LETTER TO SHAREHOLDERS

1st Quarter 2017/18

voestalpine AG
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ONE STEP AHEAD.

voestalpine GROUP
KEY FIGURES

Q 1 2016/17 VS. Q 1 2017/18

In millions of euros	Q 1 2016/17 04/01 – 06/30/2016	Q 1 2017/18 04/01 – 06/30/2017	Change in %
Income statement			
Revenue	2,772.4	3,251.5	17.3
EBITDA	333.9	513.8	53.9
Depreciation	166.3	185.0	11.2
EBIT	167.6	328.8	96.2
Profit before tax	138.9	292.4	110.5
Profit after tax	105.8	218.4	106.4
Statement of financial position			
Investments in tangible and intangible assets and interests	232.9	162.0	–30.4
Equity	5,705.3	6,220.8	9.0
Net financial debt	3,188.9	3,347.2	5.0
Net financial debt in % of equity (gearing)	55.9%	53.8%	
Financial key figures			
EBITDA margin	12.0%	15.8%	
EBIT margin	6.0%	10.1%	
Cash flows from operating activities	215.6	20.7	–90.4
Share information			
Share price, end of period (euros)	30.02	40.80	35.9
Market capitalization, end of period	5,251.1	7,193.9	37.0
Number of outstanding shares as of June 30	174,920,566	176,320,566	0.8
EPS – earnings per share (euros)	0.58	1.18	103.4
Personnel			
Employees (full-time equivalent), end of period	48,319	50,047	3.6

HIGHLIGHTS
1st QUARTER 2017/18[1]

» REVENUE RISES BY 17%

» OPERATING RESULT (EBITDA) IS UP BY 54%

» AT +96%, THE PROFIT FROM OPERATIONS (EBIT) ALMOST DOUBLES

» PROFIT BEFORE TAX AND PROFIT AFTER TAX EACH INCREASE BY MORE THAN 100%

» AT 53.8%, THE GEARING RATIO DROPS SLIGHTLY

» AT EUR 6.22 BILLION, EQUITY REACHES AN ALL-TIME HIGH

» THE NUMBER OF EMPLOYEES (FULL-TIME EQUIVALENT) WORLDWIDE SURPASSES 50,000 FOR THE FIRST TIME

» STEEL DIVISION POSTS ITS BEST QUARTERLY RESULT SINCE THE ONSET OF THE 2008 FINANCIAL AND ECONOMIC CRISIS

voestalpine Group:
Comparison in % Q 1 2016/17 vs. Q 1 2017/18

[1] In each case compared to the 1st quarter 2016/17

INTERIM
MANAGEMENT REPORT

This report is a translation of the original report in German, which is solely valid.

MARKET ENVIRONMENT

The economic upward trend in Europe—which was based more on optimism than on facts at the start of 2017—stabilized in the first quarter of 2017/18 and by now has developed a solid foundation in terms of both the most important sectors of the economy and geographic considerations. In the summer of 2017, the growth encompasses not just most EU member states but also all key industries (with a few exceptions). Against this backdrop, in a year-over-year comparison the majority of voestalpine's customer segments, too, were much more successful in the first quarter of 2017/18 than they had been as of late. While the economy was driven yet again by the automotive industry, the mechanical engineering sector, the aerospace industry as well as the white goods and consumer goods industries enjoyed a positive development, and the construction industry exhibited ongoing trends toward a recovery. By contrast, the ambitions of the oil and gas industry with respect to investments in Europe are relatively restrained, especially in terms of pricing. There has been a significant reduction in investment activities with respect to the European railway infrastructure since the summer of 2016. In Great Britain, signs that the country is increasingly feeling the negative impact of BREXIT are becoming ever more pronounced, but this does not yet affect voestalpine's British sites.
The North American economy developed but moderately in the first quarter of 2017/18. While private consumption did show some strength, the investment activities of the industrial sector remained limited, not least due to ongoing political uncertainties. The energy sector, however, is an exception, as it can profit from substantially decreased production costs in shale mining, with the result that the production of crude oil and natural gas looks increasingly viable even in the face of low energy prices. The railway sector in North America recovered but slightly. With the exception of Mexico, the momentum of the automotive and consumer goods industries flattened out within NAFTA as a whole, whereas developments in aerospace were much more positive.
China's growth rate in the first quarter of 2017/18 was as robust as its growth rates in previous periods, which benefitted not least the automotive industry. During the year 2017 to date, the German premium manufacturers have continued to boost their sales volumes in the Far East. China also remains an attractive market in the railway infrastructure segment due to the ongoing push to expand its high-speed network. Demand in the Far East for tool steel remains positive, given the excellent development particularly of the automotive and consumer goods industries.
Even in 2017, there are but few signs of the expected economic recovery in Brazil after several years of recession, because the political situation continues to be too unstable for a real recovery to take hold.

