Interim financial report first half of 2010

H1 ´10

Key figures of the ANDRITZ GROUP

(According to IFRS)	Unit	H1 2010	H1 2009	+/-	Q2 2010	Q2 2009	+/-	2009
Order intake	MEUR	2,303.7	1,712.7	+34.5%	1,395.3	731.3	+90.8%	3,349.3
Order backlog (as of end of period)	MEUR	5,384.9	4,426.9	+21.6%	5,384.9	4,426.9	+21.6%	4,434.5
Sales	MEUR	1,562.2	1,574.1	-0.8%	829.9	784.0	+5.9%	3,197.5
EBITDA[1)]	MEUR	123.2	89.2	+38.1%	67.6	33.0	+104.8%	218.2
EBITA[2)]	MEUR	97.9	56.5*	+73.3%	54.2	12.8*	+323.4%	164.1*
Earnings Before Interest and Taxes (EBIT)	MEUR	92.8	52.0	+78.5%	51.4	10.4	+394.2%	147.1
Earnings Before Taxes (EBT)	MEUR	96.4	49.1	+96.3%	53.1	11.7	+353.8%	149.6
Net income (including non-controlling interests)	MEUR	67.3	34.5	+95.1%	37.1	8.2	+352.4%	102.9
Cash flow from operating activities	MEUR	338.9	117.6	+188.2%	100.5	62.6	+60.5%	345.7
Capital expenditure[3)]	MEUR	22.2	40.2	-44.8%	8.3	17.3	-52.0%	70.5
Fixed assets	MEUR	788.3	739.9	+6.5%	788.3	739.9	+6.5%	731.4
Current assets	MEUR	2,961.8	2,359.8	+25.5%	2,961.8	2,359.8	+25.5%	2,577.9
Total shareholders' equity[4)]	MEUR	734.7	570.4	+28.8%	734.7	570.4	+28.8%	663.5
Provisions	MEUR	557.8	503.4	+10.8%	557.8	503.4	+10.8%	529.9
Other liabilities	MEUR	2,457.6	2,025.9	+21.3%	2,457.6	2,025.9	+21.3%	2,115.9
Total assets	MEUR	3,750.1	3,099.7	+21.0%	3,750.1	3,099.7	+21.0%	3,309.3
Equity ratio[5)]	%	19.6	18.4	-	19.6	18.4	-	20.0
Net liquidity[6)]	MEUR	932.8	443.7	+110.2%	932.8	443.7	+110.2%	677.9
Net debt[7)]	MEUR	-778.1	-279.5	-178.4%	-778.1	-279.5	-178.4%	-505.3
Net working capital[8)]	MEUR	-308.8	-1.6	n. a.	-308.8	-1.6	n. a.	-104.3
Capital employed[9)]	MEUR	111.4	388.1	-71.3%	111.4	388.1	-71.3%	285.9
Gearing[10)]	%	-105.9	-49.0	-	-105.9	-49.0	-	-76.2
EBITDA margin	%	7.9	5.7	-	8.1	4.2	-	6.8
EBITA margin	%	6.3	3.6*	-	6.5	1.6*	-	5.1*
EBIT margin	%	5.9	3.3	-	6.2	1.3	-	4.6
Net income/sales	%	4.3	2.2	-	4.5	1.0	-	3.2
Employees (as of end of period, excluding apprentices)	-	13,457	13,397	+0.4%	13,457	13,397	+0.4%	13,049

* including restructuring expenses

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 5,117 TEUR for H1 2010 (4,560 TEUR for H1 2009, 9,109 TEUR for 2009) and impairment of goodwill at the amount of 0 TEUR for H1 2010 (0 TEUR for H1 2009 and 7,922 TEUR for 2009) 3) Additions to intangible assets and property, plant, and equipment 4) Total shareholders' equity incl. non-controlling 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 incl. provisions for severance payments, pensions, and jubilee payments minus cash and cash equivalents and marketable securities 8) Non-current receivables plus current assets (excl. cash and cash equivalents as well as marketable securities) minus other non-current liabilities and current liabilities (excl. financial liabilities and provisions) 9) Net working capital plus intangible assets and property, plant, and equipment 10) Net debt/total shareholders' equity

Results for the first three quarters of 2010

Financial calendar

The financial calendar with regular updates can be found on www.andritz.com

November 8, 2010

Key figures of the business areas

HYDRO

	Unit	H1 2010	H1 2009	+/-	Q2 2010	Q2 2009	+/-	2009
Order intake	MEUR	1,150.0	1,054.5	+9.1%	758.6	480.3	+57.9%	1,693.9
Order backlog (as of end of period)	MEUR	3,481.3	2,984.4	+16.6%	3,481.3	2,984.4	+16.6%	2,894.5
Sales	MEUR	706.7	650.4	+8.7%	357.7	333.8	+7.2%	1,378.0
EBITDA	MEUR	58.4	50.8	+15.0%	30.0	25.0	+20.0%	120.9
EBITDA margin	%	8.3	7.8	-	8.4	7.5	-	8.8
EBITA	MEUR	46.7	37.1	+25.9%	23.7	16.6	+42.8%	100.5
EBITA margin	%	6.6	5.7	-	6.6	5.0	-	7.3
Employees (as of end of period)	-	6,072	5,863	+3.6%	6,072	5,863	+3.6%	5,993

PULP & PAPER

	Unit	H1 2010	H1 2009	+/-	Q2 2010	Q2 2009	+/-	2009
Order intake	MEUR	748.7	302.8	+147.3%	408.6	138.1	+195.9%	923.0
Order backlog (as of end of period)	MEUR	1,081.2	588.9	+83.6%	1,081.2	588.9	+83.6%	778.7
Sales	MEUR	479.3	465.8	+2.9%	262.3	232.1	+13.0%	903.3
EBITDA	MEUR	38.3	14.4	+166.0%	22.6	1.1	n. a.	42.0
EBITDA margin	%	8.0	3.1	-	8.6	0.5	-	4.6
EBITA	MEUR	29.4	0.2	n. a.	18.0	-8.3	+316.9%	17.5
EBITA margin	%	6.1	0.0	-	6.9	-3.6	-	1.9
Employees (as of end of period)	-	4,409	4,533	-2.7%	4,409	4,533	-2.7%	4,239

METALS

	Unit	H1 2010	H1 2009	+/-	Q2 2010	Q2 2009	+/-	2009
Order intake	MEUR	141.6	145.3	-2.5%	98.9	21.7	+355.8%	296.2
Order backlog (as of end of period)	MEUR	553.0	651.0	-15.1%	553.0	651.0	-15.1%	564.1
Sales	MEUR	162.1	243.6	-33.5%	84.1	108.6	-22.6%	473.4
EBITDA	MEUR	7.8	10.9	-28.4%	3.3	2.3	+43.5%	23.2
EBITDA margin	%	4.8	4.5	-	3.9	2.1	-	4.9
EBITA	MEUR	6.4	9.4	-31.9%	2.6	1.5	+73.3%	20.5
EBITA margin	%	3.9	3.9	-	3.1	1.4	-	4.3
Employees (as of end of period)	-	972	1,012	-4.0%	972	1,012	-4.0%	971

