



Q1-Q3
2005

ANDRITZ

FIRST THREE QUARTERS OF 2005

- Solid development of global economy
- Increase in Order Intake, Sales, and Earnings
- Order Backlog at record level

GENERAL ECONOMIC CONDITIONS

During the Third Quarter of 2005, the global economy continued its solid development shown during the previous Quarters. The U.S. economy showed robust growth. As a result of this positive economic development and due to the strong increase in crude oil prices, the Federal Reserve Board (FED) increased key interest rates to 3.75 % during the reporting period. According to economic researchers, the damages resulting from hurricanes Katrina and Rita should not have a major long-term impact on the U.S. economy.

In Euroland, the economic development remained moderate once again in the Third Quarter of 2005. Stagnant domestic demand, combined with high energy prices are the main burdening factors. In Asia, economic growth remained very robust with China continuing its strong economic upturn.

Sources: OECD, WIFO, OeNB, RZB, Volksbank

BUSINESS DEVELOPMENT

Increase in Sales

During the First Three Quarters of 2005, Sales of the Andritz Group increased to 1,204.0 MEUR (Q1-Q3 2004: 1,070.3 MEUR). This increase of 12.5 % is mainly due to the solid development of the Rolling Mills and Strip Processing Lines and the Environment and Process Business Areas.

Sales of VA TECH WABAG's Fluidized Bed Drying Systems and Lenser Filtration, which both were not included in last year's reference financial figures, amounted to approximately 16.0 MEUR.

Strong increase in Order Intake

Order Intake in the Third Quarter of 2005 developed very favorably. At 509.9 MEUR, it reached the second highest level the Andritz Group ever achieved during a Quarter. The strong increase of 74.1 % compared to the reference Quarter of last year (Q3 2004: 292.9 MEUR) was mainly due to the receipt of some large orders in the Pulp and Paper and the Rolling Mills and Strip Processing Lines Business Areas. Order Intake in all other Business Areas also developed very satisfactorily.

Order Intake for the First Three Quarters of 2005 was 1,400.2 MEUR, increasing 31.0 % compared to the reference period of last year (Q1-Q3 2004: 1,068.5 MEUR). First-time consolidated companies contributed approximately 13.3 MEUR to Order Intake during the reporting period.

Order Backlog as of 30.9.2005, at 1,667.8 MEUR, reached a new record level (30.9.2004: 1,080.9 MEUR). Thus, the Andritz Group has a solid visibility with regard to Sales for the coming months.

Favorable development of Earnings

As a result of Sales growth and continued cost optimizations, Earnings before Interest, Taxes, and Amortization of Goodwill (EBITA) increased to 72.8 MEUR during the First Three Quarters of 2005 (Q1-Q3 2004: 64.4 MEUR). Due to the application of IFRS 3, which prohibits the amortization of goodwill from 2005, Earnings before Interest and Taxes (EBIT) surged over proportionally to 72.8 MEUR during the First Three Quarters of 2005 (Q1-Q3 2004: 52.4 MEUR).

Net Income after deduction of Minority Interests amounted to 56.8 MEUR, increasing 50.7 % compared to the reference period of last year (Q1-Q3 2004: 37.7 MEUR).

Net worth position and balance sheet structure

The balance sheet as of 30.9.2005 showed no major changes in comparison with 31.12.2004. At 253.4 MEUR, net liquidity (cash and cash equivalents minus interest-bearing financial liabilities) as of 30.9.2005 remained at a very high level (31.12.2004: 219.6 MEUR). The equity ratio as of 30.9.2005 was 22.9 % (31.12.2004: 23.4 %).

Effects from changes in exchange rates

Changes in exchange rates had practically no impact on the Sales and Earnings development of the Andritz Group during the reporting period.

KEY FIGURES FOR Q1-Q3 2005 (IFRS)

