

**INTERIM FINANCIAL REPORT  
FIRST THREE QUARTERS OF 2009**

**Q1 - Q3  
'09**

**ANDRITZ**

<b>KEY FIGURES OF THE ANDRITZ GROUP</b>	<b>03</b>
<b>STATUS REPORT</b>	<b>04</b>
<b>BUSINESS AREAS</b>	<b>10</b>
HYDRO	10
PULP & PAPER	12
METALS	14
ENVIRONMENT & PROCESS	16
FEED & BIOFUEL	17
<b>CONSOLIDATED FINANCIAL STATEMENTS OF THE ANDRITZ GROUP</b>	<b>18</b>
Consolidated income statement	19
Consolidated balance sheet	20
Consolidated cash flow statement	21
Cash flows from acquisition of subsidiaries	21
Consolidated statement of recognized income and expense	22
Consolidated statement of shareholders' equity	23
Notes	24
<b>ANDRITZ SHARE</b>	<b>26</b>

# KEY FIGURES OF THE ANDRITZ GROUP AT A GLANCE

(According to IFRS)	Unit	Q1-Q3 2009	Q1-Q3 2008*	+/-	Q3 2009	Q3 2008*	+/-	2008
Order intake	MEUR	2,554.9	2,900.4	-11.9%	842.2	771.7	+9.1%	3,705.3
Order backlog (as of end of period)	MEUR	4,514.5	4,558.1	-1.0%	4,514.5	4,558.1	-1.0%	4,277.4
Sales	MEUR	2,330.2	2,538.9	-8.2%	756.1	888.9	-14.9%	3,609.8
EBITDA <sup>1)</sup>	MEUR	146.7	196.5	-25.3%	57.5	69.9	-17.7%	278.2
EBITA <sup>2)</sup> (excl. restructuring expenses)	MEUR	126.3	162.1	-22.1%	45.5	57.6	-21.0%	246.8
EBITA (incl. restructuring expenses)	MEUR	102.0	162.1	-37.1%	45.5	57.6	-21.0%	233.2
Earnings Before Interest and Taxes (EBIT)	MEUR	87.1	155.6	-44.0%	35.1	54.2	-35.2%	218.5
Earnings Before Taxes (EBT)	MEUR	93.7	156.2	-40.0%	44.6	55.7	-19.9%	210.5
Net income (including minority interests)	MEUR	63.5	110.0	-42.3%	29.0	38.0	-23.7%	147.0
Cash flow from operating activities	MEUR	344.1	309.2	+11.3%	226.5	183.0	+23.8%	255.0
Capital expenditure <sup>3)</sup>	MEUR	51.4	42.2	+21.8%	11.2	14.5	-22.8%	69.7
Fixed assets	MEUR	724.5	709.6	+2.1%	724.5	709.6	+2.1%	732.1
Current assets	MEUR	2,491.6	2,366.5	+5.3%	2,491.6	2,366.5	+5.3%	2,354.2
Total shareholders' equity <sup>4)</sup>	MEUR	600.5	560.0	+7.2%	600.5	560.0	+7.2%	577.4
Provisions	MEUR	514.2	465.5	+10.5%	514.2	465.5	+10.5%	477.3
Other liabilities	MEUR	2,101.4	2,050.6	+2.5%	2,101.4	2,050.6	+2.5%	2,031.6
Total assets	MEUR	3,216.1	3,076.1	+4.6%	3,216.1	3,076.1	+4.6%	3,086.3
Equity ratio <sup>5)</sup>	%	18.7	18.2	-	18.7	18.2	-	18.7
Net liquidity <sup>6)</sup>	MEUR	659.5	528.5	+24.8%	659.5	528.5	+24.8%	408.9
Net debt <sup>7)</sup>	MEUR	-494.9	-365.0	-35.6%	-494.9	-365.0	-35.6%	-242.9
Net working capital <sup>8)</sup>	MEUR	-157.2	-120.1	+30.9%	-157.2	-120.1	+30.9%	22.7
Capital employed <sup>9)</sup>	MEUR	233.2	236.9	-1.6%	233.2	236.9	-1.6%	406.8
Gearing <sup>10)</sup>	%	-82.4	-65.2	-	-82.4	-65.2	-	-42.1
EBITDA margin	%	6.3	7.7	-	7.6	7.9	-	7.7
EBITA margin (excl. restructuring expenses)	%	5.4	6.4	-	6.0	6.5	-	6.8
EBITA margin (incl. restructuring expenses)	%	4.4	6.4	-	6.0	6.5	-	6.5
EBIT margin	%	3.7	6.1	-	4.6	6.1	-	6.1
Net income/sales	%	2.7	4.3	-	3.8	4.3	-	4.1
Employees (as of end of period, excl. apprentices)	-	13,176	13,225	-0.4%	13,176	13,225	-0.4%	13,707

\* restated

1) Earnings before interest, taxes, depreciation, and amortization

2) Earnings before interest, taxes, amortization of identifiable assets acquired in a business combination and recognized separately from goodwill at the amount of 6.836 TEUR in Q1-Q3 2009 (4.835 TEUR in Q1-Q3 2008; 7.862 TEUR in 2008) and impairment of goodwill at the amount of 8.045 TEUR in Q1-Q3 2009 (1.663 TEUR in Q1-Q3 2008; 6.783 TEUR in 2008)

3) Additions to Intangible assets and Property, plant, and equipment

4) Total shareholders' equity incl. Minority interests

5) Total shareholders' equity/Total assets

6) Cash and cash equivalents plus Marketable securities plus Fair value of interest rate swaps minus Financial liabilities

7) Interest bearing liabilities including Provisions for severance payments, pensions, and jubilee payments minus Cash and cash equivalents and Marketable securities

8) Non-current receivables plus Current assets (excluding Cash and cash equivalents as well as Marketable securities) minus Other non-current liabilities and Current liabilities (excluding Financial liabilities and Provisions)

9) Net working capital plus Intangible assets and Property, plant, and equipment

10) Net debt/Total shareholders' equity

# STATUS REPORT

## GENERAL ECONOMIC CONDITIONS

During the third quarter of 2009, the global economy showed further signs of a stabilization or slight recovery in most relevant economic regions.

In the USA, economic data released during the third quarter of 2009 confirmed a slight economic recovery. In particular, industrial production continued to grow during the reporting period. All major economic leading indicators signal a further continuation of this trend for the coming months. Private consumer spending, which is the main contributor to the US gross domestic product, also developed favorably, mainly supported by the government's incentive program for the purchase of new fuel efficient vehicles ('cash for clunkers program'). With the end of this program, it is expected that consumer spending will somewhat slow down during the coming months.

In Europe, many economic indicators have also signaled a slight recovery of the economy, although at a very low pace when compared with the USA. Highly export-oriented countries, such as Germany, slightly profit from the revival of the global economy. However, as the situation on the labor market did not improve, private consumer spending remained at a subdued level during the third quarter of 2009.

In Asia, economic activities in most countries also continued to recover during the third quarter of 2009. The Japanese economy escaped recession and is expected to further improve slightly over the next few months. In China, the continued strong economic growth has been mainly supported by the stimulus program initiated by the government to revive the economy. In addition, growing exports supported this trend.