REPORT ON THE FINANCIAL KEY PERFORMANCE INDICATORS OF THE voestalpine GROUP

At EUR 3,251.5 million, the revenue of the voestalpine Group in the first quarter of 2017/18 exceeded the number for the first quarter of 2016/17 (EUR 2,772.4 million) by 17.3%. While all four divisions succeeded in boosting their revenue, at an increase of more than one third the Steel Division posted the highest growth. This was due not just to the higher price level year over year, but also to the fact that, in contrast to the same period the previous year, the Steel Division's revenue in the first quarter of 2017/18 also included the deliveries of sponge iron (HBI) to external customers. The Group segments that depend strongly on developments in the oil and gas sector—particularly Heavy Plate (Steel Division) and Seamless Tubes (Metal Engineering Division)—also succeeded in boosting their revenue in the wake of the energy sector's recovery.

In the first quarter of 2017/18, the voestalpine Group posted a year-over-year increase in all earnings items that surpassed its revenue growth by far. The operating result (EBITDA) rose by 53.9% from EUR 333.9 million (margin: 12.0%) to EUR 513.8 million (margin: 15.8%). In a comparison across divisions, the Steel Division also posted by far the highest growth in earnings thanks to a massive increase or even a multiplication in all categories. While the division's gross margin had come under pressure the previous year due to the delay in passing price increases in raw materials that had already taken place on to customers in the contract business, this year it succeeded in profiting from marked price increases that were accompanied by moderate developments in the cost of raw materials. Driven above all by this positive development in the steel business, year over year the voestalpine Group's profit from operations (EBIT) improved by a total of 96.2% from EUR 167.6 million to EUR 328.8 million. As a result, at 10.1% (previous year: 6.0%), the Group posted a double-digit EBIT margin. In a year-over-year comparison, the voestalpine Group even more than doubled its numbers in the categories "profit before tax" (increase from EUR 138.9 million to EUR 292.4 million) and "profit after tax" (increase from EUR 105.8 million to EUR 218.4 million).

The increase in the net financial debt as of June 30, 2017, to EUR 3,347.2 million compared to both the March 31, 2017, reporting date (EUR 3,221.1 million) and June 30, 2016 (EUR 3,188.9 million) stems primarily from increased working capital commitments—among other things due to the build-up of inventories for the major repairs of the large blast furnace in the Steel Division that must be carried out in the next business year. The fact that at 53.8%, the gearing ratio (net financial debt relative to equity) as of June 30, 2017, declined nonetheless compared to the previous year (55.9% as of June 30, 2016) and remained largely unchanged compared with the March 31, 2017, reporting date is due above all to the excellent earnings growth in the first quarter of 2017/18 and the resulting rise in equity to a new high of EUR 6,220.8 million as of

June 30, 2017 (compared with EUR 6,060.3 million as of the 2016/17 reporting date and EUR 5,705.3 million as of June 30, 2016).

As of June 30, 2017, the voestalpine Group had 50,047 employees (FTE), which means that it crossed the threshold of 50,000 for the first time. Compared with the level as of June 30, 2016 (48,319), this represents an increase of 3.6%, which is due primarily to the expansion of the Group's automotive activities at its international sites as well as the expansion of the oil and gas sector, which is driven by economic factors.

