading				
Derivatives	23,676	0	23,676	0
Embedded derivatives	13,780	0	13,780	0
Available for sale financial assets				
Investment securities	7,247	7,247	0	0
Marketable securities	131,133	131,133	0	0
Other receivables				
Derivatives (hedge accounting)	15,245		15,245	
	191,081	**138,380**	**52,701**	**0**
FINANCIAL LIABILITIES				
At fair value through profit and loss - trading				
Derivatives	21,227	0	21,227	0
Embedded derivatives	15,586	0	15,586	0
Other liabilities				
Derivatives (hedge accounting)	344	0	344	
	37,157	**0**	**37,157**	**0**

Important events after March 31, 2014

In connection with pulp mill deliveries to Montes del Plata, Uruguay, ANDRITZ informed the customer during the reporting period that it is ready for start-up. At present, the customer is still working on finishing some areas for which he is responsible and is waiting for government approvals to operate the mill, which are expected in the coming weeks according to the customer. Start-up is expected to begin immediately afterwards.

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 three 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 nine months of the financial year, and also with regard to the major business transactions subject to disclosure and concluded with related persons and companies.

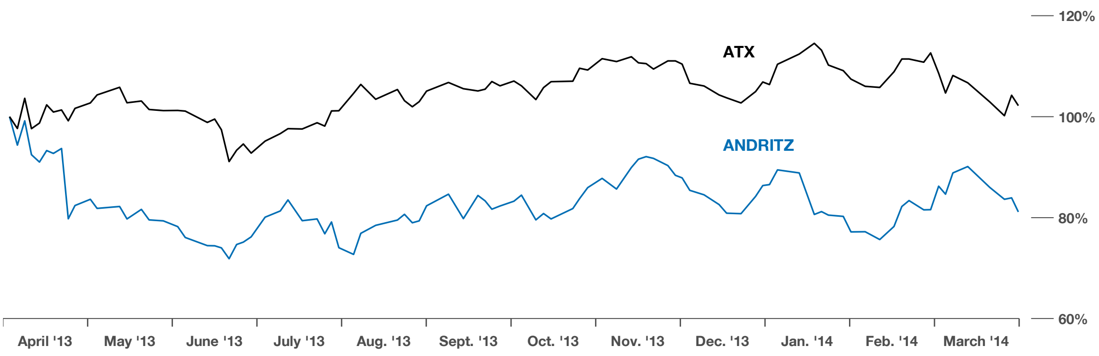
Graz, May 6, 2014

The Executive Board of ANDRITZ AG

Wolfgang Leitner	Karl Hornhofer	Humbert Köfler	Friedrich Papst	Wolfgang Semper
President and CEO	PULP & PAPER (Capital Systems)	PULP & PAPER (Service & Units), SEPARATION	METALS, HYDRO (Pumps), SEPARATION (feed/ biomass pelleting)	HYDRO

SHARE

Relative price performance of the ANDRITZ share compared to the ATX (April 1, 2013-March 31, 2014)



Source: Vienna Stock Exchange

Share price development

The development of the international financial markets continued to be influenced by the euro and international debt crises and by the uncertain general economic environment during the first quarter of 2014. In a continuing volatile environment on the financial markets, the ANDRITZ share price declined by 1.8% during the reporting period, while the ATX, the leading share index on the Vienna Stock Exchange, declined by 0.4%.

The highest closing price of the ANDRITZ share in the first quarter of 2014 was 47.58 EUR (March 7, 2014) and the lowest was 39.95 EUR (February 4, 2014).

Trading volume

The average daily trading volume of the ANDRITZ share (double count, as published by the Vienna Stock Exchange) was 389,767 shares (Q1 2013: 219,633 shares). The highest daily trading volume was noted on January 13, 2014 (1,524,312 shares), the lowest trading volume on January 10, 2014 (148,540 shares).

Investor Relations

During the first quarter of 2014, meetings with institutional investors and financial analysts were held in Boston, Cologne, Düsseldorf, Frankfurt, London, Los Angeles, New York, and Salt Lake City.

Annual General Meeting

In the 107th Annual General Meeting of ANDRITZ AG, held at March 21, 2014, two new members of the Supervisory Board were elected after retirement of Hellwig Torggler and Peter Mitterbauer: Monika Kircher, Chairman of the Executive Board of Infineon Technologies Austria AG, Austria (until March 31, 2014), and Ralf Dieter, Chairman of the Executive Board of Dürr AG, Germany. Both new members of the Supervisory Board were elected for the maximum period stipulated in the Articles of Association (i.e. until the day of the Annual General Meeting that decides on the discharge for 2018).

Key figures of the ANDRITZ share	Unit	Q1 2014	Q1 2013	2013
Highest closing price	*EUR*	47.58	54.94	54.94
Lowest closing price	*EUR*	39.95	48.28	37.93
Closing price (as of end of period)	*EUR*	44.86	52.34	45.59
Market capitalization (as of end of period)	*MEUR*	4,664.9	5,443.4	4,741.4
Performance	*%*	-1.8	+4.1	-9.4
ATX weighting (as of end of period)	*%*	8.3545	11.6521	9.5082
Average daily number of shares traded	*Share unit*	389,767	219,663	316,787

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	About 70%
Stock exchange	Vienna (Prime Market)
Ticker symbols	Reuters: ANDR.VI; Bloomberg: ANDR, AV
Stock exchange indices	ATX, ATX Global Players, ATXPrime, WBI

Financial calendar 2014 and 2015 (preliminary)

May 6, 2014	Results for the first quarter of 2014
August 7, 2014	Results for the first half of 2014
November 6, 2014	Results for the first three quarters of 2014
March 5, 2015	Results for the financial year 2014
March 26, 2015	Annual General Meeting
March 31, 2015	Ex-dividend
April 2, 2015	Dividend payment
May 6, 2015	Results for the first quarter of 2015
August 7, 2015	Results for the first half of 2015
November 6, 2015	Results for the first three quarters of 2015

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.

Contact and publisher's note

ANDRITZ AG
Investor Relations
Stattegger Strasse 18
8045 Graz, Austria
investors@andritz.com

Produced in-house using FIRE.sys