Annual Report 2009/10

voestalpine

ONE STEP AHEAD.

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voestalpine Group Key Figures

In millions of euros	2005/06	2006/07	2007/08	2008/09[1]	2009/10
Revenue	6,230.6	6,943.8	10,481.2	11,724.9	8,550.0
Profit from operations before depreciation (EBITDA)	1,079.0	1,358.6	1,836.5	1,710.1	1,004.3
EBITDA margin	17.3%	19.6%	17.5%	14.6%	11.7%
Profit from operations (EBIT)	724.1	1,011.4	1,152.6	988.7	352.0
EBIT margin	11.6%	14.6%	11.0%	8.4%	4.1%
Profit before tax (EBT)	674.3	976.4	979.6	700.0	183.3
Profit for the period[2]	525.9	764.9	751.9	611.6	186.8
EPS – Earnings/share (euros)	3.25	4.76	4.69	3.26	0.65
Balance sheet total	6,158.6	6,827.5	12,601.8	12,846.5	12,294.1
Cash flow from operating activities	860.1	970.2	1,135.8	1,357.9	1,606.1
Investments in tangible and intangible assets and interests	566.3	907.8	3,910.1	1,078.9	542.5
Depreciation	354.9	347.2	683.9	721.3	652.3
Equity	2,547.3	2,882.3	4,289.3	4,262.5	4,262.4
Net financial debt	376.9	526.2	3,571.7	3,761.6	3,037.3
Net financial debt (in % of equity)	14.8%	18.3%	83.3%	88.2%	71.3%
Return on capital employed (ROCE)	21.5%	26.2%	13.4%	11.4%	4.4%
Market capitalization, end of period	4,565.4	8,366.2	7,006.4	1,645.0	5,043.3
Number of outstanding shares as of March 31	158,164,504	154,073,274	159,235,738	167,003,706	168,390,878
Share price, end of period (euros)	28.87	54.30	44.00	9.85	29.95
Dividend/share (euros)	0.78	1.45	2.10	1.05	0.50[3]
Employees (excl. temporary personnel and apprentices), end of period	22,918	24,613	41,490	41,915	39,406

[1] Business year 2008/09 retroactively adjusted according to IFRS 5.
[2] Before deduction of minority interests and interest on hybrid capital.
[3] As proposed to the Annual General Shareholders' Meeting.

Overview of the voestalpine Group

voestalpine Group

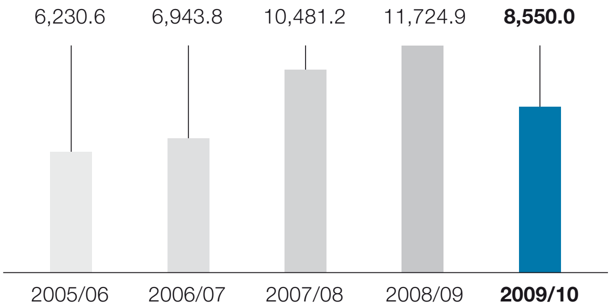
In millions of euros	2009/10
Revenue	8,550.0
EBIT	352.0
EBIT margin	4.1%
Employees (excl. temporary personnel and apprentices)	39,406

voestalpine Divisions

In millions of euros	Steel	Special Steel	Railway Systems	Profilform	Automotive
Revenue	3,098.7	2,358.4	1,908.5	724.0	835.4
EBIT	201.4	–79.6	225.6	31.9	18.0
EBIT margin	6.5%	–3.4%	11.8%	4.4%	2.2%
Employees (excl. temporary personnel and apprentices)	9,510	13,762	7,863	3,087	4,551

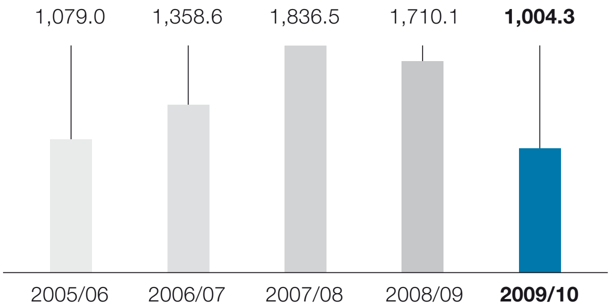
Revenue

In millions of euros



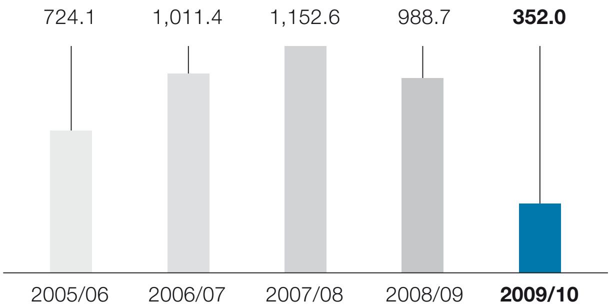
EBITDA Profit from operations before depreciation

In millions of euros



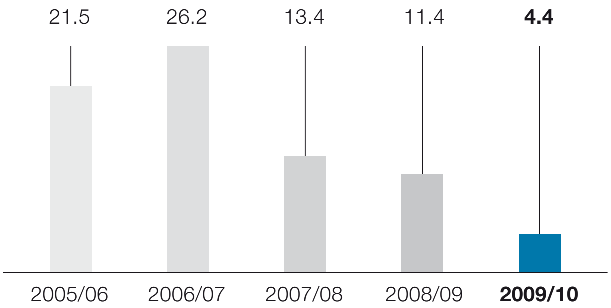
EBIT Profit from operations

In millions of euros



ROCE Return on capital employed

In %



You can find the online version
of our current Annual Report
on our website
www.voestalpine.com

Highlights[1,2,3]

- **Business year 2009/10** the **most difficult in decades** due to the economic climate. Gradual **economic recovery** since **summer 2009,** the extent and speed of which **varies significantly** across the regions and industries.
- The **sustainability of the upswing** will largely depend on the effects of the strained financial situation in many **economies,** and further economic development in the **emerging markets,** especially China.
- Extremely challenging economic environment compared to 2008/09 resulting in a **decline** in **revenue of 27.1%** from EUR 11,724.9 million **to EUR 8,550.0 million.**
- Despite the economic slump **EBITDA** and **EBIT** remain **highly positive** at **EUR 1,004.3 million** (–41.3%) and **EUR 352.0 million** (–64.4%).
- **EBITDA positive** in **all four individual quarters** across both the Group and the divisions.
- **Group EBIT** only slightly negative in the first quarter, at EUR –26.3 million, **massive development over the course of the year** to a final **EUR 176.8 million** (fourth quarter).
- Economic slump results in **decline** in **profits before tax of 73.8%,** from EUR 700.0 million **to EUR 183.3 million,** and **profit for the period**[4] **of 69.5%,** from EUR 611.6 million **to EUR 186.8 million.**
- **Earnings per share** at **EUR 0.65** significantly below last year's figure (EUR 3.26 per share) but still **clearly positive.**
- **Dividend reduced** from EUR 1.05 per share to **EUR 0.50 per share** (recommendation to the Annual General Meeting), nevertheless **2.2% dividend yield** (measured against annual average rate).
- At EUR 1,019.2 million, **highest free cash flow** in the Group's history.
- **Massive reduction** in the **gearing ratio** from 88.2% (March 31, 2009) **to 71.3%** in spite of difficult economic conditions and dividend paid to shareholders and hybrid capital owners.
- Widespread and consistently implemented **crisis management** significantly reduces the **break-even point** both for the Group and each individual division, and leads to an **above average increase** in **results** over the course of the business year 2009/10 compared to revenue development. **EBITDA** and **EBIT margins** in the fourth quarter 2009/10 again back up, **at 15.1% and 7.8%.**
- A **cost optimization and efficiency program** being implemented **across the Group** is targeted at generating **EUR 600 million** (2012/13) in sustainable cost savings.
- The **number of employees** (core employees and temporary personnel, excluding apprentices) **dropped by –10.2%,** from **47,182 to 42,357 employees** as compared to the beginning of the crisis in September 2008.
- The (purely accounting) **effects** of the **purchase price allocation** (ppa) arising from the BÖHLER-UDDEHOLM acquisition adversely affected the operating result (EBIT) of the Group and the Stainless Steel Division by **EUR 116.4 million** in the **business year 2009/10** so that **EBIT before ppa amounts to EUR 468.4 million;** this represents an **EBIT margin before ppa of 5.5%.**

[1] Pursuant to IFRS, all stated figures are after purchase price allocation (ppa). Please refer to the inside cover of the Annual Report 2007/08 for more details about ppa. [2] Retroactively adjusted according to IFRS 5 in the Automotive Division—Resumption of the division's plastics operations and the company Amstutz Levin & Cie in continuing company operations. [3] Unless otherwise expressly stated, all comparative figures refer to the business year 2008/09. [4] Before minority interests and interest on hybrid capital.

The Group

Management Report

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Divisional Reports

Consolidated Financial Statements

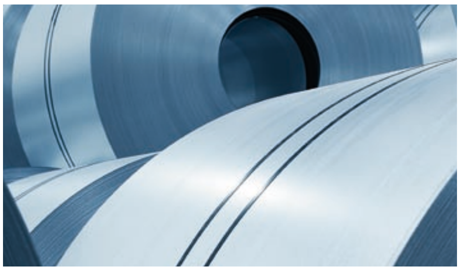
Service

Group structure[1]

The companies shown in this organizational chart are major investments of the voestalpine Group; groups of companies are represented by their respective holding company.
For details, please refer to the section “Investments” in the appendix to this Annual Report.

voestalpine AG

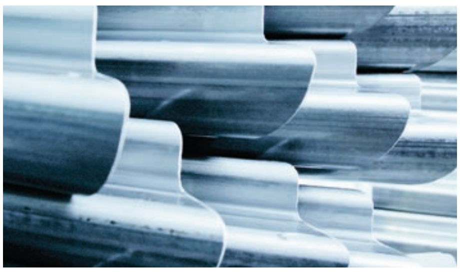
- Steel Division



- Special Steel Division

- Railway Systems Division

- Profilform Division



- Automotive Division

voestalpine Stahl GmbH

voestalpine Grobblech GmbH
voestalpine Giesserei Linz GmbH
voestalpine Anarbeitung GmbH
voestalpine Rohstoffbeschaffungs GmbH[2]
voestalpine Stahl Service Center GmbH
voestalpine Eurostahl GmbH
Logistik Service GmbH
vatron gmbh (71.5%)[2]

BÖHLER-UDDEHOLM Aktiengesellschaft

BÖHLER Edelstahl GmbH & Co KG
Buderus Edelstahl GmbH
Villares Metals S.A.
BÖHLER-UDDEHOLM Deutschland GmbH
Uddeholms AB
ASSAB Pacific Pte. Ltd
Eschmann Stahl GmbH & Co KG
BÖHLER Bleche GmbH & Co KG
Böhler-Uddeholm Italia S.p.A.
Buderus Edelstahl Band GmbH
BÖHLER Schmiedetechnik GmbH & Co KG
Buderus Edelstahl Schmiedetechnik GmbH

voestalpine Bahnsysteme GmbH & Co KG

voestalpine Schienen GmbH
TSTG Schienen Technik GmbH & Co KG
voestalpine Rail Center Duisburg GmbH
VAE GmbH
voestalpine Railpro B.V. (70%)
voestalpine Klöckner Bahntechnik GmbH
voestalpine Tubulars GmbH & Co KG (50%)
voestalpine Stahl Donawitz GmbH & Co KG
voestalpine Austria Draht GmbH
Böhler Welding Holding GmbH

voestalpine Profilform GmbH

voestalpine Krems GmbH
voestalpine Krems Finaltechnik GmbH
Nedcon Groep N.V.
Sadef N.V.
Metsec plc
Roll Forming Corporation
voestalpine Präzisionsprofil GmbH
voestalpine Profilform s.r.o.
ZAO voestalpine Arkada Profil
Société Profilafroid
Société Automatique de Profilage (SAP)
Meincol Distribuidora de Aços S.A. (75%)
BÖHLER-UDDEHOLM Precision Strip GmbH

voestalpine Automotive GmbH

voestalpine Polynorm B.V.
voestalpine Europlatinen GmbH
voestalpine Rotec GmbH
voestalpine Vollmer GmbH & Co KG
voestalpine Gutbrod GmbH
voestalpine Hügel GmbH & Co KG
voestalpine Dancke GmbH & Co KG

[1] Valid from April 1, 2010. [2] Including minority interests of other Group companies.