Source: OECD

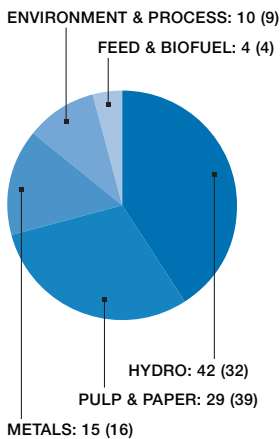
## BUSINESS DEVELOPMENT

### Sales

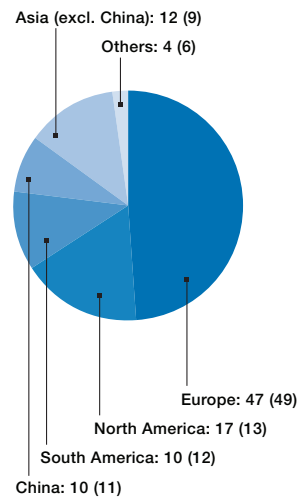
Sales of the ANDRITZ GROUP during the first three quarters of 2009 were 2,330.2 MEUR, a decrease of 8.2% compared to the reference period of last year (Q1-Q3 2008: 2,538.9 MEUR). While sales in the HYDRO business area increased significantly compared to last year's reference period, sales in the other business areas declined, especially in the PULP & PAPER business area.

Group sales in the third quarter of 2009 amounted to 756.1 MEUR (-14.9% vs. Q3 2008: 888.9 MEUR).

### Sales by business area Q1-Q3 2009 (Q1-Q3 2008) in %



### Sales by region Q1-Q3 2009 (Q1-Q3 2008) in %



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

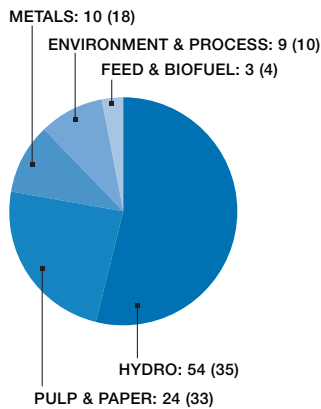
	Q1-Q3 2009	Q1-Q3 2008	Q3 2009	Q3 2008
ANDRITZ GROUP	27	24	27	24
HYDRO	24	24	23	23
PULP & PAPER	41	31	42	32
METALS	3	3	3	3
ENVIRONMENT & PROCESS	28	26	28	23
FEED & BIOFUEL	57	51	56	52

**Order intake**

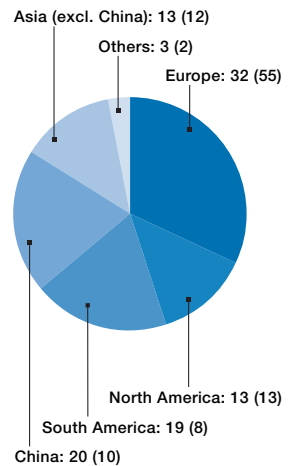
Despite the continued difficult economic framework conditions, order intake of the ANDRITZ GROUP developed satisfactorily during the third quarter of 2009. At 842.2 MEUR, it increased by 9.1% compared to the third quarter of 2008 (771.7 MEUR). Especially, the PULP & PAPER and the HYDRO business areas developed favorably and achieved increases compared to last year's reference period. The METALS business area's order intake, at 116.4 MEUR, was solid, but below the very high reference value of last year (Q3 2008: 172.0 MEUR).

Order intake of the ANDRITZ GROUP during the first three quarters of 2009 amounted to 2.554.9 MEUR, thus 11.9% lower compared to the high level of last year's reference period (Q1-Q3 2008: 2,900.4 MEUR).

**Order intake by business area  
Q1-Q3 2009 (Q1-Q3 2008) in %**



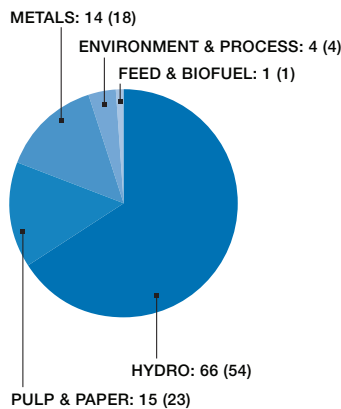
**Order intake by region  
Q1-Q3 2009 (Q1-Q3 2008) in %**



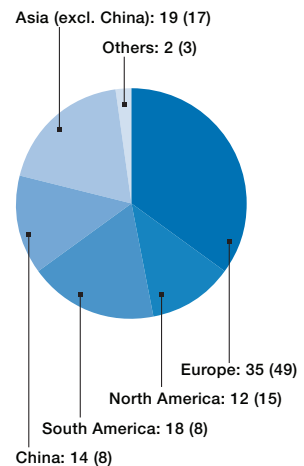
### Order backlog

Order backlog of the ANDRITZ GROUP as of September 30, 2009 amounted to 4,514.5 MEUR, thus practically unchanged compared to the high value at the reference date of last year (September 30, 2008: 4,558.1 MEUR) and above the value as of December 31, 2008 (4,277.4 MEUR). While the order backlog of the HYDRO business area showed a strong increase, all other business areas recorded a decline of their order backlog.

#### Order backlog by business area as of September 30, 2009 (September 30, 2008) in %



#### Order backlog by region as of September 30, 2009 (September 30, 2008) in %



### Earnings

**EBITA** during the third quarter of 2009 amounted to 45.5 MEUR (Q3 2008: 57.6 MEUR). **Profitability** (EBITA margin), at 6.0%, was solid despite the decline in sales (Q3 2008: 6.5%). Profitability in the HYDRO business area developed very favorably, EBITA margin amounted to 7.7% (Q3 2008: 7.5%). While EBITA margins in the METALS and ENVIRONMENT & PROCESS business areas increased, profitability of the PULP & PAPER business area, at 3.4% (Q3 2008: 6.0%), showed a weak development due to the continued low business volume in the capital segment. Due to higher costs as a result of increased outsourcing, earnings of the FEED & BIOFUEL business area were substantially below last year's reference period.

The Group's EBITA during the first three quarters of 2008 amounted to 102.0 MEUR, thus significantly below the reference period of last year (Q1-Q3 2008: 162.1 MEUR). This decline was mainly due to restructuring expenses in the amount of approximately 24 MEUR booked in the second quarter of 2009 and the decrease in sales.

The **financial result** of the ANDRITZ GROUP amounted to 6.6 MEUR in the first three quarters of 2009 (Q1-Q3 2008: 0.6 MEUR) and was mainly impacted by price gains of sold money market funds.

**Net income** excluding minority interests of the Group amounted to 59.6 MEUR in the first three quarters of 2009 (Q1-Q3 2009: 105.4 MEUR).

## Net worth position and capital structure

**Total assets** of the ANDRITZ GROUP increased to 3,216.1 MEUR as of September 30, 2009 (December 31, 2008: 3,086.3 MEUR); the **equity ratio** amounted to 18.7% (December 31, 2008: 18.7%).

**Liquid funds** (Cash and cash equivalents plus Marketable securities) amounted to 1,056.4 MEUR as of September 30, 2009 (December 31, 2008: 821.8 MEUR). The **net liquidity** (Liquid funds plus Fair value of interest rate swaps minus Financial liabilities) increased significantly to 659.5 MEUR, thus higher than at the end of last year (December 31, 2008: 408.9 MEUR).

### Assets

<b>770.7</b> MEUR	<b>1,389.0</b> MEUR	<b>1,056.4</b> MEUR
Long-term assets: 24%	Short-term assets: 43%	Cash and cash equivalents, and Marketable securities: 33%

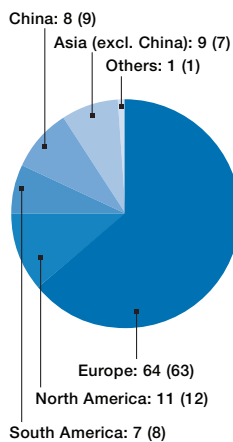
### Shareholders' equity and liabilities

<b>600.5</b> MEUR	<b>424.0</b> MEUR	<b>320.3</b> MEUR	<b>1,871.3</b> MEUR
Shareholders' equity incl. Minority interests: 19%	Financial liabilities: 13%	Other long-term liabilities: 10%	Other short-term liabilities: 58%

## Employees

As of September 30, 2009, the number of the Group's employees amounted to 13,176, a slight decrease of 0.4% compared to the reference date of the previous year (September 30, 2008: 13,225 employees).

