

# REPORT OF THE SUPERVISORY BOARD

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

Gregor Böhm withdrew from the Supervisory Board in 2004. At the 97<sup>th</sup> Annual General Meeting, Klaus Ritter was elected as a new member of the Supervisory Board.

The Financial Statement of Andritz AG and the Consolidated Financial Statements as of December 31, 2004, as well as the Status Reports for 2004, were audited (also including the accounts) by Auditor Wirtschaftsprüfungs- und Steuerberatungsgesellschaft m.b.H, Vienna, who had been appointed as auditors by the Meeting of Shareholders and who certified the Financial Statements.

The Supervisory Board 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 approved the Financial Statements, which are herewith adopted in compliance with Article 125 paragraph 2 of the Corporation Act.

Kurt Stiasny  
Chairman of the Supervisory Board

Graz, March 2005