The Supervisory Board of voestalpine AG

em. o. Univ.-Prof. DDr. h. c. Dr. Rudolf Strasser
Honorary Chairman of the Supervisory Board (since July 4, 2001)
Member of the Supervisory Board from August 1959 to July 3, 2001

Dr. Joachim Lemppenau
Chairman of the Supervisory Board (since July 1, 2004)
Initial appointment: July 7, 1999
Former Chairman of the Management Board of Volksfürsorge Versicherungsgruppe, Hamburg

KR Mag. Dr. Ludwig Scharinger
Deputy Chairman of the Supervisory Board (since July 1, 2004)
Initial appointment: January 20, 1994
CEO of Raiffeisenlandesbank Oberösterreich AG, Linz

Dr. Franz Gasselsberger, MBA
Member of the Supervisory Board
Initial appointment: July 1, 2004
CEO of Oberbank AG, Linz

Dr. Hans-Peter Hagen
Member of the Supervisory Board
Initial appointment: July 4, 2007
Deputy CEO of WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group, Vienna

Dr. Josef Krenner
Member of the Supervisory Board
Initial appointment: July 1, 2004
Head of the Directorate of Finance of the Federal State of Upper Austria, Linz

Dr. Michael Kutschera MCJ. (NYU)
Member of the Supervisory Board
Initial appointment: July 1, 2004
Lawyer; Partner with Binder Grösswang Rechtsanwälte OEG, Vienna

Mag. Dr. Josef Peischer
Member of the Supervisory Board
Initial appointment: July 1, 2004
Director of the Chamber of Workers and Employees for
Upper Austria, Linz

Dipl.-Ing. Dr. Michael Schwarzkopf
Member of the Supervisory Board
Initial appointment: July 1, 2004
CEO of Plansee Holding AG, Reutte

Appointed by the Works Council:

Josef Gritz
Member of the Supervisory Board
Initially delegated: January 1, 2000
Chairman of the Works Council for Wage Earners of voestalpine Stahl
Donawitz GmbH & Co KG, Donawitz

Johann Heiligenbrunner
Member of the Supervisory Board
Initially delegated: March 24, 2000
Chairman of the Works Council for Salaried Employees of
voestalpine AG, Linz

Johann Prettenhofer
Member of the Supervisory Board
Initially delegated: January 1, 2008
Chairman of the Works Council for Wage Earners of BÖHLER Edelstahl
GmbH & Co KG, Kapfenberg

Hans-Karl Schaller
Member of the Supervisory Board
Initially delegated: September 1, 2005
Chairman of the Group Works Council of voestalpine AG, Linz
Chairman of the European Works Council of voestalpine AG, Linz

The Management Board of voestalpine AG

From left to right:
Mag. Dipl.-Ing. Robert Ottel, MBA
Dr. Wolfgang Eder
Dipl.-Ing. Josef Mülner
Dipl.-Ing. Franz Hirschmanner
Dkfm. Dr. Claus J. Raidl
Mag. Wolfgang Spreitzer

Dr. Wolfgang Eder
Chairman of the Management Board and
CEO of voestalpine AG since 2004
Member of the Management Board since 1995
Head of the Steel Division

Born 1952
Joined the Company in 1978
Assigned areas of responsibility: Corporate Development, Corporate Human Resources, Legal and M&A, Group Communications and Corporate Image, Investor Relations, Strategic Environmental Management, Internal Auditing

Dipl.-Ing. Franz Hirschmanner
Member of the Management Board since 2003
Head of the Automotive Division

Born 1953
Joined the Company in 1978
Assigned area of responsibility: R&D and Innovation Strategy

Dipl.-Ing. Josef Mülner
Member of the Management Board since 2003
Head of the Railway Systems Division

Born 1947
Joined the Company in 1974
Assigned area of responsibility: Procurement Strategy, including Raw Materials Strategy

Mag. Dipl.-Ing. Robert Ottel, MBA
Member of the Management Board since 2004
CFO

Born 1967
Joined the Company in 1997
Assigned areas of responsibility: Corporate Accounting and Reporting, Controlling, Group Treasury, Corporate Tax, Management Information Systems, Risk Management

Dkfm. Dr. Claus J. Raidl
Member of the Management Board since 2007
Head of the Special Steel Division

Born 1942
Chairman of the Management Board
of BÖHLER-UDDEHOLM Aktiengesellschaft since 1991

Mag. Wolfgang Spreitzer
Member of the Management Board since 2001
Head of the Profilform Division

Born 1951
Joined the Company in 1971
Assigned area of responsibility: Information Technology

Ladies and Gentlemen:

The voestalpine Group has the toughest, most difficult business year in many decades behind it. This was the case for many other corporations as well. Right from the start of the economic crisis, we were confronted with a situation, where we could not predict how the next weeks or even days would be developing. Now, 12 months later, we are rich in experience and happy that, together with our employees, customers, and shareholders, we have successfully met this challenge.

Looking back at the fall of 2008 from a distance of 18 months, when the industry's safe and cozy world with its six-year boom phase broke apart practically over night, the following insights can be drawn from our Group's perspective: After that first moment of shock that it took to just comprehend what was happening, by the end of 2008, all of those steps had been initiated and implemented with absolute consistency that would enable us to successfully overcome this crisis in the course of the business year 2009/10.
First of all, there were comprehensive measures on the cost side: in the human resources sector, elimination of overtime, consumption of vacation days and compensatory time credit, and finally—unfortunately unavoidable in view of the severity of the crisis—reduction of both leasing and core employees by a total of about 10%; with regard to new investments, cancellation of almost half of all projects so that for the first time in decades, investment expenditure was below the amount of depreciation; and finally, a reduction of overheads and maintenance expense by about 30%.
In times of capital and financial market crises, the Company's adequate level of available liquidity is of existential importance: using its highly developed working capital management system, the Group optimized its receivables and liabilities on a large scale, in particular, comprehensively redefining its inventories and reducing them sustainably (!) by about 35%.

Moreover, the crisis prompted us to not only examine the costs in all the divisions, but also to scrutinize the structures, the organization, and the processes and to subsequently—where necessary—reorient them.

The business year 2009/10 was thus characterized by the comprehensive and consistent implementation of all of these measures that had been initiated at the end of the previous business year. The results of this implementation, which are presented in detail in this Annual Report, can be summarized as follows: Primarily as a result of the reduction of working capital by almost EUR 900 million, cutting investment expenditure in half compared to the previous year, and comprehensive austerity measures in the segments of human resources, maintenance, and overheads, despite the worst recession of the last 60 years, we were able to achieve a free cash flow of more than EUR 1 billion, the highest figure in the history of our Company. With equity capital remaining constant, this made it possible for us to reduce the level of debt by more than EUR 700 million and to slash the gearing ratio from almost 90% to just over 70%.

While our reaction to the crisis was far-reaching in all sectors of the Group, nevertheless, there were three segments where the measures taken were limited in the interest of assuring our quality and technology leadership in the long term. On one hand, no strategically important projects were cut back in research and development and in investments and, on the other, the number of apprentices and skilled workers in training remained largely unchanged.

As a consequence of the massive cost saving measures in all other segments and at all levels of the Group, the EBITDA and EBIT breakeven points were shifted down significantly. Thus, despite the extremely difficult economic environment in the business year 2009/10, voestalpine AG was able to close out the year with a clearly positive operating result, recording an EBITDA margin of 11.7% and an EBIT margin of 4.1% respectively.

Considering the comprehensive reorientation of the two largest divisions—Steel and Special Steel—as well as the fact that we are continuing to press forward with cost savings programs in the other three divisions, we can assume that the Group will again substantially improve its competitive position in the two coming business years. By 2012/13, the cost position should have improved sustainably by about EUR 600 million as compared to 2008/09; only EUR 150 million of this amount have taken effect in the past business year 2009/10. Ultimately, the goal is the achievement of cost leadership in Europe in all of the product sectors that are important for the Group. Furthermore, we are continuing to consistently pursue an expansion of our leadership role, both in technology and quality, in keeping with our Group's claim "one step ahead." It is part of our strategy not only to remain successful in the long term in a competitive arena that is becoming more and more aggressive, but to effectively meet the growing challenge posed by other materials. Although we are taking this challenge very seriously, we are anticipating it with a certain degree of equanimity, as steel will not only remain the most important material worldwide in the future, but, due to its versatile applications and the opportunities that it can provide, its potential has not been exhausted by any means, nor will it be exhausted in the foreseeable future. Another crucial aspect is that any serious life-cycle study shows that steel is also not only more environmentally friendly and energy efficient than all other metal materials but plastics as well. In its competition with other base materials, the steel industry will have to emphasize these attributes with greater vigor than has been the case up to now.

In this context, we would like to say a few words about European policies regarding climate protection. Despite mounting doubts by an increasing number of serious scientists regarding the constant repetition of the story that CO_2 is largely the sole cause of global warming and despite growing criticism of the scientific professionalism of the IPCC (Intergovernmental Panel on Climate Change), European political circles still believe that they have to continue in their leading role regarding the containment of CO_2 emissions regardless of rising doubts about the wisdom of this position. Should the European Union again take a more radical position without a binding global consensus regarding climate policy and associated measures, the most energy-intensive industry will be forced to leave Europe for less "climate-sensitive" regions due to a lack of competitiveness.

This will then subsequently also apply to downstream industry and service sectors that depend on it. The closure of many European industrial sites, which in a worldwide comparison are recognized as the most environmentally friendly anywhere, would represent a loss of decades of progress for global climate protection, and, for Europe, it would mean the loss of the basis of its prosperity, along with millions of jobs.

voestalpine AG and its management have proven in the past two years that they react quickly and consistently to changes in the Group's environment. This will not change in the future. Together with our employees, customers, and shareholders, we will view new developments—whenever and wherever they appear—as an opportunity to make our Company even stronger, in the spirit of being "one step ahead."

Linz, May 2010

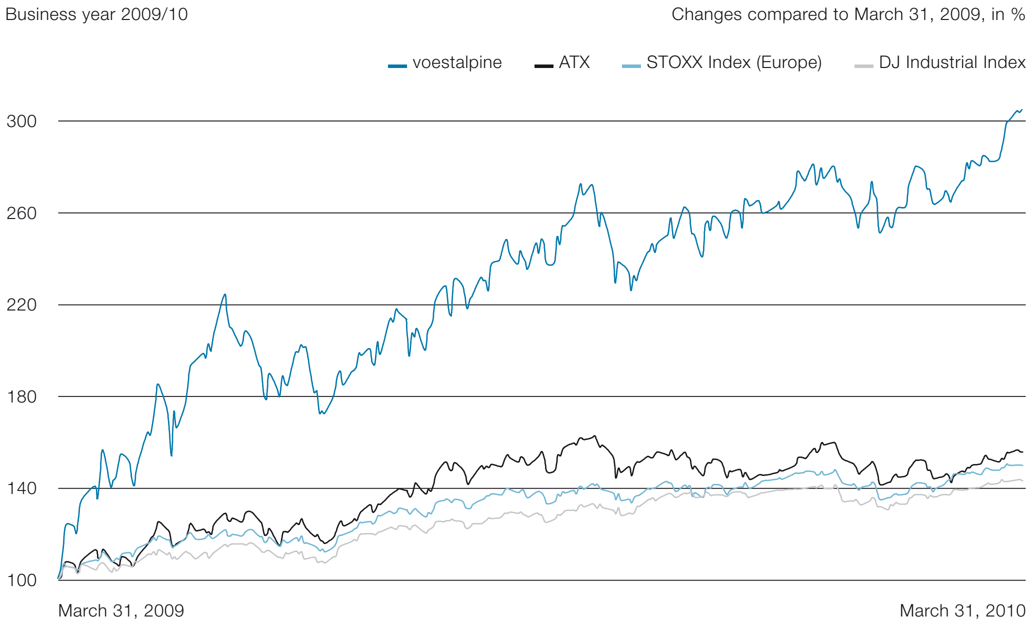
The Management Board

Wolfgang Eder   Franz Hirschmanner   Josef Mülner

Robert Ottel   Claus J. Raidl   Wolfgang Spreitzer

Investor relations

voestalpine AG vs. international indices



Price development of the voestalpine share

In the business year 2009/10, the voestalpine share was able to significantly gain value despite an economic environment that was also challenging for the capital market so that its overall performance was significantly better than the indices that are relevant for price comparisons (see diagram).

Starting out as of March 31, 2009, with a low share price of EUR 9.85 due to the economic crisis, the price recovered substantially in the course of the year and by the end of the business year had tripled to EUR 29.95. However, as a consequence of the agitation on the capital markets, driven not least by the developments surrounding the European currency and the critical debt burden of some EU member states, subsequently, the voestalpine share—as was the case for stock exchanges overall—could not maintain this upward trend. The price development during the first two months of the business year 2010/11 was very volatile, and the voestalpine share, which had reached the EUR 30 mark as late as April 1, 2010, then began to trend downward. It made it more difficult that during this period of time—despite the basically positive economic prospects—the steel industry was being assessed much more critically because the capital markets were skeptical about its ability to pass on the exorbitant increases in raw materials costs to the market in the form of higher prices in the long term.

Bonds

Convertible bond (2005–2010)

The still outstanding convertible bonds, which had been issued in July 2005, were called on December 4, 2009, effective January 29, 2010. All of the convertible bonds that were still outstanding at this time (about 8.6% of the total face value of EUR 250 million) were converted by the bond holders to voestalpine AG shares. In their place, the Company issued a total of 1,150,131 new, no-par value bearer shares. Therefore, as of March 31, 2010, the share capital amounts to EUR 307,132,044.75 and is divided into 169,049,163 ordinary no-par value bearer shares.

