

## EANS-Adhoc: ANDRITZ GROUP: significant drop in earnings in the first quarter of 2013

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Financial Figures/Balance Sheet/quarterly report

Note: The Schuler Group was included in the ANDRITZ GROUP's consolidated financial statement as of March 1, 2103.

Graz, April 30, 2013. International technology Group ANDRITZ announces ad hoc that the financial figures for the first quarter of 2013 are significantly below the financial analysts' consensus expectations.

While sales, at 1,163.8 MEUR, remained practically unchanged compared to the previous year's reference figure (-1.8% vs. Q1 2012: 1.185,7 MEUR), the EBITA of the ANDRITZ GROUP amounted to 14.2 MEUR, which is a significant decline of 80.4% compared to the first quarter of 2012 (72.5 MEUR). While the HYDRO and METALS business areas (including the first-time consolidation of Schuler) noted satisfactory earnings, PULP & PAPER shows a loss in the amount of -23.7 MEUR.

The reasons for the earnings drop in PULP & PAPER are substantial cost overruns related to the supply of production technologies and equipment for a pulp mill in South America. Thus, a provision in the mid-double-digit million euros range was made. ANDRITZ believes, however, that a substantial amount of additional costs is caused by factors outside the company's responsibility and will uphold this claim vigorously within all available legal options.

The SEPARATION business area also noted a considerable deterioration of earnings, mainly due to additional costs related to technical problems in the course of a market launch of a new product series in China.

The net income of the Group amounted to 4.1 MEUR and was significantly below the level for the previous year's reference period (-91.9% vs. Q1 2012: 50.5 MEUR).

The order intake, at 1,288.3 MEUR (thereof 96.0 MEUR from Schuler), was 5.4% lower than in the first quarter of 2012 (1,361.2 MEUR). The order backlog as of March 31, 2013 increased compared to the end of last year by 18.6% to 7,844.3 MEUR (December 31, 2012: 6,614.8 MEUR), with Schuler contributing 1,125.9 MEUR.

Due to the first-time consolidation of Schuler, the total assets of the Group increased significantly to 5,893.8 MEUR as of March 31, 2013 (December 31, 2012: 5,161.0 MEUR). Thus, the equity ratio declined to 15.8% (December 31, 2012: 20.0%). The liquid funds amounted to 1,750.4 MEUR (December 31, 2012: 2,047.8 MEUR) and the net liquidity to 884.9 MEUR (December 31, 2012: 1,285.7).

On the basis of the development during the first quarter of 2013, and in consideration of the current order backlog and the consolidation of the Schuler Group as of March 1, 2013, the ANDRITZ GROUP expects an increase in sales in the 2013 business year compared to the previous year. However, due to the earnings decline in PULP & PAPER as well as scheduled amortization of intangible assets related to the acquisition of Schuler, the net income will be lower than the previous year's reference figure.

Wolfgang Leitner, President and CEO of ANDRITZ AG: "The development of the first quarter is very unsatisfactory. We believe that the provisions now made will be sufficient, but cannot guarantee that there will be no need for further financial provisions in the coming quarters. We will adopt an even more selective approach in such large-scale projects and give even greater consideration to the earnings/risk profile in future."

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Key figures of the ANDRITZ GROUP at a glance\*

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	Unit	Q1 2013	Q1 2012	+/-	2012
Sales	MEUR	1,163.8	1,185.7	-1.8%	5,176.9
HYDRO	MEUR	381.2	403.4	-5.5%	1,836.8

PULP & PAPER	MEUR	452.4	563.5	-19.7%	2,282.2
METALS	MEUR	202.0	89.4	+126.0%	404.7
SEPARATION**	MEUR	128.2	129.4	-0.9%	653.2
Order intake	MEUR	1,288.3	1,361.2	-5.4%	4,924.4
HYDRO	MEUR	574.2	597.5	-3.9%	2,008.4
PULP & PAPER	MEUR	423.5	529.4	-20.0%	1,962.4
METALS	MEUR	144.5	64.3	+124.7%	324.2
SEPARATION**	MEUR	146.1	170.0	-14.1%	629.4
Order backlog (as of end of period)	MEUR	7,844.3	7,034.7	+11.5%	6,614.8
EBITDA	MEUR	32.0	86.5	-63.0%	418.6
EBITDA margin	%	2.7	7.3	-	8.1
EBITA	MEUR	14.2	72.5	-80.4%	357.8
EBITA margin	%	1.2	6.1	-	6.9
Earnings Before Int. and Taxes (EBIT)	MEUR	3.1	66.7	-95.4%	334.5
Financial result	MEUR	-1.1	3.5	-131.4%	-2.8
Earnings Before Taxes (EBT)	MEUR	2.0	70.1	-97.1%	331.6
Net income (without non-controlling interests)	MEUR	4.1	50.5	-91.9%	243.6
Cash flow from operating activities	MEUR	-79.7	37.2	-314.2%	346.5
Capital expenditure	MEUR	21.4	19.5	+9.7%	109.1
Employees (as of end of period; without apprentices)	-	23,660	17,063	+38.7%	17,865
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\* The Schuler Group was included in the ANDRITZ GROUP's consolidated financial statements as of March 1, 2013 and is allocated to the METALS business area. There are no pro forma figures available for the previous year's reference periods.

\*\* The FEED & BIOFUEL business area was allocated to the SEPARATION business area as of January 1, 2013. The reference figures for the previous year were adjusted accordingly.

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.

#### The ANDRITZ GROUP

The ANDRITZ GROUP is a globally leading supplier of plants, equipment, and services for hydropower stations, the pulp and paper industry, the metalworking and steel industries, and solid/liquid separation in the municipal and industrial sectors. In addition, ANDRITZ offers technologies for certain other sectors including automation, the production of animal feed and biomass pellets, pumps, machinery for nonwovens and plastic films, steam boiler plants, biomass boilers and gasification plants for energy generation, flue gas cleaning plants, plants for the production of panelboards (MDF), thermal sludge utilization, and biomass torrefaction plants. The publicly listed, international technology Group is headquartered in Graz, Austria, and has a staff of around 23,700 employees. ANDRITZ operates over 220 production sites as well as service and sales companies all around the world.

#### Annual and financial reports

The annual reports and financial reports of the ANDRITZ GROUP are available online and as PDF for download at [www.andritz.com](http://www.andritz.com). Printed copies can be requested by e-mail to [investors@andritz.com](mailto:investors@andritz.com).

#### Disclaimer

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