(in MEUR)	Q1-Q3 2004	Q1-Q3 2005	Change	Q3 2004	Q3 2005	Change
Sales	1,070.3	1,204.0	+12.5 %	384.5	426.5	+10.9 %
Order Intake	1,068.5	1,400.2	+31.0 %	292.9	509.9	+74.1 %
Order Backlog (as of end of period)	1,080.9	1,667.8	+54.3 %	1,080.9	1,667.8	+54.3 %
EBITDA ¹⁾	80.8	90.4	+11.9 %	28.8	33.7	+17.0 %
EBITDA Margin	7.5 %	7.5 %	-	7.5 %	7.9 %	-
EBITA ²⁾	64.4	72.8	+13.0 %	23.1	27.6	+19.5 %
EBITA Margin	6.0 %	6.0 %	-	6.0 %	6.5 %	-
EBIT ³⁾	52.4	72.8	+38.9 %	19.4	27.5	+41.8 %
Earnings before Taxes	52.6	75.1	+42.8 %	19.9	28.4	+42.7 %
Net Income excl. Minority Interests	37.7	56.8	+50.7 %	12.2	24.1	+97.5 %
Cash flow from Operating Activities	130.6	107.3	-17.8 %	40.1	68.8	+71.6 %
Capital Expenditure ⁴⁾	9.0	18.0	+100.0 %	3.3	8.2	+148.5 %
Employees (as of end of period)	5,137	5,905	+15.0 %	5,137	5,905	+15.0 %

1) EBITDA: Earnings before Interest, Taxes, Depreciation, and Amortization of Goodwill

2) EBITA: Earnings before Interest, Taxes, and Amortization of Goodwill

3) EBIT: Earnings before Interest and Taxes

4) Additions to tangible and intangible assets

PULP AND PAPER

MARKET DEVELOPMENT

During the Third Quarter of 2005, international pulp markets developed relatively stable. Due to satisfactory demand of paper producers and seasonal mill shutdowns at various pulp manufacturers, the price for NBSK (Northern Bleached Softwood Kraft Pulp) developed in a narrow range between approximately 580 to 600 U.S. dollars per ton during the reporting period.

The price for short-fiber pulp (eucalyptus) developed in step with NBSK. Capacity utilization of international pulp producers remained at a rather high level during the reporting period. At the end of September, several international pulp producers announced price increases for the coming months. Project activity for both new pulp mills and modernization of existing plants remained at a satisfactory level.

BUSINESS DEVELOPMENT

Sales of the Business Area for the First Three Quarters of 2005 amounted to 709.3 MEUR, increasing 9.2 % compared to the reference period of last year (Q1-Q3 2004: 649.8 MEUR). EBITA, however, decreased slightly to 42.5 MEUR (Q1-Q3 2004: 44.1 MEUR). This decline is mainly due to both the processing of some large orders which typically have slightly lower margins and high competitive pressure in some of the Business Area's Divisions.

The new 5.55 m wide tissue machine for Shandong Hengan Paper Co. Ltd., China, started up very successfully. This CrescentFormer machine for high-quality tissue paper has a production capacity of 60,000 t/a.

In the Pulp Drying Systems Division, the dryer upgrade for Zellstoff Pöls, Austria was started up and surpassed production guarantees right after start-up. The pulp drying plant delivered to Veracel Celulose, Brazil produced 3,066 t/d just months after start-up. This exceeds design capacity of 3,000 t/d.

The Business Area's Order Intake during the Third Quarter of 2005 developed very satisfactorily. At 211.8 MEUR, it increased by 40.6 % compared to the reference Quarter of last year (Q3 2004: 150.6 MEUR), thus making good most of the shortfall of the First Half of 2005. As a consequence, Order Intake of the First Three Quarters of 2005 (613.9 MEUR) was only slightly lower than during the reference period of last year (Q1-Q3 2004: 627.4 MEUR).

KEY FIGURES PULP AND PAPER

(in MEUR)	Q1-Q3 2004	Q1-Q3 2005	Change	Q3 2004	Q3 2005	Change
Sales	649.8	709.3	+9.2%	225.1	240.4	+6.8%
Order Intake	627.4	613.9	-2.2%	150.6	211.8	+40.6%
Order Backlog (as of end of period)	589.5	871.7	+47.9%	589.5	871.7	+47.9%
EBITDA	53.8	51.9	-3.5%	19.7	17.6	-10.7%
EBITDA margin	8.3%	7.3%	-	8.8%	7.3%	-
EBITA	44.1	42.5	-3.6%	16.3	14.5	-11.0%
EBITA margin	6.8%	6.0%	-	7.2%	6.0%	-
Employees (as of end of period)	2,760	3,024	+9.6%	2,760	3,024	+9.6%