### Employees by region as of September 30, 2009 (September 30, 2008) in %



## Acquisition

In the third quarter of 2009, ANDRITZ acquired Rollteck, Germany, a specialist in the design and manufacture of winders for the paper industry, thus further complementing ANDRITZ's product offerings for the pulp and paper industries. In addition to complete service, Rollteck produces core cutters and components for winders.

### **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 in the 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 during the remaining months of 2009 relate to the Group's dependence on the general economic development and the development of the industries it serves, the receipt of major orders, and adequate sales proceeds from the high order backlog. The persistent financial crisis and substantial economic slowdown in the main economic regions of the world also constitute a serious risk for the ANDRITZ GROUP's financial development during the 2009 business year. The global economic weakness might lead to further delays in the execution of existing orders and to the postponement or cancellation of 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.

The global financial and economic crisis could also make complete or partial impairments of single goodwills created in the course of acquisitions necessary, if the business development goal cannot be reached. This might influence the earnings development of the ANDRITZ GROUP. Nevertheless, there is always some risk that partial or full provisions will have to be made for some trade accounts receivable.

For the majority of orders, the risk of payment failure by customers is reduced by bank guarantees and export insurances. Risks related to deliveries to countries with medium to high political risks typically are also insured to a large extent. Interest and exchange rate risks are limited and controlled by derivative financial instruments, in particular forward exchange contracts and swaps. Net currency exposure of orders in non-Euro currencies (mainly US dollars, British pounds, and Swedish crowns) is hedged by forward contracts. Cash flow risks are monitored via monthly cash flow reports.

The ANDRITZ GROUP's position in terms of liquidity is very good; the Group has sufficient liquidity reserves and secure 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).

Cash is invested solely in low-risk financial assets, such as government bonds, money market funds, or term/overnight deposits. However, the financial market crisis and its effects could lead to unfavorable price developments or non-tradeability for various securities (e. g. money market funds, bonds) in which the Group has invested, which could negatively impact the ANDRITZ GROUP's financial result or shareholders' equity due to necessary depreciations or value adjustments. The crises has also heightened the default risk of some issuers of securities as well as of customers.

For further information on the major risks for the ANDRITZ GROUP, see the ANDRITZ annual financial report 2008.



### Effects from exchange rates

Changes in exchange rates are hedged by forward rate contracts.

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

During the first three quarters of 2009, no businesses with related persons and companies were concluded.

### Significant events after September 30, 2009

The global economic and financial crisis persisted between the balance sheet date and the publication of this report. This negative macroeconomic environment might have a negative impact on the business development of the ANDRITZ GROUP in the future.

### Outlook for the ANDRITZ GROUP

Despite some signs of a slight economic upturn in the major economic regions of the world, a sustained economic upswing of the global economy cannot be seen at the moment. According to recent forecasts by leading economic experts, the economic situation in the relevant regions is expected to further stabilize over the next few months; however, no substantial economic recovery is expected for next year.

Given the prevailing economic environment and the current project activity in ANDRITZ's relevant markets, the ANDRITZ GROUP's expectations for the development of its order intake in the coming quarters have not changed. The HYDRO business area should continue to see a good development in order intake in 2009. However, order intake of the Group's other business areas are expected to show – in some cases, substantial – declines compared to 2008.

For the full year of 2009, the ANDRITZ GROUP confirms its financial guidance and continues to expect a drop in sales of approximately 15% for the 2009 business year. With the decline in sales, net income is also expected to decrease compared to 2008; however, the extent of the decline is also influenced by the restructuring measures taken in connection with the world economic crisis.

### 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 status report for the first three quarters of 2009 provides a true and fair view of the asset, financial, and earnings positions of the ANDRITZ GROUP with regard to the important events of the first nine months of the financial year and their impact on the condensed interim financial statements of the ANDRITZ GROUP, and with regard to the major risks and uncertainties during the remaining three months of the financial year, and also with regard to the major business transactions subject to disclosure and concluded with related persons and companies.

Graz, November 6, 2009

The Executive Board of ANDRITZ AG



W. Leitner  
(President  
and CEO)



F. Hofmann



K. Hornhofer



H. Köfler



F. Papst

# HYDRO

## MARKET DEVELOPMENT

Project activity for hydropower equipment remained at a high level during the third quarter of 2009. Good demand for modernizations and upgrades of existing hydropower stations continued, particularly in Europe and North America. Project activity was also very high in the emerging countries of Asia and South America. Numerous projects for new hydropower stations are currently in the planning stage or the contracts are about to be signed.

For pumps (particularly pumps for irrigation and drinking water in India) and turbo generators demand remained very strong worldwide.

## MAJOR EVENTS

During the reporting period, ANDRITZ HYDRO successfully concluded the extension of the Hintermuhr power station of Salzburg AG, to more than 100 MW. The hydropower station, built underground in the Hohe Tauern National Park, is now the largest operated by Salzburg AG.

Another project completed successfully was the general overhaul of Rouna 2 cavern power station in Papua New Guinea. The refurbishment will extend the useful life of the plant by another 20 to 30 years, while taking account of current safety and environmental standards. Three of the five units were replaced entirely, increasing the output by around 30%.

The Glendoe 100 MW power station, of the Scottish utility company Scottish and Southern Energy (SSE), was officially handed over to the customer. Glendoe is the first large-scale hydropower station to be built in Scotland for 50 years.

At the Guri II power station in Venezuela, the first Francis turbine successfully passed works inspection. With an output of 770 MW, this is the most powerful Francis turbine in the world. Due to its exceptional size (7.4 m in diameter) and weight of approximately 200 t, transporting the turbine 11,000 km from the ANDRITZ HYDRO manufacturing facilities in Ravensburg, Germany to Venezuela in only two months, on heavy goods vehicles, inland waterway and ocean-going vessels, presented a special challenge.

During the reporting period, 80 pumps were started up successfully for a paper mill in Hungary and around 160 pumps for a paper mill in the UK – in both cases, mainly stock pumps.

## MAJOR ORDERS

During the reporting period, ANDRITZ HYDRO received an order as part of a consortium to supply equipment for the Dagachhu hydropower station in Bhutan from Dagachhu Hydro Power Corporation Limited (DHPC). The ANDRITZ HYDRO scope of supply includes design engineering, installation and commissioning of two Pelton turbines each with an output of 62.2 MW, two spherical valves, as well as the hydromechanical equipment for the dam, sedimentation basin, and power house. Export of electricity from hydropower is one of the main sources of income for the Kingdom of Bhutan. This order, once again, highlights the business area's excellent position in the rapidly growing hydro market in the Himalayan region and India, where ANDRITZ HYDRO has been active for around 100 years and far equipped more than 150 power stations with a total output of some 11,000 MW.

KEY FIGURES	Unit	Q1-Q3 2009	Q1-Q3 2008*	+/-	Q3 2009	Q3 2008*	+/-	2008
Order intake	MEUR	1,378.5	1,012.1	+36.2%	324.0	242.9	+33.4%	1,543.4
Order backlog (as of end of period)	MEUR	2,969.2	2,482.6	+19.6%	2,969.2	2,482.6	+19.6%	2,590.1
Sales	MEUR	987.4	798.8	+23.6%	337.0	308.2	+9.3%	1,205.9
EBITDA	MEUR	81.8	65.7	+24.5%	31.0	27.7	+11.9%	105.7
EBITDA margin	%	8.3	8.2	-	9.2	9.0	-	8.8
EBITA	MEUR	63.2	52.4	+20.6%	26.1	23.0	+13.5%	87.9
EBITA margin	%	6.4	6.6	-	7.7	7.5	-	7.3
Employees (as of end of period)	-	5,894	5,505	+7.1%	5,894	5,505	+7.1%	5,606

\* restated

Astaldi, Italy, has awarded the business area the contract to supply the complete electromechanical equipment for the Chacayes hydropower station in Chile, including two vertical Francis turbines with an output of 55 MW each, two generators, the switchgear, and the complete plant automation.

