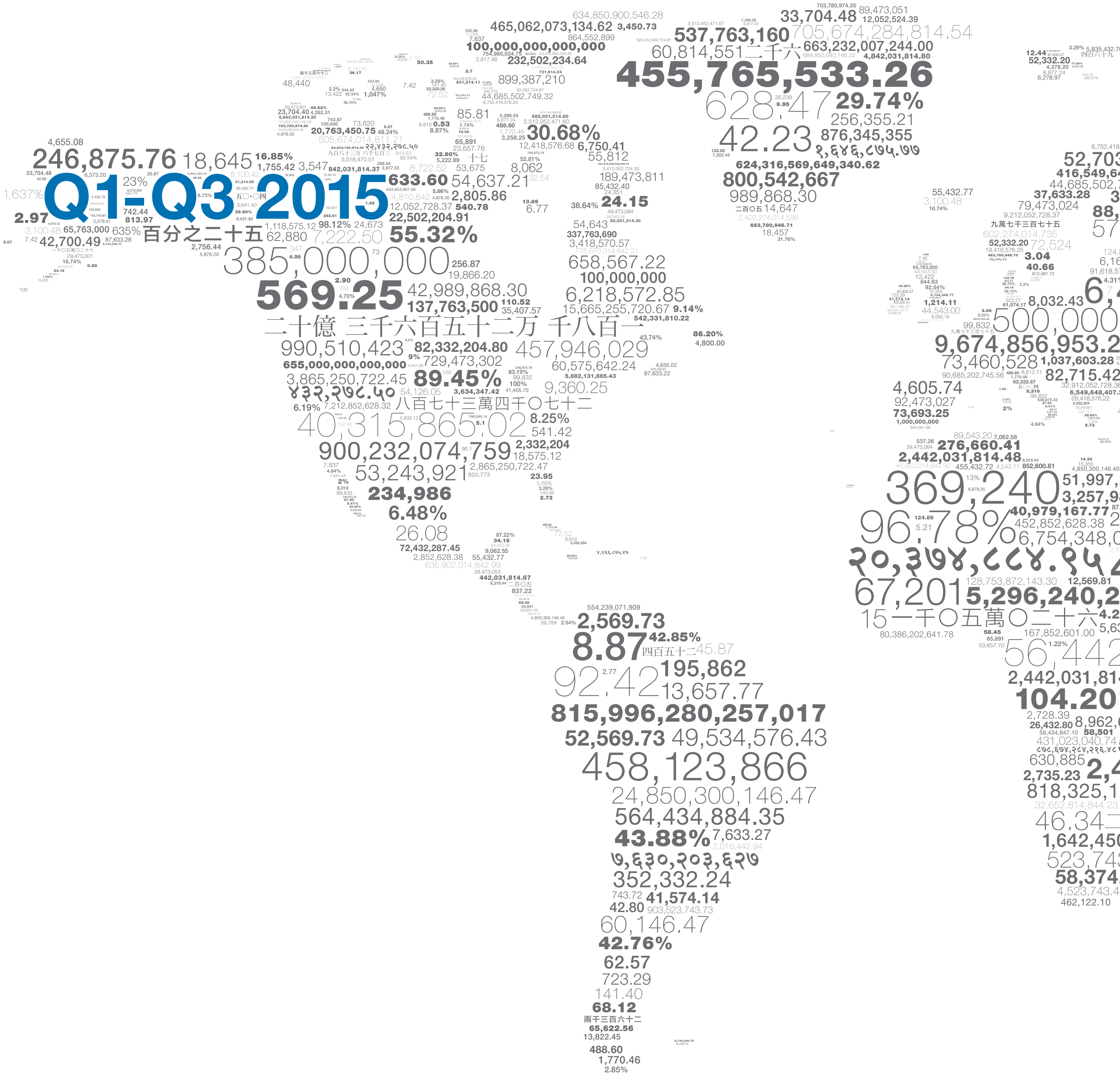

Q1-Q3 2015

ANDRITZ

Interim financial report
for the first three quarters of 2015

Annual and financial reports
The annual reports and financial reports are available for download at www.andritz.com. Printed copies can be requested free of charge by e-mail to investors@andritz.com.

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Produced in-house using FIRE.sys

KEY FINANCIAL FIGURES OF THE ANDRITZ GROUP

	Unit	Q1-Q3 2015	Q1-Q3 2014	+/-	Q3 2015	Q3 2014	+/-	2014
Order intake	MEUR	3,767.6	4,571.6	-17.6%	1,187.6	1,591.5	-25.4%	6,101.0
Order backlog (as of end of period)	MEUR	6,891.8	7,702.2	-10.5%	6,891.8	7,702.2	-10.5%	7,510.6
Sales	MEUR	4,589.1	4,122.9	+11.3%	1,583.5	1,463.5	+8.2%	5,859.3
Return on sales[1)]	%	5.6	4.3	-	6.3	5.6	-	5.0
EBITDA[2)]	MEUR	364.1	298.9	+21.8%	133.2	123.2	+8.1%	472.0
EBITA[3)]	MEUR	295.0	234.4	+25.9%	110.1	101.0	+9.0%	379.5
Earnings Before Interest and Taxes (EBIT)	MEUR	259.1	176.0	+47.2%	99.5	81.6	+21.9%	295.7
Earnings Before Taxes (EBT)	MEUR	263.1	174.3	+50.9%	96.7	81.6	+18.5%	299.4
Net income (including non-controlling interests)	MEUR	183.5	122.0	+50.4%	67.6	57.1	+18.4%	210.0
Net income (without non-controlling interests)	MEUR	181.3	123.6	+46.7%	67.4	56.9	+18.5%	210.9
Cash flow from operating activities	MEUR	132.8	225.6	-41.1%	140.6	176.6	-20.4%	342.1
Capital expenditure[4)]	MEUR	59.7	61.9	-3.6%	23.4	27.4	-14.6%	106.5
Employees (as of end of period; without apprentices)	-	24,769	24,468	+1.2%	24,769	24,468	+1.2%	24,853
Fixed assets	MEUR	1,806.1	1,761.7	+2.5%	1,806.1	1,761.7	+2.5%	1,780.0
Current assets	MEUR	3,883.0	4,166.0	-6.8%	3,883.0	4,166.0	-6.8%	4,187.6
Total shareholders' equity[5)]	MEUR	1,078.4	1,002.4	+7.6%	1,078.4	1,002.4	+7.6%	1,014.8
Provisions	MEUR	1,056.1	937.6	+12.6%	1,056.1	937.6	+12.6%	1,056.2
Liabilities	MEUR	3,554.6	3,987.7	-10.9%	3,554.6	3,987.7	-10.9%	3,896.6
Total assets	MEUR	5,689.1	5,927.7	-4.0%	5,689.1	5,927.7	-4.0%	5,967.6
Equity ratio[6)]	%	19.0	16.9	-	19.0	16.9	-	17.0
Return on equity[7)]	%	24.4	17.4	-	9.0	8.1	-	29.5
Return on investment[8)]	%	4.6	3.0	-	1.7	1.4	-	5.0
Liquid funds[9)]	MEUR	1,367.1	1,666.6	-18.0%	1,367.1	1,666.6	-18.0%	1,701.6
Net liquidity[10)]	MEUR	930.3	1,013.8	-8.2%	930.3	1,013.8	-8.2%	1,065.1
Net debt[11)]	MEUR	-524.1	-691.2	+24.2%	-524.1	-691.2	+24.2%	-659.4
Net working capital[12)]	MEUR	-354.1	-607.0	+41.7%	-354.1	-607.0	+41.7%	-570.9
Capital employed[13)]	MEUR	575.1	333.1	+72.7%	575.1	333.1	+72.7%	387.0
Gearing[14)]	%	-48.6	-69.0	+29.6%	-48.6	-69.0	+29.6%	-65.0
EBITDA margin	%	7.9	7.2	-	8.4	8.4	-	8.1
EBITA margin	%	6.4	5.7	-	7.0	6.9	-	6.5
EBIT margin	%	5.6	4.3	-	6.3	5.6	-	5.0
Net income[15)]/sales	%	4.0	3.0	-	4.3	3.9	-	3.6
Depreciation and amortization/sales	%	2.2	3.0	-	2.1	2.8	-	2.9

