FINANCIAL REPORT
FIRST QUARTER OF 2013

Schuler AG, Germany, was included in the ANDRITZ GROUP consolidated financial statements for the first time as of March 1, 2013. As technological and global market leader in metalforming, Schuler supplies machinery and equipment for the metalworking industry. The photo shows a Schuler press with TwinServo technology for the automotive and automotive supplying industries. This new generation of presses has two separate servo motors in the press bed and is thus considerably more compact, more flexible, and also much quieter than conventional machines.

KEY FINANCIAL FIGURES OF THE ANDRITZ GROUP

	Unit	Q1 2013	Q1 2012	+/-	2012
Order intake	MEUR	1,288.3	1,361.2	-5.4%	4,924.4
Order backlog (as of end of period)	MEUR	7,844.3	7,034.7	+11.5%	6,614.8
Sales	MEUR	1,163.8	1,185.7	-1.8%	5,176.9
Return on sales[1)]	%	0.3	5.6	-	6.5
EBITDA[2)]	MEUR	32.0	86.5	-63.0%	418.6
EBITA[3)]	MEUR	14.2	72.5	-80.4%	357.8
Earnings Before Interest and Taxes (EBIT)	MEUR	3.1	66.7	-95.4%	334.5
Earnings Before Taxes (EBT)	MEUR	2.0	70.1	-97.1%	331.6
Net income (including non-controlling interests)	MEUR	1.8	50.4	-96.4%	242.2
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[4)]	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
Fixed assets	MEUR	1,887.0	1,221.2	+54.5%	1,390.5
Current assets	MEUR	4,006.8	3,293.7	+21.7%	3,770.5
Shareholders' equity[5)]	MEUR	931.7	880.4	+5.8%	1,033.8
Provisions	MEUR	943.2	676.7	+39.4%	725.4
Liabilities	MEUR	4,018.9	2,957.8	+35.9%	3,401.8
Total assets	MEUR	5,893.8	4,514.9	+30.5%	5,161.0
Equity ratio[6)]	%	15.8	19.5	-	20.0
Return on equity[7)]	%	0.2	8.0	-	32.1
Return on investment[8)]	%	0.1	1.5	-	6.5
Liquid funds[9)]	MEUR	1,750.4	1,730.3	+1.2%	2,047.8
Net liquidity[10)]	MEUR	884.9	1,301.4	-32.0%	1,285.7
Net debt[11)]	MEUR	-554.1	-1,099.8	+49.6%	-1,053.3
Net working capital[12)]	MEUR	-586.4	-622.3	-5.8%	-631.5
Capital employed[13)]	MEUR	486.3	-83.3	-683.8%	-36.2
Gearing[14)]	%	-59.5	-124.9	-	-101.9
EBITDA margin	%	2.7	7.3	-	8.1
EBITA margin	%	1.2	6.1	-	6.9
EBIT margin	%	0.3	5.6	-	6.5
Net income[15)]/sales	%	0.2	4.3	-	4.7
EV[16)]/EBITDA	-	142.5	29.1	-	9.0
Depreciation and amortization/sales	%	2.5	1.7	-	1.6

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 11,115 TEUR (5,827 TEUR for Q1 2012, 22,942 TEUR for 2012) and impairment of goodwill at the amount of 0 TEUR (0 TEUR for Q1 2012, 397 TEUR for 2012) 4) Additions to intangible assets and property, plant, and equipment 5) Total shareholders' equity incl. non-controlling interests 6) Shareholders' equity/total assets 7) EBT (Earnings Before Taxes)/shareholders' equity 8) EBIT (Earnings Before Interest and Taxes)/total assets 9) Cash and cash equivalents plus marketable securities plus loans against borrowers' notes 10) Liquid funds plus fair value of interest rate swaps minus financial liabilities 11) Interest bearing liabilities including provisions for severance payments, pensions, and jubilee payments minus cash and cash equivalents, marketable securities and loans against borrowers' notes 12) Non-current receivables plus current assets (excluding cash and cash equivalents as well as marketable securities and loans against borrowers' notes) minus other non-current liabilities and current liabilities (excluding financial liabilities and provisions) 13) Net working capital plus intangible assets and property, plant, and equipment 14) Net debt/total shareholders' equity 15) Net income (including non-controlling interests) 16) EV (Enterprise Value): market capitalization based on closing price as of end of period minus net liquidity

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

The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013; for the reference period of last year, no pro-forma figures are available.

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.

KEY FINANCIAL FIGURES OF THE BUSINESS AREAS

HYDRO	Unit	Q1 2013	Q1 2012	+/-	2012
Order intake	MEUR	574.2	597.5	-3.9%	2,008.4
Order backlog (as of end of period)	MEUR	3,983.8	3,907.6	+2.0%	3,842.3
Sales	MEUR	381.2	403.4	-5.5%	1,836.8
EBITDA	MEUR	34.0	37.2	-8.6%	182.4
EBITDA margin	%	8.9	9.2	-	9.9
EBITA	MEUR	26.6	30.2	-11.9%	153.2
EBITA margin	%	7.0	7.5	-	8.3
Employees (as of end of period; without apprentices)	-	7,590	7,379	+2.9%	7,469

PULP & PAPER	Unit	Q1 2013	Q1 2012	+/-	2012
Order intake	MEUR	423.5	529.4	-20.0%	1,962.4
Order backlog (as of end of period)	MEUR	1,978.5	2,290.4	-13.6%	2,018.1
Sales	MEUR	452.4	563.5	-19.7%	2,282.2
EBITDA	MEUR	-18.1	35.3	-151.3%	156.2
EBITDA margin	%	-4.0	6.3	-	6.8
EBITA	MEUR	-23.7	30.4	-178.0%	134.6
EBITA margin	%	-5.2	5.4	-	5.9
Employees (as of end of period; without apprentices)	-	6,903	6,381	+8.2%	6,774

METALS*	Unit	Q1 2013	Q1 2012	+/-	2012
Order intake	MEUR	144.5	64.3	+124.7%	324.2
Order backlog (as of end of period)	MEUR	1,531.2	471.1	+225.0%	451.4
Sales	MEUR	202.0	89.4	+126.0%	404.7
EBITDA	MEUR	15.7	4.7	+234.0%	28.0
EBITDA margin	%	7.8	5.3	-	6.9
EBITA	MEUR	13.4	4.2	+219.0%	25.1
EBITA margin	%	6.6	4.7	-	6.2
Employees (as of end of period; without apprentices)	-	6,370	998	+538.3%	1,129

*The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013 and is allocated to the METALS business area. For the reference period of last year, no pro-forma figures are available.

SEPARATION*	Unit	Q1 2013	Q1 2012	+/-	2012
Order intake	MEUR	146.1	170.0	-14.1%	629.4
Order backlog (as of end of period)	MEUR	350.8	365.6	-4.0%	303.0
Sales	MEUR	128.2	129.4	-0.9%	653.2
EBITDA	MEUR	0.4	9.3	-95.7%	52.0
EBITDA margin	%	0.3	7.2	-	8.0
EBITA	MEUR	-2.1	7.7	-127.3%	44.9
EBITA margin	%	-1.6	6.0	-	6.9
Employees (as of end of period; without apprentices)	-	2,796	2,305	+21.3%	2,493

* 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.

MANAGEMENT REPORT

GENERAL ECONOMIC CONDITIONS

The global economic situation did not change substantially in the first quarter of 2013 compared to the previous quarters. Most economic indicators show some stabilization at low levels, but give no reason to expect a sustained global economy recovery in the next few quarters.

In the USA, the slight economic upswing continued, although from a low level. Private consumption – one of the main contributors to the GNP growth in the USA – rose slightly; however the unemployment rate remained at an unchanged high level. Investments in trade and industry also remained at a moderate level. As a result, the US Federal Reserve announced that it would buy back further government bonds in the amount of 85 billion US dollars per month in order to provide the economy with liquidity.