ENVIRONMENT & PROCESS

	Unit	H1 2010	H1 2009	+/-	Q2 2010	Q2 2009	+/-	2009
Order intake	MEUR	181.9	153.0	+18.9%	92.7	68.7	+34.9%	305.4
Order backlog (as of end of period)	MEUR	198.0	161.0	+23.0%	198.0	161.0	+23.0%	139.6
Sales	MEUR	144.5	151.8	-4.8%	88.8	81.0	+9.6%	322.6
EBITDA	MEUR	13.2	10.3	+28.2%	9.1	4.9	+85.7%	29.3
EBITDA margin	%	9.1	6.8	-	10.2	6.0	-	9.1
EBITA	MEUR	10.8	7.9	+36.7%	7.8	3.7	+110.8%	24.6
EBITA margin	%	7.5	5.2	-	8.8	4.6	-	7.6
Employees (as of end of period)	-	1,485	1,424	+4.3%	1,485	1,424	+4.3%	1,329

FEED & BIOFUEL

	Unit	H1 2010	H1 2009	+/-	Q2 2010	Q2 2009	+/-	2009
Order intake	MEUR	81.5	57.1	+42.7%	36.5	22.5	+62.2%	130.8
Order backlog (as of end of period)	MEUR	71.4	41.6	+71.6%	71.4	41.6	+71.6%	57.6
Sales	MEUR	69.6	62.5	+11.4%	37.0	28.5	+29.8%	120.2
EBITDA	MEUR	5.5	2.8	+96.4%	2.6	-0.3	+966.7%	2.8
EBITDA margin	%	7.9	4.5	-	7.0	-1.1	-	2.3
EBITA	MEUR	4.6	1.9	+142.1%	2.1	-0.7	+400.0%	1.0
EBITA margin	%	6.6	3.0	-	5.7	-2.5	-	0.8
Employees (as of end of period)	-	519	567	-8.5%	519	567	-8.5%	517

Status report

GENERAL ECONOMIC CONDITIONS

The economic data and indicators for the world's major economies published in the second quarter of 2010 confirmed continuing economic stabilization. However, the considerable national debt of some European countries, the weakness of the Euro, and the potential refinancing problems of several international banks represent substantial uncertainty factors with regard to the further development of the real economy.

In the USA, the economy continued to show stable development during the reporting period, although at a relatively low level. Economic data indicate that the recovery will continue to be weak in the coming months. The labor market in particular remains very tense, and the number of new jobs created was well below expectations during the reporting period. Due to the unchanged difficult situation in the labor market, no essential economic stimulus can be expected from private consumption, which is the largest contributor to the US gross domestic product. There was no change in key interest rates during the second quarter of 2010.

The modest economic recovery also continued in Europe during the reporting period. In most of the EU member states, however, the measures implemented to consolidate/lower budget deficits as well as the continuing difficult financial situation raise some doubts about the economic development in the future. Particularly, industrial investment activity will remain on a low level in view of this economic environment. Some support can be expected here from the weak Euro, which makes European export-oriented industries more competitive internationally.

The economies in Asia and the other large emerging economic regions continued their solid development during the reporting period.

Source: OECD

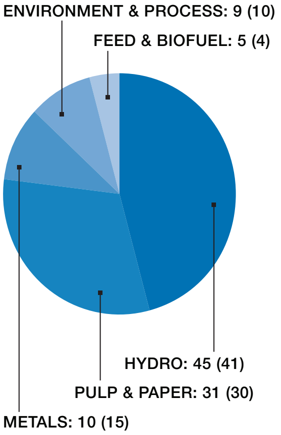
BUSINESS DEVELOPMENT

Sales

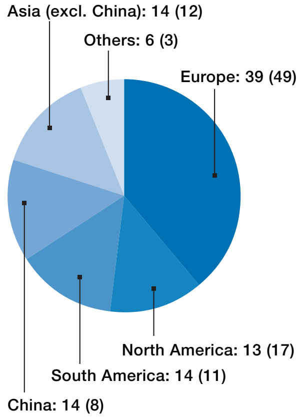
In the second quarter of 2010, sales of the ANDRITZ GROUP amounted to 829.9 MEUR, which is an increase of 5.9% compared to last year's reference period (Q2 2009: 784.0 MEUR). Significant increases in sales were achieved in the HYDRO (from 333.8 MEUR in Q2 2009 to 357.7 MEUR in Q2 2010: +7.2%), PULP & PAPER (from 232.1 MEUR in Q2 2009 to 262.3 MEUR in Q2 2010: +13.0%), ENVIRONMENT & PROCESS (from 81.0 MEUR in Q2 2009 to 88.8 MEUR in Q2 2010: +9.6%), and FEED & BIOFUEL (from 28.5 MEUR in Q2 2009 to 37.0 MEUR in Q2 2010: +29.8%) business areas. Only in the METALS business area sales declined (108.6 MEUR in Q2 2009 versus 84.1 MEUR in Q2 2010).

In the first half of 2010, sales of the Group amounted to 1,562.2 MEUR, thus only slightly below the level of the previous year's reference period (H1 2009: 1,574.1 MEUR). While sales in the HYDRO, PULP & PAPER, and FEED & BIOFUEL business areas increased compared to last year, they declined in the other business areas.

Sales by business area
H1 2010 (H1 2009) in %



Sales by region
H1 2010 (H1 2009) in %



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

	H1 2010	H1 2009	Q2 2010	Q2 2009
ANDRITZ GROUP	**29**	27	**31**	28
HYDRO	**24**	24	**26**	25
PULP & PAPER	**42**	40	**42**	40
METALS	**8**	3	**13**	4
ENVIRONMENT & PROCESS	**31**	28	**28**	28
FEED & BIOFUEL	**45**	57	**45**	58

Order intake

Order intake of the ANDRITZ GROUP in the second quarter of 2010 amounted to 1,395.3 MEUR – the highest quarterly number ever achieved in the company's history. The order intake has thus almost doubled compared to the previous year's reference period (Q2 2009: 731.3 MEUR).

In the HYDRO business area, order intake, at 758.6 MEUR in the second quarter of 2010, rose by 57.9% compared to last year's reference figure (Q2 2009: 480.3 MEUR). This increase is mainly due to the receipt of some major orders (Ilisu, Turkey; Lower Mattagami, Canada).

Also in the PULP & PAPER business area, order intake developed highly satisfactorily. Order intake amounted to 408.6 MEUR, thus almost tripling compared to the low level of last year's reference period (Q2 2009: 138.1 MEUR). This significant increase of order intake, albeit compared to the very low level of last year's reference period, was mainly due to the receipt of some major modernization/refurbishment orders.

