

Press release

ANDRITZ GROUP: Results for the third quarter of 2016

Graz, November 4, 2016. International technology Group ANDRITZ saw satisfactory business development in the third quarter of 2016. The key financial figures developed as follows:

- In the third quarter of 2016, order intake amounted to 1,470.1 MEUR, thus increasing significantly by 23.8% compared to the previous year's reference period (Q3 2015: 1,187.6 MEUR). It was also substantially higher compared with the figures of the preceding quarters (+11.5% vs. Q2 2016: 1,319.0 MEUR and +17.9% vs. Q1 2016: 1,247.4 MEUR). This positive development is mainly due to the three largest business areas – PULP & PAPER, HYDRO and METALS – which were able to increase order intake compared to the previous year's reference figure. In the first three quarters of 2016, the Group's order intake, at 4,036.5 MEUR, was up compared to the level as during the previous year's reference figure (+7.1% versus Q1-Q3 2015: 3,767.6 MEUR). This increase is particularly due to the PULP & PAPER and METALS business areas.
- The order backlog as of September 30, 2016, amounted to 7,043.6 MEUR and was thus slightly down compared to the figure at the end of last year (-3.8% versus December 31, 2015: 7,324.2 MEUR).
- In the third quarter of 2016, sales decreased by 6.7% compared to the previous year's reference period, reaching 1,478.1 MEUR (Q3 2015: 1,583.5 MEUR). This is mainly due to the HYDRO business area which saw a project-related sales decline. Group sales in the first three quarters of 2016 amounted to 4,239.3 MEUR, decreasing by 7.6% compared to the previous year's reference period (Q1-Q3 2015: 4,589.1 MEUR).
- Despite the decline of sales, the EBITA, at 109.1 MEUR in Q3 2016, practically reached the level of last year's reference period (-0.9% versus Q3 2015: 110.1 MEUR). As a result, profitability (EBITA margin) increased to 7.4% (Q3 2015: 7.0%). The EBITA, at 292.1 MEUR, in the first three quarters of 2016 also remained practically at the same level as during the previous year's reference period (-1.0% versus Q1-Q3 2015: 295.0 MEUR), thus resulting in an increase of profitability to 6.9% (Q1-Q3 2015: 6.4%).
- Net income (without non-controlling interests) increased to 194.2 MEUR (Q1-Q3 2015: 181.3 MEUR) in the first three quarters of 2016.

Wolfgang Leitner, President & CEO of ANDRITZ AG: *"In view of the continuing, difficult overall macroeconomic environment, we are satisfied with the business results achieved so far this year. For the coming months, we anticipate an unchanged project activity in the markets we serve."*

For the business year 2016, ANDRITZ expects a decline in Group sales compared to 2015, but also expects solid development of profitability at the same time.

– End –

Press release for download

The press release is available for download at the ANDRITZ web site: www.andritz.com/news.

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The ANDRITZ GROUP

ANDRITZ is a globally leading supplier of plants, equipment, and services for hydropower stations, the pulp and paper industry, the metalworking and steel industries, and for solid/liquid separation in the municipal and industrial sectors. The publicly listed technology Group is headquartered in Graz, Austria, and has a staff of approximately 25,500 employees. ANDRITZ operates over 250 sites worldwide.

Annual and financial reports

The annual reports and financial reports of the ANDRITZ GROUP are available as PDF for download at www.andritz.com. Printed copies can be requested by e-mail to investors@andritz.com.

Disclaimer

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

Key financial figures of the ANDRITZ GROUP at a glance

| | Unit | Q1-Q3 2016 | Q1-Q3 2015 | +/- | Q3 2016 | Q3 2015 | +/- | 2015 |
|---|------|----------------|----------------|--------------|----------------|----------------|---------------|----------------|
| Sales | MEUR | 4,239.3 | 4,589.1 | -7.6% | 1,478.1 | 1,583.5 | -6.7% | 6,377.2 |
| HYDRO | MEUR | 1,179.7 | 1,309.6 | -9.9% | 372.4 | 443.3 | -16.0% | 1,834.8 |
| PULP & PAPER | MEUR | 1,534.0 | 1,586.4 | -3.3% | 553.6 | 542.5 | +2.0% | 2,196.3 |
| METALS | MEUR | 1,110.3 | 1,239.8 | -10.4% | 406.7 | 443.7 | -8.3% | 1,718.1 |
| SEPARATION | MEUR | 415.3 | 453.3 | -8.4% | 145.4 | 154.0 | -5.6% | 628.0 |
| Order intake | MEUR | 4,036.5 | 3,767.6 | +7.1% | 1,470.1 | 1,187.6 | +23.8% | 6,017.7 |
| HYDRO | MEUR | 1,060.9 | 1,122.0 | -5.4% | 469.5 | 327.3 | +43.4% | 1,718.7 |
| PULP & PAPER | MEUR | 1,351.0 | 1,255.7 | +7.6% | 435.0 | 346.8 | +25.4% | 2,263.9 |
| METALS | MEUR | 1,179.5 | 953.8 | +23.7% | 410.8 | 358.4 | +14.6% | 1,438.6 |
| SEPARATION | MEUR | 445.1 | 436.1 | +2.1% | 154.8 | 155.1 | -0.2% | 596.5 |
| Order backlog (as of end of period) | MEUR | 7,043.6 | 6,891.8 | +2.2% | 7,043.6 | 6,891.8 | +2.2% | 7,324.2 |
| EBITDA | MEUR | 363.5 | 364.1 | -0.2% | 133.9 | 133.2 | +0.5% | 534.7 |
| EBITDA margin | % | 8.6 | 7.9 | - | 9.1 | 8.4 | - | 8.4 |
| EBITA | MEUR | 292.1 | 295.0 | -1.0% | 109.1 | 110.1 | -0.9% | 429.0 |
| EBITA margin | % | 6.9 | 6.4 | - | 7.4 | 7.0 | - | 6.7 |
| Earnings Before Interest and Taxes (EBIT) | MEUR | 261.8 | 259.1 | +1.0% | 98.8 | 99.5 | -0.7% | 369.1 |
| Financial result | MEUR | 15.7 | 4.0 | +292.5% | 6.8 | -2.8 | +342.9% | 7.3 |
| Earnings Before Taxes (EBT) | MEUR | 277.5 | 263.1 | +5.5% | 105.6 | 96.7 | +9.2% | 376.4 |
| Net income (without non- controlling interests) | MEUR | 194.2 | 181.3 | +7.1% | 73.9 | 67.4 | +9.6% | 267.7 |
| Cash flow from operating activities | MEUR | 345.7 | 132.8 | +160.3% | 145.1 | 140.6 | +3.2% | 179.4 |
| Capital expenditure | MEUR | 76.3 | 59.7 | +27.8% | 31.5 | 23.4 | +34.6% | 101.4 |
| Employees (as of end of period; without apprentices) | - | 25,547 | 24,769 | +3.1% | 25,547 | 24,769 | +3.1% | 24,508 |

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. EUR = euros.