There was no significant change in the general economic conditions in Europe either in the first quarter of 2013. While some of Europe's core countries saw slight economic growth, driven largely by exports, the recession with continuing high unemployment figures persisted in the southern European countries, particularly Spain and Italy. Thus, the European Central Bank has confirmed that it will leave the key interest rate unchanged at the current low level until further notice and continue to provide liquidity to the markets in order to stimulate the economy.

In the emerging markets, development showed some regional differences. While the economy in China continued to recover, most of the South American countries, particularly Brazil, remained at an unchanged low level. The continuing low private consumption in combination with declining exports is currently preventing any sustained economic recovery.

Sources: research reports by various banks, OECD

BUSINESS DEVELOPMENT

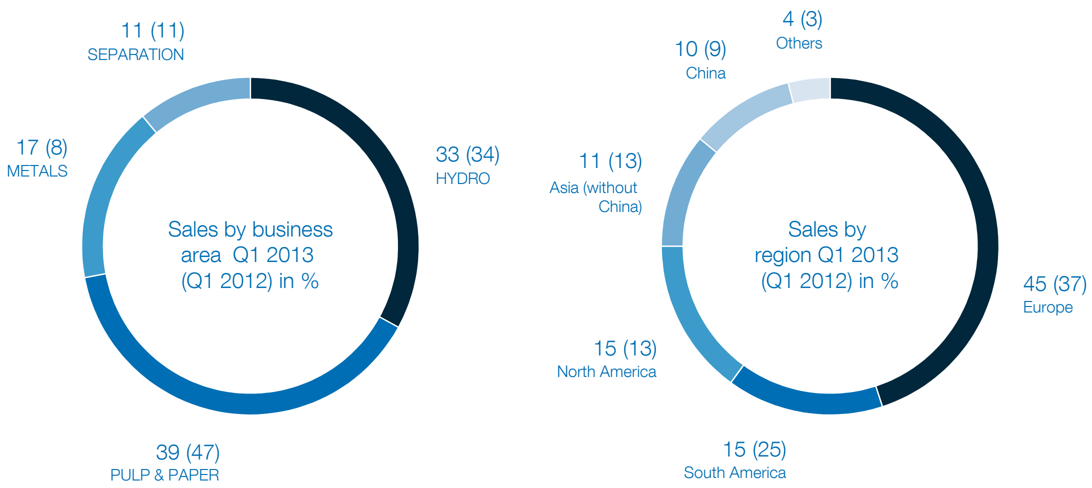
Notes

- 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 euros; TEUR = thousand euros
- The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013; for the reference period of last year, no pro-forma figures are available. Schuler is allocated to the METALS business area.
- 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.

Sales

In the first quarter of 2013, sales of the ANDRITZ GROUP amounted to 1,163.8 MEUR (-1.8% versus Q1 2012: 1,185.7 MEUR). Excluding the consolidation of Schuler, the sales figure would have been 1,055.1 MEUR, thus decreasing by 11.0% compared to the previous year's reference period.

Whereas sales in the HYDRO business area declined slightly compared to the previous year's reference period (-5.5%), sales in the PULP & PAPER business area dropped significantly by 19.7% due to the strong sales contribution of two large-scale pulp mill projects in the first quarter of 2012. In the METALS business area, a substantial increase in sales was noted as a result of the first-time consolidation of Schuler, contributing 108.7 MEUR to sales in the first quarter of 2013; without Schuler, sales in the METALS business area would only have increased slightly by 4.4%. In the SEPARATION business area, sales declined slightly compared to the previous year's reference period (-0.9%).



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

	Q1 2013	Q1 2012
ANDRITZ-GROUP	28	24
HYDRO	24	22
PULP & PAPER	34	25
METALS	15	7
SEPARATION	41	41

Order intake

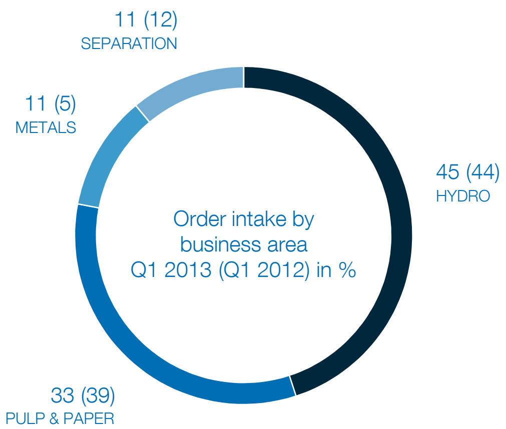
The Group's order intake amounted to 1,288.3 MEUR and was thus 5.4% lower than the previous year's reference figure (Q1 2012: 1,361.2 MEUR). 96.0 MEUR were contributed by the consolidation of Schuler –without Schuler, the order intake would thus have been 1,192.3 MEUR, a decline of 12.4% compared to the previous year's reference period.

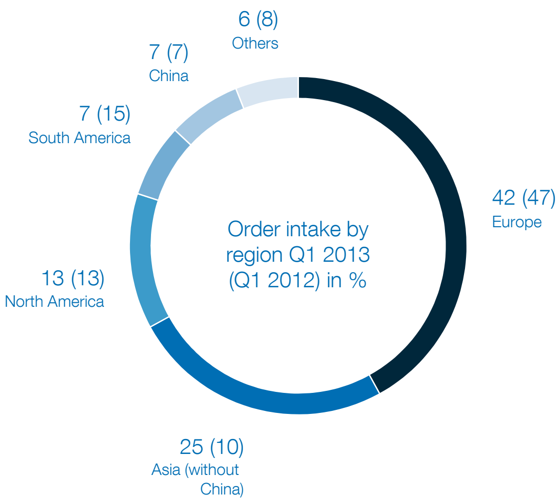
The HYDRO business area's order intake, at 574.2 MEUR, almost reached the very high level of the first quarter of 2012 (597.5 MEUR: -3.9%).

The PULP & PAPER business area noted an order intake of 423.5 MEUR. Compared to the high level of the previous year's reference period, which included a large number of medium-scale orders, this is a decline of 20.0% (Q1 2012: 529.4 MEUR).

Order intake of the METALS business area amounted to 144.5 MEUR, thus showing a significant increase compared to the previous year's reference period (Q1 2012: 64.3 MEUR). This increase is due to the consolidation of Schuler, which contributed 96.0 MEUR to order intake in the reporting period. Without Schuler, the business area's order intake would have decreased by 24.6%.

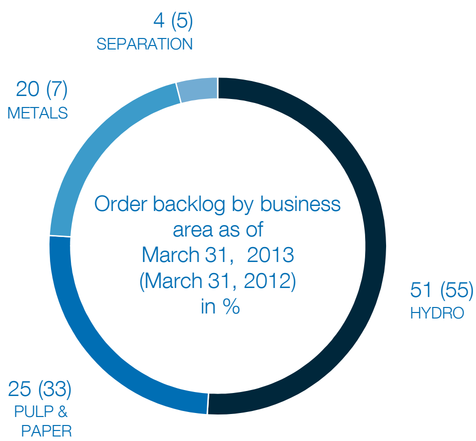
The order intake for the SEPARATION business area declined by 14.1% compared to the first quarter of 2012 (170.0 MEUR).

