

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 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.

Heiner Rutt withdrew from the Supervisory Board in 2005. On expiry of their Supervisory Board mandates, Kurt Stiassny and Peter Mitterbauer were re-appointed as members of the Supervisory Board for the maximum duration according to the stipulations in the Articles of Association.

The Financial Statement of Andritz AG and the Consolidated Financial Statements as of December 31, 2005, as well as the Status Reports for 2005, 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 Statement, which is herewith adopted in compliance with Article 125 paragraph 2 of the Corporation Act.

Kurt Stiassny
Chairman of the Supervisory Board
Graz, March 2006