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 33,952 TEUR (58,406 TEUR for Q1-Q3 2014, 78,038 TEUR for 2014) and impairment of goodwill at the amount of 1,955 TEUR (0 TEUR for Q1-Q3 2014, 5,747 TEUR for 2014) 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

	Unit	Q1-Q3 2015	Q1-Q3 2014	+/-	Q3 2015	Q3 2014	+/-	2014
Order intake	MEUR	1,122.0	1,166.0	-3.8%	327.3	351.4	-6.9%	1,816.7
Order backlog (as of end of period)	MEUR	3,585.8	3,575.5	+0.3%	3,585.8	3,575.5	+0.3%	3,708.6
Sales	MEUR	1,309.6	1,232.2	+6.3%	443.3	426.8	+3.9%	1,752.3
EBITDA	MEUR	116.1	114.5	+1.4%	42.3	42.8	-1.2%	177.2
EBITDA margin	%	8.9	9.3	-	9.5	10.0	-	10.1
EBITA	MEUR	91.6	91.7	-0.1%	33.6	34.9	-3.7%	144.8
EBITA margin	%	7.0	7.4	-	7.6	8.2	-	8.3
Employees (as of end of period; without apprentices)	-	8,474	8,080	+4.9%	8,474	8,080	+4.9%	8,339

PULP & PAPER

	Unit	Q1-Q3 2015	Q1-Q3 2014	+/-	Q3 2015	Q3 2014	+/-	2014
Order intake	MEUR	1,255.7	1,629.6	-22.9%	346.8	572.4	-39.4%	1,995.7
Order backlog (as of end of period)	MEUR	1,609.6	2,101.7	-23.4%	1,609.6	2,101.7	-23.4%	1,875.4
Sales	MEUR	1,586.4	1,369.9	+15.8%	542.5	500.6	+8.4%	1,969.3
EBITDA	MEUR	167.4	85.5	+95.8%	85.7	35.7	+140.1%	127.6
EBITDA margin	%	10.6	6.2	-	15.8	7.1	-	6.5
EBITA	MEUR	149.5	66.9	+123.5%	79.6	29.1	+173.5%	102.9
EBITA margin	%	9.4	4.9	-	14.7	5.8	-	5.2
Employees (as of end of period; without apprentices)	-	7,226	7,340	-1.6%	7,226	7,340	-1.6%	7,236

METALS

	Unit	Q1-Q3 2015	Q1-Q3 2014	+/-	Q3 2015	Q3 2014	+/-	2014
Order intake	MEUR	953.8	1,328.1	-28.2%	358.4	530.2	-32.4%	1,692.8
Order backlog (as of end of period)	MEUR	1,326.9	1,631.4	-18.7%	1,326.9	1,631.4	-18.7%	1,566.1
Sales	MEUR	1,239.8	1,111.8	+11.5%	443.7	389.5	+13.9%	1,550.4
EBITDA	MEUR	58.2	87.0	-33.1%	-2.2	36.8	-106.0%	134.0
EBITDA margin	%	4.7	7.8	-	-0.5	9.4	-	8.6
EBITA	MEUR	38.3	69.8	-45.1%	-8.9	31.1	-128.6%	110.2
EBITA margin	%	3.1	6.3	-	-2.0	8.0	-	7.1
Employees (as of end of period; without apprentices)	-	6,272	6,202	+1.1%	6,272	6,202	+1.1%	6,432

SEPARATION

	Unit	Q1-Q3 2015	Q1-Q3 2014	+/-	Q3 2015	Q3 2014	+/-	2014
Order intake	MEUR	436.1	447.9	-2.6%	155.1	137.5	+12.8%	595.8
Order backlog (as of end of period)	MEUR	369.5	393.6	-6.1%	369.5	393.6	-6.1%	360.5
Sales	MEUR	453.3	409.0	+10.8%	154.0	146.6	+5.0%	587.3
EBITDA	MEUR	22.4	11.9	+88.2%	7.4	7.9	-6.3%	33.2
EBITDA margin	%	4.9	2.9	-	4.8	5.4	-	5.7
EBITA	MEUR	15.6	6.0	+160.0%	5.8	5.9	-1.7%	21.6
EBITA margin	%	3.4	1.5	-	3.8	4.0	-	3.7
Employees (as of end of period; without apprentices)	-	2,797	2,846	-1.7%	2,797	2,846	-1.7%	2,846

MANAGEMENT REPORT

GENERAL ECONOMIC CONDITIONS

The economies of the world's main regions saw mixed development in the third quarter of 2015. In the USA, the economy continued to recover. Private consumption, which accounts for the largest portion of economic performance in the USA, continued its positive development. This led to a further increase in employment. Thus, the unemployment rate decreased to approximately 5%, the lowest level in seven years. The US Federal Reserve (FED) announced that the key interest rate will remain unchanged at its record low level of 0 to 0.25 percent, but also hinted at a turnaround in interest rates before the end of this year. According to the FED, the extent of an increase in the key interest rate will depend on the inflation forecast and the economic development in the emerging markets in Brazil and China.

In contrast, economic growth continued to be moderate in Europe. A negative impact was felt due to the current mutual trade embargo between Russia and the European Union as well as the general economic weakness in the emerging markets, which resulted in less demand for export goods in spite of the weak euro. The European Central Bank announced that the key interest rate will remain unchanged at its record low of 0.05 percent in the euro zone to combat the weakening economy and the too low inflation rate. This should boost investments and consumption.

Growth in the most important emerging markets continued to slow down during the reporting period. China is undergoing the transition from an industrial to a consumer society. The national investment programs in the past few years have resulted in massive overcapacities in many industries that could not be fully compensated by the export economy, which is suffering from the global economic weakness, and by domestic demand. Brazil has also been battling against a severe economic crisis for many months now. The economy, which is strongly oriented towards exporting of raw materials, is suffering under the low prices for these goods, which has led to increasing unemployment and thus declining domestic consumption. In addition to Western sanctions, Russia is also struggling with the low oil price and, like Brazil, is undergoing a recession because of the sharp drop in raw material prices and due to currency fluctuations.

Sources: research reports by various banks, OECD

BUSINESS DEVELOPMENT

Notes

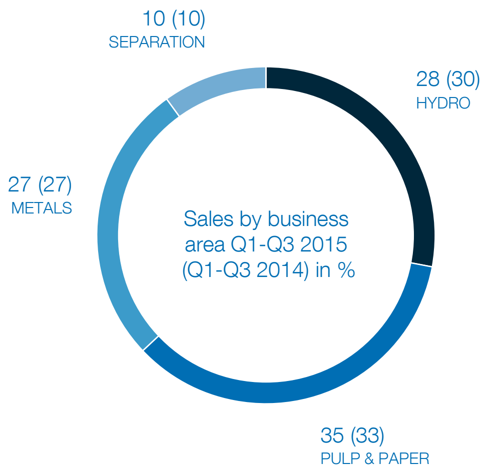
- All figures according to IFRS
- Due to the utilization of automatic calculation programs, differences can arise in the addition of rounded totals and percentages.
- MEUR = million euro; TEUR = thousand euro

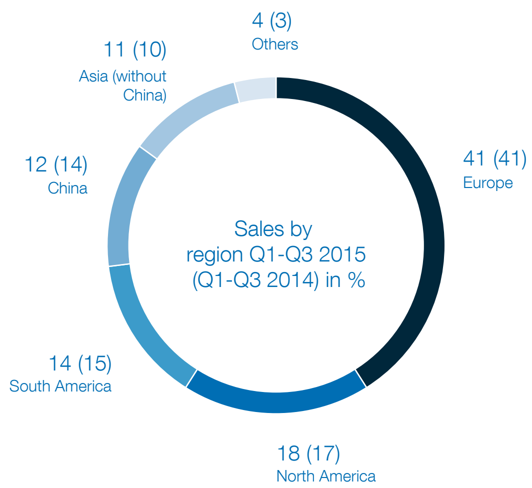
Sales

In the third quarter of 2015, sales of the ANDRITZ GROUP amounted to 1,583.5 MEUR and were thus 8.2% higher than the figure in the third quarter of 2014 (1,463.5 MEUR). All four business areas were able to increase their sales compared to the previous year: HYDRO +3.9% to 443.3 MEUR, PULP & PAPER +8.4% to 542.5 MEUR, METALS +13.9% to 443.7 MEUR, and SEPARATION +5.0% to 154.0 MEUR.