COMPARISON OF THE QUARTERLY FIGURES OF THE voestalpine GROUP

In millions of euros	Q 1 2016/17 04/01–06/30/2016	Q 2 2016/17 07/01–09/30/2016	Q 3 2016/17 10/01–12/31/2016	Q 4 2016/17 01/01–03/31/2017	Q 1 2017/18 04/01–06/30/2017
Revenue	2,772.4	2,635.4	2,693.4	3,193.3	3,251.5
EBITDA	333.9	371.0	356.2	479.6	513.8
EBITDA margin	12.0%	14.1%	13.2%	15.0%	15.8%
EBIT	167.6	201.3	176.1	278.3	328.8
EBIT margin	6.0%	7.6%	6.5%	8.7%	10.1%
Profit before tax	138.9	172.5	150.0	238.5	292.4
Profit after tax	105.8	127.9	110.2	183.1	218.4
Employees (full-time equivalent)	48,319	48,786	48,765	49,703	50,047

Net financial debt can be broken down as follows:

NET FINANCIAL DEBT

In millions of euros	06/30/2016	06/30/2017
Financial liabilites non-current	3,185.3	3,063.5
Financial liabilites current	1,051.8	1,119.0
Cash and cash equivalents	–670.1	–467.9
Other financial assets	–353.6	–343.7
Loans and other receivables from financing	–24.5	–23.7
Net financial debt	**3,188.9**	**3,347.2**

STEEL DIVISION

QUARTERLY DEVELOPMENT OF THE STEEL DIVISION

In millions of euros	Q 1 2016/17 04/01–06/30/2016	Q 1 2017/18 04/01–06/30/2017	Change in %
Revenue	909.0	1,213.3	33.5
EBITDA	87.2	227.8	161.2
EBITDA margin	9.6%	18.8%	
EBIT	21.1	150.2	611.8
EBIT margin	2.3%	12.4%	
Employees (full-time equivalent)	10,869	10,810	–0.5

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The Steel Division succeeded in carrying its momentum in the last quarter of 2016/17 over into the new business year. In this connection, the general demand level, which remains advantageous, has had a positive, stabilizing effect on prices. With respect to raw materials, early April saw a sudden explosion in the cost of coking coal, which doubled prices within just a few days. But they returned to the level prevailing at the start of the year a few weeks later. After reaching a three-year high in the first calendar quarter of 2017, iron ore experienced a downward trend at the start of April that continued unabated during the entire quarter. By contrast, the pellet premium—the premium for highly compressed iron ore ("pellets") over fine ores—remained high, as before. In terms of market developments, flat steel imports to Europe in the first half of the calendar year 2017 continued to grow compared with the same period of the previous year.

In terms of performance, continued high demand from the automotive industry drove the development of the main customer segments in the first quarter of 2017/18, too. Orders from both the mechanical engineering and consumer goods industries were solid, and the private construction industry is also recovering at an accelerating pace. Demand as it affects the direct reduction plant in Corpus Christi, Texas (which switched to normal operations as of April 1, 2017), is good. Both the quantities purchased and the product quality are developing according to plan. Currently, the main focus of activities is on the continued optimization of regular operations. Capacity utilization in the heavy plate business segment, which is focused largely on the energy segment, is satisfactory, because major orders will be processed in the course of the business year 2017/18.