ANDRITZ HYDRO received a contract from EDELCA, Venezuela to supply, install, and commission the complete excitation equipment for the Guri II hydropower station. This follow-up order to the five 770 MW Francis turbines for Guri II already being manufactured is the largest single order for excitation equipment in the history of ANDRITZ HYDRO.

Due to the excellent results of the refurbishment of the Infernillo power station, ANDRITZ HYDRO received several orders from the Mexican utility company CFE to modernize and refurbish its hydropower stations. The contract, awarded in 2006, included the modernization of four Francis turbines in Mexico's third-largest hydropower station and stipulated a 25% increase in output. The performance tests following installation in February 2009 demonstrated that the actual increase in output is well beyond 25%, and the requested efficiency was also improved. The extensive output increase and modernization program will substantially improve availability of the units and provide significant advantages for CFE in generating peak electricity.

ANDRITZ HYDRO received orders from Energiedienst und Kraftwerk Augst AG to modernize the Augst-Whylen twin power station and the Laufenburg am Rhein power station in Germany. The orders comprise supply, installation, and commissioning of the complete plant automation for 23 Straflo™ and seven Francis machines, including automatic system, governor, excitation and protection, as well as switchgear control system and water regime automatic controller. The three power stations together generate electricity for around 300,000 households.

The business area received a planning and engineering order for four large pumping stations for agricultural irrigation in India during the reporting period.

### Further major orders at a glance

Country	Customer	Scope of supply/Project description
Panama	Hidraulica Pedregalito (Cobra)	Small hydropower plant, Pedregalito power station
Vietnam	Traxom Hydropower JSC	Small hydropower plant, Traxom power station

# PULP & PAPER

## MARKET DEVELOPMENT

The global pulp market developed solidly in the third quarter of 2009. Due to continuing strong demand from Asia, especially from China, as well as pulp restocking due to low inventory levels in Europe and North America, the price for Northern Bleached Softwood Kraft Pulp (NBSK) increased from around 600 US dollars per ton in July 2009 to approximately 700 US dollars at the end of September 2009.

The price for hardwood pulp (birch and eucalyptus) also developed positively during the third quarter of 2009. Due to solid demand from China, market pulp producers in South America were able to achieve price increases during the reporting period. Further price increases in the coming months are announced.

Overall project activity for pulp mill equipment remained at a relatively low level in the third quarter of 2009, both for new pulp mills and for rebuilds of existing plants.

## IMPORTANT START-UPS

Visy Pulp and Paper, Tumut, Australia started up an ANDRITZ white liquor plant, recovery boiler, and upgrade to its evaporation plant. Weyerhaeuser in Columbus, Mississippi, USA started up a rebuilt recovery boiler. An ash leaching system for Botnia S.A.'s, Fray Bentos mill in Uruguay was also started up.

A complete fiber preparation system for MDF production was started for Anhui Huqian Investment & Industry Co. Ltd., Anhui, China. Also in China, pressurized refining systems were started up for Fengkai Weilibang Wood Industry Co. Ltd., Guangdong (the largest MDF refiner in China with a capacity of 840 t/d); Yingang (Sichuan) Wood Based Panel Co. Ltd. CNSIC, Sichuan; and Jiangxi Green Nature Panel Board Co. Ltd., Jiangxi.

A complete deinking line, stock preparation systems, and paper machine approach system were started up for Yueyang Paper, Yueyang, Hunan, China.

## MAJOR ORDERS

In July 2009, ANDRITZ PULP & PAPER was selected to supply all the process technologies for a greenfield 700,000 t/a bleached hardwood kraft pulp mill for Zhanjiang Chenming Pulp & Paper Co., Ltd., a subsidiary of Shandong Chenming Paper Holdings Limited, one of the largest pulp and paper producers in China. The scope includes woodyard, fiberline, pulp drying and baling plant, evaporation, a recovery boiler, white liquor plant, and high level automation systems for the fiberline and recovery boiler. In addition, the business area will supply the complete stock preparation and approach flow system for 450,000 t/a fine paper machine to be installed in the same mill.

Shouguang Meilun Paper Co., Ltd., Shouguang, China ordered a complete PrimeLine tissue machine system including air system and complete fiber preparation.

<b>KEY FIGURES</b>	<b>Unit</b>	<b>Q1-Q3 2009</b>	<b>Q1-Q3 2008*</b>	<b>+/-</b>	<b>Q3 2009</b>	<b>Q3 2008*</b>	<b>+/-</b>	<b>2008</b>
Order intake	MEUR	604.4	955.5	-36.7%	301.6	244.0	+23.6%	1,033.8
Order backlog (as of end of period)	MEUR	692.5	1,025.2	-32.5%	692.5	1,025.2	-32.5%	752.8
Sales	MEUR	671.2	981.4	-31.6%	205.4	311.3	-34.0%	1,326.6
EBITDA	MEUR	26.3	72.8	-63.9%	11.9	24.1	-50.6%	84.5
EBITDA margin	%	3.9	7.4	-	5.8	7.7	-	6.4
EBITA	MEUR	7.2	58.7	-87.7%	7.0	18.8	-62.8%	66.3
EBITA margin	%	1.1	6.0	-	3.4	6.0	-	5.0
Employees (as of end of period)	-	4,396	4,737	-7.2%	4,396	4,737	-7.2%	5,102

\* restated

VPK Packaging Group Oudegem Papier N. V., Belgium ordered modernization and rebuilding of a paper machine with the first triple press PrimePress Trix.

ANDRITZ Kufferath will supply the initial forming fabrics for the world's largest paper machine for graphical papers (ca. 12 m width) of APP Hainan Jinhai in China.

### Further major orders at a glance

Country	Customer	Scope of supply/Project description
China	Changle Xinmai Paper Industry Co. Ltd.	Supply of an approach system for a paper machine, key equipment for processing industrial grades and deinking pulp
China	Shandong Huatai Paper Group Co., Ltd.	Stock preparation and approach system for a paper machine
China	Shouguang Meilun Paper Co., Ltd.	Stock preparation and approach system for a paper machine, broke system, save-all disc filter
China	Chenming Zhanjiang	PrimePress X
Malaysia	Muda Paper Mill Sdn. Bhd.	Stock preparation line for industrial grades
Austria	UPM-Kymmene Austria Gmbh Steyermühl	Refiner service
Indonesia	APP	Equipment and rebuild services for recovery boilers
USA	International Paper	Engineering and supply of material for a titanium diffuser; replacement of a steaming vessel
Portugal	Celulose Beira, Celbi	Debarking drum shell replacement
Chile	Arauco	Debarking drum shell replacement

# METALS

## MARKET DEVELOPMENT

Development of the market for carbon and stainless steel equipment remained weak during the third quarter of 2009. Due to the low demand for carbon steel and stainless steel products caused by the overall weak economic conditions, investment activity by international carbon and stainless steel manufacturers remained at a low level, although the first signs of stabilization became evident towards the end of the reporting period. The increased demand from end-user industries (particularly automobile and household appliances) as a result of restocking led to increasing capacity utilization rates at most steel manufacturers (especially in China) and to a slight rise in prices. As a result, project activity also rose slightly, both in the carbon and the stainless steel sectors.