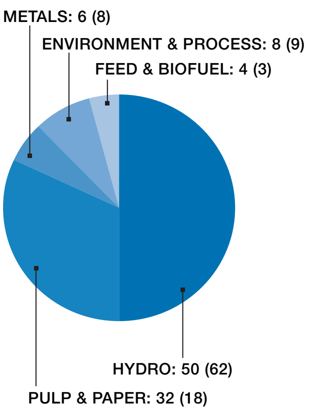
The order intake for the METALS business area amounted to 98.9 MEUR, thus increasing substantially compared to the very low figure in the second quarter of 2009 (21.7 MEUR).

A very good development of order intake was also noted in the ENVIRONMENT & PROCESS business area: At 92.7 MEUR in the second quarter of 2010, order intake was 34.9% higher than in the reference period of the previous year (Q2 2009: 68.7 MEUR).

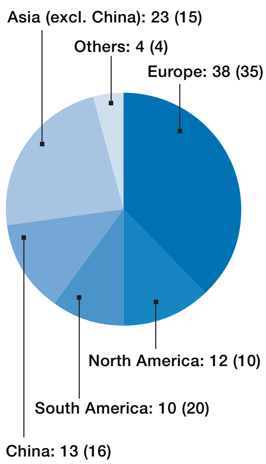
The FEED & BIOFUEL business area recorded an order intake in the amount of 36.5 MEUR, thus showing a significant increase of 62.2% compared to the previous year's reference figure (Q2 2009: 22.5 MEUR).

In the first half of 2010, order intake of the ANDRITZ GROUP amounted to 2,303.7 MEUR and was thus 34.5% higher than in the previous year's reference period (H1 2009: 1,712.7 MEUR). While the METALS business area showed a slight decrease of order intake, order intake of all other business areas significantly rose compared to last year's reference period.

Order intake by business area
H1 2010 (H1 2009) in %

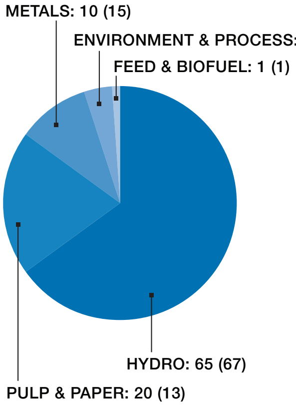


Order intake by region
H1 2010 (H1 2009) in %

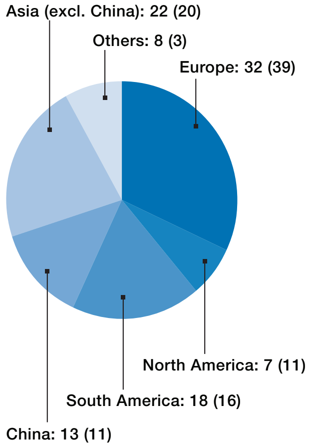


Order backlog
Order backlog of the ANDRITZ GROUP as of June 30, 2010 amounted to 5,384.9 MEUR, thus increasing compared to the reference value as of June 30, 2009 (4,426.9 MEUR: +21.6%) and as of December 31, 2009 (4,434.5 MEUR: +21.4%).

Order backlog by business area as of June 30, 2010 (June 30, 2009) in %



Order backlog by region as of June 30, 2010 (June 30, 2009) in %



Earnings
Earnings (EBITA) of the ANDRITZ GROUP amounted to 54.2 MEUR in the second quarter of 2010, thus many times higher compared to the very low level in the previous year's reference period (Q2 2009: 12.8 MEUR), which was impacted by restructuring expenses of approximately 24 MEUR. Excluding these restructuring expenses, earnings increased by 46.1%. Profitability (EBITA margin) significantly increased to 6.5% in the second quarter of 2010 (Q2 2009: 1.6%; 4.7% excluding restructuring expenses). All business areas not only achieved a significant improvement of earnings in absolute terms but also in terms of profitability.

In the first half of 2010, EBITA of the Group amounted to 97.9 MEUR (H1 2009: 56.5 MEUR). EBITA margin rose to 6.3% (H1 2009: 3.6%; 5.1% excluding restructuring expenses).

The financial result of the ANDRITZ GROUP in the first half of 2010 amounted to 3.6 MEUR and was thus well above the reference value for the previous year (H1 2009: -2.9 MEUR) which was impacted by depreciation of money market funds in the first quarter of 2009 as a result of the global financial crisis.

Net income of the Group (excluding non-controlling interests) amounted to 67.3 MEUR in the first half of 2010, thus more than doubling compared to the reference figure for the previous year (H1 2009: 32.5 MEUR).

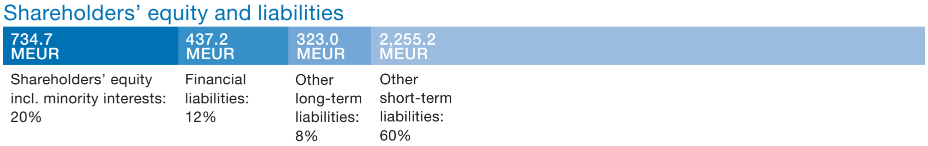
Net worth position and capital structure
Total assets of the Group increased to 3,750.1 MEUR as of June 30, 2010 (December 31, 2009: 3,309.3 MEUR); the equity ratio amounted to 19.6% (December 31, 2009: 20.0%).

Liquid funds (cash and cash equivalents plus marketable securities) amounted to 1,340.0 MEUR as of June 30, 2010 (December 31, 2009: 1,082.1 MEUR). Net liquidity (liquid funds plus fair value of interest rate swaps minus financial liabilities) increased to 932.8 MEUR, thus also substantially higher than at the end of last year (December 31, 2009: 677.9 MEUR). This increase is mainly due to advance payments for some major orders.

In addition to the high net liquidity of more than 900 MEUR, the ANDRITZ GROUP has extensive long-term credit and surety lines for performance of contracts, down payments, guarantees, etc. at its disposal.
- Credit lines: 227 MEUR, thereof 64 MEUR utilized
- Surety lines: 4,176 MEUR, thereof 2,270 MEUR utilized

Assets

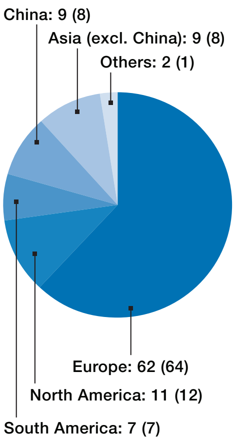
Shareholders' equity and liabilities



Employees

As of June 30, 2010, the number of ANDRITZ GROUP employees amounted to 13,457, thus only slightly above the reference value of last year (June 30, 2009: 13,397 employees). The increase compared to the value as of December 31, 2009 (13,049 employees) is mainly due to the acquisition of companies.