FINANCIAL KEY PERFORMANCE INDICATORS

A substantial increase in prices relative to prior periods along with a slight decrease in delivery volumes caused the revenue of the Steel Division to rise by one third from EUR 909.0 million in the first quarter of 2016/17 to EUR 1,213.3 million in the first quarter of 2017/18. The ongoing downward trend in the first quarter of 2017/18 in prices for iron ore, the most important raw material for the production of crude steel in blast furnaces, already led to a decline in spot market steel prices during the quarter. This did not affect the Steel Division, however, because it is focused on the longer-term contract business model. As a result, the development of earnings in the first quarter of 2017/18 is the opposite of the corresponding prior-year quarter during which the Steel Division was not yet able to profit from the short-term increase in global steel prices because of its orientation toward the longer-term contract business model, while the increase in the cost of raw materials put pressure on earnings at the same time. Against this backdrop, EBITDA rose by 161.2% from EUR 87.2 million in the previous year to EUR 227.8 million in the first quarter of 2017/18. EBIT skyrocketed in the same period from EUR 21.1 million to EUR 150.2 million. As a result, the EBITDA margin improved from 9.6% to 18.8%, and the EBIT margin from 2.3% to 12.4%. The earnings performance of the Steel Division in the first quarter of 2017/18 thus was the best since the onset of the 2008 financial and economic crisis.

As of June 30, 2017, the Steel Division had 10,810 employees (FTE), which means that the number of employees declined by 0.5% compared with the same reporting period the previous year (10,869 employees).

HIGH PERFORMANCE METALS DIVISION

QUARTERLY DEVELOPMENT OF THE HIGH PERFORMANCE METALS DIVISION

In millions of euros	Q 1 2016/17 04/01–06/30/2016	Q 1 2017/18 04/01–06/30/2017	Change in %
Revenue	667.1	739.3	10.8
EBITDA	99.2	127.4	28.4
EBITDA margin	14.9%	17.2%	
EBIT	63.4	89.6	41.3
EBIT margin	9.5%	12.1%	
Employees (full-time equivalent)	13,507	13,823	2.3

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The market environment of the High Performance Metals Division was satisfactory overall in the first quarter of the current business year. The oil and gas industry gradually recovered from the past two years during which this sector saw a massive reduction in investment activity. Once the large inventories had been reduced, the demand for technologically sophisticated special steel products for the oil and gas sector began to revive in the past six months. The aerospace industry was an important source of momentum, too: it is one of the strategic, future-oriented segments of the High Performance Metals Division. In addition, the heavy mechanical engineering segment posted solid growth in the first quarter of 2017/18, not least due to the improved investment climate especially in Europe. The automotive industry, which is booming almost everywhere in the world, as well as the ever-growing demand from the consumer goods industry particularly in Asia boosted the need primarily for tool steel. Aside from special steel production, which is on solid ground, the ongoing global expansion of the division's range of services also contributed substantially to its positive performance overall.

Speaking of regions, Europe experienced an upswing, whereas the United States has been unable so far to meet the economic expectations placed on it for 2017. In Brazil, after a long recession slight encouraging signals are coming particularly from the oil and gas sector as well as the automotive industry. The past year's positive market environment in Asia—especially in China—continued at the start of the business year 2017/18. In particular, the combination of top-quality products and a broad local range of services clearly is a differentiation factor in this region. In the metal additive manufacturing segment, during the first quarter of 2017/18 the technology center in Düsseldorf delivered first products based on this cutting-edge manufacturing process. While additional technology centers are being established in Singapore, Taiwan, and Toronto, Canada, the metallic powder used in additive manufacturing processes in the sophisticated metals segment is refined and produced in Hagfors, Sweden, and Kapfenberg, Austria.

FINANCIAL KEY PERFORMANCE INDICATORS

At EUR 739.3 million, the revenue of the High Performance Metals Division in the first quarter of the business year 2017/18 surpassed the previous year's figure of EUR 667.1 million by 10.8%. Besides a better product mix and larger delivery volumes, the revenue increase is rooted especially in higher price levels overall as a result of both advancing base prices for tool steel due to solid demand growth and rising alloy prices. Revenue growth also caused a significant increase in the earnings figures. The operating result (EBITDA) rose by 28.4% from EUR 99.2 million to EUR 127.4 million, lifting the EBITDA margin substantially from 14.9% in the previous year to 17.2%. Compared with the same period in the previous year, profit from operations (EBIT) improved in the first quarter of 2017/18 by an even more impressive 41.3%, from EUR 63.4 million to EUR 89.6 million. This pushed the EBIT margin from 9.5% to 12.1%. Due to good capacity utilization, at 13,823 (FTE) the number of employees in the High Performance Metals Division as of June 30, 2017, exceeds the previous year's level of 13,507 (FTE) by 2.3%.