MAJOR ORDERS

- The Wood Processing Division received significant orders from Grant Allendale Inc., and Grant Clarendon Inc., both USA for complete wood handling lines for two greenfield Oriented Strand Board mills. Major equipment and modernization orders have also been booked in Indonesia and Russia.
- The Recovery Division will rebuild the evaporation plant for CMPC's Santa Fe mill, Chile and will upgrade the recovery boiler at the Nettingsdorfer Papierfabrik mill, Austria.
- The Chemical Systems Division was awarded a significant order for a white liquor plant (recausticizing plant, excluding green liquor handling and lime kiln) from Zellstoff Pöls AG, Austria. The order is scheduled to be delivered in the Fourth Quarter of 2006. The delivery includes the equipment, engineering of steel construction, tanks and piping, erection supervision, training, and start-up.
- The Fiberline Division will supply a cooking plant modernization for Ilim Pulp Enterprise's Ust-Ilimsk mill, Russia. Start-up is scheduled for early 2006. In addition, the Division will supply a bagasse pulp screening system for Tianyang Nanhua Paper Industry Co. Ltd., China. This will be the Division's first reference for bagasse pulp in China.
- The Pulp Mill Services Division received an expansion of the OPE® development agreement for Botnia's Äänekoski mill, Finland. The Division also received a significant order for an evaporator project at UPM-Kymmene's Tervasaari mill in Finland. Ilim Pulp's Kotlas mill ordered their first high pressure feeder rebuilds. In North America, the Division received orders for Envirocare scrubbers from Georgia-Pacific and Rock-Tenn, both USA. Also in the USA, Smurfit-Stone ordered a chemical system tank and Rayonier placed an order for a replacement vacuum washer drum.
- The Fiber Preparation Systems Division received orders from Shandong Huatai, China for the pulping section and sludge dewatering equipment for the new PM12 deinking line. UMKA AD Fabrika Kartona, Serbia and Montenegro ordered stock preparation equipment for a recycled fiberline for packaging grades. JSC JTI Yelets, Russia ordered equipment for a tobacco processing plant.
- The Mechanical Pulping Systems Division received an order to supply a P-RC™ APMP refining system from Ningxia Meili Paper Industry, China. In addition, Nippon Paper's Iwanuma mill, Japan ordered a high-speed refiner to reduce energy consumption. The new RTS™ refiner will operate on high consistency pulp.
- In the panelboard market, the Division received an order from Egger Holzwerkstoffe Wismar, Germany for the upgrade of an existing Andritz refiner system.
- The Pulp Drying Systems Division booked an order for a baling line rebuild from M-real's Kemsley mill, United Kingdom.
- The Tissue Machines Division received a new machine order from Procter & Gamble (P&G). The order for a tissue and towel machine is part of P&G's capacity expansion at the Green Bay mill, Wisconsin, USA.
- The Paper Mill Services Division received orders for servicing competitor's equipment. Included in the orders was the first rebuild of a Beloit low consistency refiner, a Thune screw press, and a Metso SD refiner. In addition, the first plate filling for a Conflo was installed at Kotlas, Russia.

ROLLING MILLS AND STRIP PRO- CESSING LINES



MARKET DEVELOPMENT

In the Third Quarter of 2005, project activity for carbon and stainless steel equipment was again concentrated on China (including Taiwanese and Korean investments in China). Andritz was able to secure several large orders in China, especially in the stainless steel area, thus confirming its leading market position in this region. Increased project activity was also seen in India.

Prices for cold-rolled steel and especially stainless products weakened somewhat during the reporting period. During the recent weeks, however, several international steel producers announced price increases for the coming months.

According to a recent study by the International Iron & Steel Institute (IISI), global demand for steel is expected to grow by 4-5 % in 2006. The strongest growth is expected to come from China, where steel demand should see an increase of 7-10 % in 2006.

BUSINESS DEVELOPMENT

Sales of the Business Area increased to 199.4 MEUR during the First Three Quarters of 2005, up 13.4 % compared to the reference period of last year (Q1-Q3 2004: 175.9 MEUR). Due to increased processing of the high Order Backlog, Sales in the Third Quarter of 2005 surged to 81.8 MEUR, an increase of 27.8 % compared to the reference Quarter of last year (Q3 2004: 64.0 MEUR).

EBITA also developed very favorably. At 11.2 MEUR during the First Three Quarters of 2005, it was 34.9 % higher than during the reference period of last year (Q1-Q3 2004: 8.3 MEUR).

Order Intake during the Third Quarter of 2005 surged to 193.1 MEUR, almost tripling compared to the reference Quarter of last year (Q3 2004: 71.6 MEUR). For the First Three Quarters this results in doubling last year's comparable Order Intake. By winning several important reference orders, the Business Area was able to expand its market position as one of the world's leading equipment suppliers to the steel industry, especially in China. The latter accounted for approximately 52.9 % of the Business Area's total Order Intake in the First Three Quarters of 2005.