Employees by region as of
June 30, 2010 (June 30, 2009) in %



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 in 2010 relate above all to: the Group's dependence on the general economic development and the development of the industries it serves; whether major orders are received and the risks they entail; and whether adequate sales proceeds are realized 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 2010 business year. The global economic weakness may 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 utilization of the Group's manufacturing capacities.

The global financial and economic crisis may also necessitate complete or partial impairments of single goodwill created in the course of acquisitions if the business development goals cannot be reached. This may influence the earnings development of the ANDRITZ GROUP. In addition, 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 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. Interest and exchange rate risks are minimized and controlled by derivative financial instruments, in particular forward exchange contracts and swaps. Net currency exposure of orders in foreign currencies (mainly US dollar, Canadian dollar, and Swiss franc) 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 secures 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). 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.

Cash is largely invested in low-risk financial assets, such as government bonds, government-guaranteed bonds, investment funds to cover pension obligations, or term deposits. However, the financial market crisis and its effects may lead to unfavorable price developments for various securities in which the Group has invested (e.g. money market funds, bonds), or made them non-tradeable. 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.

For further information on the risks for the ANDRITZ GROUP, see the ANDRITZ annual financial report 2009.

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 half of 2010, no major business transactions were conducted with related persons and companies.

Significant events after June 30, 2010
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 this report.

Outlook
Leading economic experts expect no major changes in economic environment in the most important regions of the world for the remaining months of 2010. While the economies in the emerging markets, particularly China and South America, should continue their very robust development, economic development in the USA and Europe is expected to remain at a more moderate level. A strong and sustained recovery is not expected in these two economic regions for 2010.

Based on the prevailing economic environment and the current project activity in ANDRITZ's relevant markets, the expectations of the ANDRITZ GROUP for its economic development in the coming quarters have not changed. Continuing positive market development is expected for the HYDRO business area in the coming months. Also in the PULP & PAPER business area, a stable project activity is expected in the course of the year, particularly for greenfield plants in the emerging markets. The ENVIRONMENT & PROCESS and the FEED & BIOFUEL business areas should also see satisfactory development. In the METALS business area, the generally moderate project activity is expected to continue.

The ANDRITZ GROUP continues to expect sales in 2010 to remain unchanged or slightly up compared to the full year of 2009. Cost savings resulting from the restructuring measures initiated in 2009 should have a positive impact on the net income.

If, however, the global economy weakens again in the coming months, a negative impact can be expected on the order intake, as well as on the future development of sales and earnings of the ANDRITZ GROUP. This may create a need for further restructuring measures that will affect the 2010 earnings development accordingly.

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 half of 2010 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 six 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 six 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, August 9, 2010

The Executive Board of ANDRITZ AG

Wolfgang Leitner (President and CEO)	Franz Hofmann	Karl Hornhofer	Humbert Köfler	Friedrich Papst

HYDRO

MARKET DEVELOPMENT

Project activity for equipment for hydropower plants remained at a high level worldwide during the second quarter of 2010. In Europe and North America, investment activity mainly focused on modernization, rehabilitation, and capacity increases. Particularly in Europe, the rising demand for peak electricity and the expansion of wind energy have led to additional investments in pumped storage power stations in order to ensure the stability of the European electric grid.

In South America and Asia (particularly India), many new hydropower projects are in the development and realization phase to meet the rising demand for energy in these rapidly growing economic regions in the long-term.

High project activity continued also for irrigation and drinking water pumps, particularly in the Middle East and in India; in addition, positive developments were noted in the market for standard pumps for the water sector.

IMPORTANT EVENTS

ANDRITZ acquired a majority interest in Precision Machine & Supply, Inc., based in Spokane, Washington, USA. With this acquisition, ANDRITZ HYDRO expands its service and manufacturing capacities in North America.

In the test lab of the Ecole Polytechnique Fédéral de Lausanne, France, inspection tests for the newly developed design of very high-performance bulb turbines for the Jirau power plant in Brazil were successfully concluded. The business area will supply eight bulb turbines with 80 MW each and generators for Jirau.

At the Beles hydropower plant in Ethiopia, the first two of four Francis turbines were successfully started up. The Beles power plant will provide a substantial share of Ethiopia's energy supply.

At the Portile de Fier II hydropower plant, Romania, rehabilitation of the electromechanical equipment for the fifth bulb turbine was successfully completed. ANDRITZ HYDRO is refurbishing a total of eight generating sets for this customer.

IMPORTANT ORDERS

For Kiewit-Alarie A Partnership, the business area will equip the Lower Mattagami hydropower project in Canada with three new 80 MW propeller turbine sets and additional equipment. The new units will be added to the Little Long, Harmon, and Kipling stations and will supply green energy to the Canadian grid starting in June 2014. The three hydropower stations each have a net head of approximately 30 m; although this would normally be the range for using Kaplan turbines, in this case propeller turbines deliver the most favorable solution for the customer in terms of efficiency and durability due to the increased water flow rate of almost 300 m^3/s and the highly robust equipment.

ANDRITZ HYDRO received two orders from Turkey during the reporting period – a country that has been focusing on developing its hydropower resources for many years to meet its rapid economic growth and the accompanying sharp rise in electricity demand. A group of three private owners under the consortium leadership of DOĞUŞ İNŞAAT VE TİCARET A.Ş contracted the business area to supply and put into operation the entire electromechanical equipment, including three Francis turbines (with an output of 176 MW each) and a 380 kV switchyard, for Boyabat power plant. In a consortium led by the Turkish construction company Nurol, ANDRITZ HYDRO will supply the electromechanical equipment, comprising six Francis turbines each with an output of 200 MW and six generators, as well as additional equipment and engineering, for the Ilisu hydropower plant. ANDRITZ HYDRO is the market leader for hydropower equipment in Turkey, and has very successfully been supplying electromechanical equipment for Turkish hydropower project for decades.

The business area will extend the Vianden pumped storage power station for SEO Luxemburg. Due to the rising demand for regulating power, an eleventh reversible pump turbine (output 200 MW), situated in a separate cavern, will be added to the pumped storage power station.

For Kashang hydropower plant in India, ANDRITZ HYDRO will supply three 66 MW Pelton turbines, generators, as well as electrical and mechanical additional equipment.

Electricité de France awarded the business area the contract for the refurbishment of two Francis turbines in the Sisteron hydropower plant. This contract is the largest rehabilitation project in France since many years, and will increase the capacity per turbine to 130 MW.

The business area will supply ten vertical volute pumps to two pumping stations in India. The pumps will transport water for irrigation purposes through a 40 km long canal.

