

REPORT OF THE SUPERVISORY BOARD OF ANDRITZ AG

The Supervisory Board was regularly informed by the Managing Board both verbally and in writing of the situation of the Company and its development as well as of major business transactions. The transactions that were subject to approval by the Supervisory Board were investigated and reviewed together with the Managing Board.

Hans Albrecht, Michael Hildisch, and Anton Schneider have withdrawn from the Supervisory Board. At the 96th annual general meeting Peter Mitterbauer, Gregor P. Böhm, and Heiner Rutt were elected new members of the Supervisory Board.

The Financial Statement of Andritz AG and the Consolidated Financial Statements as of December 31, 2003 as well as the Status Reports for 2003 were audited (also including the accounts) by AUDITOR TREUHAND GMBH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, who had been appointed as auditors by the Meeting of Shareholders and who certified the Financial Statements.

The Supervisory Board has examined the Financial Statements certified by the Auditors as well as the proposed appropriation of profit and the report of the Managing Board and concurs with the result of the Audit.

The Supervisory Board has approved the Financial Statement, which is herewith adopted in compliance with Article 125 para. 2 of the Corporation Act.

Graz, February 2004

Kurt Stiassny

Chairman of the Supervisory Board