Hybrid bond (2007–2014)

After the turbulence on the international financial markets during the business year 2009/10, the hybrid bond, which had been issued by voestalpine AG in October 2007, was able to regain a significant part of its value, and by the end of March 2010, it had risen to the initial offering price of 100 (% of the face value). This positive trend continued after the end of the business year 2009/10.

Corporate bond (2009–2013)

The development of the corporate bond, which had been issued very successfully by voestalpine AG in March 2009 under extremely difficult market conditions, was very positive throughout the entire business year. In addition to the price increase as of the end of March 2009 to 104 (% of the face value), an additional gain of nine percentage points was achieved. As of March 31, 2010, the corporate bond had risen to 113 (% of the face value).

Shareholder structure

During the past business year, there were only small regional changes in the shareholder structure. The largest shift was between the shares held in North America (from 14% to 11%) and in Austria (from 44% to 49%). The level of employee shareholding remained almost unchanged at 13.3% compared to 13.5% in the previous year.

Share information

Share capital	EUR 307,132,044.75 divided into 169,049,163 no-par value shares
	Shares in proprietary possession as of March 31, 2010: 658,285 shares
Class of shares	Ordinary bearer shares
Stock identification number	93750 (Vienna Stock Exchange)
ISIN	AT0000937503
Reuters	VOES.VI
Bloomberg	VOE AV

Prices (as of end of day)

Share price high April 2009 to March 2010	EUR 29.95
Share price low April 2009 to March 2010	EUR 10.23
Share price as of March 31, 2010	EUR 29.95
Initial offering price (IPO) October 1995	EUR 5.18
All-time high price (July 12, 2007)	EUR 66.11
Market capitalization as of March 31, 2010*	EUR 5,043,306,796.10

* Based on total number of shares less treasury shares

Business year 2009/10

Earnings per share	EUR 0.65
Dividend per share	EUR 0.50*
Book value per share	EUR 24.88

* As proposed to the Annual General Shareholders' Meeting

Financial calendar 2010/11

Annual General Meeting	July 7, 2010
Ex-dividend date	July 12, 2010
Dividend payment date	July 19, 2010
Letter to shareholders for the first quarter of 2010/11	August 19, 2010
Letter to shareholders for the second quarter of 2010/11	November 18, 2010
Letter to shareholders for the third quarter of 2010/11	February 18, 2011
Annual Report 2010/11	May 31, 2011
Annual General Meeting	July 6, 2011

Corporate Governance Report

Commitment to the Austrian Corporate Governance Code

The Austrian Corporate Governance Code provides Austrian stock corporations *(Aktiengesellschaften)* with a framework for management and control. The Code aims to establish a system of management and control of companies and groups that is accountable and geared to creating sustainable long-term value. The Code is designed to increase the degree of transparency for all stakeholders.

The Code is based on the provisions of Austrian stock corporation, stock exchange, and capital market law, the EU recommendation regarding the responsibilities of members of Supervisory Boards and the compensation of company directors, as well as the OECD Principles of Corporate Governance. Since 2002, the Code has undergone a number of amendments. The present Corporate Governance Report is based on the most recent amendment of the Code, which was adopted in January 2009. The Code is available to the public at www.corporate-governance.at and on the Company's website.

Companies voluntarily undertake to adhere to the Code. The Management Board and the Supervisory Board of voestalpine AG recognized the Corporate Governance Code in 2003 and have also accepted and/or implemented the amendments introduced since that date. voestalpine AG thus affirms that it will comply with the most recent version of the Austrian Corporate Governance Code.

In addition to the mandatory "L rules"[1] the Company also complies with all of the "C rules" of the Code.

As legal counsel to voestalpine AG, the law firm Binder Grösswang Rechtsanwälte GmbH, where Dr. Michael Kutschera is a partner, performed legal advisory services during the business year 2009/10 on questions in connection with the minority shareholder squeeze-out procedure relating to BÖHLER-UDDEHOLM Aktiengesellschaft. Fees for these matters are invoiced at the general hourly rates of the law firm of Binder Grösswang Rechtsanwälte applicable at the time. In the business year 2009/10, total net fees of EUR 147,525.83 were incurred for services provided by the law firm of Binder Grösswang Rechtsanwälte GmbH.

[1] The Corporate Governance Code contains the following rules: "L rules" (= Legal) are measures prescribed by law; "C rules" (= Comply or Explain) must be justified in the event of non-compliance; "R rules" (= Recommendations) are recommendations only, which, in the case of voestalpine AG are being largely complied with.

Composition of the Management Board

■ **Dr. Wolfgang Eder** Born 1952	Joined the Company in 1978 Member of the Management Board since 1995 Chairman of the Management Board since 2004 End of the current term of office: March 31, 2014 Member of the Supervisory Board of Oberbank AG	**Head of the Steel Division** *Assigned areas of responsibility:* Corporate Development, Corporate Human Resources, Legal and M&A, Group Communications and Corporate Image, Investor Relations, Strategic Environmental Management, Internal Auditing
■ **Dipl.-Ing. Franz Hirschmanner** Born 1953	Joined the Company in 1978 Member of the Management Board since 2003 End of the current term of office: March 31, 2014	**Head of the Automotive Division** *Assigned area of responsibility:* R&D and Innovation Strategy
■ **Dipl.-Ing. Josef Mülner** Born 1947	Joined the Company in 1974 Member of the Management Board since 2003 End of the current term of office: March 31, 2014	**Head of the Railway Systems Division** *Assigned area of responsibility:* Procurement Strategy, including Raw Materials Strategy
■ **Mag. Dipl.-Ing. Robert Ottel, MBA** Born 1967	Joined the Company in 1997 Member of the Management Board since 2004 End of the current term of office: March 31, 2014 Member of the Supervisory Board of Josef Manner & Comp. AG	**CFO** *Assigned areas of responsibility:* Corporate Accounting and Reporting, Controlling, Group Treasury, Corporate Tax, Management Information Systems, Risk Management
■ **Dkfm. Dr. Claus J. Raidl** Born 1942	Chairman of the Management Board of BÖHLER-UDDEHOLM Aktiengesellschaft since 1991 Member of the Management Board since 2007 End of the current term of office: December 31, 2010 Member of the Supervisory Board of Wienerberger AG	**Head of the Special Steel Division**
■ **Mag. Wolfgang Spreitzer** Born 1951	Joined the Company in 1971 Member of the Management Board since 2001 End of the current term of office: March 31, 2014	**Head of the Profilform Division** *Assigned area of responsibility:* Information Technology

Composition of the Supervisory Board

em. o. Univ.-Prof. DDr. h. c. Dr. Rudolf Strasser Born 1923	**Honorary Chairman of the Supervisory Board** (since July 4, 2001) Member of the Supervisory Board from August 1959 to July 3, 2001
Dr. Joachim Lemppenau Born 1942	**Chairman of the Supervisory Board** (since July 1, 2004) Initial appointment: July 7, 1999 Former Chairman of the Management Board of Volksfürsorge Versicherungsgruppe, Hamburg
KR Mag. Dr. Ludwig Scharinger Born 1942	**Deputy Chairman of the Supervisory Board** (since July 1, 2004) Initial appointment: January 20, 1994 CEO of Raiffeisenlandesbank Oberösterreich AG, Linz
Dr. Franz Gasselsberger, MBA Born 1959	**Member of the Supervisory Board** Initial appointment: July 1, 2004 CEO of Oberbank AG, Linz Chairman of the Supervisory Board of Bank für Tirol und Vorarlberg AG Member of the Supervisory Board of BKS Bank AG (until May 19, 2010)
Dr. Hans-Peter Hagen Born 1959	**Member of the Supervisory Board** Initial appointment: July 4, 2007 Deputy CEO of WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group, Vienna
Dr. Josef Krenner Born 1952	**Member of the Supervisory Board** Initial appointment: July 1, 2004 Head of the Directorate of Finance of the Federal State of Upper Austria, Linz Member of the Supervisory Board of Lenzing AG
Dr. Michael Kutschera MCJ. (NYU) Born 1957	**Member of the Supervisory Board** Initial appointment: July 1, 2004 Lawyer; Partner with Binder Grösswang Rechtsanwälte OEG, Vienna
Mag. Dr. Josef Peischer Born 1946	**Member of the Supervisory Board** Initial appointment: July 1, 2004 Director of the Chamber of Workers and Employees for Upper Austria, Linz
Dipl.-Ing. Dr. Michael Schwarzkopf Born 1961	**Member of the Supervisory Board** Initial appointment: July 1, 2004 CEO of Plansee Holding AG, Reutte Member of the Supervisory Board of Mayr-Melnhof Karton AG

Appointed by the Works Council:

Josef Gritz Born 1959	**Member of the Supervisory Board** Initially delegated: January 1, 2000 Chairman of the Works Council for Wage Earners of voestalpine Stahl Donawitz GmbH & Co KG, Donawitz
Johann Heiligenbrunner Born 1948	**Member of the Supervisory Board** Initially delegated: March 24, 2000 Chairman of the Works Council for Salaried Employees of voestalpine AG, Linz
Johann Prettenhofer Born 1949	**Member of the Supervisory Board** Initially delegated: January 1, 2008 Chairman of the Works Council for Wage Earners of BÖHLER Edelstahl GmbH & Co KG, Kapfenberg
Hans-Karl Schaller Born 1960	**Member of the Supervisory Board** Initially delegated: September 1, 2005 Chairman of the Group Works Council of voestalpine AG, Linz Chairman of the European Works Council of voestalpine AG, Linz

All Supervisory Board positions held by shareholders' representatives terminate as of the close of the Annual General Meeting of voestalpine AG, which adopts resolutions relative to the business year 2013/14.

None of the members of the Supervisory Board attended fewer than half of the meetings of the Supervisory Board.

Compensation report for Management Board and Supervisory Board

Regarding the compensation report for Management Board and Supervisory Board, we refer to the notes to the annual financial statements.

Information regarding the independence of the members of the Supervisory Board

All of the members elected to the Supervisory Board by the General Meeting have confirmed that they consider themselves to be independent based on the criteria defined by the Supervisory Board (Rule 53). The criteria for independence defined by the Supervisory Board may be viewed on the website www.voestalpine.com and correspond largely to Appendix 1 of the Corporate Governance Code. Furthermore, with the exception of Dr. Scharinger, who represents the shareholder Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG, and Dr. Peischer, who represents the voestalpine Mitarbeiterbeteiligung Privatstiftung (a private foundation for the Group's employee shareholding scheme), no member elected to the Supervisory Board by the Annual General Shareholders' Meeting is a shareholder with an investment of more than 10% or represents the interests of such shareholders (Rule 54).

Committees of the Supervisory Board

The Articles of Incorporation authorize the Supervisory Board to appoint committees from among its ranks and to define their rights and responsibilities. The committees can also be given the right to make decisions. Pursuant to § 110 para. 1 of the Labor Constitution Act *(Arbeitsverfassungsgesetz—ArbVG),* the employee representatives on the Supervisory Board have the right to nominate members for Supervisory Board committees, who will have a seat and a vote. This does not apply to committees that handle relations between the Company and the members of the Management Board.

The following Supervisory Board committees have been established:

General Committee

The General Committee is both the Nomination and Compensation Committee as defined by the Corporate Governance Code.

As the Nomination Committee, the General Committee submits recommendations to the Supervisory Board regarding filling Management Board positions that become vacant and handles issues regarding succession planning. As the Compensation Committee, the General Committee is also responsible for executing, amending, and dissolving employment agreements with members of the Management Board, as well as for all matters associated with the management of the stock option plans of Management Board members. Furthermore, the General Committee has the right to make decisions in urgent cases. It also makes decisions regarding whether members of the Management Board are permitted to take on ancillary activities.

Members of the General Committee of the Supervisory Board:

- Dr. Joachim Lemppenau (Chairman)
- KR Mag. Dr. Ludwig Scharinger (Deputy Chairman)
- Hans-Karl Schaller

Audit Committee

The Audit Committee is responsible for reviewing and preparing approval of the annual financial statements, the recommendation for the appropriation of earnings, and the Management Report. It is also this committee's responsibility to review the Group Management Report and to submit a recommendation for the selection of an auditor and to report to the Supervisory Board in this matter.