Further important orders at a glance

Country	Customer	Scope of supply/Project description
Austria	Verbund, AHP	Refurbishment of the generator in Melk hydropower station
Chile	Colbun S.A.	Hydraulic steel construction and electrical equipment for Angostura hydropower plant
Italy	Edipower	Refurbishment of three Pelton turbines in Ampezzo hydropower station
Norway	Statkraft	Francis turbine for Eriksdalen power plant
Panama	UTE Pedregalito (Cobra)	Compact Hydro supply for Pedrogalito 2 hydropower plant
Panama	Hidraulica Cochea (Cobra)	Compact Hydro supply for Cochea hydropower plant
Switzerland	Elektrizitätswerk Obwalden	Francis turbine (16 MW) for Unteraa central power station
Turkey	Karen Enerji	Compact Hydro supply for Balkusan 1 & 2 hydropower plants
USA	Alabama Power	Electromechanical refurbishment at Lay Dam power station; machinery refurbishment at Bouldin power plant

PULP & PAPER

MARKET DEVELOPMENT

The international pulp market remained strong during the second quarter of 2010. Driven by the continuing strong pulp demand from Asia and Europe – both from producers and customers – as well as low inventory levels, the price for Northern Bleached Softwood Kraft Pulp (NBSK) increased from approximately 900 US dollars per ton in April 2010 to about 950 US dollars per ton at the end of June 2010. For European pulp purchasers, pulp prices rose in addition due to the Euro's weakness against the US dollar.

The price for hardwood pulp (birch and eucalyptus) developed similarly to the NBSK price; it increased from about 790 US dollars per ton at the beginning of April 2010 to approximately 870 US dollars at the end of June 2010.

Project activity for pulp mill equipment showed further signs of recovery during the reporting period, with several larger orders being awarded for modernization and expansion projects in particular.

IMPORTANT EVENTS

A new high capacity two-line debarking and chipping plant was started up for Mondi Syktyvkar Pulp and Paper in Russia.

Asia Pacific SSYMB (Shandong) Pulp and Paper Co. Ltd., China, started up a very large capacity white liquor plant (18,000 m^3 white liquor/d).

Zhejiang Jingxing Paper started up a complete deinking line, stock preparation plant, and paper machine approach system in China.

In the USA, Packaging Corporation of America started up its recovery boiler after the business area had completed rebuild work on it.

LEIPA Georg Leinfelder GmbH, Germany, started up a new PrimeCal Soft calendering system, which was installed during a three-day shutdown.

Two pressurized refining systems for MDF were started up in China for XinJiang Jin Yang Mei Jia Wood Industry Co., Ltd. (360 t/d capacity) and Yingang (Chengde) Wood Based Panel Co. Ltd. (864 t/d capacity).

IMPORTANT ORDERS

ANDRITZ PULP & PAPER will deliver systems for a capacity increase at CMPC Celulosa's Santa Fe mill in Chile. The scope includes a new debarking and chipping line for eucalyptus, as well as equipment for and modifications to the existing fiberline, pulp drying line, and white liquor plant. This is in addition to an earlier order to upgrade the recovery boiler. For CMPC's Laja mill, the business area will supply biomass handling and storage technology for a modernization project.

Two orders were received from SCA, Sweden. The first is to supply a new lime kiln with fuel handling and white liquor filtration equipment to the Östrand mill. For SCA Packaging's mill in Obbola, ANDRITZ PULP & PAPER will supply green liquor and dregs handling equipment.

Iggesund Paperboard selected the business area to supply a 2,400 t/d High Energy Recovery Boiler (HERB). In terms of its power-to-heat ratio, the new boiler will be the most efficient recovery boiler in the world.

The business area received the order to supply complete plants for processing and deinking Mixed Office Waste (MOW) to provide furnish for the world's largest white kraft linerboard machine being built for Zhejiang JiAn Paper Packet Co., Ltd., China.

The business area will rebuild the drying section and deliver a new PrimeCoat film press and a Prime Feeder for PM 2 at Smurfit Kappa's Hoya mill, Germany.

Celulosa Arauco y Constitucion S.A., Chile, selected the business area to perform a major modernization of the woodyard at its Arauco mill, including a new RotaBarker™ debarking unit, and at its Nueva Aldea mill, where the scope includes a complete debarking and chipping line for eucalyptus.

In the panelboard area, ANDRITZ received an order from Hezhou Xin Rong Xing Forest Co. Ltd., China, for a pressurized refining system with a capacity of approximately 620 t/d.

Estonian Cell AS, Estonia, ordered a low-consistency refining system to increase the capacity of mechanical pulp production and reduce energy costs.

In the plastic film sector, ANDRITZ Biax received an order from Rowad, Saudi Arabia, for completion of Line 1, which produces biaxially oriented polypropylene.

Further important orders at a glance

Country	Customer	Scope of supply/Project description
China	Chenzhou Yunong Paper Industries Co., Ltd.	Supply of wood handling system for APMP mill
China	Shandong Guan Mao	Plastic film line (for biaxially oriented polypropylene; width: 8.2 m)
China	Anhui Huatai Forest Pulp & Paper Co., Ltd	Equipment for brownstock washing, screening, and bleaching
Germany	UPM Augsburg	Screw press shaft exchange program
India	Sripathi Paper and Board Private Ltd.	PrimeCoat Combi coating system
Indonesia	PT. Aspex Kumbong	Upgrade of deinking line
Pakistan	Packages Ltd.	Upgrade of OCC line and PMA system
Russia	JTI Yelets LLC	Screw press upgrade
Slovenia	Kolicevo Karton	Rebuild of board machine wet section
Sweden	Billerud Karlsborg	LimeGreen™ green liquor filtration
Sweden	Södra Cell, Värö mill	AWP wash press and screening modernization
United Kingdom	SCA Hygiene Products UK Limited	Modification of deinking line
USA	Augusta Newsprint	Twin refiner rebuild

METALS

MARKET DEVELOPMENT

The market for steel and stainless steel equipment developed slightly positive in the second quarter of 2010. Due to rising capacity utilization by steel producers, project activity for stainless and carbon steel plants has increased, particularly in China, and to a smaller extent also in India and Brazil. In the USA and Europe, investment activity continued to be weak, with only few orders for new plants awarded; however, project activity for modernization of existing plants has slightly increased.

IMPORTANT EVENTS

An annealing and pickling line for hot-rolled strip with an annual capacity of approximately 1,140,000 t was handed over to North American Stainless, an affiliate of Acerinox.

A WAPUR (Waste Acid Purification) plant was successfully handed over to Tianjin Ansteel Tiantie Cold Rolled Sheet Co., Ltd., China. The plant complements the hydrochloric acid regeneration plant already supplied by ANDRITZ METALS and produces high-grade iron oxide for the ferrite market.

IMPORTANT ORDERS

The business area received an order from Fuxin Special Steel Corporation, China, to install an annealing and pickling line for hot-rolled stainless steel strip (annual capacity 800,000 t). Start-up is scheduled for the end of 2012.

ANDRITZ METALS will supply a tension-leveling line and an offline skin pass mill for cold-rolled stainless steel strip to Jiuquan Iron & Steel Group Co. Ltd., China. Start-up of this equipment (annual capacity 200,000 t) is planned for the end of 2011.