In the first three quarters 2015, Group sales rose by 11.3% to 4,589.1 MEUR compared to last year's reference period (Q1-Q3 2014: 4,122.9 MEUR). As in the third quarter of 2015, all business areas noted an increase in sales:

	Unit	Q1-Q3 2015	Q1-Q3 2014	+/-
HYDRO	*MEUR*	1,309.6	1,232.2	+6.3%
PULP & PAPER	*MEUR*	1,586.4	1,369.9	+15.8%
METALS	*MEUR*	1,239.8	1,111.8	+11.5%
SEPARATION	*MEUR*	453.3	409.0	+10.8%





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

	Q1-Q3 2015	Q1-Q3 2014	Q3 2015	Q3 2014
ANDRITZ GROUP	29	29	30	29
HYDRO	25	25	25	28
PULP & PAPER	36	36	37	34
METALS	19	18	19	17
SEPARATION	44	43	45	42

Order intake

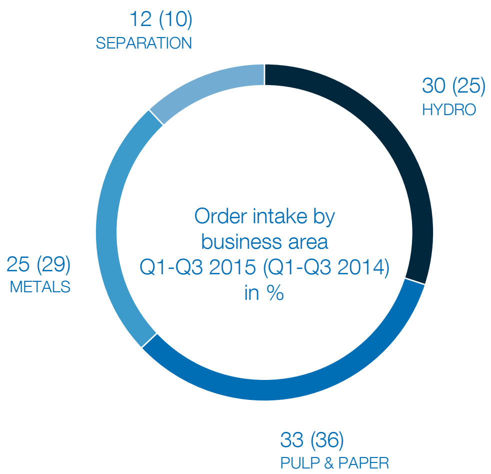
The Group's order intake in the third quarter of 2015, at 1,187.6 MEUR, was 25.4% below the high figure for the previous year's reference period (Q3 2014: 1,591.5 MEUR): The business areas' order intake developed as follows:

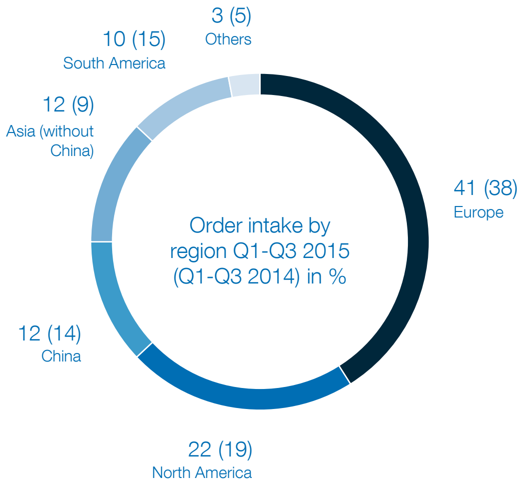
- HYDRO: At 327.3 MEUR, order intake was 6.9% lower than in the third quarter of 2014 (351.4 MEUR), but still reached an acceptable level in view of the unchanged difficult market environment.
- Order intake in the PULP & PAPER business area amounted to 346.8 MEUR – a decline of 39.4% compared to the previous year's high level (Q3 2014: 572.4 MEUR), which included some large orders for boiler plants (including Zellstoff Pöls, Austria, and OKI Pulp & Paper Mills, Indonesia).
- METALS: The order intake reached 358.4 MEUR and thus was also significantly lower than the figure for last year's reference period (-32.4% versus Q3 2014: 530.2 MEUR), when several large orders in the metal forming sector (including an order from FAW-Volkswagen Automotive, China) and for aluminum strip processing lines were booked.
- Order intake in the SEPARATION business area increased by 12.8% to 155.1 MEUR (Q3 2014: 137.5 MEUR).

In connection with the decline in order intake in the third quarter of 2015, it has to be mentioned that the large order awarded to ANDRITZ by Fibria in July 2015 to supply equipment for the new Horizonte 2 pulp mill in Brazil was booked in the fourth quarter of 2015; typical order values of comparable projects are about 600 MEUR. In addition, the large order received in the first quarter of 2015 to deliver the electromechanical equipment for the world's first tidal lagoon hydropower project in Wales will not be booked before the end of the first half of 2016.

In the first three quarters of 2015, the order intake of the ANDRITZ GROUP, at 3,767.6 MEUR, was 17.6% below the previous year's reference figure (Q1-Q3 2014: 4,571.6 MEUR). This is attributable primarily to the METALS and PULP & PAPER business areas.

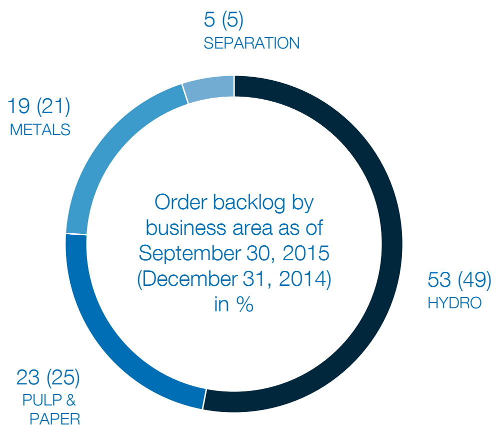
- The Schuler Group, which is allocated to the METALS business area, saw a significant decline in order intake, which fell to 653.3 MEUR (-28.7% versus Q1-Q3 2014: 916.3 MEUR) due to postponed projects in the metal forming sector for the automotive and automotive supplier industries.
- In the PULP & PAPER business area, order intake dropped to 1,255.7 MEUR (-22.9% versus Q1-Q3 2014: 1,629.6 MEUR).

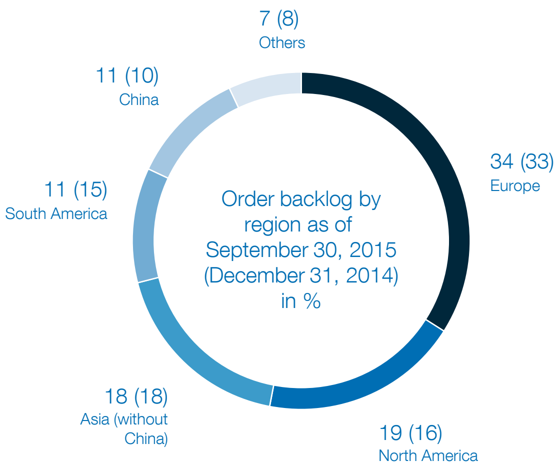




Order backlog

As of September 30, 2015, the order backlog of the ANDRITZ GROUP amounted to 6,891.8 MEUR and thus slightly decreased by 8.2% compared to the end of last year (December 31, 2014: 7,510.6 MEUR).





Earnings

The earnings of the ANDRITZ GROUP developed favorably. The EBITA amounted to 110.1 MEUR in the third quarter of 2015 and was thus 9.0% higher than the figure for the previous year's reference period (Q3 2014: 101.0 MEUR). The EBITA margin amounted to 7.0% (Q3 2014: 6.9%). As announced at the end of August 2015, around 55 MEUR of financial provisions were booked for optimization of the value chain at Schuler. These provisions were partly offset by project-related one-off improvements in the amount of approximately 30 MEUR in the PULP & PAPER business area. After adjustment of these extraordinary effects, the Group's EBITA amounted to 135.1 MEUR and the EBITA margin to 8.5% in the third quarter of 2015.

Profitability in the business areas developed as follows:

- The EBITA margin in the HYDRO business area dropped compared to the previous year from 8.2% to 7.6%, but still achieved a satisfactory level.
- In the PULP & PAPER business area, the EBITA margin increased significantly to 14.7% due to the one-off improvements mentioned above (Q3 2014: 5.8%). However, the EBITA margin excluding this extraordinary effect still achieved a very favorable level at 9.1%.
- In the METALS business area, the EBITA margin fell to -2.0% (Q3 2014: 8.0%) due to the financial provisions to optimize the value chain at Schuler. Excluding these restructuring expenses, the EBITA margin showed a substantial increase to 10.4%.