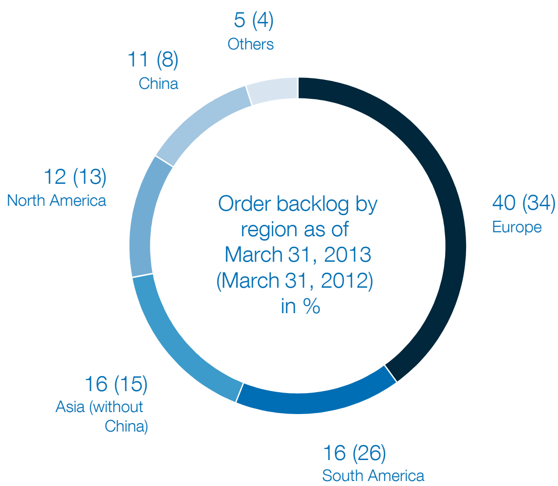




Order backlog

As of March 31, 2013, the order backlog of the ANDRITZ GROUP rose by 18.6% compared to the end of the previous year, reaching 7,844.3 MEUR (December 31, 2012: 6,614.8 MEUR). Schuler contributed 1,125.9 MEUR to the order backlog of the Group.





Earnings

The EBITA of the Group amounted to 14.2 MEUR in the first quarter of 2013, thus declining by 80.4% compared to the previous year's reference period (Q1 2012: 72.5 MEUR). The EBITA margin decreased to 1.2% (Q1 2012: 6.1%).

This significant deterioration of earnings is mainly due to the PULP & PAPER business area, noting a loss in the amount of -23.7 MEUR during the reporting period. The reasons 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 showed a considerable deterioration of earnings, mainly due to additional costs related to technical problems during the market launch of a new product series in China.

Earnings in the HYDRO business area also declined due to decreasing sales.

As a result of the Schuler consolidation, earnings in the METALS business area rose significantly and EBITA margin increased from 4.7% in the previous year's reference period to 6.6% in the first quarter of 2013.

The financial result declined significantly to -1.1 MEUR (Q1 2012: 3.4 MEUR). This decline is mainly due to expenses for the interest rate swap related to the corporate bond issue 2012, as well as the general decline of interest rates and the reduced net liquidity compared to the reference period of last year.

Net income of the ANDRITZ GROUP (excluding non-controlling interests) amounted to 4.1 MEUR and was thus significantly below the reference figure for the previous year (-91.9% vs. Q1 2012: 50.5 MEUR).

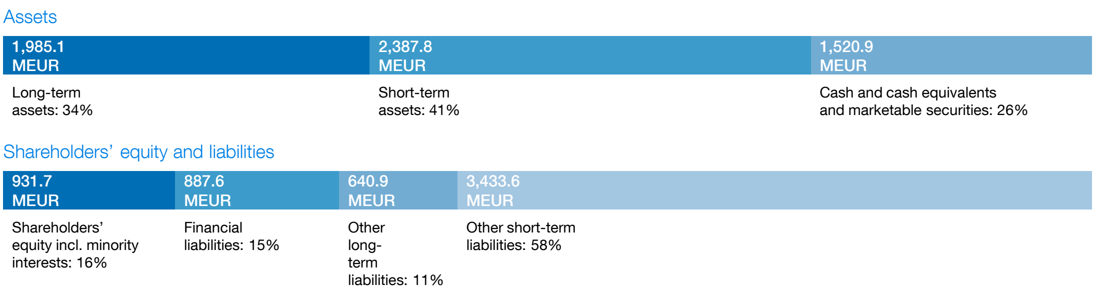
Net worth position and capital structure

Due to the first-time consolidation of Schuler, the total assets of the ANDRITZ GROUP as of March 31, 2013 increased significantly to 5,893.8 MEUR (December 31, 2012: 5,161.0 MEUR). As a result, the equity ratio declined to 15.8% (December 31, 2012: 20.0%).

Liquid funds (cash and cash equivalents plus marketable securities plus loans against borrowers' notes) amounted to 1,750.4 MEUR as of March 31, 2013 (December 31, 2012: 2,047.8 MEUR). Net liquidity (liquid funds plus fair value of interest rate swaps minus financial liabilities) amounted to 884.9 MEUR (December 31, 2012: 1,285.7 MEUR).

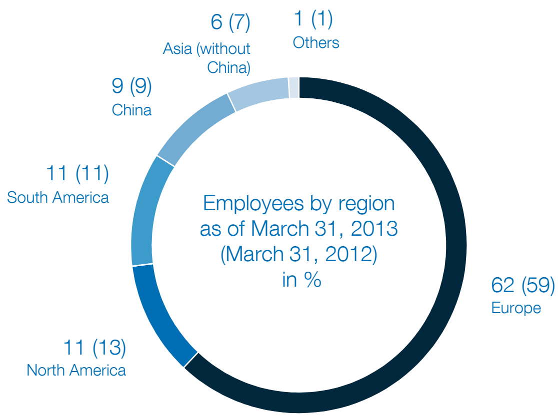
In addition to the high net liquidity, the ANDRITZ GROUP also has the following credit and surety lines for performance of contracts, down payments, guarantees, and so on, at its disposal:

- Credit lines: 307 MEUR, thereof 125 MEUR utilized
- Surety and guarantee lines: 5,571 MEUR, thereof 3,126 MEUR utilized



Employees

The ANDRITZ GROUP had a total of 23,660 employees as of March 31, 2013 (17,865 employees as of December 31, 2012). This sharp increase is due to the first-time consolidation of Schuler, with 5,259 employees as of March 31, 2013.



Acquisitions

In January 2013, ANDRITZ acquired an 80% stake in Shanghai Shende Machinery Co. Ltd., China. The company supplies process technologies including the entire equipment and service portfolio for mid-size capacity animal/aquatic feed pelleting plants. With this acquisition, the SEPARATION business area is strengthening its product and service portfolio and further enhancing its position in the growth markets of China and other Asian countries.

In February 2013, the takeover of the majority interest in Schuler AG, Germany, received full and unrestricted approval from the anti-trust authorities responsible. The closing took place with the assignment of the shares in February 2013. The first-time consolidation of Schuler in the ANDRITZ consolidated financial statements took place as of March 1, 2013. As the technological and global market leader in metalforming, Schuler supplies machines, production lines, dies, process know-how, and services for the entire metalworking industry.

During the reporting period, ANDRITZ also acquired FBB Engineering GmbH, Germany. The company delivers burners and fireproof systems (e.g. pipe insulation systems for furnaces) for the steel and aluminum industries, thus further complementing the existing furnace product portfolio of the METALS business area.

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

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

The essential risks for the business development of the ANDRITZ GROUP relate above all to the Group's dependence on the general economic environment and the development of the industries it serves, to whether major orders are received and to the risks they entail; and to whether adequate sales proceeds are realized from the high order backlog. In addition, unexpected increases in costs, delays, and difficulties in achieving the guaranteed performance parameters in the plants that ANDRITZ supplies present substantial risks during the project execution. A possible malfunction in the components and systems supplied by ANDRITZ can have serious consequences for individuals and on material assets. The financial difficulties and the continuing challenging overall economic development (particularly in Europe and the USA) also constitute a serious risk for the ANDRITZ GROUP's financial development. In addition, a possible stronger slowdown in economic activities in the emerging markets also presents a risk to the Group. The weak economy may lead to delays in the execution of existing orders and to the postponement or cancellation of existing projects. Cancellations of existing contracts could adversely affect the ANDRITZ GROUP's order backlog, which would in turn have a negative impact on the utilization of the Group's manufacturing capacities.

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

As of March 1, 2013, the Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP. As Schuler derives approximately 80% of its sales from the automotive industry, which is generally exposed to severe cyclical swings, this acquisition may possibly also have an adverse impact on the development of sales and earnings of the ANDRITZ GROUP.

For the majority of orders, the risk of payment failure by customers is mitigated by means of bank guarantees and export insurance, but individual payment failures can have a substantial negative impact on earnings development of the Group. Risks related to deliveries to countries with medium to high political risks typically are also insured to a large extent. 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 (mainly US dollars and Swiss francs) is hedged by forward contracts. Cash flow risks are monitored via monthly cash flow reports.