To Tianjin TISCO & TPCO Stainless Steel Co. Ltd., the business area will supply an annealing and pickling line for cold-rolled stainless steel strip (annual capacity 400,000 t). Start-up is planned for the third quarter of 2011.

Böhler Bleche GmbH, Austria, has commissioned ANDRITZ METALS to supply a hearth-type pusher furnace. The planned furnace is used to heat various slab formats to rolling temperature. Since the charge is heated and positioned on higher annealing supports, the equipment can also be used in the low-temperature range.

The business area is to supply a cut-to-length line for high-tensile strip, with maximum strip thicknesses of 18 mm and a width of 2,130 mm, to Shougang Jingtang United Iron & Steel Co. Ltd.’s new steel works in Caofeidian, China. Start-up of the plant (annual capacity 400,000 t) is planned for the end of 2011.

Further important orders at a glance

Country	Customer	Scope of supply/Project description
Austria	AMAG Rolling GmbH	Extension of the passivation section of a continuous heat treatment line
Germany	Dillinger Hütte	Modernization of three pusher-type furnaces
Germany	Hettich Group	Supply of three high-performance automatic punching machines (pressing force between 2,000 and 2,500 kN)
Germany	Wehler Stanztechnik GmbH	High-performance automatic punching machine with a pressing force of 8,000 kN

ENVIRONMENT & PROCESS

MARKET DEVELOPMENT

The market for sludge dewatering equipment developed satisfactorily worldwide in the second quarter of 2010, with strong demand particularly from China.

Investment activity for industrial process applications increased slightly, especially in China, Eastern Europe, and Canada. Most active were the petrochemical, minerals, and mining industries.

The market for sludge drying plants remained relatively moderate. In North America, China, and Turkey, however, investment activity for municipal sludge drying plants was on the rise. Project activity for industrial drying plants also increased slightly.

IMPORTANT ORDERS

ScottishPower's subsidiary SMW Ltd., Great Britain, ordered six new drying drums for the sludge drying plant which is part of the wastewater treatment plant in Daldowie. Daldowie is one of the largest sludge drying centers in Europe, processing sludge from hundreds of wastewater treatment plants in the West of Scotland to produce sludge pellets. In 2001, ANDRITZ ENVIRONMENT & PROCESS has already supplied 12 centrifuges and six drum drying lines for Daldowie.

The business area received the order to supply a drum drying system for the City of Tallahassee, USA.

Further important orders at a glance

Country	Customer	Scope of supply/Project description
Brazil	Odebrecht	Four centrifuges
China	Bulianta	Three hyperbaric pressure filters
China	Xinjiang China Chemical Construction Imp & Exp Co., Ltd.	Two PVC dryer lines
France	Novacarb	Fluid bed dryer
USA	City of Corpus Christi	Three decanter centrifuges

FEED & BIOFUEL

MARKET DEVELOPMENT

During the second quarter of 2010, project activity in the animal feed sector showed further signs of improvement, especially in South America and Eastern Europe; in Asia, market activity continued at a satisfactory level, with several projects for plant expansions and greenfield plants being released by customers for further development. Project activity in the aquatic feed industries, especially in Asia and South America, developed also favorably.

The market for biomass/wood pelleting equipment continued to show good project activity, especially in Europe, North America, and in the emerging countries.

IMPORTANT EVENTS

Several extrusion lines, including the highly energy-efficient Combizone dryers, were successfully started up for customers in the aquatic feed industries in Asia and Europe, as well as in the pet food industries in Europe and South America.

Biowood's wood pelleting plant in Norway (the largest wood pelleting plant in Europe with an annual capacity of 450,000 t), as well as several medium-sized wood pelleting plants in Northern Europe and North America, were successfully handed over.

IMPORTANT ORDERS

ANDRITZ FEED & BIOFUEL will deliver the complete process solutions for a greenfield animal feed pelleting plant with a capacity of 600,000 t/a for a customer in South America. The scope of supply includes complete batching, hammer milling and mixing, pelleting and cooling sections, as well as conveying systems and plant automation.

The business area secured several orders for the supply of extrusion and drying lines from customers in the pet food and aquatic feed industries in Europe, South America, and Asia.

Several orders have been received for biomass pelleting lines, mainly from customers in North America.

Consolidated statement of financial position

as of June 30, 2010 (condensed, unaudited)

(in TEUR)	June 30, 2010	December 31, 2009
ASSETS		
Intangible assets	49,112	44,218
Goodwill	234,759	219,894
Property, plant, and equipment	371,131	345,990
Shares in associated companies	7,632	9,397
Other investments	24,374	22,682
Non-current receivables and other non-current assets	52,508	37,807
Deferred tax assets	101,317	89,171
Non-current assets	**840,833**	**769,159**
Inventories	381,667	319,880
Advance payments made	92,395	98,211
Trade accounts receivable	484,053	454,691
Cost and earnings of projects under construction in excess of billings	362,891	383,887
Other current receivables	248,249	201,378
Marketable securities	435,460	372,545
Cash and cash equivalents	904,537	709,532
Current assets	**2,909,252**	**2,540,124**
TOTAL ASSETS	**3,750,085**	**3,309,283**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	104,000	104,000
Capital reserves	36,476	36,476
Retained earnings	558,029	488,874
Equity attributable to shareholders of the parent	**698,505**	**629,350**
Non-controlling interests	**36,165**	**34,142**
Total shareholders' equity	**734,670**	**663,492**
Bonds – non-current	379,942	371,553
Bank loans and other financial liabilities – non-current	23,293	21,956
Obligations under finance leases – non-current	39	736
Provisions – non-current	214,152	209,856
Other liabilities – non-current	19,034	23,303
Deferred tax liabilities	89,847	89,955
Non-current liabilities	**726,307**	**717,359**
Bank loans and other financial liabilities – current	33,664	31,110
Obligations under finance leases – current	223	366
Trade accounts payable	250,128	260,337
Billings in excess of cost and earnings of projects under construction	906,780	722,839
Advance payments received	58,052	49,466
Provisions – current	343,688	320,088
Liabilities for current taxes	42,636	34,832
Other liabilities – current	653,937	509,394
Current liabilities	**2,289,108**	**1,928,432**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3,750,085**	**3,309,283**

Consolidated income statement

for the first half of 2010 (condensed, unaudited)