KEY FIGURES ROLLING MILLS/STRIP PROCESSING LINES

(in MEUR)	Q1-Q3 2004	Q1-Q3 2005	Change	Q3 2004	Q3 2005	Change
Sales	175.9	199.4	+ 13.4 %	64.0	81.8	+ 27.8 %
Order Intake	199.9	403.9	+ 102.1 %	71.6	193.1	+ 169.7 %
Order Backlog (as of end of period)	289.0	499.5	+ 72.8 %	289.0	499.5	+ 72.8 %
EBITDA	9.7	12.9	+ 33.0 %	2.8	6.2	+ 121.4 %
EBITDA margin	5.5 %	6.5 %	-	4.4 %	7.6 %	-
EBITA	8.3	11.2	+ 34.9 %	2.4	5.6	+ 133.3 %
EBITA margin	4.7 %	5.6 %	-	3.8 %	6.8 %	-
Employees (as of end of period)	730	750	+ 2.7 %	730	750	+ 2.7 %

MAJOR ORDERS

- Andritz received follow-up orders from the Taigang Group for the further expansion of Taiyuan Iron and Steel Co. Ltd., Taiyuan/Shanxi, China. The Business Area will supply a cold strip annealing and pickling line for a maximum strip width of 2,100 mm, a 20-high rolling mill for a maximum strip width of 1,650 mm, an S6-high reversing mill for a maximum strip width of 2,100 mm, and an S6-high inline mill for a strip width of 2,100 mm. Order value is approximately 90 MEUR, production is scheduled to begin in 2007.
- Union Steel, Pusan, Republic of Korea ordered an acid regeneration plant with a capacity of 10,000 l/h of waste acids. The plant is based on the spray roasting technology with a special exhaust gas treatment and will be put into operation at the beginning of 2007.
- Jindal Stainless Steel Ltd., the largest stainless steel strip manufacturer in India, ordered a 20-high rolling mill including electrical equipment. After the order for a continuous annealing and pickling line for cold rolled stainless steel strip in February of this year, this is the second major order Andritz received from Jindal within a short time.
- Indian Steel Co., India placed an order for an acid regeneration plant of 2,500 l/h to be installed in the State of Gujarat. The plant will be put into operation at the beginning of 2007.

ENVIRONMENT AND PROCESS

MARKET DEVELOPMENT

During the Third Quarter of 2005, the market for sewage sludge dewatering equipment remained at a satisfactory level in Central Europe, UK, and the U.S. In China, project activity continued to be very high. Due to the rising fuel prices and increased environmental regulations, the market for sewage sludge drying systems remained very active, with investments and projects focused on Europe and the U.S.

Project activity for industrial applications for the petrochemical, minerals, mining and food processing industries was very high, especially in China, Southeast Asia, South America, Eastern Europe, Australia, and partly also in the U.S.

BUSINESS DEVELOPMENT

The Business Area's Sales during the First Three Quarters of 2005 increased significantly, to 191.9 MEUR (Q1-Q3 2004: 141.9 MEUR), with 16.0 MEUR coming from first-time consolidations.

The purchase of Lenser Filtration, one of the leading suppliers of filter plates, closed in the middle of

August. While Lenser Filtration nicely complements Andritz's product range in liquid/solid separation it also aims at continuing to deliver plates to other filter press OEMs; all appropriate measures to maintain independence and confidentiality have been taken and Lenser Filtration's management continues without change after the acquisition.

As a result of both the increase in Sales and the satisfactory development of the companies acquired last year, EBITA, at 11.9 MEUR during the reporting period, almost doubled compared to the reference period of last year (Q1-Q3 2004: 6.7 MEUR).

During the Third Quarter of 2005, Order Intake of the Business Area developed very favorably. At 70.4 MEUR, it almost doubled compared to the reference period of last year (Q3 2004: 42.1 MEUR). Order Intake of the recently acquired companies continued to develop above expectations. As a result, Order Intake of the Business Area for the First Three Quarters of 2005 surged by 93.5 % to 263.5 MEUR (Q1-Q3 2004: 136.2 MEUR).