In order to minimize the financial risks as best as 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; the Group has high liquidity reserves and secured access to liquidity. 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 earnings development and shareholders' equity of the ANDRITZ GROUP. In addition, the lowering of ANDRITZ's credit rating by several banks can limit the financial leeway available to ANDRITZ, particularly regarding sureties to be issued.

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

Due to the current sovereign debt crisis in the European Union, there is a risk of complete or partial collapse of the Euro zone and of a possible breakdown of the Euro currency system linked to it. Most likely, this would have a negative effect on the financial, liquidity, and earnings development of the ANDRITZ GROUP.

For further information on the risks for the ANDRITZ GROUP, see the ANDRITZ annual financial report 2012.

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. In new projects, fluctuations in exchange rate may have a positive or a negative impact on the ANDRITZ GROUP's competitive position.

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

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

Important events after March 31, 2013

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. The determining factors continue to be the economic weakness as well as the sovereign debt crises in Europe and the USA. Related to the supply of production technologies and equipment for a pulp mill in South America, substantial cost overruns were noted and provisions made (please see also sections "Earnings" and "Outlook" of this Management Report).

OUTLOOK

Leading economic experts do not expect any significant change in economic development for the coming months in the relevant regions. Most of the economic indicators show some stabilization at a low level, but give no reason to expect a sustained recovery of the global economy in the next few quarters.

Determining factors both in the USA and in Europe will continue to be the national debt crises and the resulting budget consolidation measures, which will lead to a substantial cut in government spending. There is also no reason to expect a lasting acceleration of growth in the emerging markets because exports to the USA and to Europe will not recover sustainably due to the weak economy in these regions.

In view of these expected general economic conditions, moderate but still satisfactory project activity is expected in the markets served by ANDRITZ. In the METALS business area, however, no recovery is expected in equipment for stainless steel lines. In the coming months, a decline in project activity is expected in the automotive and automotive supplying industries served by Schuler.

Regarding cost overruns related to the supply of production technologies and equipment for a pulp mill in South America, provisions that are necessary from today's point of view were made. However, there is no guarantee that there will be no need for further provisions in the coming quarters.

The price levels currently obtainable in large-scale pulp mill projects do not provide an adequate reflection of the risks that have to be managed during project execution. ANDRITZ has thus decided to take a more selective approach in this field and will stronger focus on the earnings/risk profile of each individual project in the future. Resulting organizational and capacity adjustments and possible necessary financial provisions are currently being evaluated and will be executed in the coming quarters if necessary.

On basis of these expectations, the order backlog, and the consolidation of Schuler as of March 1, 2013, the ANDRITZ GROUP expects a rise 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.

If, however, the global economy suffers another setback in 2013, this could have a negative impact on the sales and earnings developments of the ANDRITZ GROUP, making it impossible to achieve the sales and earnings targets set.

DECLARATION PURSUANT TO ARTICLE 87 (1) OF THE (AUSTRIAN) STOCK EXCHANGE ACT

We hereby confirm that, to the best of our knowledge, the condensed interim financial statements of the ANDRITZ GROUP drawn up in compliance with the applicable accounting standards provide a true and fair view of the asset, financial, and earnings positions of the ANDRITZ GROUP, and that the management report provides a true and fair view of the asset, financial, and earnings positions of the ANDRITZ GROUP with regard to the important events of the first three months of the financial year and their impact on the condensed interim financial statements of the ANDRITZ GROUP, and with regard to the major risks and uncertainties during the remaining nine months of the financial year, and also with regard to the major business transactions subject to disclosure and concluded with related persons and companies.

Graz, April 30, 2013

The Executive Board of ANDRITZ AG

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

HYDRO

MARKET DEVELOPMENT

In the first quarter of 2013, project activity for electromechanical equipment in hydropower stations remained at approximately the same level as in the previous year. In Europe and North America, investment activity continued to focus mainly on modernization and rehabilitation of existing stations. In the emerging markets, particularly in South America and Asia, there were some new hydropower stations in the project phase, with implementation being scheduled over the next few years. Satisfactory investment activity in equipment for small-scale hydropower plants is continuing worldwide. Solid project activity was noted also for pumps to irrigate agricultural land, transport drinking water, and for use in power plants.

IMPORTANT EVENTS

The business area successfully handed over the 220-megawatt turbine generator extension unit at Theun Hinboun hydropower station and two turbine generator units each with an output of 30 megawatts at Nam Gnouang hydropower station, Lao People's Democratic Republic, including high-voltage switchgear and all subsystems. Thus, the total capacity of Theun Hinboun, which has been in operation since 1998, was extended to 500 megawatts.

Following the delivery and successful commissioning of two bulb turbines (10 megawatts each), generators, and excitation equipment, the Gössendorf hydropower station, Austria, was handed over and is now supplying clean energy to 22,000 households.

The Allai Khwar hydropower station, Pakistan, for which the business area supplied the complete mechanical equipment including two Pelton turbines with an output of 62 megawatts each, was also commissioned. Allai Khwar is part of the "Initiative 2025" by national utility WAPDA to develop sustainable projects for energy generation in Pakistan with as little environmental impact as possible.

IMPORTANT ORDERS

ANDRITZ HYDRO received an order from CH. Karnchang Company to supply the electromechanical equipment for the Xayaburi run-of-river hydropower plant, Lao People's Democratic Republic. The scope of supply comprises seven Kaplan turbines each with an output of 175 megawatts, an additional Kaplan turbine with an output of 69 megawatts, generators and governors, automation systems, and additional equipment. With a nominal capacity of 1,285 megawatts, Xayaburi will have an annual output of 7,406 gigawatt-hours and provide electricity for around one million households. Start-up is scheduled for the end of 2019. Due to the shortage or entire lack of other energy resources, Laos has focused for years on expanding hydropower in order to improve the standard of living of its population (half of the population has no electricity supply), stimulate the country's economic growth, and reduce its dependence on fossil energy resources.

For the Albanian utility KESH, the business area will refurbish the complete electromechanical equipment at the Komani hydropower station, which is the largest hydropower plant in Albania with an output of 624 megawatts and supplies around one fifth of the country's entire power consumption.

The 5 de Noviembre hydropower plant, El Salvador, is being extended for Comissão Executiva Hidroelétrica do Rio Lempa (CEL). The scope of supply comprises two 41-megawatt Francis turbines, two generators, and the control equipment.

ANDRITZ HYDRO received the order from the Grenzkraftwerke utility company to refurbish control and excitation equipment for 19 machine sets, upgrade electrical protection (for three power stations), and supply five major control stations and a reservoir simulator for four hydropower plants on the River Inn, Austria, and for the Jochenstein hydropower station on the River Danube on the border between Germany and Austria.

For VERBUND Hydro Power, the business area will deliver control and protection equipment for Reisseck II pumped storage power plant, and refurbish and connect the hydraulic protection for Malta pumped storage power station, Austria. In order to make more efficient use of the equipment, the currently separate hydraulic systems for the Malta and Reisseck/Kreuzeck power plant group will be linked. Reisseck II will have an output of 430 megawatts in turbine and pumping operations.

As member of a consortium, ANDRITZ HYDRO received the order to modernize the electromechanical and control equipment at the SALACO hydropower plant group, comprising Salto II, Laguneta, and Colegio hydropower stations, Colombia.

Eidsiva Vannkraft awarded the output increase of two Francis turbines at the Øvre Vinstra hydropower station, Norway. The two runners will each provide an output of 85 megawatts, equaling to an increase of approximately 20%.

A 134-megawatt machine set at the Bersimis 2 hydropower station will be modernized for Hydro Quebec, Canada. The scope of supply includes disassembly of the machine set, repair of the Francis runner, modernization of the main turbine components, and re-assembly.

Numerous orders were booked in the small-scale hydropower plant sector during the reporting period: These include the equipment for Renace II, Guatemala, as well as Mc Lymont and Okikendawt, Canada.

