

# 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.

On March 29, 2006, Fritz Oberlerchner was elected as a member of the Supervisory Board by the Meeting of Shareholders for the maximum duration according to the stipulations in the Articles of Association.

Karl Hornhofer and Humbert Köfler were appointed as members of the Managing Board as of January 1, 2007 and April 1, 2007, respectively. Markku Hänninen withdrew from the Managing Board as of December 31, 2006. Bernhard Rebernik will resign from the Managing Board and retire as of March 31, 2007.

The Financial Statement of Andritz AG and the Consolidated Financial Statements as of December 31, 2006, as well as the Status Reports for 2006, were audited (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 examined the Financial Statements certified by the Auditors, as well as the proposed appropriation of profit and the Status Reports 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 Stiassny  
Chairman of the Supervisory Board  
Graz, March 2007