## MAJOR EVENTS

The first Pyromars plant in Germany was handed over successfully to ThyssenKrupp Nirosta in Krefeld during the reporting period. This mixed acid regeneration plant is the most modern of its kind worldwide and substantially contributes to environmental protection with its effluent and fresh acid reductions.

An acid regeneration plant (capacity 3,600 l/h) was successfully handed over to Zong Cheng Steel, China. The WAPUR (Waste Acid Purification) plant preceding the regeneration stage guarantees highest oxide quality.

## MAJOR ORDERS

ANDRITZ METALS received an order to supply a continuous pickling plant with acid regeneration for hot-rolled carbon steel from the Brazilian steel group Usinas Siderurgicas de Minas Gerais SA (Usiminas), one of the largest steel producers in South America, for its Cubatão works (capacity 1.7 mill. t/a). In addition, the business area will supply a recoiling and inspection line for hot-dipped galvanized steel strip for the automobile industry to Unigal, a joint venture by Usiminas and Nippon Steel, for its plant in Ipatinga (annual capacity 240,000 t).

For Acciaieria Arvedi, Italy, ANDRITZ METALS will install a regeneration plant for hydrochloric acid based on the fluidized bed technology. The products of this plant – regenerated hydrochloric acid and iron oxide pellets – are reused in the steel production process.

Benxi Iron & Steel Co., Ltd. China, commissioned the business area to install an electrolytic galvanizing plant for steel strip (annual capacity 309,000 t). This plant is based on the Gravitel technology developed by ANDRITZ and used worldwide in the production of electrolytically galvanized steel strip of the highest quality for the automobile and households appliances industries.

Zhangjiagang Pohang Stainless Steel Co. Ltd., China has commissioned the business area to deliver a new annealing and pickling line with a planned annual capacity of 435,000 t. The contract comprises the mechanical equipment, including a skin-pass mill, the complete electrical equipment, automation, and the annealing furnace.

Key figures	Unit	Q1-Q3 2009	Q1-Q3 2008*	+/-	Q3 2009	Q3 2008*	+/-	2008
Order intake	MEUR	261.7	534.6	-51.0%	116.4	172.0	-32.3%	611.5
Order backlog (as of end of period)	MEUR	656.5	808.5	-18.8%	656.5	808.5	-18.8%	736.2
Sales	MEUR	351.9	412.2	-14.6%	108.3	144.4	-25.0%	566.2
EBITDA	MEUR	20.4	31.7	-35.6%	9.5	9.7	-2.1%	42.6
EBITDA margin	%	5.8	7.7	-	8.8	6.7	-	7.5
EBITA	MEUR	18.4	29.6	-37.8%	9.0	9.1	-1.1%	40.1
EBITA margin	%	5.2	7.2	-	8.3	6.3	-	7.1
Employees (as of end of period)	-	991	990	+0.1%	991	990	+0.1%	996

\* restated

For Tongling Nonferrous Metals Group Co. Ltd., China, ANDRITZ METALS will install a 20-high mill stand to produce strip material for the electronics industry (annual capacity 40,000 t). The scope of supply includes the electrical equipment, technological controls, and a roll grinding machine.

### Further major orders at a glance

Country	Customer	Scope of supply/Project description
Pakistan	International Industries Ltd.	Supply of a regeneration plant for hydrochloric acid
Italy	Fomas S.p.A.	Supply of two chamber furnaces

# ENVIRONMENT & PROCESS

## MARKET DEVELOPMENT

Project activity for sludge dewatering plants remained low in the third quarter of 2009 in most parts of the world, with the exception of China, where demand developed solidly.

In the industrial process applications sector – particularly in the petrochemical industry, as well as in the minerals and mining industries – investment activity remained at an unchanged low level, except in China, Russia, and Canada.

Investment activity in the market for sludge drying plants was also very subdued during the reporting period; many investment decisions were postponed. In North America, China, and Korea, however, investment activity for municipal sludge drying plants was on the rise due to the economic stimulus programs launched by the governments in these countries. The demand for industrial drying plants remained moderate, with project activity increasing only in China and Taiwan in the plastics sector.

Project activity for biomass (sawdust/wood chips) drying systems continued at a relatively stable level in Western Europe and Scandinavia.

## MAJOR ORDERS

Polymetal, a leading Russian gold producer, ordered three large filter presses for gold washing applications in the reporting period. This was the third order in a row for ANDRITZ ENVIRONMENT & PROCESS from this customer.

A large number of small wastewater treatment plants in the Guangdong Province, China, will be equipped with ANDRITZ belt presses for dewatering. A total of more than 65 belt presses will be delivered over the next 18 months.

### Further major orders at a glance

Country	Customer	Scope of supply/Project description
Egypt	NCIC – El Nasr Co	Supply of four membrane filter presses
USA	Trinity River Authority	Supply of two of the largest wastewater inlet fine screens currently available on the market
Russia	JSC Kuzbasskaya	Heavy duty belt presses for coal
Russia	OAO Uralkali	High-temperature fluidized bed dryer for 200 t/h potash

KEY FIGURES	Unit	Q1-Q3 2009	Q1-Q3 2008*	+/-	Q3 2009	Q3 2008*	+/-	2008
Order intake	MEUR	231.8	274.3	-15.5%	78.8	75.4	+4.5%	361.2
Order backlog (as of end of period)	MEUR	162.9	190.2	-14.4%	162.9	190.2	-14.4%	151.8
Sales	MEUR	227.7	239.8	-5.0%	75.9	89.3	-15.0%	366.6
EBITDA	MEUR	15.5	16.3	-4.9%	5.2	5.4	-3.7%	32.1
EBITDA margin	%	6.8	6.8	-	6.9	6.0	-	8.8
EBITA	MEUR	11.9	12.6	-5.6%	4.0	4.2	-4.8%	27.3
EBITA margin	%	5.2	5.3	-	5.3	4.7	-	7.4
Employees (as of end of period)	-	1,380	1,430	-3.5%	1,380	1,430	-3.5%	1,437

\* restated



# FEED & BIOFUEL

## MARKET DEVELOPMENT

During the third quarter of 2009, project activity in the animal feed sector continued to be impacted by the global economic and financial crisis. Due to both low demand from end consumers and lack of financing, many projects were put on hold or project decisions delayed. In the special feed sector, project activity remained at a very low level, especially for aquatic feed and pet food.

The market for biomass/wood pelletizing equipment showed reasonable project activity, however, similar to the animal feed sector, several, in part larger, projects were put on hold or project decisions delayed due to the continuing lack of financing possibilities.

## MAJOR ORDERS

In the reporting period, ANDRITZ FEED & BIOFUEL received an order from Techbank, China to supply extruder and dryer for a fish feed production facility (capacity 25,000 t/y). Start-up is scheduled for the end of 2009.

Flagasa, Mexico ordered a complete pelleting line for the production of poultry and pig feed. The production line (capacity: 25 t/h) includes conditioners, pellet mills, cooler, and crumbler. Start-up is planned for the beginning of 2009.