For a mining company in South Africa, the business area will supply three submersible motor pumps for heads up to 430 meters for drainage of a disused mine.

PULP & PAPER

MARKET DEVELOPMENT

The international pulp market showed stable development in the first quarter of 2013. Growing demand, particularly on the European pulp market, led to a slight rise in the price of Northern Bleached Softwood Kraft (NBSK) pulp, which increased from around 790 US dollars at the beginning of January to approximately 840 US dollars at the end of March 2013. The main reason for this was the increased order activity by European paper producers, who had reduced their inventories to a minimum last year.

The price of short-fiber pulp (for example eucalyptus) also increased – rising from around 750 US dollars at the beginning of January to approximately 790 US dollars at the end of March 2013. Pulp producers have not announced any further price increases because additional supplies are expected as from the third quarter of 2013 when new capacities should start up in South America and, at the same time, some paper mills have announced that they will reduce their output substantially or stop production.

Given this environment, the market for pulp equipment saw satisfactory development in the first quarter of 2013. The majority of investment activity by pulp producers was concentrated on modernizing existing plants and implementing environmental technologies for sustainable pulp production. General market conditions were very challenging with high competitive pressure for large-scale projects.

IMPORTANT EVENTS

Iggesund Paperboard Ltd., UK, started up a new ANDRITZ PULP & PAPER biomass power boiler, including the fuel feeding and auxiliary equipment.

Stora Enso started up a recycled fiber stock preparation plant and rejects handling system in Poland. This is one of the largest old corrugated container processing lines, and currently the most modern, in Europe.

A rebuilt board machine for A. Merati & C. Cartiera di Laveno, Italy, was started up. ANDRITZ widened the machine's headbox and wet section, and also provided new machine components.

The business area completed the rebuild of a paper machine at Smurfit Kappa's Hoya mill, Germany. The order included complete dismantling of the dryer section and rebuild with new frame and new rolls, as well as the supply of a web stabilization system, a ropeless tail-threading, a film press, and a new energy-recovery hood. In addition, ANDRITZ moved the complete reel and enlarged the after-drying section.

Nanning Phoenix, China, started up a new tissue machine with a steel yankee. ANDRITZ also provided the complete stock preparation plant for bagasse pulp.

Fiber preparation equipment was started up for C&S Paper Jiangmen, Nine Dragon Paper Industries (Chongqing), and Vinda Paper (Xiaogan), all of China.

In the panelboard industry, Arauco do Brasil started up a pressurized refining system for MDF production with a capacity of 1,150 tons per day. Other start-ups include Qinjiang Wood Industry and Anhui Lvzhou Wood Based Panel, both in China.

The new ANDRITZ biomass torrefaction demonstration plant in Stenderup, Denmark, started full operation. The plant demonstrates the complete process chain utilizing key ANDRITZ technologies. Customers can run trials on biomass materials and conduct basic research at demonstration scale (up to one ton per hour).

A new calendering system for technical textiles has been added to ANDRITZ Küsters' technical center in Germany. ANDRITZ Perfojet opened a new spunlace technical center for nonwovens in France to support nonwovens producers in their research, as well as in product and process development.

IMPORTANT ORDERS

Three Mondi mills in Europe ordered modern ANDRITZ technology as part of a program to increase energy efficiency and environmental protection. For Mondi SCP, Slovakia, the business area will deliver a retrofit to the evaporation plant and a new high energy recovery boiler to increase the mill's electricity production. Two existing lime kilns at Mondi's Dynäs mill, Sweden, will be replaced by a new lime kiln to lower the mill's fuel consumption. For Mondi Štětí, Czech Republic, ANDRITZ will provide components for the rebuild of a packaging paper machine and the upgrade of the drying section of another machine at the mill.

Siam Kraft Industry (SGP Paper), Thailand, ordered a complete recycled fiber stock preparation system and rejects handling system with a capacity of 1,200 tons per day for a new corrugated board machine.

In order to produce dissolving pulp in addition to kraft pulp, China CAMC Engineering Hongkong ordered a pre-hydrolysis vessel to be added to the cooking process at its pulp mill in Belarus. ANDRITZ will also perform some modifications to the evaporation plant and drying machine.

Naberezhnye Chelny Paper Mill, Republic of Tatarstan, selected ANDRITZ to rebuild the wet and press sections of its packaging paper machine. As part of the scope, the business area will deliver new stock preparation and approach flow systems.

For Celulosas de Asturias' pulp mill, Spain, ANDRITZ will retrofit the evaporation plant and gas collection system to increase capacity.

In the panelboard industry, Divapan Entegre Agac Panel San. Ve Tic., Turkey, ordered a pressurized refining system and continuous press for the production of MDF. Anhui Kunhe Wood Industry, Hebei Xianghe Zhongwang Wood Industry, Xinjiang Jinyang Wanhua Wood Industry, and Jiangxi Green Continent Woodbased Panel, China, also ordered pressurized refining systems.

METALS

MARKET DEVELOPMENT

Project activity for plants and equipment for production and processing of stainless steel, carbon steel, and nonferrous metal remained low during the reporting period due to continuing overcapacities in the international steel/stainless steel industry and to the unchanged uncertain general economic conditions. Investments focused mainly on small modernization and refurbishment projects. There were no large orders awarded during the reporting period.

Satisfactory project activity was noted in the industrial furnace sector, particularly in the aluminum industry.

Although there were signs of slowing demand in the automobile sector, the automotive and automotive supplying industries showed solid project activity.

IMPORTANT EVENTS

A tension-leveling line and an off-line skin-pass mill were started up successfully for the stainless steel producer Jiuquan Iron & Steel Group, China. Both plants are designed for an annual production capacity of 200,000 tons.

An annealing and pickling line for cold-rolled stainless steel strip with an annual capacity of 400,000 tons was handed over to Tianjin TISCO & TPCO Stainless Steel, China.

Schuler presented the prototype of a new press generation to potential customers, mainly major international car manufacturers. The presses, containing the TwinServo technology developed by Schuler, have two separate servo-motors in the press bed, making them considerably more compact, flexible, and also quieter than conventional machines.

IMPORTANT ORDERS

OAO Severstal ordered a new strip processing plant for an existing continuous pickling line in Cherepovets, Russia. The customer is member of the Severstal Group, Russia's third largest steel producer.

For SYNN Industrial, Taiwan, ANDRITZ METALS will modernize the hot-galvanizing line at the Kaohsiung works.

The stainless steel producer Hyundai BNG Steel, South Korea, awarded an order to rebuild the 20-high rolling mill supplied by ANDRITZ in 1994. The rebuild comprises delivery of a new drive system, the automation equipment including strip gage and flatness control, as well as coiler gears, strip cooling, and strip drying systems. The rebuild is intended to make the mill suitable for rolling even thinner gage stainless steel strip (thickness up to 50 micrometers).

A new double-chamber furnace for hardening and tempering – comprising a fully automatic heat treatment plant, a charging system, and an automatically operated hardening device – and two homogenizing furnaces with regenerative burners will be delivered to Böhler Edelstahl, Austria.

BAIC Motor and PCMI Metal Product, China, each ordered a laser welding system for tailored blanks from ANDRITZ Soutec. The Soulas type systems are used for linear welding seams and each have an annual capacity of 1.2 million tailored blanks. To Tata Steel UK, ANDRITZ Soutec will supply a non-linear welding system, type Soutrac XL, with an annual capacity of almost one million tailored blanks.

Schuler received an order from a well-known German car manufacturer in the premium sector to supply a six-stage press line with ServoDirect Technology to manufacture interior and exterior car body panels. The press line comprises a 2,000 ton lead press and five presses, each with a press force of 1,400 tons. The entire plant has a maximum output of more than 20 strokes per minute. The scope of supply also includes automated transport of parts between the individual press stages as well as the automation equipment for material feed.