- In the SEPARATION business area, the EBITA margin amounted to 3.8%, thus remaining at an unsatisfactory level (Q3 2014: 4.0%).

The earnings of the Group also increased substantially in the first three quarters 2015. At 295.0 MEUR, the EBITA was 25.9% higher than the figure for the previous year's reference period (Q1-Q3 2014: 234.4 MEUR), while the EBITA margin amounted to 6.4% (Q1-Q3 2014: 5.7%). Excluding the extraordinary effects booked in the third quarter of 2015, the EBITA increased to 320.0 MEUR and the EBITA margin to 7.0%.

The financial result in the first three quarters improved to 4.0 MEUR (Q1-Q3 2014: -1.7 MEUR). This positive development is mainly due to the higher average net liquidity compared to the previous year and a one-off effect on interest in connection with settlement payments received from a customer.

Net income (without non-controlling interests) in the first three quarters reached 181.3 MEUR (Q1-Q3 2014: 123.6 MEUR).

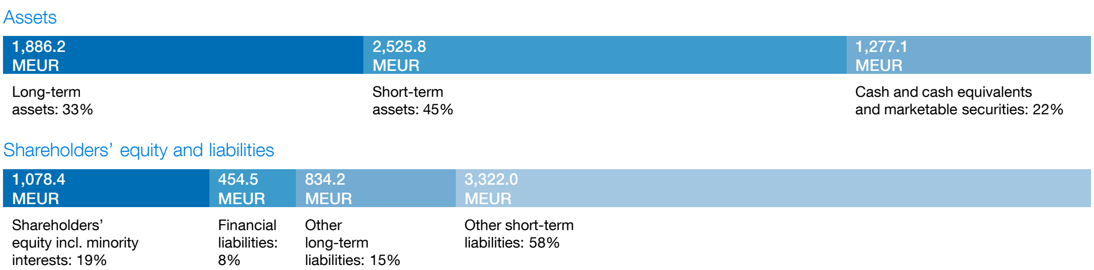
Net worth position and capital structure

The net worth position and capital structure as of September 30, 2015 remained solid. Total assets amounted to 5,689.1 MEUR (December 31, 2014: 5,967.6 MEUR). The equity ratio reached 19.0% (December 31, 2014: 17.0%).

Liquid funds (cash and cash equivalents plus marketable securities plus loans against borrowers' notes) amounted to 1,367.1 MEUR (December 31, 2014: 1,701.6 MEUR), net liquidity (liquid funds plus fair value of interest rate swaps minus financial liabilities) amounted to 930.3 MEUR (December 31, 2014: 1,065.1 MEUR).

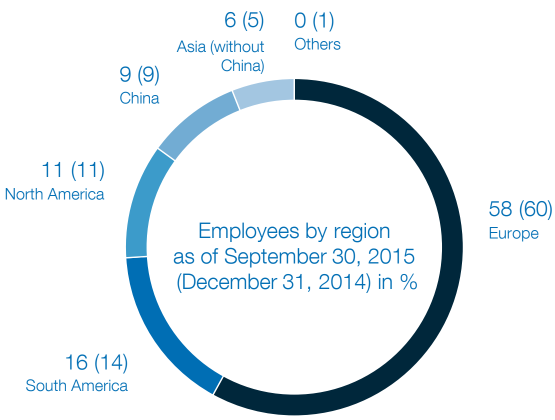
In addition to the high net liquidity, the ANDRITZ GROUP also has the following credit and surety lines for performance of contracts, down payments, guarantees, etc., at its disposal:

- Credit lines: 366 MEUR, thereof 74 MEUR utilized
- Surety and guarantee lines: 5,747 MEUR, thereof 2,888 MEUR utilized



Employees

As of September 30, 2015, the number of ANDRITZ GROUP employees amounted to 24,769 (December 31, 2014: 24,853 employees).



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

The ANDRITZ GROUP has implemented a 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 these monitoring and risk control systems are effective enough.

The essential risks for the business development of the ANDRITZ GROUP relate above all to the Group's dependence on the general economic environment and the development of the industries it serves, to whether major orders are received and to the risks they entail; and to whether adequate sales proceeds are realized from the high order backlog. Furthermore, unexpected cost increases during the execution of orders constitute a considerable risk, particularly in so-called turnkey or EPC orders, where the Group may assume responsibility for engineering, civil work, and erection of a factory in addition to delivery of ANDRITZ equipment and systems. 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 with 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 continuously challenging overall economic development (particularly in Europe and individual emerging markets, mainly in Brazil, Russia, and China) also constitute a serious risk for the ANDRITZ GROUP's financial development. A significant weakness of the global economy or a considerable slowdown of the economy in one of the main economic regions may lead to delays in the execution of existing orders and to the postponement or cancellation of ongoing projects. Cancellations of existing contracts could adversely affect the ANDRITZ GROUP's order backlog, which in turn would have a negative impact on the utilization of the Group's manufacturing capacities.

The Schuler Group, which is part of the ANDRITZ GROUP, derives approximately 80% of its sales from the automotive industry, which is generally exposed to severe cyclical swings. Cyclical swings of this kind, e.g. as in the first three quarters of 2015, can lead to a significant decline in order intake as well as have a negative impact on earnings of the Schuler Group and thus, on the ANDRITZ GROUP's earnings. In addition, financial provisions for continuing the successful measures already taken by Schuler during the past two years in connection with the implementation of operational measures in order to optimize the value chain will have a negative impact on earnings of Schuler and thus also of the ANDRITZ GROUP in 2015.

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

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

ANDRITZ processes orders for the HYDRO business area in Brazil through ANDRITZ HYDRO S.A. (formerly ANDRITZ HYDRO INEPAR DO BRASIL S.A.), which after acquisition of the remaining shares is now wholly-owned by ANDRITZ. The former minority shareholder Inepar S/A Industria e Construcoes ("Inepar") has entered into a judicial reorganization process. There is no guarantee that the reorganization process will be successful and that Inepar will not become bankrupt and be liquidated. An Inepar bankruptcy could have a considerable negative financial impact on ANDRITZ, especially due to claims of joint and several liabilities. 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 Inepar and its affiliates on the premise that ANDRITZ HYDRO S.A. was part of the Inepar economic group. ANDRITZ has also received certain labor claims from employees of Inepar entities claiming that ANDRITZ HYDRO S.A. is jointly and severally liable for such claims. ANDRITZ is vigorously contesting these labor and tax claims in several labor and tax collection lawsuits in Brazil. As a result of Inepar's participation in a governmental tax refinancing program (REFIS), the tax lawsuits have been suspended. If Inepar does not comply with its obligations under the REFIS program, then its original tax obligations will become due and the tax proceedings against ANDRITZ HYDRO S.A. could resume.

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

The product liability cases include a number of cases alleging injuries and/or death resulting from exposure to asbestos.

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.

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

The risk of a complete or partial breakdown of the euro zone and of a resulting possible collapse of the euro currency decreased in the past few months, however, the possibility cannot be ruled out entirely. The effects of a still possible Greek exit from the euro cannot be forecasted at the moment. A complete or partial breakdown of the euro zone or a decline in the exchange rate of the euro against the main international currencies would very likely have a negative effect on the financial, liquidity, and earnings development of the Group. For further information on risks, please refer to the ANDRITZ annual financial report 2014.

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.

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

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 reporting period

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

OUTLOOK

Economic experts do not expect any significant changes in the general economic conditions during the coming months. While the economy in the USA should continue to show robust growth, Europe's economy is expected to continue its moderate development. There are also no sustained growth impulses for the world's economy expected from countries in the emerging markets. China's growth could continue to slow down, and economic experts expect Brazil and Russia to remain in economic recession also in the coming months.