METAL ENGINEERING DIVISION

QUARTERLY DEVELOPMENT OF THE METAL ENGINEERING DIVISION

In millions of euros	Q 1 2016/17 04/01–06/30/2016	Q 1 2017/18 04/01–06/30/2017	Change in %
Revenue	680.4	770.0	13.2
EBITDA	87.6	87.2	–0.5
EBITDA margin	12.9%	11.3%	
EBIT	49.7	47.0	–5.4
EBIT margin	7.3%	6.1%	
Employees (full-time equivalent)	12,606	13,274	5.3

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

In the Metal Engineering Division, the first quarter of 2017/18 basically saw a continuation of the prevailing trends in previous quarters. As a result, the slowdown in the market environment of the Rail Technology segment, which had already made itself felt in the second half of the previous business year, continued unabated at the start of the current business year. No significant increase in investments especially in the European rail network is expected in the course of the year. Moreover, the current activities of mine operators with respect to the maintenance and expansion of their railway infrastructure also remain rather cautious. Due to its comprehensive global positioning, the Turnout Systems segment continued its solid performance in the first quarter of 2017/18. The weakness of the European market was offset especially by the excellent development in Asia. North America is showing the first signs of an upturn in heavy goods traffic, even though no significant improvement is on the horizon.

In market terms, the Wire Technology segment profited particularly from the attractive business climate in the automotive industry. The start-up of the new wire rolling mill is nearing completion, and the plant is expected to be fully operational by the close of the second quarter of 2017/18. The upward trend in the Seamless Tubes segment that started after the summer of 2016 with respect to drilling activities in the USA is continuing. The positive development of this segment has been driven not least by internal technical innovations that significantly boost productivity in shale mining and thus also make investments more attractive than has been the case to date, given low oil and natural gas prices. Although the price level has only been improving incrementally since the fall of 2016, in terms of quantities full capacity utilization was achieved yet again in the first quarter of 2017/18. The Welding Consumables segment continues to face a challenging competitive framework primarily due to the ongoing weakness of the energy sector. The improvement in the segment's earnings performance compared with the previous year is largely due to the restructuring measures that had been initiated in prior years.

FINANCIAL KEY PERFORMANCE INDICATORS

The dampened key performance indicators of the Metal Engineering Division for the first quarter of 2017/18 also reflect the uneven development of the market environment in the individual segments. However, the 13.2% revenue increase in the first quarter of 2017/18 from EUR 680.4 million to EUR 770.0 million stems largely from the structurally higher price level that is rooted in higher pre-material costs, especially those for raw materials. In terms of earnings, at EUR 87.2 million the operating result (EBITDA) was maintained at the previous year's level (EUR 87.6 million). Given the challenging market situation, the development of EBITDA in the rail segment was weaker, while the more attractive business climate in the oil and gas sector led to an improvement with respect to seamless tubes. At EUR 47.0 million, the profit from operations (EBIT) was 5.4% less than the previous year (EUR 49.7 million) due to the increase in the level of depreciation in the Wire segment. The EBITDA margin decreased from 12.9% to 11.3% against this backdrop, and the EBIT margin from 7.3% to 6.1%.

As of June 30, 2017, the Metal Engineering Division had 13,274 employees (FTE), which represents an increase of 5.3% over the same reporting date of the past business year (12,606 FTE). This increase is rooted primarily in the switch from two-shift operations to four-shift operations in the Seamless Tubes segment due to the improved business climate.