Members of the Audit Committee of the Supervisory Board:

- Dr. Joachim Lemppenau (Chairman)
- KR Mag. Dr. Ludwig Scharinger (Deputy Chairman)
- Dr. Franz Gasselsberger, MBA
- Dr. Josef Krenner (financial expert)
- Hans-Karl Schaller
- Josef Gritz

Number of Supervisory Board meetings and significant matters raised during Supervisory Board meetings and meetings of the committees during the business year

During the business year 2009/10, the Supervisory Board fulfilled its responsibilities under the law and the Articles of Incorporation, holding six plenary sessions, two meetings of the Audit Committee, and two meetings of the General Committee. In addition to ongoing reports on the Group's current economic and financial situation, these meetings dealt in particular with strategies and measures for coping with the economic crisis, measures to secure Group liquidity, and measures for implementing the Austrian Company Law Amendment Act of 2008 *(Unternehmensrechtsänderungsgesetz—URÄG 2008)*. The Audit Committee dealt with the review and preparation of the approval of the consolidated financial statements and the individual financial statements of the Company, preparation of the recommendation for the appointment of an auditor, the Group's insurances, as well as topics relative to the internal control system, the risk management system, and Internal Auditing. Among other issues, the General Committee dealt with questions relative to compensation of the members of the Management Board.

In the last meeting of the business year, the Supervisory Board carried out the selfevaluation stipulated under Rule 36 of the Corporate Governance Code and, on the basis of the written evaluation provided by each member, dealt in particular with issues relative to internal organization and the general working methods in the plenary sessions and in the committees.

External evaluation of the Corporate Governance Report

The Corporate Governance Code provides for a regular external evaluation of the Company's compliance with the Code. This evaluation was carried out by the Group's auditor during the audit of the 2009/10 financial statements. As a result of this evaluation, the auditor has determined that the declaration given by voestalpine AG with regard to compliance with the 2009 version of the Corporate Governance Code conforms to the actual conditions and/or facts.

- The external review report may be viewed on the Internet at www.voestalpine.com.

Measures to advance women in leadership positions

The percentage of female executives (members of the Management Board excepted) in the voestalpine Group in the business year 2009/10 was at 10% (10% in the business year 2008/09) and thus slightly below the percentage of women of the total voestalpine workforce of 13%. Within the scope of internal leadership development efforts, great importance is being placed on continuing to expand the percentage of female participants. During the business year 2009/10, there were 24 women of a total of 155 participants (15%), bringing the percentage to above that of the Group's female workforce for the first time.

None of the Group companies has explicit "female quotas." Rather, the voestalpine Group is striving to implement appropriate measures in order to increase the percentage of women in the Group at all levels. This includes a number of activities, some of which are country-specific, such as participation in Girl's Day, advancement of women in technical professions, and/or increased hiring of female graduates of technical schools and universities. In the voestalpine Group, women are now employed in top leadership positions in both traditionally male-dominated, technical areas of the Company (e.g., hot-dip galvanizing plant, wire production) and in various central functions (e.g., finances, legal).

In annual human resources reporting, data on the percentage of women in executive positions is collected and analyzed regularly with regard to their qualifications and their status in the training programs, in order to monitor the sustainability of the implemented measures.

Code of Conduct

In the past business year, the Management Board also decided on the introduction of a voestalpine Code of Conduct in addition to the Corporate Governance Code. This Code of Conduct applies to all employees of the Group and provides the basis for ethical and legally correct behavior in the voestalpine Group.

Report of the Management Board

Management Report 2009/10

This Management Report also constitutes the voestalpine Group Management Report as we make use of the provision of § 267 (4) of the Austrian Commercial Code (UGB) which permits the consolidation of these two reports.

Global economic development

As a consequence of the global economic downturn in the fall of 2008, economic development at the beginning of the business year 2009/10 was characterized by a dramatic slump in demand in almost all of the voestalpine Group's important markets and industries. It was only during the summer of 2009 that the downward trend began to bottom out and the first indications of a turnaround could be perceived in some customer segments.

Whilst growth rates also declined in the emerging economies during 2009 (although still managing to remain positive), the pressure of the slump in the mature economies, especially the USA and Europe, resulted in a fall in global gross domestic product (GDP).

Across the economic regions the incipient recovery varied significantly in terms of extent and speed: Whereas the upward trend which emerged from spring 2009 onwards in the emerging markets (and especially China) was generated by a brisk internal market, stable exports, the rapid lowering of inventory levels and the sustained inflow of capital to these regions, the USA and Europe needed a more substantial economic stimulus program, financed by the public purse and of a dimension hitherto unseen, in order to initiate a turnaround by investing in infrastructure and specific consumer incentives in certain industries (primarily premiums for purchasing new cars). However, compared to the emerging economies, the turnaround in the mature economies came much later and was much weaker.

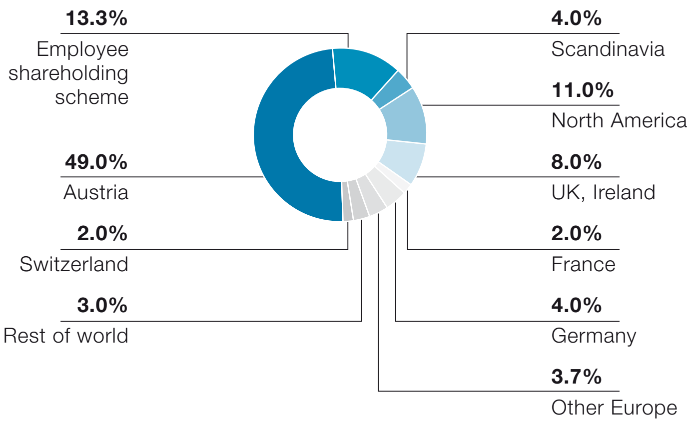
In the USA it was mainly the sharp rise in unemployment and the increasing savings rate which had a negative effect on private consumption and consequently on the upswing. In Europe, however, it was primarily the increasing borrowing by individual countries which served as the main obstacle to a sustainable recovery. This also resulted in a significant devaluation of the euro against the US dollar—the euro exchange rate was around USD 1.50 in the fall of 2009 but is currently 15% to 20% below this mark. The austerity programs hurriedly introduced by several European countries over the past weeks will be a test for recovery in Europe. It remains to be seen to which extent they can be compensated for by an increase in exports resulting from the devaluation of the euro.

Developments in the most important customer industries

Development across the customer industries also mirrors the significant variations between the individual regions. The sole shared factor is the, at least partial, restocking of low inventory levels in almost all in-

Shareholder structure

Presented geographically, the approximate current distribution of ownership is as follows.



Largest individual shareholders

Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG	> 15%
voestalpine Mitarbeiterbeteiligung Privatstiftung	13.3%
Oberbank AG	> 5%

voestalpine AG is currently being analyzed by the following investment banks/institutions:

■ Berenberg, Hamburg ■ BHF-BANK, Frankfurt ■ Cheuvreux, Vienna/Paris ■ Citigroup, London ■ Credit Suisse, London ■ Deutsche Bank, Frankfurt ■ Erste Bank, Vienna ■ Exane BNP Paribas, Paris ■ Goldman Sachs, London ■ HSBC, London ■ JP Morgan, London ■ Macquarie, Frankfurt ■ Merrill Lynch, London ■ Morgan Stanley, London ■ Nomura, London ■ Raiffeisen Centrobank, Vienna ■ Steubing AG, Frankfurt ■ UBS, London ■ UniCredit, Munich dustries. Even so, despite the threat of future increases in raw material prices, there is no evidence of stockpiling, which indicates that many companies still reinforce their liquidity management.

Production levels in the automotive industry still are at around 80% of pre-crisis levels. However, after the recovery in the small and compact car segment (the primary beneficiaries of the the previous year's premiums), there was a perceptible increase in demand for mid-sized and large car classes from fall 2009 onwards. One of the trends of the past years has been reversed in that automotive sales in Western Europe are recovering significantly better than in Eastern Europe. The main driver behind the global upswing in this segment remains China. The commercial vehicle industry has been significantly worse hit by the crisis—clear signs of recovery in this segment only emerged towards the end of the business year 2009/10 and capacity utilization is currently only at around 40% of pre-crisis levels.

As a result of both the financial and economic crisis and the fall in oil prices, there were also extensive hold-ups in conventional energy sector projects, bringing massive slumps in demand and falling prices. An incremental recovery, with growing order and price levels, only began here in the spring of 2010. In contrast, developments in the renewable energies sector (especially solar power and wind energy) were much more positive, largely as a consequence of global public investment programs.

From fall 2009 onwards, the railway infrastructure sector, which had profited from a positive market environment and a strong backlog of orders during the first half of 2009/10, suffered from numerous project postponements (the consequence of increasing budget restrictions, especially in Eastern European countries) as well as a significant increase in competition associated with a significant fall in prices for new tenders.

Developments in the white goods and consumer goods industries were largely unspectacular but continued at a thoroughly satisfactory level. In contrast, demand in the building and building supply industries and the aviation industry remained sluggish. The mechanical engineering industry has started to grow since the beginning of 2010.

Development of the steel industry

Although some economic regions were spared, in 2009 the global financial and economic crisis resulted in an 8.2% drop in steel production worldwide, from 1.33 billion tons to 1.22 billion tons. Whereas China was even able to increase production by a further 13.5% (from 500.3 million tons to 567.8 million tons) to reach a new record high (i.e., now representing almost half of worldwide steel production), drastic cuts in production were introduced in Europe (–29.7%) and the USA (–36.4%) in response to the huge fall in orders across all customer segments.

The rapid and widespread measures of temporarily shutting down blast furnaces and reducing production led to a fall in production of almost 50% in the European steel industry (EU 27) from October to December 2008 alone. Production remained at this reduced level until the late summer of 2009.

Only in September 2009 did the incipient recovery in demand in key customer segments, primarily the automotive industry, lead to a significant increase in European steel production, from 31.5 million tons (first quarter of the voestalpine business year 2009/10) to 40.8 million tons (third quarter 2009/10). However, the rapid recommissioning of temporarily shut down capacity at the end of 2009 led to short-term competitive pricing, but this was of limited duration as signs of massive increases in raw material prices began to emerge from spring 2010 onwards.

During the last quarter of the business year 2009/10 almost all of the blast furnaces which had been temporarily shut down were recommissioned, and capacity utilization rose to around 85% of pre-crisis levels. In the business year 2009/10, steel production sites belonging to the voestalpine Group enjoyed significantly better capacity utilization levels than the European industry average.

Business development of the voestalpine Group[1,2]

Due to the extremely challenging economic circumstances, in the business year 2009/10, the voestalpine Group incurred a significant decline in revenue and operating result compared to the previous year; nevertheless, all reporting categories are continuing to show substantial profits.

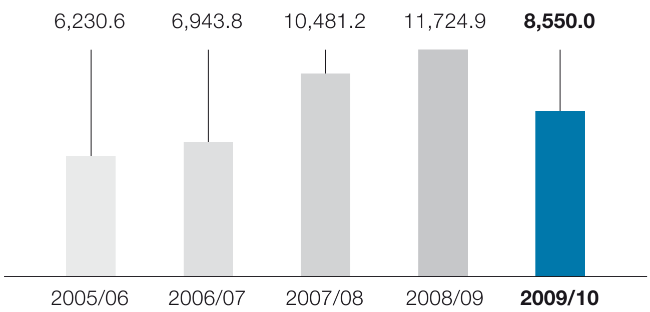
Decline in revenue by 27.1% to EUR 8,550.0 million

The revenues of the voestalpine Group fell in 2009/10 compared to the business year 2008/09 by EUR 3,174.9 million (–27.1%) from EUR 11,724.9 million to EUR 8,550.0 million. With a decrease of EUR 1,229.8 million (–28.4%), the Steel Division reported the greatest drop in absolute figures, as especially the first half of the year was marked by very weak demand and an extremely low price level compared to the same period of 2008/09 that had seen record figures. In relative terms, the Profilform Division was most strongly affected, with revenues that went down by 36.9% from EUR 1,147.1 million to EUR 724.0 million due to a slump in demand, especially in the construction and construction supply industry as well as in the commercial vehicle sector. In the Special Steel Division, low demand in practically all countries and industries during the first half of 2009/10 and a reduction of inventory levels along the entire value chain that continued until the fall of 2009 resulted in substantial declines in both

[1] In accordance with IFRS, all figures after application of the purchase price allocation (ppa). For explanatory remarks on the ppa, please refer to the inside cover page of the Annual Report 2007/08. [2] Retroactive adjustment in accordance with IFRS 5 in the Automotive Division—Reinclusion of the division's plastics operations and of Amstutz Levin & Cie under continued operations.

Revenue of the voestalpine Group

In millions of euros

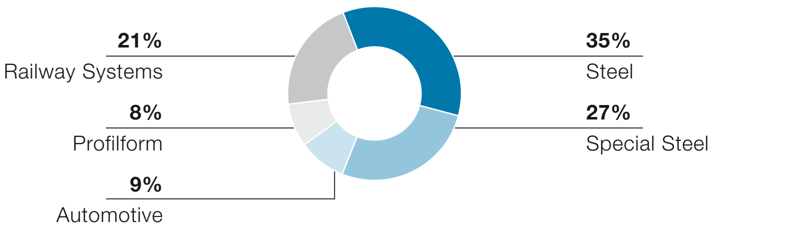


volumes and earnings so that the division recorded revenues of EUR 2,358.4 million that were 33.2% lower than in the previous year (EUR 3,530.6 million). The Railway Systems Division proved to be more resistant to the crisis with a drop in revenue staying within manageable limits at 18.8%, going from EUR 2,351.0 million to EUR 1,908.5 million. This relative stability was due to the very good market environment in the railway infrastructure segment in the first half of the year, as well as the recovery in the wire and seamless tube segments from the second half of 2009/10 on. The Automotive Division had the smallest drop in sales revenue both in absolute and relative figures, with a reduction by EUR 153.2 million (–15.5%) from EUR 988.6 million to EUR 835.4 million, as direct sales to automobile manufacturers remained almost constant despite the difficult economic environment, thus enabling market share to grow. The lower sales revenue resulted essentially from a decline in deliveries to systems suppliers (Tier 1 customers).