The prospects for the ANDRITZ business areas have not changed 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 have been postponed or stopped temporarily, particularly in Europe. Some larger, new hydropower projects are currently being planned in the emerging markets, but award of these projects is expected only in the medium to long term. Continuing subdued investment activity is also expected in the metalforming sector (METALS business area/Schuler). As a result of the weak demand in the automotive sector in China, most car manufacturers and suppliers have postponed or put their investment decisions on hold for the time being. By comparison, in the PULP & PAPER business area a continuation of the good project activity is expected, both for larger modernization investments and for new greenfield pulp mills.

Based on the above mentioned expectations regarding the development of the global economy and the current project activity in the ANDRITZ business areas, and the order backlog as of the end of September 2015, ANDRITZ currently expects an increase in sales and net income for 2015 compared to the previous year. The provisions of 55 million euros booked in the third quarter of 2015 in connection with the implementation of operative measures to optimize the value chain at Schuler will be partly compensated by one-off improvements in other areas so that the overall negative impact on the Group's net income will be around 15 to 20 million euros.

However, if the economic weakness looming in the emerging economies (particularly China) continues in the coming months and the global economy suffers any severe setbacks or there is substantial turmoil on the international currency and financial markets, this could have a negative impact on ANDRITZ's business development. This may lead to organizational and capacity adjustments in individual business areas, and as a result, to financial provisions that could have a negative effect on earnings of the ANDRITZ GROUP.

HYDRO

MARKET DEVELOPMENT

Global investment and project activity for electromechanical equipment for hydropower plants continued to be moderate during the third quarter of 2015. Due to unchanged low electricity and energy prices, many modernization and refurbishment projects were postponed until further notice, particularly in Europe. There are some new hydropower projects in the planning phase in individual countries in South America and Africa. However, these projects are only expected to be awarded in the medium term. Unchanged satisfactory project activity was noted both for small-scale hydropower plants and for pumps.

IMPORTANT EVENTS

The electromechanical equipment supplied for the Ayvali hydropower station, Turkey, with a total installed capacity of 130 megawatts was handed over to the customer for commercial use. In addition to the two main units, the delivery included two small-scale hydropower units in order to ensure the residual water use required by government regulations.

The first of three 150-megawatt units was handed over successfully to J & K State Power Development at the Baglihar II hydropower station, India.

The two 5.1-megawatts units supplied to the Rothleiten small-scale hydropower plant, Austria, were commissioned successfully. ANDRITZ HYDRO supplied the bulb turbines, the generators, and the entire electrical and control equipment.

In Vietnam, the Nam Chim 1A small-scale hydropower plant was handed over successfully to Song Lam Investment and Construction. The entire electromechanical equipment, including the two 5-megawatt turbines, was installed in just 14 months.

IMPORTANT ORDERS

For an order from Song Da Corporation, the business area is to deliver two 16-megawatt bulb turbines to the Xekaman Sanxay hydropower station, Laos, providing more than 131 gigawatt-hours of electricity per year. This is the third order this customer has placed with ANDRITZ HYDRO, following the successful supplies for the hydropower stations Xekaman 3 and Xekaman 1.

In the wake of the main order placed in 2013 to supply the electromechanical equipment for Xayaburi run-of-river power plant in Laos, ANDRITZ HYDRO was awarded a supplementary order by Karnchang to optimize the fish ladder. The volume of water for the fish ladder will be doubled, making it possible at the same time to generate a further 48 gigawatt-hours of electricity a year.

Salten Kraftsambad awarded the business area an order to supply the electromechanical equipment for Norwegian hydropower stations Storavatn (two units with 27 megawatts and 8 megawatts, respectively) and Smibelg (one 33-megawatt unit).

LIMAK, Turkey, placed an order with ANDRITZ HYDRO for supply and installation of the gates and penstocks for the Yusufeli hydropower station currently being built (total installed capacity of 540 megawatts). The gates will have a total weight of 2,200 tons, and the penstocks will weigh 3,800 tons in total.

The business area received an order from YaJiang Jin Tong Hydroelectric Development for the supply, installation, and commissioning of two 130-megawatt units for the Da A Guo hydropower station, China.

The US Army Corps of Engineers placed an order for the refurbishment of a turbine and a generator at the Lower Monumental hydropower plant, USA.

ANDRITZ HYDRO will upgrade the Sholayar hydropower station under an order from Tangedeco, India. The scope of supply includes the electromechanical equipment for the two new 42-megawatt units. The installed capacity will be increased from 70 to 84 megawatts.

For the Due small-scale hydropower plant, Ecuador, the complete electromechanical equipment will be supplied under an order from Hidroalto.

VERBUND Austrian Hydro Power, Austria, awarded the business area with the replacement of generator parts at the Wallsee hydropower station. The order comprises supply, installation, and commissioning of a new stator and of new generator poles.

For the renewal of the hydromechanical equipment of the Barrett Chute G.S. hydropower station, Canada, Ontario Power Generation commissioned the business area to supply two new gates.

For Kolsin Vesivoimantuotanto, Finland, ANDRITZ HYDRO will upgrade the two 3.3-megawatt Kaplan turbines at the Korkeakoski hydropower station.

As part of an agricultural irrigation project in southern Lebanon, the business area will supply four double-flow pumps in order to make use of the pressure in the pipeline upstream of the balancing reservoir to generate electricity. At peak times, the plant on the Litani River will provide an output of more than 4.7 megawatts.

In order to guarantee the Las Vegas water supply, the business area will deliver another submersible motor pump to the South Nevada Water Authority, USA. ANDRITZ already successfully supplied pumps of this type to this customer in the past.

PULP & PAPER

MARKET DEVELOPMENT

In the third quarter of 2015, the international pulp market showed quite stable development. As a result of the largely balanced supply and demand on the pulp market, the prices for long-fiber pulp (Northern Bleached Softwood Kraft) and for short-fiber pulp (eucalyptus) remained at the same solid level as in the previous quarter. Overall, the market for pulping equipment saw good project and investment activity. In addition to modernization projects for existing pulp mills, there were also orders awarded for new greenfield plants.

IMPORTANT EVENTS

Fibria, the world's largest eucalyptus pulp producer, signed a letter of intent for ANDRITZ to supply all production technologies and equipment for Fibria's Horizonte 2 pulp mill in Três Lagoas, Brazil. The new production line, which represents one of the largest private investments in Brazil, will have an annual production capacity of 1.75 million tons. The order comprises the EPC delivery of the complete woodyard, fiberline, pulp drying plant, and recovery island (evaporators, recovery boiler, and white liquor plant). Start-up is scheduled for the fourth quarter of 2017.

UPM Kymmene, Finland, started up the fiberline modernized by ANDRITZ, including a new washer and a new pulp drying plant at its Kymi mill.

In the reporting period, the business area noted further important start-ups in China, e.g. a recycled fiber processing line for Chongqing Lee & Man (capacity: 300 tons per day); an MDF pressurized refiner system for Xia'yi Husheng Panel Board; and another pressurized refining system for Luyuan 7.

Zhanjiang Chenming Pulp & Paper, China, started up a gasification plant. The plant will produce 65 megawatts of power from mill waste and biomass.

IMPORTANT ORDERS

Chenming Huanggang, China, ordered a continuous cooking plant for the production of kraft and dissolving pulp. ANDRITZ will also supply a burner system for the elimination of non-condensable gases.

Phoenix Pulp and Paper, Thailand, ordered the supply of a lime kiln used in the chemical recovery process in order to increase production capacity and lime quality.

The ProGest Group, Italy, selected the business area to deliver key paper machine components for a modernization project.

The business area will supply a circulating fluidized bed power boiler to Ibrahim Fibres, Pakistan.

Domtar Paper, USA, ordered a logyard circular crane for its Marlboro mill. The new crane will replace existing equipment and has a net lift capacity of 32 tons.

In the panelboard sector, ANDRITZ received an order for the supply of a pressurized refining system and chip washing plant from Duraplay de Parral, Mexico.

In the nonwovens sector, the business area received an order from Suominen, Finland, for a greenfield wetlace production line to be built in the USA.