METAL FORMING DIVISION

QUARTERLY DEVELOPMENT OF THE METAL FORMING DIVISION

In millions of euros	Q 1 2016/17 04/01–06/30/2016	Q 1 2017/18 04/01–06/30/2017	Change in %
Revenue	615.8	672.7	9.2
EBITDA	80.0	88.6	10.8
EBITDA margin	13.0%	13.2%	
EBIT	55.2	61.3	11.1
EBIT margin	9.0%	9.1%	
Employees (full-time equivalent)	10,481	11,300	7.8

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The Metal Forming Division succeeded in maintaining the previous year's positive trend during the first quarter of 2017/18. Particularly the Automotive Components segment benefitted from the excellent unchanging demand in Europe. This development is underscored by the increase yet again in the first six months of 2017 in European auto sales compared with the previous year. While the sales volumes of the major German automobile manufacturers in the USA have stagnated at a high level in the calendar year 2017 to date, they continued to grow in China. The market environment of the Tubes & Sections segment was satisfactory in the first quarter of 2017/18, even though the segment's performance fell slightly short of the immediately preceding quarter. In regional terms, however, the mood in Europe was better than in the 2016 calendar year. Particularly the commercial vehicles industry and the agricultural machine industry began to recover. In the USA, by contrast, low investment activity characterized the economy for long periods—not least in the construction industry—with the effect that demand from the construction machinery industry was restrained. The recovery in Brazil was but gradual, because the country's economy has still been unable to shake the massive recession of the past years.

The performance of the Precision Strip segment in the first quarter of 2017/18 was excellent. The combination of an outstanding market position with high quality and a very solid market environment was key to the impressive performance; particularly the sawmill industry in both Europe and China benefitted from continued high demand levels. Project activity in the Warehouse & Rack Solutions segment also remained at an attractive level at the start of the business year 2017/18.

Thanks to excellent order levels, capacity utilization in this segment is already secure beyond the close of the current business year.

FINANCIAL KEY PERFORMANCE INDICATORS

Year over year, the Metal Forming Division succeeded in lifting its revenue by 9.2% from EUR 615.8 million in the first quarter of 2016/17 to currently EUR 672.7 million, primarily by successfully passing on higher pre-material costs and due to positive market conditions in the Precision Strip segment. The increases in both EBITDA and EBIT are in the same ballpark. The operating result (EBITDA) rose by 10.8% from EUR 80.0 million to EUR 88.6 million, while the profit from operations (EBIT) rose by 11.1% from EUR 55.2 million to EUR 61.3 million. Here, too, the increase was due primarily to the Precision Strip segment, whereas the earnings in the other segments were more or less the same as in the previous year. Given the higher revenue, the margin increases (EBITDA margin: +0.2 percentage point to 13.2%, and EBIT margin: +0.1 percentage point to 9.1%) were modest in a 12-month comparison.

As of June 30, 2017, the Metal Forming Division had 11,300 employees (FTE) and thus 7.8% more than at the June 30, 2016, reporting date (10,481 employees), largely due to the expansion of the automotive activities at international sites as well as the acquisition of Summo Corp., Canada, in the previous year.

OUTLOOK

Even after the close of the first quarter, there is nothing to add to the outlook that was published a little over two months ago for the new business year starting on April 01, 2017, in connection with the Annual Report 2016/17. In particular, for 2017/18 this means that we may anticipate a substantial increase in revenue compared with the previous year due, for one, to the start-up of several new facilities and, for another, to the full utilization of production capacities across the entire corporate value chain that has already been secured to a large extent. This positive expectation is reinforced by the most recent macroeconomic growth forecasts, particularly for the European Union and China. Against this backdrop, any adverse effects of current U.S. economic policies, which are difficult to gauge, will remain tightly circumscribed, at least from our current perspective.

