HUMAN RESOURCES

To remain successful in a highly competitive global environment, companies need to constantly develop their personnel resources. In 2007, Andritz again hired a large number of new, well-trained, and highly qualified employees to match the continued strong growth of the Group. Using a series of targeted measures including attractive coaching programs, interesting career opportunities, and incentive plans, Andritz has been able to further strengthen its image as an attractive employer for new candidates and to promote identification of existing staff with the company.

Continued staff increase

The number of employees continued to increase in 2007, mainly due to organic growth. This increase was particularly pronounced in China as a result of the very favorable business development of Andritz's companies and the establishment of a new foundry, Andritz-Wolfensberger. As of December 31, 2007, the Andritz Group had a total of 12,016 employees, an increase of 17.6% over 2006 (10,215). New acquisitions (Sindus Human Technology, Tigép) also contributed to the staff increase.

Activities in 2007

In spite of the high demand for workforce almost worldwide, the Andritz Group has been able to fill vacancies with qualified persons. To recruit highly talented junior staff, Andritz further intensified its participation in job fairs at universities and vocational schools. The number of apprentices trained in the company to meet the future demand for skilled workers was increased.

The proven Andritz Management Challenge training program for future executives and also specialized staff was held twice in 2007, enabling numerous employees of companies acquired in previous years to participate. The new training modules, which were also offered repeatedly, received very positive feedback from participants, who described the modules as highly relevant for everyday work. Offering more of these modules on a Group-wide level has supported fast integration of newly acquired companies. As international participation in these trainings increases, so does their contribution to strengthening intercultural competence. Cooperation with St. Gallen Management Center, Switzerland was continued and intensified.

At Andritz's site in Graz, Austria, a company kindergarten was newly installed to align working life with family life of Andritz employees. Its opening hours take into account the needs of working parents. The new kindergarten aims at supporting the work/life balance of employees and also attracting more women for technical jobs. The kindergarten, which was largely financed from company funds, is located in the immediate proximity of the company's premises and is managed by a professional operator with ample experience in child and youth care institutions.

Group-wide survey yields positive feedback

A Group-wide survey involving approximately 400 executives yielded positive feedback regarding intercultural cooperation and communication throughout the Group. With their answers, employees gave a clear picture of the values prevailing in the Group. The attitudes and approaches described comply nicely with the company's goals and objectives.

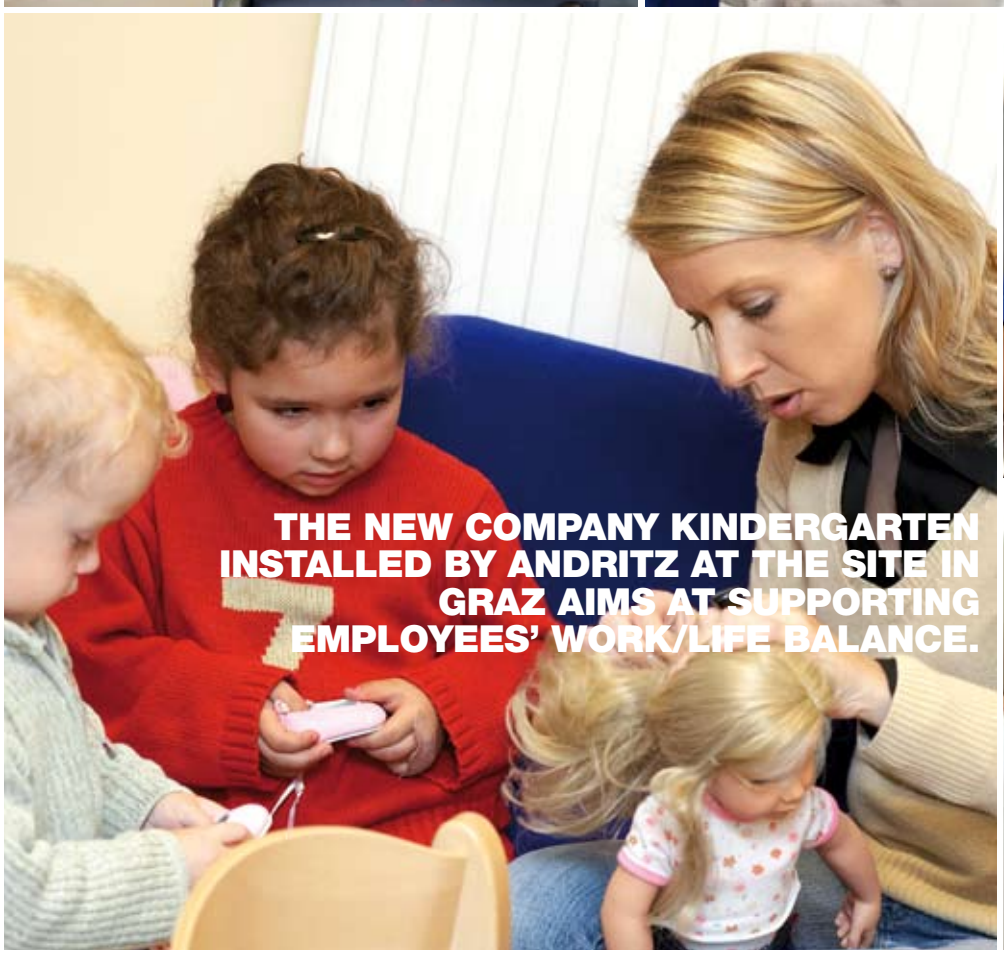
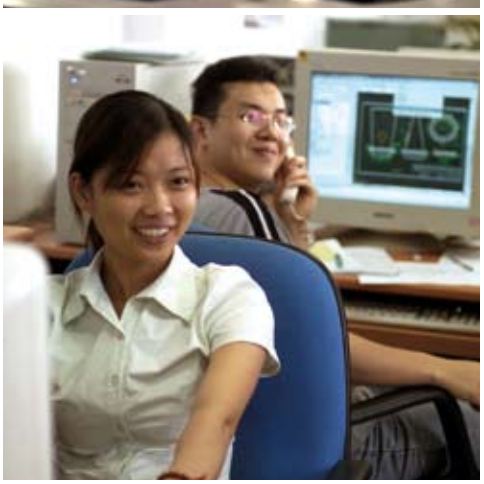
Internal career opportunities

Employees who took over new challenging positions in recent years have successfully proved themselves, thus confirming the company's strategy of filling vacant managerial positions predominantly internally. In addition, new candidates with international experience have reinforced the Andritz Group's staff since 2007. Three positions in Business Area/Division management were filled with external candidates, and for other managerial positions new employees were recruited to maintain a stable pool of experienced managerial resources within the company. In addition, excellent candidates were newly hired for several specialized functions.

Incentive strategy

Incentive compensation programs are used Group-wide on the management level, and also locally by most affiliated companies. Incentives are based on the fulfillment of clear targets set for each business year. These programs were continued during the reporting period. As in previous years, Andritz employees in Austria were offered to be remunerated with Andritz shares instead of cash incentives in 2007. Since many employees opted for this model, which also generates – although limited – tax benefits, the number of Andritz employees holding Andritz shares continued to increase. ○

HIGHLY QUALIFIED AND COMMITTED EMPLOYEES ARE KEY TO THE ANDRITZ GROUP'S SUCCESS.



THE NEW COMPANY KINDERGARTEN INSTALLED BY ANDRITZ AT THE SITE IN GRAZ AIMS AT SUPPORTING EMPLOYEES' WORK/LIFE BALANCE.