METALS

MARKET DEVELOPMENT

During the reporting period, the metalforming sector for the automotive and automotive supplying industries (Schuler) was characterized by delays in many projects. Especially in China, many project decisions were postponed until further notice due to the decline in the automotive market, and no larger orders have been awarded in this market segment served by Schuler. In contrast, satisfactory investment activity was noted in all other metalforming areas, for example in forging technology.

Project activity for equipment for the production and processing of stainless and carbon steel strips remained unchanged at a low level. Selective projects focus primarily at modernizations and energy efficiency improvements of existing plants. Investments in new plants were limited due to continuing moderate capacity utilizations. Project and investment activity in the aluminum sector was below the favorable level of the preceding quarters and of the previous year.

IMPORTANT EVENTS

Schuler's Servo TechCenter in Tianjin, China, started manufacturing the first components on a 1,600-ton press with TwinServo technology. The demonstration and reference center targets customers and other interested parties in the automotive supplier market in China.

Tangshan Iron and Steel Group, China, selected the business area to supply two continuous furnace plants for two new hot-dip galvanizing plants. The two heat treatment lines will have a total annual capacity of 670,000 tons and are designed for the production of high-strength steel grades for the automotive industry. This order follows the successful supply and start-up of furnaces and process equipment for another hot-dip galvanizing line and a continuous annealing line for Tangshan Iron and Steel Group, China, ordered from ANDRITZ METALS two years ago and went into operation successfully after only 21 months.

Turkish steel producer Erdemir awarded ANDRITZ METALS the order to supply a continuous furnace plant for a new hot-dip galvanizing line with an annual capacity of 350,000 tons. The plant was designed to produce high-strength steel grades for the automotive industry.

IMPORTANT ORDERS

Prommashkomplekt, Kazakhstan, ordered a production line for railway wheel sets and track crossings from Schuler and ANDRITZ Maerz. The line consists of two hydraulic presses (pressing force 5,000 and 10,000 tons, respectively) and a wheel roller from Schuler. ANDRITZ Maerz will supply a rotary hearth furnace and a plant for heat treatment of the railway wheels.

Schuler received an order from Tesla, USA, to supply a blanking line. In addition, the manufacturer of premium-class electric vehicles ordered a coil line, cut-to-length shears, stacking units, and a control system upgrade for an existing press.

Flex-N-Gate, USA, placed orders for the supply of two fully automated mechanical Schuler transfer presses, each with four-point suspension and 25,000 tons of pressing force, for the manufacturing of automotive components. Also in the USA, E+E Manufacturing ordered a Schuler servo press in tie rod design with a pressing force of 2,000 tons.

For its plant in Weissensee, Germany, the North American automotive supplier Mubea ordered a warm-forming press with a pressing force of 1,600 tons including automation systems to produce structural components from tailored rolled blanks. These blanks are rolled to different sheet thicknesses in order to save weight.

SuperAlloy, Taiwan, the world's second-largest producer of forged rims for cars and off-road vehicles, placed an order with Schuler for three hydraulic forging presses (each with 7,000 tons pressing force) including a line control.

SEPARATION

MARKET DEVELOPMENT

The global markets for solid/liquid separation equipment continued to show a mixed development in the third quarter of 2015. While investment and project activity in the environment, food, and chemicals sectors was satisfactory, the demand from the mining industry continued to be very low. In the animal feed industry, project activity for conventional and special feed was solid. Some mill expansion projects and greenfield plants were awarded or were in the planning phase. There was good project and investment activity in the biomass pelleting sector.

IMPORTANT EVENTS

The business area has developed a technology for the drying of lignin created in the bioethanol process. Material from the fermentation of second-generation feedstocks can be dried and utilized in the production of bio-based products.

ANDRITZ successfully started up a dynamic cross-flow filtration system for a large Italian supplier of components for the automotive industry. The filter has a filtration area of 32 square meters and is utilized for the recovery of oil from steel particles.

IMPORTANT ORDERS

A major chemicals producer in Germany selected the business area to provide three side-bar filter presses for a new line of catalyzers being built for pigment/dye applications.

ANDRITZ sold two fluid bed drying systems to customers in Turkey. One system will be installed for drying dense soda ash and sodium bicarbonate. The new system reduces the amount of exhaust air to be treated by about 40% over the previous generation system installed at the plant, resulting in significant energy savings. The second system will be installed as part of an expansion project of another soda ash plant.

A belt drying system for drying a mixture of municipal solid waste and refuse-derived fuels will be delivered to a customer in the UK. The material will be dried utilizing waste heat from the plant.

The business area received an order to supply a contact drum dryer and wet mixing equipment for the preparation of baby food prior to drying for a customer in Croatia.

A major chemicals producer in Germany is expanding production capacity and selected the business area to deliver a contact drum dryer for the processing of polyvinyl.

A major pharmaceutical customer in Singapore awarded the business area an order to supply a plate drying unit as part of a plant expansion project.

Two tapioca starch producers in Indonesia ordered three horizontal peeler centrifuges for capacity increases and product quality improvements.

The business area received an order to supply a vacuum belt filter for a copper mining company in China. The filter will improve dewatering capacity and increase production throughput. Also in China, a beverage processing company ordered three separators for the processing of herbal tea, beer, and fruit juice.

CONSOLIDATED INCOME STATEMENT

For the first three quarters of 2015 (unaudited)

(in TEUR)	Q1-Q3 2015	Q1-Q3 2014	Q3 2015	Q3 2014
Sales	**4,589,053**	**4,122,892**	**1,583,474**	**1,463,462**
Changes in inventories of finished goods and work in progress	59,862	87,474	5,432	26,658
Capitalized cost of self-constructed assets	7,265	1,721	2,268	320
	4,656,180	**4,212,087**	**1,591,174**	**1,490,440**
Other operating income	103,370	61,787	23,118	17,607
Cost of materials	-2,457,251	-2,222,329	-825,311	-798,839
Personnel expenses	-1,289,055	-1,176,822	-440,847	-387,314
Other operating expenses	-649,183	-575,776	-215,016	-198,605
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	**364,061**	**298,947**	**133,118**	**123,289**
Depreciation, amortization, and impairment of intangible assets and property, plant, and equipment	-102,998	-122,918	-33,639	-41,675
Impairment of goodwill	-1,955	0	-2	0
Earnings Before Interest and Taxes (EBIT)	**259,108**	**176,029**	**99,477**	**81,614**
Expense from associated companies	-89	-54	-69	-20
Interest income	33,467	22,237	6,790	7,663
Interest expenses	-23,828	-24,040	-9,020	-7,744
Other financial result	-5,557	147	-455	111
Financial result	**3,993**	**-1,710**	**-2,754**	**10**
Earnings Before Taxes (EBT)	**263,101**	**174,319**	**96,723**	**81,624**
Income taxes	-79,633	-52,296	-29,134	-24,487
NET INCOME	**183,468**	**122,023**	**67,589**	**57,137**
Thereof attributable to:				
Shareholders of the parent	181,267	123,600	67,401	56,853
Non-controlling interests	2,201	-1,577	188	284
Weighted average number of no-par value shares	103,173,835	103,731,925	103,086,647	103,611,979
Basic earnings per no-par value share (in EUR)	1.76	1.19	0.66	0.55
Effect of potential dilution of share options	589,603	241,323	389,256	261,183
Weighted average number of no-par value shares and share options	103,763,438	103,973,248	103,475,903	103,873,162
Diluted earnings per no-par value share (in EUR)	1.75	1.19	0.65	0.55

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the first three quarters of 2015 (condensed, unaudited)

(in TEUR)	Q1-Q3 2015	Q1-Q3 2014	Q3 2015	Q3 2014
NET INCOME	**183,468**	**122,023**	**67,589**	**57,135**
Items that may be reclassified subsequently to profit or loss:				
Currency translation adjustments	7,840	29,930	-25,565	26,929
Available-for-sale financial assets, net of tax	-299	362	-271	498
Cash flow hedges, net of tax	395	0	2,385	-1,034
Items that will not be reclassified to profit or loss:				
Actuarial gains/losses, net of tax	0	0	0	0
OTHER COMPREHENSIVE INCOME FOR THE YEAR	**7,936**	**30,292**	**-23,451**	**26,393**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**191,404**	**152,315**	**44,138**	**83,528**
Thereof attributable to:				
Shareholders of the parent	190,016	153,118	44,611	82,796
Non-controlling interests	1,388	-803	-473	732