KEY FIGURES ENVIRONMENT AND PROCESS

(in MEUR)	Q1-Q3 2004	Q1-Q3 2005	Change	Q3 2004	Q3 2005	Change
Sales	141.9	191.9	+35.2%	57.3	66.0	+15.2%
Order Intake	136.2	263.5	+93.5%	42.1	70.4	+67.2%
Order Backlog (as of end of period)	148.9	224.5	+50.8%	148.9	224.5	+50.8%
EBITDA	8.5	14.8	+74.1%	3.9	5.4	+38.5%
EBITDA margin	6.0%	7.7%	-	6.8%	8.2%	-
EBITA	6.7	11.9	+77.6%	3.2	4.2	+31.3%
EBITA margin	4.7%	6.2%	-	5.6%	6.4%	-
Employees (as of end of period)	803	1,193	+48.6%	803	1,193	+48.6%

MAJOR ORDERS

- In the dewatering segment, major orders for centrifuges, filter presses, and vacuum filters were received from the mining and minerals industries in Russia, Ukraine, Central Europe, China, and the U.S.
- A total of ten large filter presses were ordered by Crimea Titan, Ukraine for the dewatering of titanium dioxide.
- John Finlay, Australia placed an order for another ten large filter presses for various coal plants in China.
- A fluid bed drying system (FDS) for sewage sludge was sold to Fuengirala, Malaga, Spain. This is the second FDS sludge dryer sold in Spain in 2005. The first order was for Löches, Madrid, which is the biggest sludge drying plant in Spain (two lines with 5 t/h water evaporation per line).
- A fluid bed dryer for a special amino acid was sold to a plant in Amiens, France. The owner of this plant is the world's largest producer of different amino acids. Worldwide, Andritz has supplied nine fluid bed dryers for this customer.

FEED TECHNOLOGY

MARKET DEVELOPMENT

During the Third Quarter of 2005, the animal feed sector, especially within the integrated meat producers, continued to show high project activity in Central and South America, Asia, and Eastern Europe. However, project activity in Western Europe and North America remained at a modest level.

Within the aquatic feed sector, project activity continued to be strong, especially in Asia, the Mediterranean region, and in South America.

Increased project activity was also shown for wood pelleting equipment, both in Eastern and Western Europe, and in North America. Also, the waste pellets industry in Central Europe showed good activity.

BUSINESS DEVELOPMENT

Due to the low Order Backlog at the end of 2004, Sales of the Business Area decreased to 66.6 MEUR during the First Three Quarters of 2005 (Q1-Q3 2004: 75.5 MEUR).

Earnings, however, developed very favorably during the First Three Quarters of 2005. As a result of the successful restructuring measures implemented

in 2004, EBITA, at 4.9 MEUR, more than doubled compared to the reference period of last year (Q1-Q3 2004: 2.3 MEUR). This corresponds to an EBITA margin of 7.4 %.

Order Intake of the Business Area in the Third Quarter of 2005, at 25.7 MEUR, substantially improved compared to last year's reference Quarter (Q3 2004: 19.2 MEUR). As a result of this development, Order Intake for the First Three Quarters of 2005 (74.9 MEUR) was 8.7 % higher than in the same period of last year (Q1-Q3 2004: 68.9 MEUR), providing a solid basis for Sales in the coming Quarters.

MAJOR ORDERS

- The Business Area received a large order for animal feed equipment for a new plant of Sadia, Brazil. Several orders for animal feed plant expansions were won in Central and South America and Eastern Europe.
- In Asia, Andritz was awarded several orders for aquatic feed extrusion lines.
- Within the biofuel sector, the Business Area will supply equipment for new wood pelleting plants in Belgium and Sweden, and several wood pelleting lines to customers in North America.

KEY FIGURES FEED TECHNOLOGY

(in MEUR)	Q1-Q3 2004	Q1-Q3 2005	Change	Q3 2004	Q3 2005	Change
Sales	75.5	66.6	- 11.8 %	25.1	23.4	- 6.8 %
Order Intake	68.9	74.9	+ 8.7 %	19.2	25.7	+ 33.9 %
Order Backlog (as of end of period)	17.5	24.3	+ 38.9 %	17.5	24.3	+ 38.9 %
EBITDA	4.5	6.9	+ 53.3 %	0.9	2.3	+ 155.6 %
EBITDA margin	6.0 %	10.4 %	-	3.6 %	9.8 %	-
EBITA	2.3	4.9	+ 113.0 %	0.2	1.6	+ 700.0 %
EBITA margin	3.0 %	7.4 %	-	0.8 %	6.8 %	-
Employees (as of end of period)	490	484	- 1.2 %	490	484	- 1.2 %

HYDRAULIC MACHINES/ OTHER OPERATIONS

MARKET DEVELOPMENT

The strong project activity for turbines and large-scale pumps in Asia continued during the Third Quarter of 2005. In China, particularly, there was considerable interest in capital investments.

In Europe, the investment activity of the power generating industry also continued. Besides upgrading projects for existing plants, there was also increased project activity for constructing new plants, especially small-sized power stations. The centrifugal pumps market in China, where Andritz is the clear market leader, continues to be very active.