(in TEUR)	H1 2010	H1 2009	Q2 2010	Q2 2009
Sales	**1,562,151**	**1,574,088**	**829,827**	**784,038**
Changes in inventories of finished goods and work in progress	29,188	36,497	14,090	4,196
Capitalized cost of self-constructed assets	750	251	390	136
	1,592,089	1,610,836	844,307	788,370
Other operating income	40,568	28,056	23,464	13,457
Cost of materials	(887,398)	(924,462)	(471,904)	(437,084)
Personnel expenses	(399,985)	(400,162)	(206,683)	(207,295)
Other operating expenses	(222,092)	(225,111)	(121,628)	(124,513)
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	**123,182**	**89,157**	**67,556**	**32,935**
Depreciation, amortization and impairment of intangible assets and property, plant, and equipment	(30,393)	(37,201)	(16,188)	(22,569)
Impairment of goodwill	0	0	0	0
Earnings Before Interest and Taxes (EBIT)	**92,789**	**51,956**	**51,368**	**10,366**
Income/(expense) from associated companies	573	631	343	205
Interest result	2,699	867	1,261	467
Other financial income/(expense), net	319	(4,364)	104	654
Financial result	**3,591**	**(2,866)**	**1,708**	**1,326**
Earnings Before Taxes (EBT)	**96,380**	**49,090**	**53,076**	**11,692**
Income taxes	(29,126)	(14,549)	(16,041)	(3,413)
NET INCOME	**67,254**	**34,541**	**37,035**	**8,279**
Thereof attributable to:				
Shareholders of the parent company	67,283	32,541	38,358	6,852
Non-controlling interests	(29)	2,000	(1,323)	1,427
Weighted average number of no-par value shares	51,723,805	51,208,069	51,772,264	51,213,576
Earnings per no-par value share (in EUR)	1.30	0.64	0.74	0.13
Effect of potential dilution of share options	230,959	0	252,005	0
Weighted average number of no par value shares and share options	51,954,763	51,208,069	52,024,268	51,213,576
Diluted earnings per no-par value share (in EUR)	1.30	0.64	0.74	0.13

Consolidated statement of comprehensive income

for the first half of 2010 (condensed, unaudited)

(in TEUR)	H1 2010	H1 2009	Q2 2010	Q2 2009
Net income	**67,254**	**34,541**	**37,035**	**8,279**
Currency translation adjustments	45,117	11,304	25,656	3,008
Actuarial gains/(losses), net of tax	0	0	0	0
Changes to IAS 39 reserve, net of tax	1,667	3,543	95	1,616
Other comprehensive income for the year	**46,784**	**14,847**	**25,751**	**4,624**
Total comprehensive income for the year	**114,038**	**49,388**	**62,786**	**12,903**
Thereof attributable to:				
Shareholders of the parent company	110,959	44,701	62,131	9,699
Non-controlling interests	3,079	4,687	655	3,204

Consolidated statement of shareholders' equity

for the first half of 2010 (condensed, unaudited)

(in TEUR)	Share capital	Capital re-serves	Other retained earnings	IAS 39 reserve	Actuarial gains (losses)	Currency transla-tion ad-justments	Total	Non-controlling interests	Total share-holders' equity
	Attributable to shareholders of the parent								
Status as of January 1, 2009	**104,000**	**36,476**	**465,479**	**(4,837)**	**(13,890)**	**(44,723)**	**542,505**	**34,877**	**577,382**
Total income and expense for the year			32,541	3,510	0	8,650	44,701	4,687	49,388
Dividends			(56,321)				(56,321)	(2,807)	(59,128)
Changes from acquisitions							0		0
Changes concerning own shares			389				389		389
Other changes			2,349				2,349		2,349
STATUS AS OF JUNE 30, 2009	**104,000**	**36,476**	**444,437**	**(1,327)**	**(13,890)**	**(36,073)**	**533,623**	**36,757**	**570,380**
Status as of January 1, 2010	**104,000**	**36,476**	**521,366**	**1,157**	**(4,802)**	**(28,847)**	**629,350**	**34,142**	**663,492**
Total income and expense for the year			67,283	1,721	0	41,955	110,959	3,079	114,038
Dividends			(51,741)				(51,741)	(1,527)	(53,268)
Changes from acquisitions							0	471	471
Changes concerning own shares			8,282				8,282		8,282
Other changes			1,910			(255)	1,655		1,655
STATUS AS OF JUNE 30, 2010	**104,000**	**36,476**	**547,100**	**2,878**	**(4,802)**	**12,853**	**698,505**	**36,165**	**734,670**

Consolidated statement of cash flows

for the first half of 2010 (condensed, unaudited)

(in TEUR)	H1 2010	H1 2009
Cash flow from operating activities	338,881	117,572
Cash flow from investing activities	(101,941)	(67,374)
Cash flow from financing activities	(41,935)	(69,472)
Change in cash and cash equivalents	195,005	(19,274)
Cash and cash equivalents at the beginning of the period	**709,532**	**558,448**
Cash and cash equivalents at the end of the period	**904,537**	**539,174**

Cash flows from acquisitions of subsidiaries*

for the first half of 2010 (condensed, unaudited)

	Business area			Total	Total
(in TEUR)	HY1)	PP1)	EP1)	H1 2010	H1 2009
Intangible assets	832	4,425	5,908	11,165	0
Property, plant, and equipment	1,248	342	169	1,759	0
Inventories	2,087	547	4,292	6,926	0
Trade and other receivables excluding financial assets	674	2,889	6,317	9,880	0
Liabilities excluding financial liabilities	(1,456)	(6,573)	(7,258)	(15,287)	0
Non-interest bearing net assets	**3,385**	**1,630**	**9,428**	**14,443**	**0**
Cash and cash equivalents acquired	4	707	705	1,416	0
Debt assumed	(1,807)	(1,526)	0	(3,333)	0
Goodwill	1,041	2,701	6,213	9,955	0
Total purchase price	**2,623**	**3,512**	**16,346**	**22,481**	**0**
Purchase price paid	(2,623)	(3,512)	(16,346)	(22,481)	0
Changes in receivables/payables from purchase price not yet paid	0	0	0	0	6,504
Cash and cash equivalents acquired	4	707	705	1,416	0
Net cash flow	**(2,619)**	**(2,805)**	**(15,641)**	**(21,065)**	**6,504**

* converted by using exchange rates as per dates of transaction

1) HY = HYDRO
PP = PULP & PAPER
EP = ENVIRONMENT & PROCESS

NOTES

Explanatory notes to the interim consolidated financial statements as of June 30, 2010

General

The interim consolidated financial statements as of June 30, 2010 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, 2009 have been maintained without any change. For additional information on the accounting and valuation principles, see the consolidated financial statements as of December 31, 2009, 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 June 30, 2010 were neither subject to a complete audit nor to an audit review by an auditor.

Application of new standards

ANDRITZ applies the standards IFRS 3 (revised) 'Business Combinations' and IAS 27 (revised) 'Consolidated and Separate Financial Statements' for the financial year beginning on January 1, 2010.

The revised standards IFRS 3 and IAS 27 are the most essential standards for the treatment of business combinations, consolidated financial statements, and transactions with non-controlling interests.

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

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-June 30, 2009:

- ANDRITZ Rollteck GmbH: design and manufacturing of winders for the paper industry;
- ANDRITZ Biax S.A.S.: systems and equipment for the production of biaxially stretched plastic films;
- ANDRITZ Perfojet S.A.S.: machinery and systems for the production of nonwovens;
- ANDRITZ Frautech S.r.l.: producer of separators for applications in the dairy and olive oil industry;
- ANDRITZ Precision Machine & Supply Inc.: service for the hydropower sector.
- ANDRITZ Delkor Capital Equipment: dewatering equipment, especially for the mining industry.