In evaluating the current economic development, a comparison of the quarters with the immediately preceding quarter throughout the year has far more informative value than an overall year-to-year comparison. While a positive trend reversal with regard to results began in the second quarter of 2009/10, the turnaround with regard to revenue—after five consecutive quarters with declining earnings—did not occur until the third quarter of 2009/10. In the fourth quarter of 2009/10, at EUR 2,261.7 million sales increased substantially by 7.4% compared to the quarter immediately preceding it (EUR

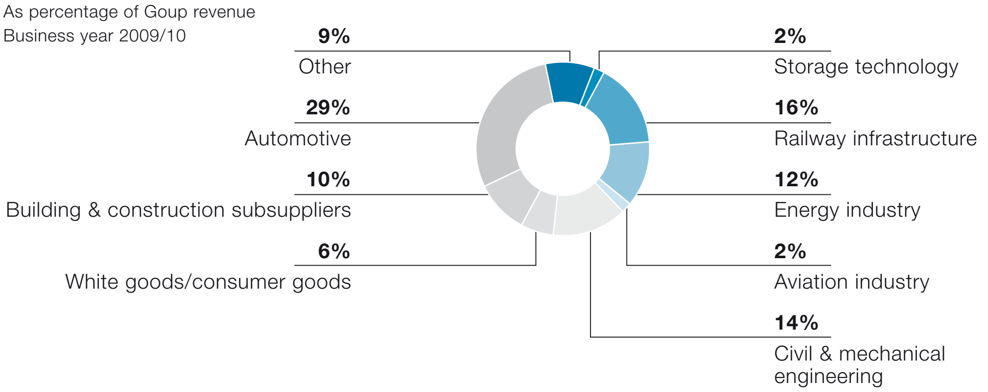
Revenue by divisions

As percentage of Goup revenue
Business year 2009/10



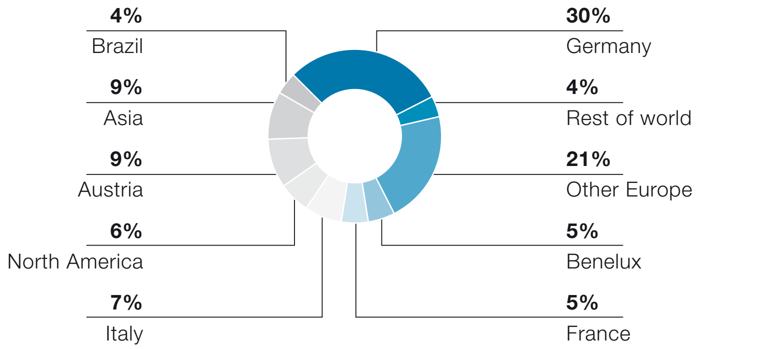
Revenue by industries

As percentage of Goup revenue
Business year 2009/10



Revenue by regions

As percentage of Goup revenue
Business year 2009/10



2,106.6 million). All divisions contributed to the increase in revenue, with the spectrum of variation ranging from +12.9% (Special Steel Division) to +3.7% (Steel Division).
As far as the individual divisions are concerned, starting in the third quarter of 2009/10, the Steel Division profited primarily from the gradual recovery in the automobile industry, thus enabling full utilization of capacity during the second half of the business year, with the exception of a few limitations due to the (scheduled) major overhaul of one of the two small blast furnaces.

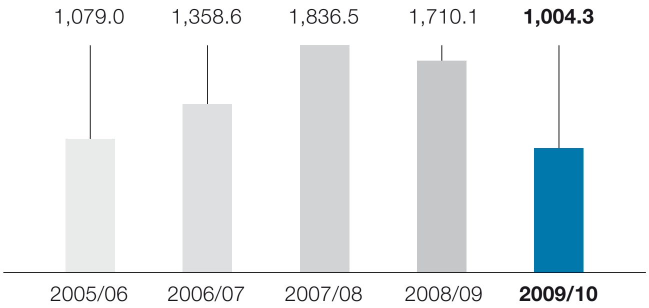
In the Special Steel Division, the increasingly low inventories along the entire value chain, the economic recovery in Asia, and an economic uptrend in South America that was gaining momentum had a positive effect on business performance during the course of the year. As far as individual industries are concerned, the largest growth in demand came from the automobile and consumer goods sectors. From the fall of 2009 on, the Automotive Division profited primarily from the recovery trend in the European mid-sized, executive, and luxury classes, which had previously not benefited in any significant way from the government-initiated incentive programs as compared to the compact car segment. For the Profilform Division, positive development in the logistics segment, strong growth in the solar energy segment, and toward the end of the business year, a slight rise in demand—albeit starting from a very low level—for commercial vehicles were the reasons for increasing revenues in the year-to-year comparison. In the Railway Systems Division, the marked recovery and increasing capacity utilization in the wire and seamless tube segments during the second half of the year were able to compensate for the competition in the rail and turnout segments that grew in intensity toward the end of the business year.

EBITDA decreases by 41.3% to EUR 1,004.3 million

The year-to-year comparison also shows a substantial decline in the profit from operations before depreciation (EBITDA) due to the economic crisis. The decline in revenue in the business year 2009/10 of 27.1% resulted in EBITDA falling in comparison to the previous year by 41.3% from EUR 1,710.1 million to EUR 1,004.3 million. At the same time, it is remarkable that, despite the extremely adverse conditions, the Automotive Division was able to show a rise by 2.2% from EUR 72.2 million to EUR 73.8 million. With a minus of "only" 20.7% from EUR 414.7 million to EUR 329.0 million, the Railway Systems Division again demonstrated its comparatively high degree of stability. As was the case relative to revenue, the Profilform Division was affected most severely here as well, with a plunge by 61.2% from EUR 163.8 million to EUR 63.6 million. In the Special Steel Division, EBITDA went down by 57.9% from EUR 363.3 million to EUR 153.1 million, and in the Steel Division, it dropped by 42.4% from EUR 735.5 million to EUR 423.3 million. This means that despite significant declines, in the business year 2009/10, EBITDA continued to be solidly positive in all the divisions. For the Group overall, the EBITDA margin in the business year 2009/10 amounted to 11.7% (after 14.6% in the previous year). The direct comparison of EBITDA in the first and fourth quarters of 2009/10 makes it abundantly clear how sustained the effectiveness of the Group's comprehensive and consistently implemented crisis management has been. The moderate revenue gain in the same period by 8.0% from EUR 2,093.2 million to EUR 2,261.7 million results in an increase of Group EBITDA by 153.7% from EUR 134.2 million to EUR 340.4 million; this corresponds to a Group EBITDA margin of 15.1% in the fourth quarter of 2009/10.

EBITDA – Profit from operations before depreciation

In millions of euros



With an increase of EUR 99.8 million (+293.5%) from EUR 34.0 million in the first quarter to EUR 133.8 million in the fourth quarter, the Steel Division recorded the highest gain in absolute terms. However, the Special Steel, Profilform, and Automotive Divisions also made considerable contributions to the increase. Viewed individually, EBITDA rose in the Special Steel Division by 530.3% from EUR 12.2 million to EUR 76.9 million, in the Profilform Division by 380.7% from EUR 5.7 million to EUR 27.4 million, and in the Automotive Division by 118.1% from EUR 12.7 million to EUR 27.7 million. Despite the already very high comparable EBITDA figure in the first quarter of EUR 81.4 million, the Railway Systems Division was able to again raise its EBITDA in the fourth quarter 2009/10 by 4.9% to EUR 85.4 million. This disproportionate growth of the operating result in the course of the year makes it impressively clear that all the divisions were successful in significantly lowering their breakeven points.

Profit from operations (EBIT) fell by 64.4% to EUR 352.0 million

In comparison to an operating result (EBIT) of EUR 988.7 million in the business year 2008/09, for the same period of 2009/10, the voestalpine Group recorded a result that fell to EUR 352.0 million, a reduction by 64.4%. Considering the economic circumstances, however, this is quite a satisfactory result that corresponds to an EBIT margin of 4.1% (after 8.4% in the previous year).

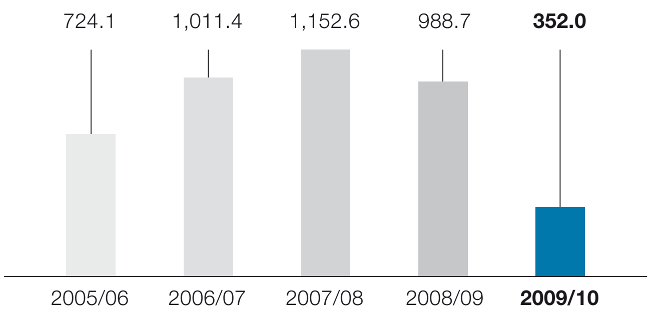
When reviewing the quarters individually, it becomes clear that after a slight loss of EUR 26.3 million in the first quarter of 2009/10, by the second quarter, the Group's EBIT had already returned to the profit zone. This trend has accelerated in the third and fourth quarters with EBIT of EUR 132.4 million and EUR 176.8 million, respectively. By the third quarter, the EBIT margin, which had been –1.3% in first quarter and 3.3% in the second, was at 6.3%, and in the final quarter, it rose to 7.8%.

Profit before tax fell by 73.8% to EUR 183.3 million and profit for the period by 69.5% to EUR 186.8 million

Low interest levels, positive results from investments in securities (as opposed to the previous year), and declining net financial debt resulted in a financial result that went up by EUR 120.1 million compared to the previous year. Despite the positive development of the financial result, due to the

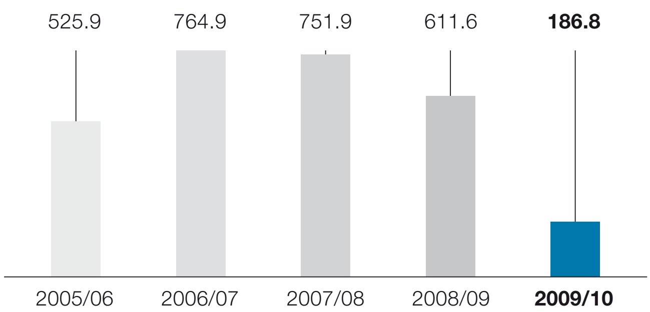
EBIT – Profit from operations

In millions of euros



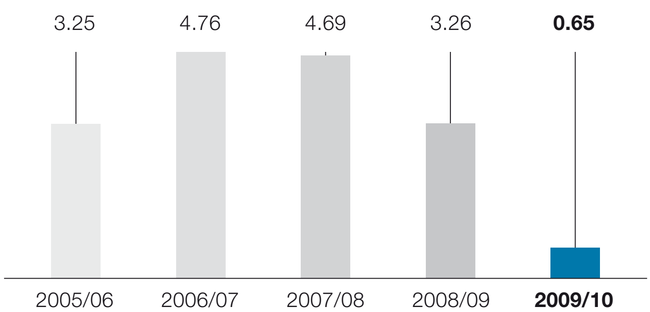
Profit for the period

In millions of euros



EPS – Earnings per share

In euros



declining operating profit, lower profit before tax, which dropped by 73.8% from EUR 700.0 million to EUR 183.3 million, and the reduced profit for the period[1], which fell by 69.5% from EUR 611.6 million to EUR 186.8 million compared to 2008/09, were clearly lower in 2009/10 than last year's figures. Due to the lower pre-tax result and taking the tax deduction items into consideration, the tax rate is –1.9% compared to 12.6% in the previous year.

At EUR 0.65, earnings per share are significantly under the previous year's level

While at EUR –0.05, the earnings per share (EPS) for the first three quarters of 2009/10 were still slightly negative, the fourth quarter with earnings per share of EUR 0.70 brought the earnings per share back to a positive range for the year overall. Therefore, the earnings per share for the business year 2009/10 equal EUR 0.65 (after EUR 3.26 per share in the previous year).

Proposed dividend: EUR 0.50 per share

Subject to the approval of the Annual General Shareholders' Meeting of voestalpine AG, which will take place on July 7, 2010, a dividend of EUR 0.50 per share will be distributed to the shareholders for the business year 2009/10 despite the extremely difficult economic environment. This corresponds to just below half of the previous year's dividend of EUR 1.05 per share or last year's dividend yield of 3.6%. Relative to the average share price of the business year 2009/10 of EUR 22.41, this represents a dividend yield of 2.2%.