BUSINESS DEVELOPMENT

Sales of the Hydraulic Machines Business Area increased to 36.8 MEUR during the First Three Quarters of 2005 (Q1-Q3 2004: 27.2 MEUR). EBITA decreased to 2.3 MEUR (Q1-Q3 2004: 3.0 MEUR).

The third order from E.ON, Germany for a large-scale revision of the machines in one of its pump storage plants was successfully completed.

Order Intake during the First Three Quarters of 2005 developed favorably, increasing to 44.0 MEUR (Q1-Q3 2004: 36.1).

MAJOR ORDERS

- E.ON-Wasserkraft, Germany placed an order for revision and repair work at the Reisach 3 pump storage plant.
- Another important customer from the water supply business was won, in part because of the successful work done for E.ON. Münchner Stadtwerke entrusted Andritz with revision and repair work at the Leitzachwerk pump storage plant.
- Brigl und Bergmeister GmbH, Austria ordered a machine set with automation equipment for the water power station in the Niklasdorf mill.
- The Business Area will supply approximately 300 process pumps for one of the world's largest pulp mills, the first order ever received from a South American customer.

KEY FIGURES HYDRAULIC MACHINES/OTHERS

(in MEUR)	Q1-Q3 2004	Q1-Q3 2005	Change	Q3 2004	Q3 2005	Change
Sales	27.2	36.8	+35.3 %	13.0	14.9	+14.6 %
Order Intake	36.1	44.0	+21.9 %	9.4	8.9	-5.3 %
Order Backlog	36.0	47.8	+32.8 %	36.0	47.8	+32.8 %
EBITDA	4.3	3.9	-9.3 %	1.5	2.2	+46.7 %
EBITDA margin	15.8 %	10.6 %	-	11.5 %	14.8 %	-
EBITA	3.0	2.3	-23.3 %	1.0	1.7	+70.0 %
EBITA margin	11.0 %	6.3 %	-	7.7 %	11.4 %	-
Employees (as of end of period)	354	454	+28.2 %	354	454	+28.2 %

OUTLOOK FOR THE ANDRITZ GROUP

Leading economic researchers expect the global economy to continue to grow in 2006. While the U.S. and Southeast Asia, especially China, should remain the key growth drivers of this global economic expansion, Euroland's economy is expected to develop only moderately in 2006.

In pulp and paper, project activities will remain concentrated on the southern hemisphere, especially South America and Asia, where several greenfield pulp mills and major modernization projects are currently being evaluated. For Europe and North America, only selective investments are expected.

In the area of Rolling Mills and Strip Processing Lines, investment activities will continue to focus on China. Project activity will concentrate on production equipment and plants for high-quality steel and stainless steel products. In China, demand for such products, which are for example used for applications in the automotive and household industries, grows at double-digit rates each year and still exceeds local supply. In addition, the goal of China to modernize and consolidate its domestic steel industry by 2010 will support long-term demand for steel production equipment. Increased project activity is also expected for India.

For Environment and Process, high project activity for both sludge dewatering and drying equipment should continue. Increased stringent environmental regulations, especially in Europe, will remain the key growth drivers in the future.

For the full year 2005, Andritz expects to reach record results and predicts Group Sales to increase by approximately 20 % and Net Income after deducting Minority Interests by approximately 35 % compared to 2004.

Disclaimer

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

INTERIM CONSOLIDATED STATEMENT OF INCOME

for the First Three Quarters of 2005 (unaudited) and the First Three Quarters of 2004 (unaudited)