Schuler will supply a system solution for production of composite materials to the National Composites Centre, UK. The hydraulic upstroke short-stroke press with a press force of approximately 3,600 tons covers all common press methods for composite materials, including carbon fiber-reinforced plastics.

SEPARATION

MARKET DEVELOPMENT

Project activity for solid/liquid separation equipment showed a different development of industries during the first quarter of 2013. While solid investment activity was noted in the municipal and industrial waste water treatment sectors and in the food and chemical industries, the mining and minerals industries, however, were negatively impacted by both the volatility of metal prices and the economic slowdown in some regions, leading to several project delays and cancellations. Project activity in the animal feed industry was at good level during the reporting period, both for mill expansion projects and greenfield plants, focusing on Asia and South America. Satisfactory project activity was noted in the special feed area (aquatic feed and pet food) in Europe, South America, and Asia.

IMPORTANT EVENTS

The business area noted a number of successful startups: e.g. the startup of six iron ore hyperbaric disc filters for Jindal, India; the startup of a dairy separator with the 3-A sanitary standard in the USA; or the startup of the four largest sludge thickening centrifuges in the world in Columbus, Ohio, USA.

During the reporting period, the business area noted further successes in the improvement of its product portfolio and the expansion of its service business in the emerging markets. With the launch of the new TurboJet weir plate, ANDRITZ offers a unique power recovery system for decanter centrifuges, enabling power consumption reduction of up to 30% and featuring an exceptional maintenance-friendly design. The biomass torrefaction pilot plant in Austria achieved continuous operation with a capacity of one ton per hour of high-quality briquettes used for co-firing. For applications in the wine industry, the dynamic cross flow filter was tested successfully. And in order to strengthen ANDRITZ's local presence, new service and sales locations were established in Pomerode, Brazil, and Ulaanbaatar, Mongolia.

IMPORTANT ORDERS

Two large fluid bed dryers for potash with a capacity of 300 tons per hour were sold to China.

A customer in the USA ordered equipment for a cellulosic feedstock fermentation plant.

Based on the increasing demand for packaged tea in Asia, 15 separators for the tea producing industry will be delivered to various customers in China.

Separation equipment for the production of polyvinyl chloride and high-density polyethylene were ordered by customers in the USA, the Middle East, and Asia.

A major iron ore customer in the USA ordered two hyperbaric disc filters. A customer in Russia placed an order for a vacuum disc filter.

ANDRITZ Gouda received orders for a total of five double drum dryers from customers in the food industry in South America, North America, and Africa.

In the animal feed area, the business area noted several important orders, especially from customers in Asia and South America. Numerous orders for fish feed extrusion lines were secured in the Mediterranean regions and in Asia. Additional orders for new pet food extrusion lines were received in Europe.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of March 31, 2013 (condensed, unaudited)

(in TEUR)	March 31, 2013	December 31, 2012
ASSETS		
Intangible assets	391,401	101,110
Goodwill	509,818	317,775
Property, plant, and equipment	681,341	494,187
Shares in associated companies	556	555
Other investments	140,242	355,288
Trade accounts receivable	18,666	21,385
Other non-current receivables and assets	79,397	74,851
Deferred tax assets	163,665	121,579
Non-current assets	**1,985,086**	**1,486,730**
Inventories	611,484	405,317
Advance payments made	215,615	181,196
Trade accounts receivable	624,025	606,548
Cost and earnings of projects under construction in excess of billings	507,428	320,718
Other current receivables	429,255	342,122
Marketable securities	239,482	325,486
Cash and cash equivalents	1,281,420	1,492,848
Current assets	**3,908,709**	**3,674,235**
TOTAL ASSETS	**5,893,795**	**5,160,965**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	104,000	104,000
Capital reserves	36,476	36,476
Retained earnings	745,221	867,017
Equity attributable to shareholders of the parent	**885,697**	**1,007,493**
Non-controlling interests	**45,988**	**26,302**
Total shareholders' equity	**931,685**	**1,033,795**
Bonds – non-current	520,515	525,099
Bank loans and other financial liabilities – non-current	55,787	9,667
Obligations under finance leases – non-current	15,846	16,061
Provisions – non-current	429,099	312,226
Other liabilities – non-current	33,339	13,182
Deferred tax liabilities	178,470	93,912
Non-current liabilities	**1,233,056**	**970,147**
Bonds – current	185,007	186,654
Bank loans and other financial liabilities – current	109,195	51,797
Obligations under finance leases – current	1,293	1,364
Trade accounts payable	472,571	420,369
Billings in excess of cost and earnings of projects under construction	1,231,272	1,090,860
Advance payments received	149,519	63,759
Provisions – current	514,116	413,221
Liabilities for current taxes	46,241	50,740
Other liabilities – current	1,019,840	878,259
Current liabilities	**3,729,054**	**3,157,023**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**5,893,795**	**5,160,965**

CONSOLIDATED INCOME STATEMENT

For the first quarter of 2013 (condensed, unaudited)

(in TEUR)	**Q1 2013**	**Q1 2012**
Sales	**1,163,788**	**1,185,657**
Changes in inventories of finished goods and work in progress	30,913	28,117
Capitalized cost of self-constructed assets	449	68
	1,195,150	**1,213,842**
Other operating income	26,818	17,421
Cost of materials	-691,864	-729,397
Personnel expenses	-326,772	-269,597
Other operating expenses	-171,286	-145,761
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	**32,046**	**86,508**
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	-28,972	-19,856
Earnings Before Interest and Taxes (EBIT)	**3,074**	**66,652**
Income/expense from associated companies	-71	-851
Interest result	-1,300	4,296
Other financial result	316	46
Financial result	**-1,055**	**3,491**
Earnings Before Taxes (EBT)	**2,019**	**70,143**
Income taxes	-216	-19,708
NET INCOME	**1,803**	**50,435**
Thereof attributable to:		
Shareholders of the parent	4,102	50,463
Non-controlling interests	-2,299	-28
Weighted average number of no-par value shares	103,214,221	103,201,556
Earnings per no-par value share (in EUR)	0.04	0.49
Effect of potential dilution of share options	1,433,390	647,263
Weighted average number of no-par value shares and share options	104,647,611	103,848,819
Diluted earnings per no-par value share (in EUR)	0.04	0.49

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the first quarter of 2013 (condensed, unaudited)

(in TEUR)	Q1 2013	Q1 2012
Net income	**1,803**	**50,435**
Items that may be reclassified subsequently to profit or loss		
Currency translation adjustments, net of tax	14,015	-4,925
Available for sale, net of tax	-376	991
Cash flow hedges, net of tax	-453	0
Items that will not be reclassified to profit or loss		
Actuarial gains/losses, net of tax	0	0
Other comprehensive income for the year	**13,186**	**-3,934**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**14,989**	**46,501**
Thereof attributable to:		
Shareholders of the parent	15,771	46,651
Non-controlling interests	-782	-150

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the first quarter of 2013 (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	Total		
STATUS AS OF JANUARY 1, 2012	**104,000**	**36,476**	**774,104**	**189**	**-18,751**	**651**	**896,669**	**42,204**	**938,873**
Total comprehensive income for the year			50,463	991		-4,803	46,651	-150	46,501
Dividends			-113,551				-113,551	-1,022	-114,573
Changes from acquisitions								6,709	6,709
Changes concerning own shares			932				932		932
Other changes			1,952				1,952		1,952
STATUS AS OF MARCH 31, 2012	**104,000**	**36,476**	**713,900**	**1,180**	**-18,751**	**-4,152**	**832,653**	**47,741**	**880,394**
STATUS AS OF JANUARY 1, 2013	**104,000**	**36,476**	**909,120**	**695**	**-35,388**	**-7,410**	**1,007,493**	**26,302**	**1,033,795**
Total comprehensive income for the year			4,102	-809		12,478	15,771	-782	14,989
Dividends			-123,738				-123,738		-123,738
Changes from acquisitions			-5,645				-5,645	20,468	14,823
Changes concerning own shares			-9,945				-9,945		-9,945
Other changes			386		-27	1,402	1,761		1,761
STATUS AS OF MARCH 31, 2013	**104,000**	**36,476**	**774,280**	**-114**	**-35,415**	**6,470**	**885,697**	**45,988**	**931,685**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the first quarter 2013 (condensed, unaudited)