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of September 30, 2015 (unaudited)

(in TEUR)	September 30, 2015	December 31, 2014
ASSETS		
Intangible assets	212,384	242,593
Goodwill	541,922	538,475
Property, plant, and equipment	716,868	715,255
Other investments	114,546	71,225
Trade accounts receivable	22,124	62,522
Cost and earnings of projects under construction in excess of billings	0	25,634
Other receivables and assets	57,996	111,738
Deferred tax assets	220,376	212,406
Non-current assets	**1,886,216**	**1,979,848**
Inventories	750,434	693,234
Advance payments made	156,112	150,207
Trade accounts receivable	672,613	705,819
Cost and earnings of projects under construction in excess of billings	600,904	476,549
Other receivables and assets	345,804	350,339
Marketable securities	68,558	154,294
Cash and cash equivalents	1,208,507	1,457,335
Current assets	**3,802,932**	**3,987,777**
TOTAL ASSETS	**5,689,148**	**5,967,625**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	104,000	104,000
Capital reserves	36,476	36,476
Retained earnings	920,972	857,601
Equity attributable to shareholders of the parent	**1,061,448**	**998,077**
Non-controlling interests	16,909	16,721
Total shareholders' equity	**1,078,357**	**1,014,798**
Bonds	366,393	370,130
Bank loans and other financial liabilities	45,956	44,803
Obligations under finance leases	14,123	14,564
Provisions	612,478	548,840
Other liabilities	61,637	59,910
Deferred tax liabilities	160,151	137,672
Non-current liabilities	**1,260,738**	**1,175,919**
Bonds	0	150,839
Bank loans and other financial liabilities	27,277	75,907
Obligations under finance leases	708	802
Trade accounts payable	426,958	493,436
Billings in excess of cost and earnings of projects under construction	1,134,345	1,203,593
Advance payments received	260,260	251,288
Provisions	443,597	507,356
Liabilities for current taxes	43,514	46,470
Other liabilities	1,013,394	1,047,217
Current liabilities	**3,350,053**	**3,776,908**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**5,689,148**	**5,967,625**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the first three quarters of 2015 (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, 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			123,600	362		29,156		153,118	-803	152,315
Dividends			-51,907					-51,907	-1,232	-53,139
Changes in treasury shares			-769				-25,607	-26,376		-26,376
Other changes			3,453	-1	-5	-2,694		753	-639	114
STATUS AS OF SEPTEMBER 30, 2014	**104,000**	**36,476**	**912,434**	**-20**	**-24,245**	**-19,256**	**-34,064**	**975,325**	**27,069**	**1,002,394**
STATUS AS OF JANUARY 1, 2015	**104,000**	**36,476**	**992,482**	**-3,684**	**-83,001**	**-15,249**	**-32,947**	**998,077**	**16,721**	**1,014,798**
Total comprehensive income for the year			181,267	82		8,667		190,016	1,388	191,404
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
STATUS AS OF SEPTEMBER 30, 2015	**104,000**	**36,476**	**1,071,863**	**-3,602**	**-83,001**	**-7,563**	**-56,725**	**1,061,448**	**16,909**	**1,078,357**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the first three quarters of 2015 (condensed, unaudited)

(in TEUR)	Q1-Q3 2015	Q1-Q3 2014
Cash flow from operating activities	132,845	225,607
Cash flow from investing activities	-12,818	57,977
Cash flow from financing activities	-333,104	-36,761
Changes in cash and cash equivalents	**-213,077**	**246,823**
Changes in cash and cash equivalents resulting from exchange rate fluctuation	-35,751	27,982
Cash and cash equivalents at the beginning of the period	1,457,335	1,227,860
Cash and cash equivalents at the end of the period	**1,208,507**	**1,502,665**

CASH FLOWS FROM ACQUISITIONS OF SUBSIDIARIES*

For the first three quarters of 2015 (condensed, unaudited)

(in TEUR)	Business area	Total	Total
	PP[1]	Q1-Q3 2015	Q1-Q3 2014
Intangible assets	3,110	3,110	527
Property, plant, and equipment	2,894	2,894	2,264
Inventories	1,798	1,798	1,106
Trade and other receivables	7,149	7,149	36
Liabilities	-5,983	-5,983	-2,253
Non-interest bearing net assets	**8,968**	**8,968**	**1,680**
Marketable securities	0	0	1,772
Cash and cash equivalents	950	950	0
Financial assets	327	327	0
Financial liabilities	-2,116	-2,116	0
Goodwill	2,582	2,582	570
Non-controlling interests	0	0	0
Total purchase price	**10,711**	**10,711**	**4,022**
Purchase price paid	-10,711	-10,711	-4,022
Cash and cash equivalents acquired	950	950	1,772
Net cash flow	**-9,761**	**-9,761**	**-2,250**
Liabilities from purchase price not paid	0	0	0
Fair value of investments previously held under equity method	0	0	0
Purchase price not paid in cash	**0**	**0**	**0**

* Converted by using exchange rates as per dates of transaction

1) PP = PULP & PAPER

The initial accounting for the businesses acquired in 2015 is based on preliminary figures. The final evaluation of the balance sheet items disclosed in the cash flows from acquisition will be carried out according the regulations of IFRS 3 (revised) "Business Combinations".

NOTES

Explanatory notes to the interim consolidated financial statements as of September 30, 2015

General
The interim consolidated financial statements as of September 30, 2015 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, 2014 have been maintained without any change. For additional information on the accounting and valuation principles, see the consolidated financial statements as of December 31, 2014, 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 September 30, 2015 were neither subject to a complete audit nor to an audit review by an auditor.

Application of new standards
Since January 1, 2015 ANDRITZ applies the annual improvements to IFRS (cycle 2011-2013). The application of these updated standards did not have any material impact on the interim consolidated financial statements.

Consolidated companies
The consolidated financial statements include ANDRITZ AG and those it controls, where their influence on the assets, liabilties, financial position, and proit or loss of the Group is not of minor importance.

The scope of consolidated financial statements changed as follows:

	Full consolidation	Equity method
Balance as of January 1, 2015	**139**	**3**
Acquisition of companies	2	
Disposal of companies		
Changes in consolidation type		
Additions	2	
Disposals		
Reorganization	-7	
Balance as of September 30, 2015	**136**	**3**
Thereof attributable to:		
Domestic companies	6	0
Foreign companies	130	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 September 30, 2014:
Acquired in 2014:
- Herr-Voss Stamco Inc., USA: supplier of coil and sheet metal processing solutions for both ferrous and non-ferrous applications as well as service business
- Certain assets and employees of the hydrogenerator service business sector of ABB Schweiz AG, Switzerland
- Andritz Hydro AFI Inc., Canada: engineering, manufacturing, and maintenance of gates for hydropower plants

Acquired in 2015:
- Yangzhou Metal Forming Machine Tool Co., Ltd., China: manufacturer of mechanical presses including the automotive supplying, household appliances, and metal working industries. The acquisition is subject to approval by anti-trust authorities; the closing of the transaction is expected for Q4 2015/Q1 2016
- Euroslot KDSS, France: design and manufacturing of filtration and separation equipment for the pulp and paper industry, the water and waste water treatment segment, and other industrial applications

Acquisition of non-controlling interests

The following changes occurred relating to non-controlling interests in the first three quarters 2015:

- In June 2015, ANDRITZ has acquired the remaining 25.67% shares of ANDRITZ HYDRO S.A. Araraquara, Brazil.
- In May 2015, ANDRITZ has acquired the remaining 5% shares of ANDRITZ-Wolfensberger Special Alloy Foundry Co. Ltd., Foshan, China.
- In April 2015, ANDRITZ has acquired the remaining 20% shares of Shanghai Shende Machinery Co. Ltd., Shanghai, China.
- In January 2015, ANDRITZ has acquired the remaining 49% shares of Precision Machine and Supply, Inc., Spokane/Washington, USA.