(in TEUR)	Q1 - Q3 2005	Q1 - Q3 2004	Q3 2005	Q3 2004
Sales	1,204,007	1,070,252	426,458	384,479
Changes in inventories of finished goods and work in progress	58,671	23,579	13,637	4,054
Capitalized cost of self-constructed assets	70	1,564	54	844
	1,262,748	1,095,395	440,149	389,377
Other operating income	13,307	11,540	4,242	1,034
Cost of materials	(762,540)	(642,579)	(266,450)	(235,354)
Personnel expenses	(264,035)	(239,555)	(90,332)	(78,173)
Other operating expenses	(159,108)	(144,019)	(53,911)	(48,081)
Earnings before interest, taxes, depreciation, and amortization of goodwill (EBITDA)	90,372	80,782	33,698	28,803
Depreciation and amortization (without amortization of goodwill)	(17,591)	(16,351)	(6,163)	(5,634)
Earnings before interest, taxes, and amortization of goodwill (EBITA)	72,781	64,431	27,535	23,169
Amortization of goodwill	0	(12,054)	0	(3,797)
Earnings before interest and taxes (EBIT)	72,781	52,377	27,535	19,372
Income/Expense from associated companies	193	(318)	74	(21)
Interest result	1,362	72	541	476
Other income from financing activities	802	463	231	37
Financial results	2,357	217	846	492
Earnings before taxes (EBT)	75,138	52,594	28,381	19,864
Income taxes	(17,252)	(13,981)	(3,805)	(7,403)
Net income	57,886	38,613	24,576	12,461
Share of profit due to minority interests	(1,131)	(955)	(505)	(263)
Net income excluding minority interests	56,755	37,658	24,071	12,198
Earnings per non par value share (EUR)	4.42	2.92	1.88	0.94
Weighted average number of non par value shares	12,849,909	12,904,271	12,806,370	12,926,215

CONSOLIDATED BALANCE SHEET

as of 30 September 2005 (unaudited) and 31 December 2004

(in TEUR)

	30. 9. 05	31. 12. 04
Assets		
Intangible assets	6,626	7,061
Goodwill	121,428	107,561
Property, plant and equipment	138,288	125,390
Shares in associated companies	2,252	2,102
Investments	13,486	12,321
Fixed and financial assets	282,080	254,435
Deferred tax assets	22,000	21,854
Inventories	212,942	139,972
Advance payments made	24,302	14,142
Trade accounts receivable	204,973	201,763
Cost and earnings of projects under construction in excess of billings	103,638	115,950
Other receivables	48,778	63,314
Prepayments and deferred charges	6,051	4,920
Marketable securities	65,480	63,097
Cash and cash equivalents	311,033	273,939
Current assets	977,197	877,097
Total assets	1,281,277	1,153,386
Equity and liabilities		
Share capital	94,510	94,510
Capital reserves	45,966	45,966
Retained earnings	153,344	129,436
Shareholders' Equity	293,820	269,912
Minority interests	7,947	7,169
Equity	301,767	277,081
Bonds	100,000	100,000
Bank loans - non current	6,461	5,211
Provisions - non current	83,512	77,800
Obligations under finance leases - non current	336	582
Non-current liabilities	190,309	183,593
Liabilities for deferred taxes	47,439	58,693
Bank loans - current	15,989	11,207
Obligations under finance lease - current	327	421
Trade accounts payable	147,255	132,970
Billings in excess of cost and earnings of projects under construction	221,813	197,832
Advance payments received	89,738	49,564
Provisions - current	88,269	81,823
Liabilities for current taxes	18,866	10,368
Other current liabilities	159,505	149,834
Current liabilities	741,762	634,019
Total Equity and liabilities	1,281,277	1,153,386

DEVELOPMENT OF SHAREHOLDERS' EQUITY

(unaudited)