In terms of earnings, following the excellent first quarter we expect the second quarter to be characterized by continued strong demand as well as by seasonal effects (production cutbacks due to regular summer plant closures). Individual industries traditionally try to put pressure on the margins during this period even though demand remains solid. Contrary to the summer months in years past, this should not have a fundamental effect on the positive earnings in the first six months of 2017/18, given the current market environment which is seeing substantial growth, but it does not allow for reliable forecasts on the development of the year's second half before the end of the second quarter—especially with respect to the ongoing volatility of raw materials prices. Irrespective thereof, based on the figures for the first quarter the substantially positive development in both revenue and earnings that is expected for the business year 2017/18 compared to the previous year seems to be secure.

voestalpine AG

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF 06/30/2017

**In accordance with International Financial Reporting Standards (IFRS).
This report is a translation of the original report in German, which is solely valid.**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

	03/31/2017	06/30/2017
A. Non-current assets		
Property, plant and equipment	6,371.9	6,243.5
Goodwill	1,549.5	1,547.4
Other intangible assets	419.4	413.0
Investments in entities consolidated according to the equity method	113.0	113.4
Other financial assets	66.1	63.8
Deferred tax assets	213.7	184.2
	8,733.6	**8,565.3**
B. Current assets		
Inventories	3,408.2	3,564.2
Trade and other receivables	1,714.1	1,772.0
Other financial assets	348.3	343.7
Cash and cash equivalents	503.3	467.9
	5,973.9	**6,147.8**
Total assets	**14,707.5**	**14,713.1**

In millions of euros

EQUITY AND LIABILITIES

	03/31/2017	06/30/2017
A. Equity		
Share capital	320.3	320.3
Capital reserves	607.1	606.9
Hybrid capital	497.9	497.9
Retained earnings and other reserves	4,466.8	4,635.5
Equity attributable to equity holders of the parent	**5,892.1**	**6,060.6**
Non-controlling interests	168.2	160.2
	6,060.3	**6,220.8**
B. Non-current liabilities		
Pensions and other employee obligations	1,226.4	1,183.1
Provisions	79.4	75.8
Deferred tax liabilities	119.4	116.7
Financial liabilities	2,764.7	3,063.5
	4,189.9	**4,439.1**
C. Current liabilities		
Provisions	585.0	559.0
Tax liabilities	77.2	94.9
Financial liabilities	1,332.9	1,119.0
Trade and other payables	2,462.2	2,280.3
	4,457.3	**4,053.2**
Total equity and liabilities	**14,707.5**	**14,713.1**

In millions of euros

CONSOLIDATED STATEMENT OF CASH FLOWS

	04/01–06/30/2016	04/01–06/30/2017
Operating activities		
Profit after tax	105.8	218.4
Non-cash expenses and income	170.0	195.1
Changes in working capital		
Change in inventories	24.0	–205.0
Change in receivables and liabilities	–80.5	–185.6
Change in provisions	–3.7	–2.2
	–60.2	**–392.8**
Cash flows from operating activities	**215.6**	**20.7**
Investing activities		
Additions of other intangible assets, property, plant and equipment	–296.9	–217.9
Income from disposals of assets	1.9	5.6
Cash flows from the acquisition of control of subsidiaries	0.2	–
Additions/divestments of other financial assets	10.4	7.5
Cash flows from investing activities	**–284.4**	**–204.8**
Financing activities		
Dividends paid non-controlling interests	–8.9	–8.2
Acquisition of non-controlling interests	–1.9	0.0
Increase in long-term financial liabilities	2.7	246.8
Repayment of long-term financial liabilities	–53.2	–77.3
Repayment of long-term finance lease liabilities	–1.3	–1.1
Change in current financial liabilities and other financial liabilities	24.8	–30.5
Cash flows from financing activities	**–37.8**	**129.7**
Net decrease/increase in cash and cash equivalents	**–106.6**	**–54.4**
Cash and cash equivalents, beginning of year	774.8	503.3
Net exchange differences	1.9	19.0
Cash and cash equivalents, end of year	**670.1**	**467.9**