(in TEUR)	Q1 2013	Q1 2012
Cash flow from operating activities	-79,693	37,215
Cash flow from investing activities	-6,843	-37,789
Cash flow from financing activities	-135,511	-78,485
Change in cash and cash equivalents	**-222,047**	**-79,059**
Change in cash and cash equivalents resulting from exchange rate fluctuation	10,619	-6,710
Cash and cash equivalents at the beginning of the period	**1,492,848**	**1,169,888**
Cash and cash equivalents at the end of the period	**1,281,420**	**1,084,119**

The change in cash and cash equivalents resulting from exchange rate fluctuation according to IAS 27.28 should be presented separately. The reference figures for the previous year were adjusted accordingly.

CASH FLOWS FROM ACQUISITIONS OF SUBSIDIARIES*

For the first quarter of 2013 (condensed, unaudited)

	Business area		Total	Total
(in TEUR)	ME[1]	SE[2]	Q1 2013	Q1 2012
Intangible assets	295,511	4,511	300,022	23,737
Property, plant, and equipment	175,107	1,451	176,558	4,290
Inventories	159,826	6,389	166,215	32
Trade and other receivables	266,833	3,279	270,112	10,037
Liabilities excluding financial liabilities	-720,622	-7,414	-728,036	-11,323
Non-interest bearing net assets	**176,655**	**8,216**	**184,871**	**26,773**
Cash and cash equivalents acquired	330,991	1,973	332,964	6,177
Fixed financial assets	2,626	0	2,626	0
Debt assumed	-107,519	-2,433	-109,952	-1,605
Goodwill	187,341	3,526	190,867	10,210
Non-controlling interests	-28,787	-1,551	-30,338	-6,709
Total purchase price	**561,307**	**9,731**	**571,038**	**34,846**
Purchase price paid	-411,152	-8,036	-419,188	-22,743
Cash and cash equivalents acquired	330,991	1,973	332,964	6,177
NET CASH FLOW	**-80,161**	**-6,063**	**-86,224**	**-16,566**
Liabilities from purchase price not paid	-1,700	-1,696	-3,396	-2,302
Fair value of investments held prior to acquisition	-148,454	0	-148,454	-9,801
PURCHASE PRICE NOT PAID IN CASH	**-150,154**	**-1,696**	**-151,850**	**-12,103**

* converted by using exchange rates as per dates of transaction
1) ME = METALS
2) SE = SEPARATION

The initial accounting for the businesses acquired in 2013 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”.

The cash flows of the business area METALS are mainly attributable to the Schuler Group, Germany.

NOTES

Explanatory notes to the interim consolidated financial statements as of March 31, 2013

General
The interim consolidated financial statements as of March 31, 2013 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, 2012 have been maintained without any change. For additional information on the accounting and valuation principles, see the consolidated financial statements as of December 31, 2012, which form the basis for this interim consolidated financial report.

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

The interim consolidated financial statements as of March 31, 2013 were neither subject to a complete audit nor to an audit review by an auditor.

Application of new standards
ANDRITZ applies the following new standards:
- Amendments to IAS 1: Presentation of items of Other Comprehensive income
- IAS 19 (as revised in 2011): Employee Benefits
- Amendments to IAS 12: Deferred tax recovery of underlying assets
- Amendments to IFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
- IFRS 13: Fair Value Measurement

The amendments do not have a material impact on the interim consolidated financial statements.

Change in consolidated companies
The scope of consolidated financial statements changed as follows:

	Full consolidation	Equity method
Balance as of January 1	**117**	**4**
Acquisition of companies	30	0
Changes in consolidation type		
Additions	1	0
Disposals	-1	0
Reorganization	-1	0
Balance as of March 31	**146**	**4**

Acquisitions
The following companies were not, or only partially, included in the ANDRITZ GROUP's consolidated financial statements of the reference period January 1-March 31, 2012:
2012 acquired
- ANDRITZ (Wuxi) Nonwoven Technology Co. Ltd., China (100%): drylaid nonwovens systems, especially for applications in the textile and hygiene sectors
- ANDRITZ Environmental Solutions Inc, USA (100%).: flue gas cleaning systems for utilities and power generating industries
- Soutec AG, Switzerland (100%): Supplier of laser and rolled seam resistance welding system for the metalworking industry
- Royal GMF-Gouda (Goudsche Machinefabriek), Netherlands (100%): drying systems for the food and chemical industries, and the environmental sector of municipalities

2013 acquired
- Shanghai Shende Machinery Co. Ltd., China (80%): plants for the production of animal feed and biomass pelleting equipment for mid-size capacities
- Schuler-Group, Germany (92.8% at closing): machines, production lines, dies, process know-how, and services for the metalworking industry
- FBB Engineering GmbH, Germany (100%): burners and fireproof systems (e.g. pipe insulation systems for furnaces) for the steel and aluminum industries

The estimated fair values of the assets acquired and liabilities in 2013 assumed as follows:

(in TEUR)	IFRS carrying amount	Fair value allocations	Fair value
Intangible assets	8,225	291,797	300,022
Property, plant and equipment	156,558	20,000	176,558
Inventories	166,215	0	166,215
Trade and other receivables	270,112	0	270,112
Liabilities	-620,707	-107,329	-728,036
Non-interest bearing net assets	**-19,597**	**204,468**	**184,871**
Cash and cash equivalents	332,964	0	332,964
Financial assets	2,626	0	2,626
Financial liabilities	-109,952	0	-109,952
Goodwill	0	190,867	190,867
Non-controlling interests	-30,338	0	-30,338
Net assets	**175,703**	**395,335**	**571,038**

Acquisition of non-controlling interests
After obtaining control of the Schuler AG in February 2013 ANDRITZ acquired additional shares. The ANDRITZ GROUP recognized this change in participation rate as an equity transaction.

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

Notes to the interim consolidated income statement
In the first quarter of 2013, sales of the ANDRITZ GROUP amounted to 1,163.8 MEUR, which is an decrease of –1.8% compared to last year's reference period (Q1 2012: 1,185.7 MEUR). The EBIT reached 3.1 MEUR (Q1 2012: 66.7 MEUR).

Notes to the consolidated statement of financial position
Total assets of the ANDRITZ GROUP as of March 31, 2013 increased to 5,893.8 MEUR, thus 732.8 MEUR higher than as of December 31, 2012 (5,161.0 MEUR). The net working capital as of March 31, 2013 amounted to -586.4 MEUR (December 31, 2012: -631.5 MEUR).

During the current business year, ANDRITZ AG paid dividends in the amount of 123.7 MEUR for the 2012 business year. 186,100 shares were bought back during the first quarter of 2013.

Notes to the consolidated statement of cash flows
Cash flow from operating activities of the ANDRITZ GROUP amounted to -79.7 MEUR in the first quarter of 2013 (Q1 2012: 37.2 MEUR). This decrease was mainly due to project related changes in the working capital.

Cash flow from investing activities during the first quarter of 2013 amounted to -6.8 MEUR (Q1 2012: -37.8 MEUR). The change resulted mainly from acquisitions (-82.8 MEUR in Q1 2013 vs. -16.6 MEUR in Q1 2012) and investments in tangible and intangible assets of -21.4 MEUR (Q1 2012 -19.5 MEUR) and proceeds from securities and financial assets (+97.2 MEUR in Q1 2013 vs. -1.4 MEUR in Q1 2012)

Segment information
Segment information is prepared on the following basis:

Business areas
The ANDRITZ GROUP conducts its business activities through the following business areas:
a) HYDRO (HY)
b) PULP & PAPER (PP)
d) METALS (ME)
e) SEPARATION (SE)

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.