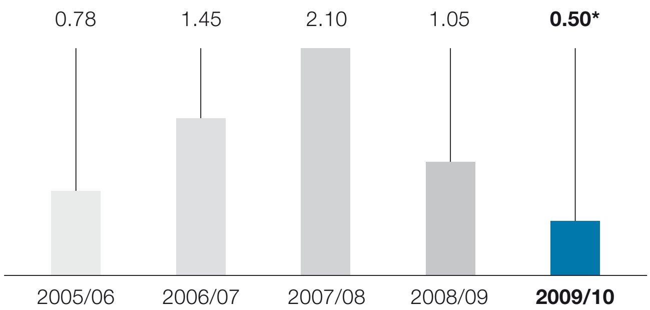
Substantial reduction of the gearing ratio to 71.3%

Although equity capital remained unchanged in the past business year at EUR 4,262.4 million compared to the end of the business year 2008/09 (EUR 4,262.5 million), the voestalpine Group was able to reduce its gearing ratio by about 17 percentage points. The reason for this improvement is a massive reduction of net financial debt in the past 12 months, which was made possible by investment expenditure that was lower than depreciation and working capital that was reduced compared to March 31, 2009, from EUR 2,450.1 million to EUR 1,648.2 million or by 32.7%. Thus, as of March 31, 2010, the voestalpine Group's

Dividend per share

In euros

* As proposed to the Annual General Sharholders' Meeting.



[1] Before minority interests and interest on hybrid capital.

gearing ratio (net financial debt as a percentage of equity) was 71.3%. Reduction of the gearing ratio compared to that of March 31, 2008, (88.2%) reflects the Group's strong self-financing capability and its consistent liquidity management despite the challenging economic circumstances and a dividend policy that has been consistently applied.

Cash flow shows the high self-financing capability of the voestalpine Group

Despite a profit for the period that was down significantly (from EUR 611.6 million to EUR 186.8 million) in the business year 2009/10, due to a substantial release of liquidity from working capital, the cash flow from operating activities increased by 18.3% from EUR 1,357.9 million to EUR 1,606.1 million. The cash flow from investment activities reflects the investment and acquisition policy that has been adjusted to the conditions brought on by the economic crisis. Without changes in financial assets, it went down from EUR –1,311.1 million to EUR –586.9 million so that there is a free cash flow of EUR 1,019.2 million for the business year 2009/10. Taking the changes in financial assets into consideration, the cash flow from investing activities declined from EUR –1,249.4 million to EUR –914.5 million.

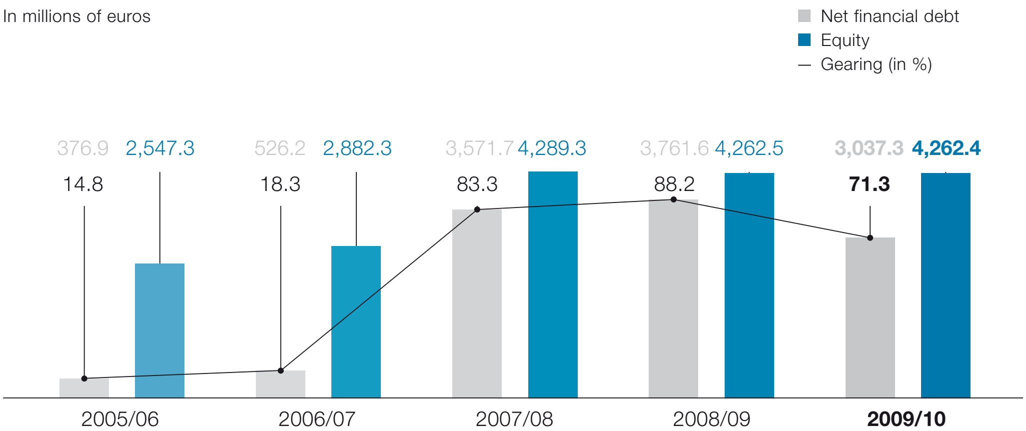
Cash flow from financing activities turned from EUR 413.4 million in the previous year to EUR –539.6 million in the business year 2009/10. This was primarily due to the repayment of financial liabilities in the amount of EUR 289.3 million as compared to borrowings in the amount of EUR 715.5 million in the previous year.

Against this backdrop, cash and cash equivalents were increased in the business year 2009/10 by another EUR 170.9 million (including net exchange differences) from EUR 857.7 million to EUR 1,028.6 million.

Crude steel production down by 10.9% to 6.07 million tons

The Group's crude steel production in the business year 2009/10 was 6.07 million tons, 10.9% below the previous year's figure (6.81 million tons). Therefore, with a production output of 4.36 million tons, the Steel Division saw a decline by 5.0%, while the Railway Systems Division had a production

Net financial debt – Equity – Gearing ratio



output of 1.20 million tons, which corresponds to a decrease by 18.4%. The Special Steel Division reported the greatest cutback in crude steel production from 0.75 million tons to 0.51 million tons or by 32.0%.

Comparison of quarterly figures during the business year

The table below provides an overview of the development of key financial figures over the four quarters of the business year 2009/10:

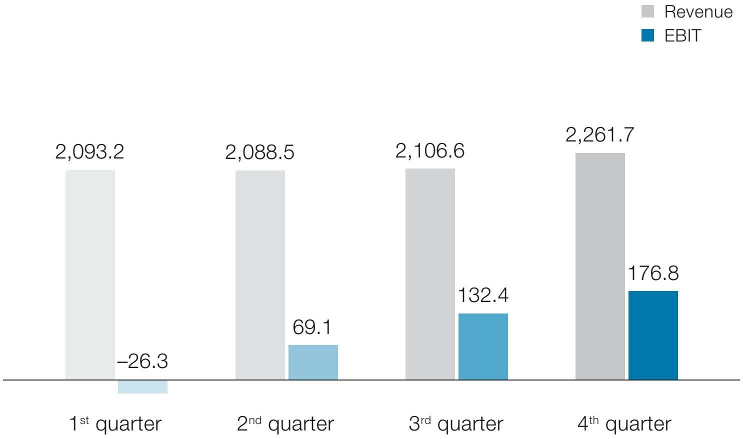
Quarterly development of the voestalpine Group

	1st quarter 2009/10	2nd quarter 2009/10	3rd quarter 2009/10	4th quarter 2009/10	BY 2009/10
Revenue	2,093.2	2,088.5	2,106.6	2,261.7	8,550.0
EBITDA	134.2	232.6	297.1	340.4	1,004.3
EBITDA margin	6.4%	11.1%	14.1%	15.1%	11.7%
EBIT	–26.3	69.1	132.4	176.8	352.0
EBIT margin	–1.3%	3.3%	6.3%	7.8%	4.1%
Profit before tax (EBT)	–70.1	27.8	89.8	135.8	183.3
Profit for the period	–48.2	28.4	71.5	135.1	186.8
Employees (excl. temporary personnel and apprentices)	40,801	39,919	39,404	39,406	39,406

In millions of euros

Quarterly development of the voestalpine Group

In millions of euros
Business year 2009/10



Acquisitions and divestments

Acquisitions

In the business year 2009/10, the voestalpine Group did not make any acquisitions; instead, against the backdrop of the economic crisis, it focused on streamlining and consolidation of its portfolio of companies.

Divestments

In the Automotive Division, the sale of the Italian company Euroweld S.r.l., which is active in the production of laser-welded blanks, as well as the closure of the British site St. Helens, which had been part of the plastics segment of the voestalpine Polynorm Group, were completed as of April 1, 2009. *(As these divestments occurred at the very beginning of the business year, we refer to the quarterly reports 2009/10 for further details.)*

The efforts to sell the two remaining companies in the plastics segment of the Automotive Division in the Netherlands as well as the French company Amstutz Levin & Cie have not yet been successful due to the difficult economic and financial circumstances. These companies, which had previously been recorded under discontinued operations, were therefore again included under continuing operations in the business year 2009/10 and were undergoing a reinforced restructuring process.

Investments

The investments of the *voestalpine Group* in the business year 2009/10 came to *EUR 542.5 million.* Of the total investments, EUR 524.9 million were attributable to tangible fixed assets, EUR 14.7 million to intangible assets, and EUR 2.9 million to equity holdings.

The reduction of the Group's investment volume by half compared with the previous year (EUR 1,078.9 million) and the relatively uniform reduction in each of the five divisions are the result of the swift and determined liquidity and cost management immediately after the outbreak of the crisis in the fall of 2008. In this respect, the Company had started to comprehensively redimension the originally planned investment projects already during the second half of 2008/09, focusing exclusively on strategically important investments to secure the long-term technology and quality leadership. In the business year 2009/10, this policy of restraint towards investments was applied with even greater determination. As a result, the investments both on corporate level and in all divisions fell clearly below the level of depreciations.

The only exception is the *Steel Division* whose investment expenses were still slightly higher than the depreciations. Essentially, this is because important projects within the framework of the investment programs "Linz 2010, second phase" and "L6", where considerable progress had already been made, were still undergoing completion during the course of the business year 2009/10. However, the initiation of new projects was extremely restricted.

The Steel Division reported investments of *EUR 240.8 million* in the business year 2009/10, accounting for 44.4% of the total corporate volume of investments. Although the investment activities of the division decreased by almost half, namely 46.1%, over the previous year (EUR 446.9 million), a number of strategically important projects was nevertheless completed or successfully commissioned. In addition to the implementation of the hot-dip galvanizing plant 5 as the last pending project under the *"Linz 2010, second phase"* program, the investment activities concentrated on the continued implementation of the follow-up project "L6", which also concerns the site in Linz. The focus was on the increase of the crucible capacity in the steel mill (successfully completed), the replacement of the finishing stand in the wide strip mill (implementation in progress, completion scheduled for the business year 2011/12) and the commissioning of a new block in the Company's own power plant in April 2010 (block 7 with an output of 165 MW).

With the major investment programs "Linz 2010" (two phases), "L6" and ongoing investment activities, the voestalpine Group invested more than EUR 3 billion in the modernization and the development of the steel site in Linz.

The *Special Steel Division,* which accounted for 33.8% of the total corporate investments in 2009/10, reduced its expenditures by one third over the previous year, namely from EUR 275.9 million to *EUR 183.3 million.* Again, this reduction is attributable to a very restrictive investment policy as well as the extension of the implementation schedules of already initiated expansion and modernization projects in Kapfenberg (Austria), Hagfors (Sweden) and Wetzlar (Germany). With the *capacity increase in the forging and steel mill area,* the Special Steel Division will complete the last part of a multiannual expansion program in the business year 2010/11. Projects in the course of implementation concern primarily a new axial forging machine in Kapfenberg, a new forging press in Wetzlar and a corresponding machine in Hagfors. In spite of this ambitious program, the investments of the Special Steel Division in the new business year will again fall well short of the depreciations.

The investments of the *Railway Systems Division* amounted to *EUR 71.9 million,* accounting for 13.3% of the total expenses of the voestalpine Group. With a decrease of 70.3% over the previous year (EUR 242.3 million), the reduction of investments in this division exceeded that of the other divisions by a wide margin. However, it should be added that the figure for the preceding period had been exceptionally high because of the previous large-scale investment program implemented by the division during several years, mainly at the Donawitz site. During the year under review, the following major projects were implemented: in the steel production section, the installation of a *new vacuum degassing unit* to eliminate the bottleneck at the degasification capacity and the *enclosure and dust removal system for the slag area;* in the manganese foundry of the turnout technology segment, an investment concerned a fully automated series production facility for manganese frogs in France; and in rail production the commissioning of a *new sawing line* led to a considerable capacity increase in Donawitz.

The Profilform and Automotive Divisions only accounted for approximately 4% of the corporate investments during the business year under review. In detail, the investment volume of the *Profilform Division* amounted to *EUR 19.3 million,* representing a 58.8% decrease over the previous year (EUR 46.9 million). The *Automotive Division* invested *EUR 22.5 million,* reducing its outlay by 55.8% compared with the previous year (EUR 50.9 million). The lack of large site-specific investment programs and the considerably higher contract and project dependence of investment decisions compared to the Group's other divisions explain the almost identical development of investments in these divisions.

Employees

As of March 31, 2010, the *voestalpine Group* had *39,406 employees* (excluding apprentices and temporary personnel). Compared to the end of the business year 2008/09, this corresponds to a reduction due to the economic crisis of 6.0% or 2,509 employees. In comparison to the employee numbers prior to the crisis (September 30, 2008), this represents a decline by 3,627 employees or 8.4%.

The proportion of Austrian to "international" employees has remained constant: The majority (20,788 employees or 53%) was working at locations outside of Austria, while 18,618 employees were working in Austrian companies.

Furthermore, as of the end of the business year 2009/10, the voestalpine Group was training *1,472 apprentices.* At 32.0%, already nearly a third (471 apprentices) are being trained at international sites compared to 68.0% (1,001 apprentices) in Austria. The number of Group-wide apprentices has thus remained almost constant—at a very high level—as compared to the previous year (1,506), declining by a mere 2.3% or 34 apprentices.