In millions of euros

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED INCOME STATEMENT

	04/01–06/30/2016	04/01–06/30/2017
Revenue	**2,772.4**	**3,251.5**
Cost of sales	–2,181.1	–2,467.5
Gross profit	**591.3**	**784.0**
Other operating income	78.6	128.8
Distribution costs	–267.8	–291.3
Administrative expenses	–150.1	–158.4
Other operating expenses	–88.6	–140.7
Share of profit of entities consolidated according to the equity method	4.2	6.4
EBIT	**167.6**	**328.8**
Finance income	13.5	10.2
Finance costs	–42.2	–46.6
Profit before tax	**138.9**	**292.4**
Tax expense	–33.1	–74.0
Profit after tax	**105.8**	**218.4**
Attributable to:		
Owners of the parent	101.0	207.4
Non-controlling interests	–0.8	5.4
Share planned for hybrid capital owners	5.6	5.6
Basic and diluted earnings per share (euros)	**0.58**	**1.18**

In millions of euros

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED OTHER COMPREHENSIVE INCOME

	04/01–06/30/2016	04/01–06/30/2017
Profit after tax	**105.8**	**218.4**
Items of other comprehensive income that will be reclassified subsequently to profit or loss		
Cash flow hedges	4.6	–11.0
Currency translation	25.7	–63.0
Share of result of entities consolidated according to the equity method	–0.1	–1.6
Subtotal of items of other comprehensive income that will be reclassified subsequently to profit or loss	**30.2**	**–75.6**
Items of other comprehensive income that will not be reclassified subsequently to profit or loss		
Actuarial gains/losses	–71.0	27.8
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss	**–71.0**	**27.8**
Other comprehensive income for the period, net of income tax	**–40.8**	**–47.8**
Total comprehensive income for the period	**65.0**	**170.6**
Attributable to:		
Owners of the parent	60.6	162.3
Non-controlling interests	–1.2	2.7
Share planned for hybrid capital owners	5.6	5.6
Total comprehensive income for the period	**65.0**	**170.6**

In millions of euros

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Q 1 2016/17			Q 1 2017/18		
	Group	Non-controlling interests	Total	Group	Non-controlling interests	Total
Equity as of April 1	**5,471.4**	**180.2**	**5,651.6**	**5,892.1**	**168.2**	**6,060.3**
Total comprehensive income for the period	66.2	−1.2	65.0	167.9	2.7	170.6
Dividends to shareholders	–	−8.9	−8.9	–	−10.8	−10.8
Tax effect on transactions with hybrid capital owners	1.9	–	1.9	1.9	–	1.9
Share-based payment	−1.4	–	−1.4	−0.2	–	−0.2
Other changes	−1.8	−1.1	−2.9	−1.1	0.1	−1.0
Equity as of June 30	**5,536.3**	**169.0**	**5,705.3**	**6,060.6**	**160.2**	**6,220.8**

In millions of euros

SELECTED EXPLANATORY NOTES

The accounting policies are principally unchanged from the Consolidated Financial Statements for the business year 2016/17.

CHANGES IN THE SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

The changes made in the scope of Consolidated Financial Statements during the first quarter of the business year 2017/18 were as follows:

	Full consolidation	Equity method
As of April 1, 2017	**278**	**9**
Acquisitions		
Change in consolidation method		
Additions	2	
Disposals		
Reorganizations		
Divestments or disposals		
As of June 30, 2017	**280**	**9**
Of which foreign companies	220	4

The following entities are being included in the Interim Consolidated Financial Statements for the first time in the first quarter of the business year 2017/18:

Name of entity	**Interest in %**
Full consolidation	
voestalpine Rotec Coating SRL	100.000%
voestalpine Automotive Components Tianjing Co., Ltd.	100.000%

The additions to the scope of Consolidated Financial Statements of fully consolidated entities include one newly established subsidiary, and the consolidation of one entity not previously included in the scope of the consolidated financial statements.

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Both the increase of the discount interest rate from 1.6% to 1.8% and the pension fund's positive performance of 1.9% during the current business year resulted in a decrease overall of the provisions for pension and severance obligations and consequently in an actuarial gain. This also resulted in a decrease of the provisions for long-service bonus obligations and consequently in a gain recognized in the income statement.

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