<b>KEY FIGURES</b>	<b>Unit</b>	<b>Q1-Q3 2009</b>	<b>Q1-Q3 2008*</b>	<b>+/-</b>	<b>Q3 2009</b>	<b>Q3 2008*</b>	<b>+/-</b>	<b>2008</b>
Order intake	MEUR	78.5	123.9	-36.6%	21.4	37.4	-42.8%	155.4
Order backlog (as of end of period)	MEUR	33.4	51.6	-35.3%	33.4	51.6	-35.3%	46.5
Sales	MEUR	92.0	106.7	-13.8%	29.5	35.7	-17.4%	144.5
EBITDA	MEUR	2.7	10.0	-73.0%	-0.1	3.0	-103.3%	13.3
EBITDA margin	%	2.9	9.4	-	-0.3	8.4	-	9.2
EBITA	MEUR	1.3	8.8	-85.2%	-0.6	2.5	-124.0%	11.6
EBITA margin	%	1.4	8.2	-	-2.0	7.0	-	8.0
Employees (as of end of period)	-	515	563	-8.5%	515	563	-8.5%	566

\* restated

**CONSOLIDATED FINANCIAL  
STATEMENTS OF THE  
ANDRITZ GROUP**

	<b>18</b>
Consolidated income statement	19
Consolidated balance sheet	20
Consolidated cash flow statement	21
Cash flows from acquisition of subsidiaries	21
Consolidated statement of recognized income and expense	22
Consolidated statement of shareholders' equity	23
Notes	24

**ANDRITZ SHARE****26**

# CONSOLIDATED INCOME STATEMENT

For Q1-Q3 2009 (condensed, unaudited)

(in TEUR)	Q1-Q3 2009	Q1-Q3 2008*	Q3 2009	Q3 2008*
<b>Sales</b>	<b>2,330,240</b>	<b>2,538,930</b>	<b>756,152</b>	<b>888,888</b>
Changes in inventories of finished goods and work in progress	(4,056)	58,290	(40,553)	(3,298)
Capitalized cost of self-constructed assets	497	328	246	158
	2,326,681	2,597,548	715,845	885,748
Other operating income	39,585	44,512	11,529	17,817
Cost of materials	(1,308,881)	(1,548,266)	(384,419)	(528,315)
Personnel expenses	(579,416)	(546,167)	(179,254)	(183,370)
Other operating expenses	(331,292)	(351,107)	(106,181)	(121,973)
<b>Earnings before interest, taxes, depreciation, and amortization (EBITDA)</b>	<b>146,677</b>	<b>196,520</b>	<b>57,520</b>	<b>69,907</b>
Depreciation, amortization, and impairment of intangible assets and property, plant, and equipment	(51,521)	(39,286)	(14,320)	(14,116)
Impairment of goodwill	(8,045)	(1,663)	(8,045)	(1,663)
<b>Earnings before interest and taxes (EBIT)</b>	<b>87,111</b>	<b>155,571</b>	<b>35,155</b>	<b>54,128</b>
Income/Expenses from associated companies	818	844	187	319
Interest result	1,673	(488)	806	1,302
Other income from financing activities	4,137	283	8,501	7
<b>Financial result</b>	<b>6,628</b>	<b>639</b>	<b>9,494</b>	<b>1,628</b>
<b>Earnings before taxes (EBT)</b>	<b>93,739</b>	<b>156,210</b>	<b>44,649</b>	<b>55,756</b>
Income taxes	(30,227)	(46,249)	(15,678)	(17,810)
<b>NET INCOME</b>	<b>63,512</b>	<b>109,961</b>	<b>28,971</b>	<b>37,946</b>
Thereof attributable to:				
Shareholders of the parent company	59,592	105,421	27,051	35,616
Minority interests	3,920	4,540	1,920	2,330
Weighted average number of no-par value shares	51,217,706	51,223,049	51,213,576	51,411,137
Earnings per no-par value share (in EUR)	1.16	2.06	0.53	0.69
Effect of potential dilution of share options	0	116,403	0	93,753
Weighted average number of no-par value shares and share options	51,217,706	51,339,452	51,213,576	51,504,890
Diluted earnings per no-par value share (in EUR)	1.16	2.05	0.53	0.69

\* restated

# CONSOLIDATED BALANCE SHEET

As of September 30, 2009 (condensed, unaudited)

(in TEUR)	30. 09. 2009	31. 12. 2008
<b>ASSETS</b>		
Intangible assets	48,323	56,391
Goodwill	219,628	226,999
Property, plant, and equipment	342,072	327,734
Shares in associated companies	9,760	9,300
Other Investments	21,461	35,461
Non-current receivables and other non-current assets	46,292	32,608
Deferred tax assets	83,219	76,246
<b>Non-current assets</b>	<b>770,755</b>	<b>764,739</b>
Inventories	354,846	360,051
Advance payments made	94,864	97,984
Trade accounts receivable	418,842	424,947
Cost and earnings of projects under construction in excess of billings	353,706	445,548
Other current receivables	149,342	160,186
Prepayments and deferred charges	17,412	11,084
Marketable securities	294,046	263,314
Cash and cash equivalents	762,310	558,448
<b>Current assets</b>	<b>2,445,368</b>	<b>2,321,562</b>
<b>TOTAL ASSETS</b>	<b>3,216,123</b>	<b>3,086,301</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Share capital	104,000	104,000
Capital reserves	36,476	36,476
Retained earnings	425,539	402,029
<b>Equity attributable to shareholders of the parent company</b>	<b>566,015</b>	<b>542,505</b>
<b>Minority interests</b>	<b>34,486</b>	<b>34,877</b>
<b>Total shareholders' equity</b>	<b>600,501</b>	<b>577,382</b>
Bonds – non-current	377,079	369,023
Bank loans and other financial liabilities – non-current	22,628	25,163
Provisions – non-current	212,166	217,147
Obligations under finance leases – non-current	634	858
Other liabilities – non-current	23,126	16,989
Liabilities for deferred taxes	84,996	89,992
<b>Non-current liabilities</b>	<b>720,629</b>	<b>719,172</b>
Bonds – current	0	0
Bank loans and other financial liabilities – current	23,214	36,334
Obligations under finance leases – current	406	523
Trade accounts payable	229,979	306,295
Billings in excess of cost and earnings of projects under construction	739,014	621,177
Advance payments received	56,213	57,629
Provisions – current	302,036	260,125
Liabilities for current taxes	37,058	34,614
Other liabilities – current	507,073	473,050
<b>Current liabilities</b>	<b>1,894,993</b>	<b>1,789,747</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,216,123</b>	<b>3,086,301</b>

# CONSOLIDATED CASH FLOW STATEMENT

For Q1-Q3 2009 (condensed, unaudited)

(in TEUR)	Q1-Q3 2009	Q1-Q3 2008
Cash flow from operating activities	344,095	309,206
Cash flow from investing activities	(62,565)	(64,112)
Cash flow from financing activities	(77,668)	(641)
<b>Change in cash and cash equivalents</b>	<b>203,862</b>	<b>244,453</b>
Cash and cash equivalents at the beginning of the period	558,448	496,926
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>762,310</b>	<b>741,379</b>

# CASH FLOWS FROM ACQUISITION OF SUBSIDIARIES

For Q1-Q3 2009 (condensed, unaudited)

(in TEUR)	HYDRO	PULP & PAPER	Total Q1-Q3 2009	Total Q1-Q3 2008
Intangible assets	0	1,407	1,407	12,076
Property, plant, and equipment	0	53	53	32,817
Inventories	0	697	697	43,218
Trade and other receivables excluding financial assets	0	18	18	82,853
Liabilities excluding financial liabilities	0	(1,065)	(1,065)	(227,287)
<b>Non-interest bearing net assets</b>	<b>0</b>	<b>1,110</b>	<b>1,110</b>	<b>(56,323)</b>
Financial assets	0	0	0	5,358
Cash and cash equivalents acquired	0	0	0	36,853
Debt assumed	0	0	0	(6,751)
Goodwill	0	0	0	9,846
Purchase price for investments previously accounted under the equity method	0	0	0	(64)
Changes in minority interests	0	0	0	(18,039)
Changes in equity attributable to shareholders of the parent company	0	0	0	245
<b>Total purchase price</b>	<b>0</b>	<b>1,110</b>	<b>1,110</b>	<b>(28,875)</b>
Purchase price paid	0	(1,110)	(1,110)	28,875
Changes in receivables/payables from purchase price not yet paid	11,580	500	12,080	0
Cash and cash equivalents acquired	0	0	0	36,853
<b>NET CASH FLOW</b>	<b>11,580</b>	<b>(610)</b>	<b>10,970</b>	<b>65,728</b>

# CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSE

For Q1-Q3 2009 (condensed, unaudited)

(in TEUR)	Q1-Q3 2009			Q1-Q3 2008		
	Total	Thereof attribut- able to share- holders of the parent company	Thereof attribut- able to minority interests	Total	Thereof attribut- able to share- holders of the parent company	Thereof attribut- able to minority interests
Currency translation adjustments	13,221	9,706	3,515	2,258	3,178	(920)
Actuarial gains (losses), net of tax	0	0	0	(7,502)	(7,502)	0
Changes to IAS 39 reserve, net of tax	4,536	4,499	37	(4,371)	(4,401)	30
<b>Total income and expense for the period recognized directly in equity</b>	<b>17,757</b>	<b>14,205</b>	<b>3,552</b>	<b>(9,615)</b>	<b>(8,725)</b>	<b>(890)</b>
Net income	63,512	59,592	3,920	109,961	105,421	4,540
<b>TOTAL INCOME AND EXPENSE FOR THE PERIOD</b>	<b>81,269</b>	<b>73,797</b>	<b>7,472</b>	<b>100,346</b>	<b>96,696</b>	<b>3,650</b>

For Q3 2009 (condensed, unaudited)

(in TEUR)	Q3 2009			Q3 2008		
	Total	Thereof attribut- able to share- holders of the parent company	Thereof attribut- able to minority interests	Total	Thereof attribut- able to share- holders of the parent company	Thereof attribut- able to minority interests
Currency translation adjustments	1,917	1,056	861	11,234	12,201	(967)
Actuarial gains (losses), net of tax	0	0	0	(7,502)	(7,502)	0
Changes to IAS 39 reserve, net of tax	993	989	4	(2,551)	(2,585)	34
<b>Total income and expense for the period recognized directly in equity</b>	<b>2,910</b>	<b>2,045</b>	<b>865</b>	<b>1,181</b>	<b>2,114</b>	<b>(933)</b>
Net income	28,971	27,051	1,920	37,946	35,616	2,330
<b>TOTAL INCOME AND EXPENSE FOR THE PERIOD</b>	<b>31,881</b>	<b>29,096</b>	<b>2,785</b>	<b>39,127</b>	<b>37,730</b>	<b>1,397</b>

# CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

For Q1-Q3 2009 (condensed, unaudited)

(in TEUR)	Attributable to shareholders of the parent company							Minority interests	Total shareholders' equity
	Share capital	Capital reserves	Other retained earnings	IAS 39 re-serve	Actuarial gains (losses)	Currency translation adjustments	Total		
<b>Status as of January 1, 2008*</b>	<b>104,000</b>	<b>36,476</b>	<b>368,447</b>	<b>644</b>	<b>(7,734)</b>	<b>(34,424)</b>	<b>467,409</b>	<b>14,166</b>	<b>481,575</b>
Total income and expense for the year			105,421	(4,401)	(7,502)	3,178	96,696	3,650	100,346
Dividends			(51,087)				(51,087)	(1,498)	(52,585)
Changes from acquisitions			(245)				(245)	18,039	17,794
Changes concerning own shares			10,099				10,099		10,099
Other changes			2,790				2,790		2,790
<b>STATUS AS OF SEPTEMBER 30, 2008</b>	<b>104,000</b>	<b>36,476</b>	<b>435,425</b>	<b>(3,757)</b>	<b>(15,236)</b>	<b>(31,246)</b>	<b>525,662</b>	<b>34,357</b>	<b>560,019</b>
<b>Status as of January 1, 2009</b>	<b>104,000</b>	<b>36,476</b>	<b>465,479</b>	<b>(4,837)</b>	<b>(13,890)</b>	<b>(44,723)</b>	<b>542,505</b>	<b>34,877</b>	<b>577,382</b>
Total income and expense for the year			59,592	4,499	0	9,706	73,797	7,472	81,269
Dividends			(56,321)				(56,321)	(7,863)	(64,184)
Changes from acquisitions							0		0
Changes concerning own shares			2,511				2,511		2,511
Other changes			3,523				3,523		3,523
<b>STATUS AS OF SEPTEMBER 30, 2009</b>	<b>104,000</b>	<b>36,476</b>	<b>474,784</b>	<b>(338)</b>	<b>(13,890)</b>	<b>(35,017)</b>	<b>566,015</b>	<b>34,486</b>	<b>600,501</b>

\* restated

# NOTES

## Explanatory notes to the interim consolidated financial statements as of September 30, 2009

### General

The interim consolidated financial statements as of September 30, 2009 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, 2008 have been maintained without any change. For additional information on the accounting and valuation principles, see the consolidated financial statements as of December 31, 2008, which form the basis for this interim consolidated financial report.

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

The interim consolidated financial statements as of September 30, 2009 were neither subject to a complete audit nor to an audit review by an auditor.

### Application of new standards

The standard IAS 23 (revised) 'Borrowing Costs' was endorsed by the European Union in December 2008. Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are to be capitalized as part of the cost of that asset. ANDRITZ applies the standard for the financial year beginning on January 1, 2009. Construction contracts are predominantly financed by advance and partial payments received from customers. Bank loans and bonds in the ANDRITZ GROUP are used for the financing of liquid reserves. Thus, the amendment does not impact the financial statements of the ANDRITZ GROUP so far.

ANDRITZ applies the standard IFRS 8 'Operating Segments' for the financial year beginning on January 1, 2009. The new standard does not affect the reporting segment structure.

### Changes in consolidated companies

The following companies were not, or only partially, included in the ANDRITZ GROUP's consolidated financial statements of the reference period January 1-September 30, 2008:

- Maerz Industrieofenanlagen GmbH: heat treatment plants and melting furnaces;
- certain assets of GE (General Electric Company) Energy: hydropower technology;
- GEHI (majority interest in the General Electric Hydro Inepar joint venture): hydropower technology;
- Kufferath: service company for the pulp and paper industry.

In August 2009, ANDRITZ acquired Rollteck, Germany, a specialist in the design and manufacture of winders for the paper industry, thus further complementing ANDRITZ's product offerings for the pulp and paper industries. In addition to complete service, Rollteck produces core cutters and components for winders.

The initial accounting for the companies/businesses acquired in 2008 and 2009 was based on preliminary figures.

### Seasonality

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



### **Notes to the interim consolidated income statement**

Sales of the ANDRITZ GROUP during the first three quarters of 2009 amounted to 2,330.2 MEUR, a decrease of 8.2% compared to the reference period of last year (Q1-Q3 2008: 2,538.9 MEUR). EBIT during the first three quarters of 2009 amounted to 87.1 MEUR and was thus significantly below the previous year's reference value (Q1-Q3 2008: 155.6 MEUR). This decline was mainly due to the decrease in sales and restructuring expenses in the amount of approximately 24 MEUR booked in the second quarter of 2009. These expenses primarily relate to necessary capacity adjustments due to the general economic situation and to operational restructuring in some of the Group's companies and business areas, particularly in the PULP & PAPER business area. Furthermore, goodwill impairment of 8.0 MEUR was recognized in Q3 2009 (Q3 2008: 1.7 MEUR). The impairment is mainly related to the PULP & PAPER business area.

Sales of the Group during the third quarter of 2009 amounted to 756.1 MEUR (Q3 2008: 888.9 MEUR). The Group's EBIT during the third quarter of 2009 amounted to 35.1 MEUR (Q3 2008: 54.2 MEUR).