Human resources management in the business year 2009/10

The dimension of the global economic crisis and the speed with which it escalated have posed great challenges to human resources management during the last two business years. By not only quickly recognizing and assessing the crisis, but also by consistently and comprehensively implementing numerous human resources strategies, the voestalpine Group was able to navigate this most difficult economic period since the post-war years in such a way that the effects on the Company's employees have remained comparatively manageable. At the same time, this experience has taught some lessons regarding human resources management so that the Group overall and the HR sector in particular can become more flexible, leaner, and more efficient in their reaction to the increasing volatility of the markets. In addition to continuing to develop new working time models, this includes a greater utilization of temporary workers.

The crisis response in the voestalpine Group consisted of a number of short- and medium-term measures that depended on the requirements of the individual company and the legal and country-specific parameters. These included reduced working hours, consumption of remaining vacation days and compensatory time credit, introduction of new working time models, development of social plans for employees willing to voluntarily give up their jobs and employees who were close to retirement age, as well as more opportunities for educational leave.

Although these measures proved to be effective overall and prevented broadly based layoffs, nevertheless the staff had to be reduced in the business year 2009/10 by a total of 2,509 *core employees* (641 salaried employees and 1,868 workers), of whom 46% were in Austria. At the height of implementation of reduced working hours in June 2009, almost one third of the staff was affected; since the fall of 2009, the employment situation has eased to the extent that it was possible to cut back the number of employees still working reduced hours by the end of the business year 2009/10 to only 1,460 employees (this corresponds to 3.7% of the Company's workforce).

The number of *temporary employees* rose compared to the previous year by 26.8% (from 2,327 to 2,951 person-years), however, it is still 1,198 person-years under the highest figure at the beginning of the crisis in the fall of 2008.

Stahlstiftung (Austria)

The Stahlstiftung ("steel foundation"), which was founded in 1987, provides employees who are leaving the Company with the opportunity to complete training or continuing education programs for a period of up to four years, acquiring new occupational skills or improving qualifications, for example, final apprenticeship examinations, classes and courses of study, studies at vocational secondary schools, universities of applied sciences, or universities. In addition to cushioning the social impact of layoffs due to the economic environment, this organization also helps those affected to look for new jobs.

The Stahlstiftung can be utilized by employees of almost all Group companies located in Austria (who currently make up two thirds of the participants), as well as employees from about 70 external member companies from outside the Group; it is funded by solidarity contributions by the employees of the member companies. Since its establishment, this organization has achieved an average placement rate of 93%. Even in the extremely tough, crisis-stricken job market of the past business year, the Stahlstiftung has been able to successfully integrate 85% of the job seekers into the job market.

As of March 31, 2010, 884 persons were being assisted by this organization; due to the crisis, the number had doubled from the previous year.

Educational leave (Austria)

As of the end of the business year 2009/10, 611 employees of Austrian Group companies (this corresponds to a five-fold increase compared to the previous year) had taken advantage of educational leave opportunities. This model enables employees to participate in government-subsidized training and continuing education for a period of three to twelve months and is largely funded by the Stahlstiftung. After the end of the leave, employees are guaranteed a job with their employer. The participants of the educational leave model are predominantly internal voestalpine employees (94%), with most of them coming from the Steel and the Special Steel Divisions.

Employee shareholding scheme

The expansion of the employee shareholding scheme of voestalpine AG beyond the Austrian borders is being consistently implemented. The international employee shareholding model, which was developed in the previous year, was successfully implemented during the business year 2009/10 in individual British and German Group companies. The inclusion of additional companies is being planned for the current business year 2010/11.

As of March 31, 2010, 20,578 active Group employees hold about 20.9 million voestalpine AG shares within the scope of the employee shareholding scheme. These shares, as well as another 1.5 million private shares held by both former and active employees, are being managed by the voestalpine Mitarbeiterbeteiligung Privatstiftung.
As of the end of the business year 2009/10, a total of *13.3%* of the voestalpine AG shares were held by *employees*.

Raw materials

On the raw materials markets, the business year 2009/10 was characterized by two completely opposing developments. While in the first half of the 2009 calendar year the short-term prices for iron ore, coking coal, and scrap fell by about two thirds compared to the peak prices in mid-2008, subsequently, the situation was reversed very rapidly.
Beginning in the summer of 2009, the European steel industry was starting to come out of the economic trough. In the following months, production was quickly resumed in plants that had been temporarily shut down, resulting in a sharp ramp-up of production. Together with the economic uptrend in China that began in the first half of 2009, by the end of the year, this had resulted in price increases on the spot market for iron ore, coking coal, and scrap of up to 50%. Another massive rise in the short-term raw materials prices occurred in the last three months of the business year 2009/10, again with increases of up to 70%. Due to the severe discrepancy between the price level on the spot market and that of the annual contracts (benchmark prices) that arose from this development, the major mine operators demanded an enormous increase of the annual prices to be negotiated for April 1, 2010, and even called the practice of entering into annual contracts into question.

As a result, the benchmark system, which had been the norm for iron ore and coking coal for the last several decades, was indeed subsequently abandoned. Although long-term supply agreements are still being entered into relative to quantities, with regard to prices, most of the mine operators are now only prepared to sign quarterly agreements (on an index basis).

With respect to the supply situation in the voestalpine Group, it can be generally stated that supply of all necessary raw materials was assured for all locations and at all times throughout the business year 2009/10. This is a result of the Group's procurement strategy that has been pursued consistently for many years; its core is a comparatively broad supplier portfolio, particularly with regard to coal and ore, thus avoiding one-sided dependency on individual mining operators. Furthermore, the strategy includes the accelerated expansion of domestic supply sources for ore, which are currently at 20%.

In the future, the voestalpine Group will have a somewhat lower volatility of volume in comparison to other steel manufacturers due to its comparatively broad supply base, but because of the departure from the annual price system, the Group will not be able to avoid adjustments of the contractual terms at the customer end, if only for risk policy considerations alone.

The voestalpine Group is optimistic that it will be possible to pass on the soaring raw materials prices to the market within a foreseeable period of time and, against the backdrop of the new framework conditions, to achieve a sustainable pricing model vis-à-vis our customers.

Environment

In the business year 2009/10, the *environment-related investments* of the voestalpine Group at just its Austrian sites came to about *EUR 48 million,* thus remaining at the high level of the previous year (EUR 49 million) despite the economic crisis. Due to declining production numbers, however, the current *expenses for the operation and maintenance* of environmental protection facilities, which had been at EUR 225 million for Austria in the previous business year, dropped to *EUR 193 million* in 2009/10. This results largely from somewhat lower operating expenses for environmental facilities and reduced disposal costs for production-related waste.

From today's perspective, the financial burden for the *purchase of CO_2 certificates* in the second trading period (2008–2012) will come to about *EUR 50 million.* The voestalpine Group already ensured the necessary number of certificates and has already purchased about half of them. The remainder will be purchased by the end of the second trading period.

Focal points of environmental measures

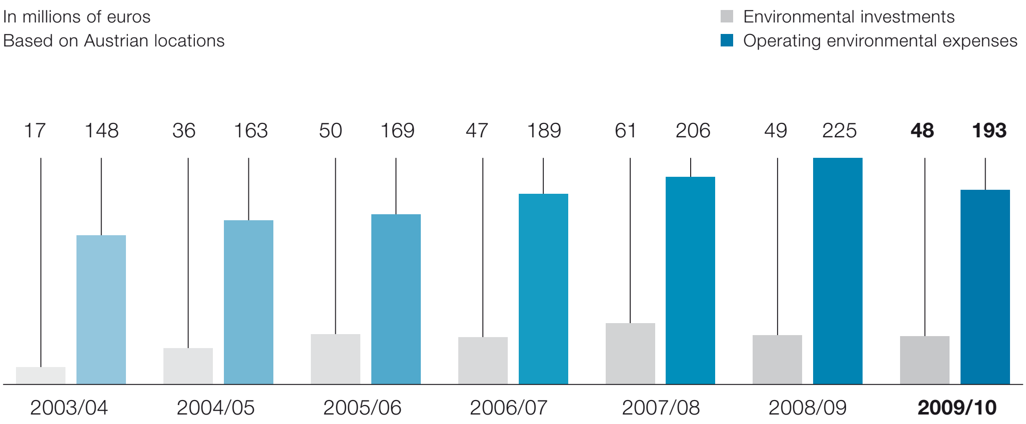
Despite the difficult economic circumstances, additional improvements in the areas of energy and raw materials efficiency, air and water emissions, and waste prevention were carried out at a number of Group locations in 2009/10. For example, the focus at the metallurgical plant site in Linz was two-fold: continuing reduction of dust emissions in the blast furnace area and further optimization of the plant's already very high degree of energy efficiency. Due to the start-up of operations of a new power plant block, utilization of gases generated in the production process can be improved even further for use in the self-generation of electricity that is currently at 90%; furthermore, by deploying state-of-the-art technologies, it is possible to achieve a further significant reduction of NO_X emissions.
By implementing appropriate technical measures, emissions of site-specific harmful substances were substantially reduced at the Group's Traisen and Kapfenberg locations in Austria, as well as at the Special Steel Division's production companies in Sweden, Germany, and Brazil.

As is the case at the Group's largest location in Linz, an improvement of energy efficiency is also a primary focus of environmental activities at the Donawitz metallurgical plant, where a new power plant unit was put into operation in October 2009. Additionally a new water supply and wastewater disposal concept has been implemented, which has brought considerable improvements with regard to environmental protection and energy recovery.

Awards for the voestalpine Group's high standards

The Group's environmental standards, which put it among the leaders in the field by international benchmarks, were again

Environmental expenditures



honored in the business year 2009/10 with a number of awards. To name just two examples, the lime works in Steyrling was awarded the Sustainability Prize 2010 by "Forum Rohstoffe" and the World Wildlife Fund (WWF) for changing to environmentally friendly mining practices, and VAE Eisenbahnsysteme GmbH received the European EMAS Award 2009 for green procurement in the category of "large corporations." It should be noted that this Group company, whose 2009 National EMAS Award was its fourth, was the first Austrian company ever to receive this European award.

International thematic focal points

The setting of a future direction for a global *CO_2 regime* that had been announced for December 2009 within the scope of the UN Climate Conference in Copenhagen has failed and has been postponed to the next conference at the end of 2010 in Cancún, Mexico. This means the state of uncertainty concerning the regulatory framework will continue so that reliable planning for investments in the European Union is impossible for many industrial companies.

The benchmark system for the European steel industry originally developed by voestalpine Group to achieve long-term reduction of CO_2 emissions on a fair and standardized basis has now been recommended by the European steel association EUROFER and its member companies and is currently being negotiated with the European Commission. The basis for this benchmark system is a comprehensive collection of data regarding all plants and facilities of the European steel industry that will be affected by CO_2 certificate trading from 2013 on.

Currently, the EU *IPPC Guideline* (Integrated Pollution Prevention and Control Directive), which was adopted in 1996, is being revised. A particular focus is a Europe-wide standardization of threshold values for industrial facilities, which will also be codified in the Reference Documents of the European Commission's Best Available Techniques in the iron and steel industry. In the future, these threshold values may be adapted to local circumstances only with the European Commission's approval and solely in justified exceptional cases.

On June 1, 2007, the EU chemicals regulation *REACH* became effective; its effects have already been described in detail in the previous annual reports. With regard to the implementation of these requirements within the voestalpine Group, we therefore refer to the quarterly reports on the business year 2009/10.

Information technology

The difficult overall economic situation was also a particular challenge for the information technology segment with its comprehensive integration into the Group's business and production processes. Activities around the variabilization of IT costs, which have been stepped up in the last few years, have made an important contribution, especially in these economically challenging phases. This has made it possible to reduce IT expenses in the last business year alone by 12.6%.

Despite consistent management of investments and costs in the individual Group companies, strategically and structurally important projects have been pursued, with some already being completed. The projects have included the following:

- Within the scope of the *"Future"* project *(Steel Division),* processes, many of which have been recently developed, and the control functions that are applied throughout the division are being mapped on the basis of a new and fully integrated IT architecture. This new IT landscape will be implemented beginning with the business year 2011/12.
- The technical integration of the companies of the *Special Steel Division,* acquired in 2007, into the IT structure of the Group as a whole has been largely completed. Currently, as a result of Group-wide reorganizational measures, system relocations/separations are being carried out.
- The *"Genesis"* project *(Railway Systems Division)* is ensuring an integrated quantity and value flow along the division's value chain. The new system structure is already being implemented in rail production as of the beginning of the business year 2010/11; implementation for the steel mill and wire production is planned for late 2010/11.
- Experience gained from the *"business process integration"* project *(Profilform Division)*—highly integrated sales and production planning systems that are being deployed at the Austrian site in Krems—is providing a starting point for a launch at other (including international) divisional locations.
- The *new IT target architecture* of the *Automotive Division* is being consistently implemented on the basis of the current structure of the business units.