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 three quarters 2015, sales of the ANDRITZ GROUP amounted to 4,589.1 MEUR and were thus 11.3% higher than the reference figure for the previous year (Q1-Q3 2014: 4,122.9 MEUR). The EBIT reached 259.1 MEUR (Q1-Q3 2014: 176.0 MEUR).

Notes to the consolidated statement of financial position

Total assets of the ANDRITZ GROUP as of September 30, 2015 amounted to 5,689.1 MEUR and were thus 278.5 MEUR lower than the figure as of December 31, 2014 (5,967.6 MEUR). The net working capital as of September 30, 2015 amounted to -354.1 MEUR (December 31, 2014: -570.9 MEUR).

During the current business year, ANDRITZ AG paid dividends in the amount of 103.2 MEUR for the 2014 business year. During the first three quarters of 2015 660,000 shares were bought back; 77,408 shares were issued to ANDRITZ employees (mainly in connection with the exercise of share option programs).

Notes to the consolidated statement of cash flows

Cash flow from operating activities of the ANDRITZ GROUP amounted to 132.8 MEUR in the first three quarters of 2015 (Q1-Q3 2014: 225.6 MEUR). This decrease was mainly due to project-related changes in the working capital.

Cash flow from investing activities during the first three quarters of 2015 amounted to -12.8 MEUR (Q1-Q3 2014: 58.0 MEUR). The change resulted mainly from higher investments in financial assets and marketable securities.

Cash flow from financing activities amounted to -333.1 MEUR in the first three quarters 2015 (Q1-Q3 2014: -36.8 MEUR). The strong change resulted mainly from the redemption of a corporate bond in February 2015 (nominal value: 150 MEUR) and from higher dividend payments (-103,2 MEUR in Q1-Q3 2015 versus -51,9 MEUR in Q1-Q3 2014).

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 September 30, 2015:

(in TEUR)	HY	PP	ME	SE	Total
Sales	1,309,572	1,586,375	1,239,816	453,290	4,589,053
EBITDA	116,059	167,417	58,162	22,423	364,061
EBITA	91,612	149,499	38,257	15,648	295,016
Capital expenditure	14,952	11,853	24,708	8,171	59,684
Depreciation, amortization, and impairment of intangible assets and property, plant, and equipment	27,518	24,828	40,415	10,237	102,998
Share of net profit/loss of associates	0	-89	0	0	-89
Shares in associated companies	0	0	0	0	0

Business area data as of September 30, 2014:

(in TEUR)	HY	PP	ME	SE	Total
Sales	1,232,210	1,369,894	1,111,810	408,978	4,122,892
EBITDA	114,482	85,513	87,033	11,919	298,947
EBITA	91,760	66,900	69,777	5,999	234,436
Capital expenditure	24,928	15,707	15,230	5,999	61,864
Depreciation, amortization, and impairment of intangible assets and property, plant, and equipment	26,104	26,064	58,613	12,137	122,918
Share of net profit/loss of associates	0	-54	0	0	-54
Shares in associated companies	0	0	0	0	0

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 September 30, 2015	thereof level 1	thereof level 2	thereof level 3
FINANCIAL ASSETS				
At fair value through profit and loss - trading				
Derivatives	30,407		30,407	
Embedded derivatives	43,245		43,245	
Available for sale				
Investment securities	7,052	7,052		
Marketable securities	68,558	68,558		
Other receivables				
Derivatives (hedge accounting)	22,406		22,406	
	171,668	**75,610**	**96,058**	**0**
FINANCIAL LIABILITIES				
At fair value through profit and loss - trading				
Derivatives	63,988		63,988	
Embedded derivatives	14,989		14,989	
Other liabilities				
Derivatives (hedge accounting)	11,849		11,849	
	90,826	**0**	**90,826**	**0**

Important events after September 30, 2015

There were no extraordinary events subsequent to the balance sheet date.

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 2015

The Executive Board of ANDRITZ AG

Wolfgang Leitner
President and CEO

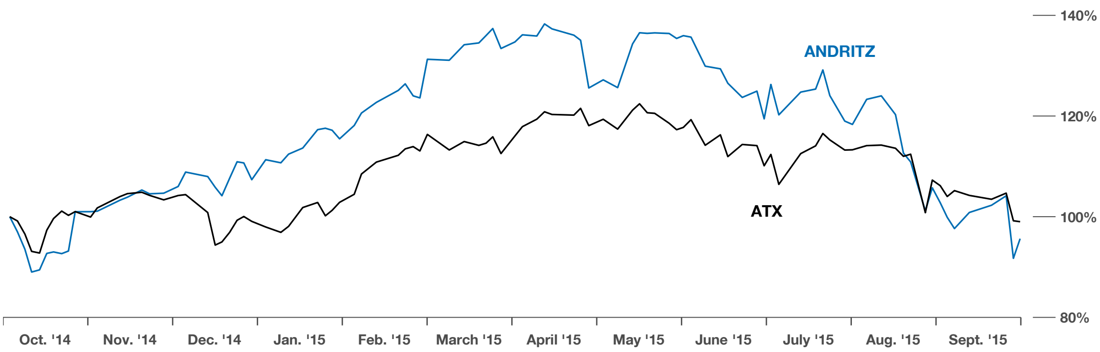
Humbert Köfler
PULP & PAPER (Service & Units), SEPARATION

Joachim Schönbeck
PULP & PAPER (Capital Systems), METALS

Wolfgang Semper
HYDRO

SHARE

Relative price performance of the ANDRITZ share compared to the ATX (October 1, 2014-September 30, 2015)



Source: Vienna Stock Exchange

Share price development

The development on international financial markets was influenced by uncertainties regarding the economic slowdown in China and other emerging markets as well as by the resulting high volatility on the stock markets during the reporting period. In particular, shares of companies with large sales exposure to emerging markets or the automotive industry came under pressure in the third quarter of 2015. In this environment, the ANDRITZ share price declined by 12.5% in the first three quarters of 2015. The ATX, the leading share index on the Vienna Stock Exchange, rose slightly by 1.8% over the same period. The highest closing price of the ANDRITZ share was 57.49 EUR (April 13, 2015), and the lowest was 38.14 EUR (January 8 and September 24, 2015).

Trading volume

The average daily trading volume of the ANDRITZ share (double count, as published by the Vienna Stock Exchange) in the first three quarters of 2015 was 361,542 shares (Q1-Q3 2014: 294,685 shares). The highest daily trading volume was noted on June 19, 2015 (1,841,024 shares) and the lowest trading volume on May 21, 2015 (143,662 shares).

Own shares

In the third quarter of 2015, a total of 660,000 own shares were bought back under the share buy-back program approved by the Annual General Meeting (details available at www.andritz.com).

Investor Relations

During the third quarter of 2015, meetings with national and international institutional investors and financial analysts were held in Brussels, Hong Kong, London, Los Angeles, Melbourne, Munich, New York, San Francisco, Singapore, Sydney, and Zurich.

Key figures of the ANDRITZ share

	Unit	Q1-Q3 2015	Q1-Q3 2014	Q3 2015	Q3 2014	2014
Highest closing price	*EUR*	57.49	47.58	53.69	43.34	47.58
Lowest closing price	*EUR*	38.14	39.78	38.14	39.78	37.00
Closing price (as of end of period)	*EUR*	40.24	42.22	40.24	42.22	45.69
Market capitalization (as of end of period)	*MEUR*	4,185.0	4,390.9	4,185.0	4,390.9	4,751.8
Performance	*%*	-12.5	-7.6	-23.3	+0.6	0.0
ATX weighting (as of end of period)	*%*	9.2950	8.2624	9.2950	8.2624	11.6479
Average daily number of shares traded	*Share unit*	342,529	294,685	388,371	277,020	305,027

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 2015 and 2016

November 6, 2015	Results for the first three quarters of 2015
March 4, 2016	Results for the 2015 business year
March 20, 2016	Record date Annual General Meeting
March 30, 2016	Annual General Meeting
April 1, 2016	Ex-dividend
April 4, 2016	Record date dividend
April 5, 2016	Dividend payment
May 4, 2016	Results for the first quarter of 2016
August 5, 2016	Results for the first half of 2016
November 4, 2016	Results for the first three quarters of 2016

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

ANDRITZ