### **Notes to the consolidated balance sheet**

Total assets of the ANDRITZ GROUP as of September 30, 2009 amounted to 3,216.1 MEUR, thus 129.8 MEUR higher than as of December 31, 2008 (3,086.3 MEUR). The net working capital as of September 30, 2009 amounted to -157.2 MEUR (December 31, 2008: 22.7 MEUR).

During the current business year, ANDRITZ AG paid dividends in the amount of 56.3 MEUR for the business year 2008. No shares were bought back during the first three quarters of 2009.

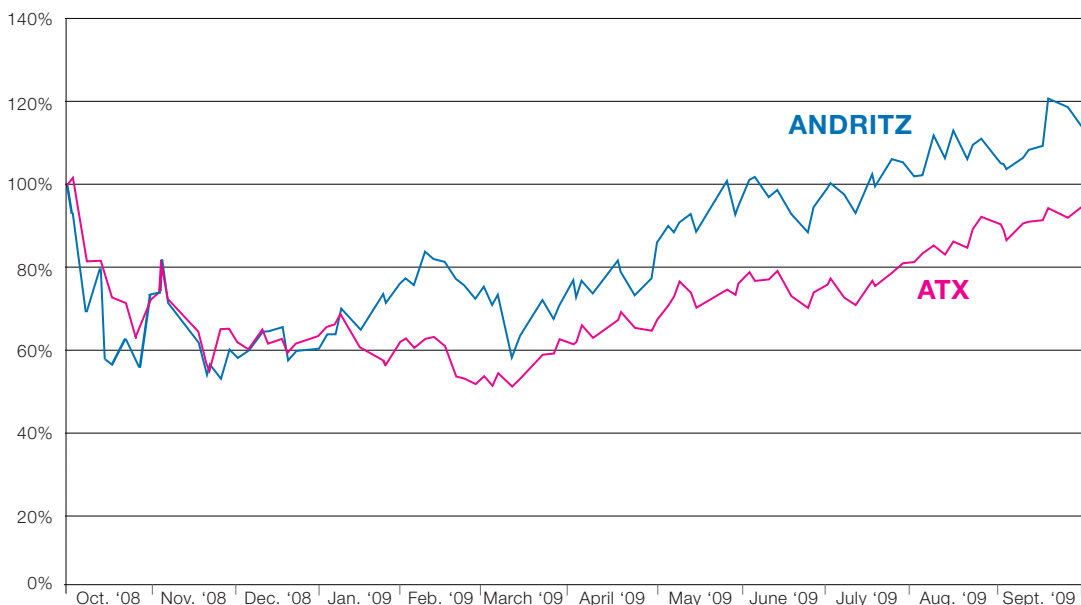
### **Notes to the consolidated cash flow statement**

Cash flow from operating activities of the ANDRITZ GROUP amounted to 344.1 MEUR for the first three quarters of 2009 (Q1-Q3 2008: 309.2 MEUR). This increase – despite the decline in earnings – compared to the reference period of last year resulted from changes in the net working capital as well as from the fact that restructuring expenses have mostly been not cash effective yet.

Cash flow from investing activities during the first three quarters of 2009 amounted to -62.6 MEUR (Q1-Q3 2008: -64.1 MEUR) and resulted both from investments in tangible and intangible assets of -51.4 MEUR as well as investments in securities and changes in receivables/payables from the purchase price not yet paid for acquired businesses.

# ANDRITZ SHARE

Relative share price performance of the ANDRITZ share versus the ATX (October 1, 2008-September 30, 2009)



## Share price development

The ANDRITZ share price developed very favorably in the first three quarters of 2009 and rose by 77.5%. Thus, it once again outperformed the ATX, the leading share index of the Vienna Stock Exchange, which rose by 45.5% over the same period.

The highest closing price for the ANDRITZ share over the reporting period was 36.43 Euros (September 17, 2009), while the lowest closing price was 17.50 Euros (March 9, 2009).

## Trading volume\*

The average daily trading volume during the first three quarters of 2009 was 320,392 shares (Q1-Q3 2008: 444,627 shares). The highest trading volume was recorded on February 27, 2009 (931,640 shares), the lowest on March 16, 2009 (78,622 shares).

\* Double counting – as published by the Vienna Stock Exchange.

## Investor relations

Following the announcement of the results for the first half of 2009, several one-on-one meetings with institutional shareholders were held in Tokyo, New York, Toronto, Stockholm, London, Edinburgh, and Munich.

The focus of this year's ANDRITZ Capital Market Days – held in October 2009 in Spain – was ANDRITZ's expertise, technologies, and products for use of biomass in pulp production. Participants also visited the pulp mill of ENCE in Navia, where ANDRITZ PULP & PAPER successfully started up a new recovery boiler and biomass boiler.

**Stock Exchange figures for the ANDRITZ shares**

	Unit	Q1-Q3 2009	Q1-Q3 2008	Q3 2009	Q3 2008	2008
Highest closing price	EUR	36.43	43.53	36.43	42.30	43.53
Lowest closing price	EUR	17.50	29.60	28.06	29.60	15.96
Closing price as of end of period	EUR	34.08	30.00	34.08	30.00	18.16
Market capitalization as of end of period	MEUR	1,772.2	1,560.0	1,772.2	1,560.0	944.3
Performance	%	+77.5%	-24.6%	+7.7%	-22.1%	-54.4
ATX weighting as of end of period	%	3.5600	2.8839	3.5600	2.8839	2.9209
Average daily number of shares trades	Share units	320,392	444,627	313,507	419,026	488,638

Source: Vienna Stock Exchange

**Key figures for ANDRITZ shares**

ISIN code	AT0000730007
First listing day	June 25, 2001
Types of shares	no-par value shares, bearer shares
Total number of shares	52 million
Authorized capital	none
Free float	approximately 71%
Stock exchange	Vienna (Prime Market)
Ticker symbols	Reuters: ANDR.VI; Bloomberg: ANDR, AV
Stock exchange indices	ATX, ATXPrime, WBI

**Financial calendar (preliminary)**

March 5, 2010	Results for the financial year 2009
March 26, 2010	Annual General Meeting in Graz, Austria
March 30, 2010	Ex-dividend
April 1, 2010	Dividend payment
May 7, 2010	Results for Q1 2010
August 9, 2010	Results for H1 2010
November 8, 2010	Results for Q1-Q3 2010

The financial calendar with updates as well as information about planned roadshows, participation in investor conferences, etc. can be found on [www.andritz.com](http://www.andritz.com).

# 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 the 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.

# PUBLISHER'S NOTE

**Publisher:**

ANDRITZ AG  
Stattegger Strasse 18  
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**The online version of this interim financial report offers you the following special features:**

- Downloading of all tables with key financial figures as well as individual chapters.
- Targeted search for pre-defined topics that were of special importance to the ANDRITZ GROUP during the reporting period.
- Selection of individual sections and compilation of a customized report.
- Advanced search functions for such areas as share, key figures, Consolidated financial statement, order intake, and acquisitions.

**[reports.andritz.com/2009q3/](http://reports.andritz.com/2009q3/)**



All annual reports, annual financial reports, and quarterly reports since the IPO in 2001 are available at: [www.andritz.com/reports](http://www.andritz.com/reports)



The **annual report 2008** of the ANDRITZ GROUP contains further information such as: Interview with Wolfgang Leitner (President & CEO of ANDRITZ AG), Global Care (global challenges in environmental and climate protection – and ANDRITZ’s answers to these challenges), strategy, the ANDRITZ share, the five ANDRITZ business areas, manufacturing, etc.

The annual financial report and the annual report 2008 are available at [reports.andritz.com/2008/](http://reports.andritz.com/2008/) – you can also order a printed copy for free:

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