Business area data as of March 31, 2013:

(in TEUR)	HY	PP	ME	SE	Transition	Total
Sales	381,156	452,449	202,005	128,178	0	1,163,788
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	33,995	-18,058	15,722	387	0	32,046
Total Assets	1,340,363	900,019	1,344,197	542,265	1,766,951	5,893,795
Total liabilities	1,363,066	1,035,054	631,151	260,217	1,672,622	4,962,110
Capital expenditure	10,232	6,194	4,097	865	0	21,388
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	8,662	8,003	7,690	4,617	0	28,972
Share of net profit/loss of associates	0	-71	0	0	0	-71
Shares in associated companies	0	556	0	0	0	556

Business area data as of March 31, 2012:

(in TEUR)	HY	PP	ME	SE	Transition	Total
Sales	403,402	563,533	89,342	129,380	0	1,185,657
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	37,176	35,318	4,676	9,338	0	86,508
Total Assets	1,291,748	759,724	207,523	405,307	1,850,594	4,514,896
Total liabilities	1,411,209	952,964	209,760	231,497	829,072	3,634,502
Capital expenditure	11,168	4,943	432	2,962	0	19,505
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	9,807	7,015	579	2,455	0	19,856
Share of net profit/loss of associates	-878	27	0	0	0	-851
Shares in associated companies	0	982	1,793	0	0	2,775

Fair value hierarchy

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

Level 1:
Quoted prices in active markets for identical assets or liabilities.

Level 2:
Inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

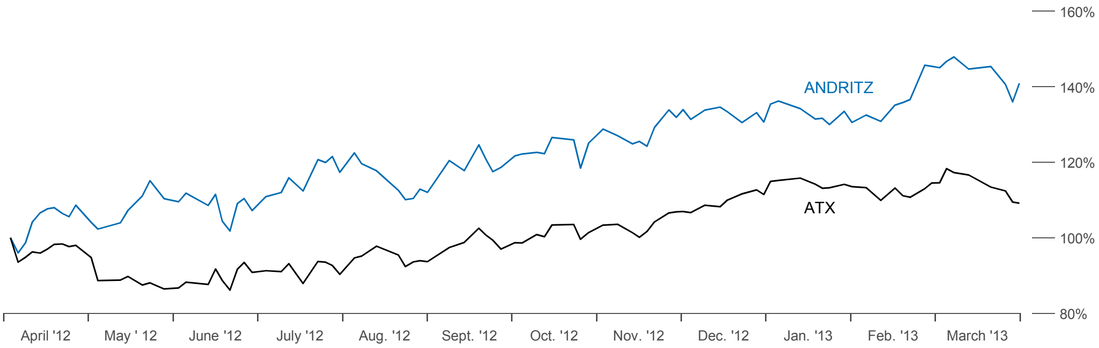
Level 3:
Inputs for the asset or liability that are not based on observable market data.

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 inputs used and reflects the availability of observable market inputs when estimating fair values.

(in TEUR)	Total as of March 31, 2013	thereof level 1	thereof level 2	thereof level 3
FINANCIAL ASSETS				
At fair value through profit and loss - trading				
Derivatives	11,653	0	11,653	0
Embedded derivatives	25,387	0	25,387	0
Available for sale				
Investment securities	2,394	2,394	0	0
Marketable securities	239,482	239,482	0	0
Other receivables				
Derivatives (hedge accounting)	22,836		22,836	
	301,752	**241,876**	**59,876**	**0**
FINANCIAL LIABILITIES				
At fair value through profit and loss - trading				
Derivatives	34,137	0	34,137	0
Embedded derivatives	6,357	0	6,357	0
Other liabilities				
Derivatives (hedge accounting)	771	0	771	
	41,265	**0**	**41,265**	**0**

SHARE

Relative price performance by the ANDRITZ share compared to the ATX (April 1, 2012-March 31, 2013)



Source: Vienna Stock Exchange

Share price development

The development on the international financial markets continued to be influenced by the Euro and international debt crises and the uncertain general economic environment during the first quarter of 2013. In a continuing volatile stock exchange environment, the ANDRITZ share price rose by 4.1% during the reporting period. Thus, the ANDRITZ share again outperformed the ATX, the leading share index on the Vienna Stock Exchange, which fell by 5.0%.

The highest closing price of the ANDRITZ share was 54.94 EUR (March 11, 2013) and lowest 48.28 EUR (January 23, 2013) during the reporting period.

Trading volume

The average daily trading volume of the ANDRITZ share (double count, as published by the Vienna Stock Exchange) was 219,633 shares (Q1 2012: 317,839 shares). The highest daily trading volume was noted on March 15, 2013 (727,944 shares), the lowest trading volume on January 21, 2013 (95,384 shares).

Stock Option Program 2010

The Stock Option Program (SOP) launched in 2010 is exercisable by the eligible ANDRITZ executives from May 6, 2013. The Supervisory Board has granted the Executive Board the right to provide cash compensation for approximately 40-50% of the options exercised under the stock option program. In addition to the five members of the Executive Board, the program covers a total of 71 executives entitled to a total of 1,899,000 options. According to the terms of the option program, 50% of the options granted to each person can be exercised immediately (i.e. on May 6, 2013), a further 25% after three months, and the remaining 25% after a further three months.

Investor Relations

During the first quarter of 2013, meetings with institutional investors and financial analysts were held in Denver, Frankfurt, London, Los Angeles, Milan, Montreal, New York, Paris, Salt Lake City, San Diego, Tokyo, and Toronto.

Key figures of the ANDRITZ share	Unit	Q1 2013	Q1 2012	2012
Highest closing price	*EUR*	54.94	37.60	50.00
Lowest closing price	*EUR*	48.28	32.83	32.83
Closing price (as of end of period)	*EUR*	52.34	36.69	48.54
Market capitalization (as of end of period)	*MEUR*	5,443.4	3,815.8	5,048.2
Performance	*%*	+4.1	+11.8	+47.9
ATX weighting (as of end of period)	*%*	11.6521	9.2847	10.6128
Average daily number of shares traded	*Share unit*	219,663	317,839	345,754

Source: Vienna Stock Exchange

Basic data of the ANDRITZ share

ISIN code	AT0000730007
First listing day	June 25, 2001
Types of shares	no-par value shares, bearer shares
Total number of shares	104 million
Authorized capital	None
Free float	About 70%
Stock exchange	Vienna (Prime Market)
Ticker symbols	Reuters: ANDR.VI; Bloomberg: ANDR, AV
Stock exchange indices	ATX, ATX five, ATXPrime, WBI

Financial calendar 2013 and 2014 (preliminary)

August 7, 2013	Results for the first half of 2013
November 6, 2013	Results for the first three quarters of 2013
February 28, 2014	Results for the financial year of 2013
March 21, 2014	Annual General Meeting in Graz, Austria
March 25, 2014	Ex-dividend
March 27, 2014	Dividend payment
May 6, 2014	Results for the first quarter of 2014
August 7, 2014	Results for the first half of 2014
November 6, 2014	Results for the first three quarters of 2014

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

Online financial report

Take advantage of special features of the ANDRITZ online financial report:

- Targeted search for major topics
- Downloading of all tables with key financial figures
- Selection of individual sections and compilation of a customized report at: reports.andritz.com/2013q1/

All annual reports, annual financial reports, and quarterly reports of the ANDRITZ GROUP since the IPO are available at: www.andritz.com/reports

Contact and publisher’s note

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

Produced in-house using FIRE.sys