The initial accounting for the companies/businesses acquired in 2009/2010 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

In the second quarter of 2010, sales of the ANDRITZ GROUP amounted to 829.9 MEUR, which is an increase of 5.9% compared to last year's reference period (Q2 2009: 784.0 MEUR). The Group's EBIT amounted to 51.4 MEUR (Q2 2009: 10.4 MEUR).

In the first half of 2010, sales of the Group amounted to 1,562.2 MEUR, thus only slightly below the level of the previous year's reference period (H1 2009: 1,574.1 MEUR). EBIT of the Group amounted to 92.8 MEUR (H1 2009: 52.0 MEUR).

Notes to the consolidated statement of financial position

Total assets of the Group increased to 3,750.1 MEUR as of June 30, 2010 (December 31, 2009: 3,309.3 MEUR). The net working capital as of June 30, 2010 amounted to -308.8 MEUR (December 31, 2009: -104.3 MEUR).

During the current business year, ANDRITZ AG paid dividends in the amount of 51.7 MEUR for the business year 2009. No shares were bought back during the first half of 2010.

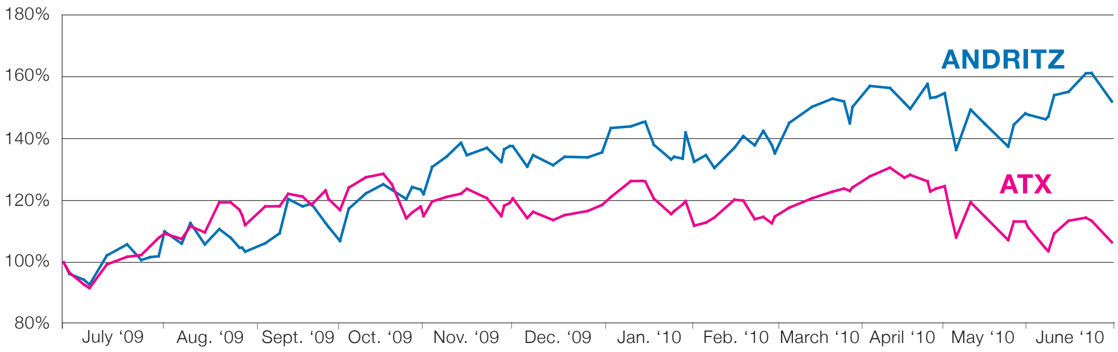
Notes to the consolidated statement of cash flows

Cash flow from operating activities of the ANDRITZ GROUP amounted to 338.9 MEUR for the first half of 2010 (H1 2009: 117.6 MEUR). This increase is mainly due to advanced payments for some major orders.

Cash flow from investing activities during the first half of 2010 amounted to -101.9 MEUR (H1 2009: -67.4 MEUR) and resulted from payments made for investments in short-term securities of -62.9 MEUR (H1 2009: -43.3 MEUR), investments in tangible and intangible assets of -22.2 MEUR (H1 2009: -40.2 MEUR), and the acquisition of companies.

SHARE

Relative price performance by the ANDRITZ share compared to the ATX (July 1, 2009-June 30, 2010)



Source: Vienna Stock Exchange

Share price development

In the first half of 2010, the ANDRITZ share price developed very favorably. It increased by 12.2%, thus again outperforming the ATX, the leading share index on the Vienna Stock Exchange, which decreased by 10.2% during the same period.

The highest closing price of the ANDRITZ share during the reporting period was 48.77 EUR (June 23, 2010); the lowest was 39.49 EUR (February 12, 2010).

Trading volume

The average daily trading volume of the ANDRITZ share (double count, as published by the Vienna Stock Exchange) was 260,147 shares (H1 2009: 341,625 shares) in the first half of 2010. The highest daily trading volume was noted on May 6, 2010 (1,000,296 shares), the lowest trading volume on March 16, 2010 (59,606 shares).

Investor relations

At the Vienna Stock Exchange Awards 2010, ANDRITZ once again received a prize for its extensive investor relations activities: ANDRITZ took first place in the main category, the ATX Prize, which is awarded to companies in the leading index of the Vienna Stock Exchange for the quality of their work in terms of transparency and communication policy in the Austrian capital market.

The assessment criteria for the ATX Prize include the quality of financial reporting (e. g. information content and clarity), investor relations (e. g. good reachability, availability for roadshows, information provided in the internet), strategy and business management (clarity and level of detail of the corporate strategy, accuracy of forecasts, risk indication, management credibility), and market-related factors.

The ANDRITZ GROUP has already received several awards for its investor relations activities since the Initial Public Offering in 2001, also for special achievements in corporate governance and online investor relations, as well as for 'Best European Investor Relations' for the Engineering & Machinery sector.

During the second quarter of 2010, meetings with institutional investors and financial analysts were held in Amsterdam, Boston, Frankfurt, New York, Paris, Stockholm, London, and Toronto.

In addition, ANDRITZ gave presentations at several investor conferences, including the Investor Conference by RCB in Zürs, the Small & MidCap Conference by Goldman Sachs in London, the Pan European Week by UBS in London, the German & Austrian Corporate Conference by Deutsche Bank in Frankfurt, the Pan European Conference by Cheuvreux in London, the Capital Goods Conference by JP Morgan in London, and the Austrian Companies Conference by HSBC in London.

Key figures of the ANDRITZ share

	Unit	H1 2010	H1 2009	Q2 2010	Q2 2009	2009
Highest closing price	EUR	48.77	30.71	48.77	30.71	41.94
Lowest closing price	EUR	39.49	17.50	41.25	21.92	17.50
Closing price as of end of period	EUR	46.00	29.90	46.00	29.90	40.52
Market capitalization as of end of period	MEUR	2,392.0	1,554.8	2,392.0	1,554.8	2,107.0
Performance	%	+12.2	+55.7	+1.2	+36.4	+111.0
ATX weighting as of end of period	%	5.5534	3.9576	5.5534	3.9576	4.3701
Average daily number of shares traded	Share units	260,147	341,625	274,372	343,710	307,029

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	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 2010

November 8, 2010	Results for the first three quarters of 2010

The financial calendar with regular updates as well as information about planned roadshows, participations in investor conferences, etc. can be found on 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.

CONTACT

ANDRITZ AG
Investor Relations
Stattegger Strasse 18
8045 Graz, Austria
Phone: +43 (316) 6902 2722
Fax: +43 (316) 6902 415
investors@andritz.com
www.andritz.com

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ANDRITZ AG
Investor Relations
Stattegger Strasse 18
8045 Graz, Austria
Tel. +43 (316) 6902 2722
investors@andritz.com