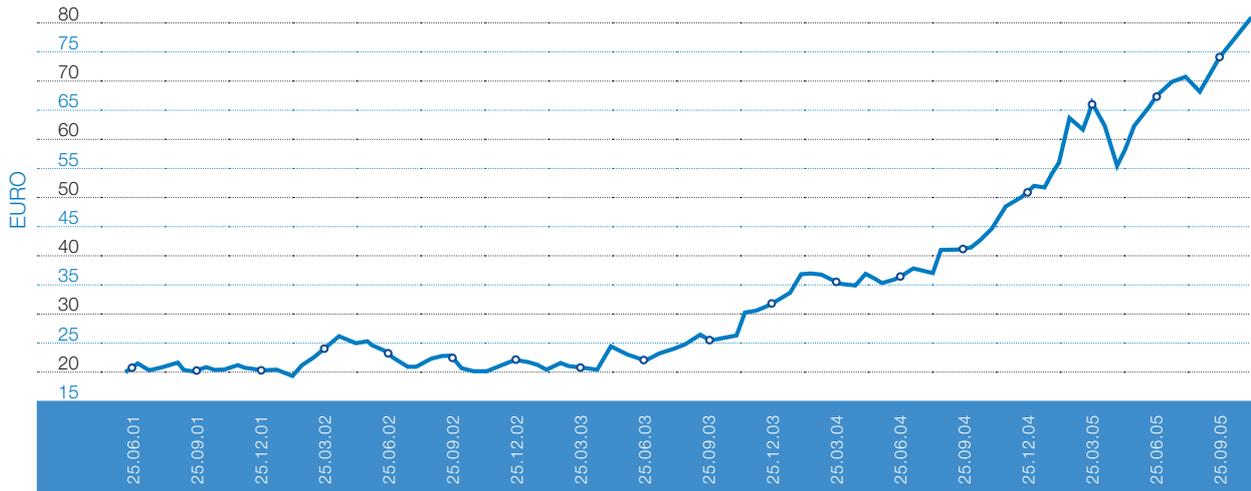
(in TEUR)	Share capital	Capital reserves	Retained earnings	Currency translation adjustments	Shareholders' Equity	Minority interests	Equity
Status 1. 1. 2004	94,510	45,966	119,682	(27,674)	232,484	6,616	239,100
Net income excluding minority interests			37,658		37,658	955	38,613
Dividend payments			(12,889)		(12,889)	(372)	(13,261)
Currency translation adjustments				2,378	2,378	156	2,534
Selling of own shares			1,166		1,166		1,166
Changes to IAS 39 reserve			(5,211)		(5,211)		(5,211)
Status 30. 9. 2004	94,510	45,966	140,406	(25,296)	255,586	7,355	262,941
Status 1. 1. 2005	94,510	45,966	164,307	(34,871)	269,912	7,169	277,081
Net income excluding minority interests			56,755		56,755	1,131	57,886
Dividend payments			(18,013)		(18,013)	(682)	(18,695)
Currency translation adjustments				16,535	16,535	112	16,647
Changes from acquisitions						217	217
Buyback of own shares			(10,888)		(10,888)		(10,888)
Changes to IAS 39 reserve			(20,481)		(20,481)		(20,481)
Status 30. 9. 2005	94,510	45,966	171,680	(18,336)	293,820	7,947	301,767

INTERIM CONSOLIDATED CASH FLOW STATEMENT

for Q1-Q3 2005 (unaudited) and Q1-Q3 2004 (unaudited)

(in TEUR)	Q1-Q3 05	Q1-Q3 04
Cash flow from operating activities	107,266	130,629
Cash flow from investing activities	(40,605)	(40,771)
Cash flow from financing activities	(29,568)	(12,485)
Change in cash and cash equivalents	37,094	77,373
Cash and cash equivalents at the beginning of the period	273,939	120,876
Cash and cash equivalents at end of the period	311,033	198,249

PERFORMANCE OF THE ANDRITZ SHARES SINCE THE IPO



INVESTOR RELATIONS

Following the announcement of the results for the First Half of 2005, road shows were held in Austin, Denver, San Francisco, New York, Boston, Toronto, London, and Edinburgh. These road shows in total covered more than 40 one-to-one meetings and several group presentations with institutional investors. The Environment and Business Area was the main focus of this year's Andritz Investor Days for financial analysts, journalists, and investors, held on 11-12 October in Edinburgh, Scotland.

SHARE PRICE DEVELOPMENT

During the First Three Quarters of 2005, the Andritz share price increased by 45.5%. With this development, the Andritz shares outperformed the ATX, which increased by 41.0% during the same period. The highest closing price during the period under review was 82.98 Euros (September 30, 2005), the lowest 56.59 Euros (January 5, 2005).

TRADING VOLUME

The average daily trading volume during the First Three Quarters of 2005 was 88,092 shares (Q1-Q3 2004: 64,656 shares). The highest trading volume was noted on May 31, 2005 (645,250 shares), the lowest on September 5, 2005 (12,368 shares).

FINANCIAL CALENDAR (PRELIMINARY)

→ Road Show New York	November 28, 2005
Results for 2005	March 2, 2006
Annual General Meeting	March 29, 2006
Ex - Dividend	April 3, 2006
Dividend payment	April 7, 2006
First Quarter of 2006	May 5, 2006
First Half of 2006	August 4, 2006
First Three Quarters 2006	November 7, 2006

KEY FIGURES FOR ANDRITZ SHARES

	Q1-Q3 2004	Q1-Q3 2005	Q3 2004	Q3 2005
Highest closing price (EUR)	45.05	82.98	45.05	82.98
Lowest closing price (EUR)	35.00	56.59	39.00	75.12
Closing price as of end of period (EUR)	45.05	82.98	45.05	82.98
Market capitalization as of end of period (MEUR)	585.7	1,078.7	585.7	1,078.7
Performance	+22.5%	+45.5%	+10.6%	+5.4%
ATX-weighting as of end of period (%)	1.8395	1.6385	1.8395	1.6385
Average daily number of shares traded	64,656	88,092	57,979	68,686

Source: Vienna Stock Exchange