Moreover, in the business year 2009/10, the Group's IT service company, voestalpine group IT GmbH, brought in a strategic partner for the operation of IT services and data centers. This step will ensure additional flexibility in providing these services.

Research and development

Development of R&D key figures

Despite the economic crisis, the *voestalpine Group's expenses* for research and development remained at a very high level. The *R&D budget,* which was at *EUR 111.9 million* for the past business year (thus precisely corresponding to the actual 2008/09 figure, the absolute record thus far), was not completely exhausted due to this sector's ongoing efficiency gains so that at *EUR 108.8 million,* the *actual R&D expenses* represented a slight decline by 2.8%. The estimated R&D expenses for the current business year amount to EUR 111 million; this means that after increasing its innovation expenses four-fold in the last ten years, the voestalpine Group has kept them at the all-time high for already three consecutive years, even after the onset of the economic crisis.

The development of the *research ratio* (R&D expenses to total revenue) should also be highlighted. This key figure *went up* in the past business year from 0.96% *to 1.27%,* while the *R&D coefficient* (expenses measured by added value) *rose* just as significantly from 2.58% *to 3.42%.*

voestalpine patents again up

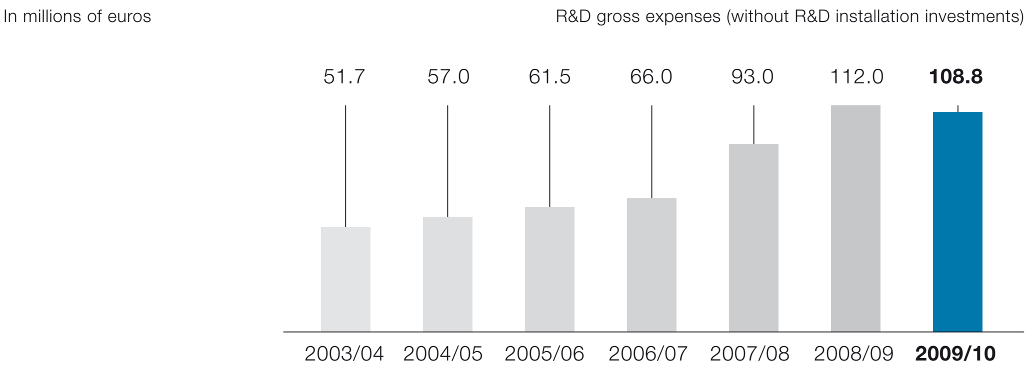
The trend with regard to *patents* was equally gratifying: Running against the worldwide declining number of new patent registrations in the 2009 calendar year due to the economic crisis[1] (globally by more than 4%, in Europe by more than 8%), the voestalpine Group was even able to further increase the number of its patents. Despite comprehensive streamlining of the patent portfolio by about 260 proprietary/patent rights, the total number rose in the past year by roughly 200 or about 6% to 3,470 patents (applied for and granted).

Expansion of the R&D network

International technology and quality leadership in sophisticated and high quality sectors requires a foundation based on intensive (application-oriented) fundamental research. As the most research-intensive domestic industrial corporation, voestalpine is also an important industrial partner—far beyond the borders of Austria—of 80 uni-

[1] Sources: national and international patent offices.

Research expenses for the voestalpine Group



versities and university research institutes. Furthermore, the Group is a participant in ten projects of the Austrian COMET competency center program and 15 Christian Doppler laboratories.

By way of their cooperation with the voestalpine Group, university R&D partners receive more than 10% of the voestalpine research and development budget.

Focal points of our R&D strategy

Sustainable innovation leadership is based not only on focusing the Group's research activities on ongoing product and process improvements, but identifying very long-term, global developments at as early a stage as possible, analyzing them, and translating them into concrete focal areas of activity. The long-term R&D focus is particularly on materials-relevant aspects of the energy, mobility, and resources sectors, which were already at the center of our research and development activities during the business year 2009/10. For example, development of components made of innovative high-temperature materials, as well as special applications for the solar energy, wind power, and thermal energy generation sector have been driven forward.

A crucial aspect of our competitiveness is the cross-divisional, consistent collaboration across the entire Group that comprises not only materials competence, but key know-how in processing techniques, including the bonding of materials, for example, through newly developed welding technologies.

- *For details on those innovations that were successfully realized in the past year (for example, new lightweight construction technologies for automobile construction or continuing optimization of high-quality high-speed switches), we refer to the detailed information contained in the quarterly reports on the business year 2009/10.*

Risk management

voestalpine AG first established risk policy guidelines for the Group around 10 years ago. The risk management system, which has been in place since the business year 2000/01 in the form of operating procedures for the entire Group, serves both to secure the long-term existence of the Company and to increase its value, and is thus a key factor in the success of the Company.

In accordance with the Austrian Company Law Amendment Act *(Unternehmensrechtsänderungsgesetz),* an Audit Committee has been established within voestalpine AG which continuously deals with, amongst others, matters concerning risk management and the internal control system (ICS). Both risk management and the ICS are integral components of the existing management systems within the voestalpine Group. The Internal Audit department is an independent internal company unit which monitors operating and business processes as well as the ICS, and has full discretion when reporting and assessing audit results.

Risk management covers both strategic and operative levels and is therefore a significant element in enduring success. Strategic risk management serves to evaluate and safeguard strategic planning for the future. Strategies are examined to ensure conformity with systems of objectives in order to guarantee growth in value through the optimum allocation of resources. Operative risk management is based on a revolving procedure run at least once a year. The identified risks are evaluated according to an evaluation matrix which judges potential loss and probability of occurrence. Essentially it is the operational, environmental, technological, financial and IT risks which are documented, and this process is supported by a special web-based IT system.

Measures taken within the voestalpine Group to avoid, minimize and transfer risk include:

- **Raw materials availability and price hedging**

For several years the Company has followed a procurement strategy targeted at establishing close and long-term relationships with suppliers, the expansion of the supplier portfolio and increased self-sufficiency. In view of the increased volatility expected in the raw materials markets, these objectives will become increasingly important. As a result of this focused approach, when increasing shortfalls in supply emerged worldwide, the Group was continually able to secure sufficient supplies of all necessary raw materials right through to the end of the business year 2009/10.

Due to the extensive withdrawal from traditional benchmark systems (see "Raw materials" section), corresponding adaptions of contracts are currently negotiated with the Group's customers, in order to accommodate changes in general conditions, especially in terms of risk factors.

In order to evaluate the risks arising from the volatility in raw materials prices we have a risk management tool for calculating cash flow @ risk. Under consideration of the ability to pass on price changes, the size of the evaluated risk and the individual peculiarities of each raw material, prices are secured by agreeing supply contracts with fixed-price agreements or via derivative financial contracts. An internal guideline regulates the procedure within the Group.

Failure of IT systems

Servicing of business and production processes which are largely based on complex information technologies is carried out by a specialist IT company which is 100% owned by voestalpine AG.
Due to the importance of IT security, and in order to further minimize potential IT security risks, minimum security standards for data processing were drawn up in the past and adherence to these standards is audited annually.

Production facilities

In order to minimize the risk of breakdowns at critical facilities we have undertaken comprehensive, targeted investment in the technical optimization of sensitive units. Continual, preventative servicing, a risk-oriented storage of spare parts and employee training are further measures.

Employees

Challenging projects to sustainably secure knowledge and prevent the loss of know-how were initiated in the past and are being consistently updated. The existing series of planned measures for implementation in the event of a pandemic are reviewed annually to ensure complete functionality, should they be required.

CO_2 risks

Risks related to CO_2 are covered in the "Environment" section in this Annual Report.

Risks in the financial area

With respect to guidelines competence, the setting of strategy and the definition of targets, financial risk management is centrally organized. The existing body of regulation includes targets, principles, tasks and competencies, both for the Group treasury and for the financial sector of each Group company. Financial risks are constantly monitored, quantified and, where appropriate, secured. The strategy aims to reduce fluctuations in cash flow and income. Market risks are largely secured through the use of derivative financial instruments.

Financing risks are secured through the measures detailed below:

Liquidity risk

Liquidity risk refers to the ability to raise funds at any time to settle incurred liabilities. The primary instrument for controlling liquidity risk is a precise financial plan that is submitted quarterly by the operating entities directly to the Group treasury of voestalpine AG. The requirements on financing and bank credit lines are determined from the consolidated results.

Credit risk

Credit risk refers to financial losses that may occur through non-fulfillment of contractual obligations by business partners. The credit risk of the underlying transactions is kept low by precise management of receivables. A high percentage of delivery transactions are covered by credit insurance. Bankable security is also provided, such as guarantees and letters of credit. As of March 31, 2010, 77% of receivables from deliveries and services were covered by credit insurance.

Currency risk

An initial hedge is provided by naturally covered items where, for example, trade receivables in USD are offset by liabilities for the purchase of raw materials (USD netting). Hedging can also be achieved through the use of derivative hedging instruments.

Interest rate risk

An evaluation of interest rate risk differentiates between the cash flow risk (the risk that interest expenses or interest income will undergo a detrimental change) for variable-interest financial instruments and present value risk for fixed-interest financial instruments. The strategy of the Group is to reduce interest rate volatility through the use of the portfolio effect and interest hedges.

Economic and financial crisis

Measures were introduced during the previous year to counteract the effects of the global economic and financial crisis on the voestalpine Group, and these measures continued to be implemented during the business year 2009/10.
The measures were targeted at

- keeping the negative effects of the economic recession on the Company to a minimum,
- maintaining high levels of production quality whilst simultaneously reducing costs,
- being able to make available sufficient financial liquidity, and
- securing the know-how within the Group with a view to continuing the long-term expansion of our leadership in quality and technology.

Tangible measures were developed and implemented to minimize or eliminate risks identified within the Group in the past, thereby continuing the trend of reducing the potential for risk. The measures which were developed were targeted at reducing the extent of potential loss and/or minimizing the likelihood of these risks occurring.

In conclusion, the risks faced by the voestalpine Group are limited and manageable and do not endanger the survival of the Group. Nor are there any identifiable risks to the future existence of the Company.

Report on the key features of internal control and risk management systems with respect to accounting procedures

In accordance with the Austrian Commercial Code (UGB) § 243a (2) as amended by the Austrian Company Law Amendment Act of 2008 (URÄG 2008), companies whose shares are traded on the regulated markets must describe in their management reports the key features of their internal control and risk management system with respect to accounting procedures.

It is the responsibility of the Management Board to establish a suitable internal control and risk management system for accounting procedures pursuant to § 82 of the Austrian Stock Corporation Act (AktG). For that purpose, the Management Board has passed guidelines which are binding for the whole Group.

In line with the decentralized structure of the voestalpine Group, the local management of each Group company is obliged to establish and design an internal control and risk management system for accounting procedures which meets the demands of that individual company and ensures adherence to existing Group-wide guidelines and regulations.

The entire procedure, from procurement to settlement, is subject to strict Group guidelines which are designed to avoid the risks associated with the business processes. These Group guidelines set out measures and regulations for avoiding risk. They include, for example, the separation of functions, signatory systems, and the authority to sign for settlements which is exclusively collective and limited to only a few persons ("four eyes" principle).
In this context, control measures for IT security constitute a cornerstone of the internal control system. The separation of sensitive activities is supported through the restrictive issuing of IT authorizations. Accounting at each Group company is basically effected using SAP software. The operational capability of this accounting system is also guaranteed by automatic IT controls, amongst others, in the system.

In preparing the consolidated financial statements, the data for fully consolidated or proportionately consolidated entities is transferred to the unified Group consolidation and reporting system.
The unified Group accounting policies for recording, booking and balancing commercial transactions are regulated by the voestalpine consolidated financial statements handbook and are binding for all Group companies concerned. Automatic controls built into the reporting and consolidation

system, together with numerous manual controls, are implemented in order to avoid material misstatements. These controls extend from management reviews of income and expenses for each period through to the specific reconciliation of accounts.

The form in which the Group reports its accounting processes is summarized in the voestalpine controlling handbook.
The accounting and controlling departments at each Group company submit monthly reports with Key Performance Indicators (KPIs) to their own managing directors and management board members, and, after authorization, to Corporate Accounting & Reporting. Here these reports are summarized, consolidated and reported to the Group Management Board. Quarterly reports include additional information such as detailed target-performance comparisons and are dealt with in a similar manner. Quarterly reports are submitted to the supervisory or advisory board of each Group company and a consolidated report is submitted to the Supervisory Board of voestalpine AG.

As with operative risks, accounting procedures are also subject to risk management. Potential accounting risks are regularly surveyed and avoidance measures implemented. The focus is placed on those risks which are regarded as fundamental to the activities of that company. Compliance with the internal control system and its quality is monitored on an ongoing basis in the form of audits at Group company level. The Internal Audit department works closely with the responsible management board members and managing directors. The Internal Audit department reports directly to the CEO and submits reports periodically to the Management Board of voestalpine AG, and subsequently to the Audit Committee of the Supervisory Board.

The control systems of each company division are also subject to control by the auditor as part of the annual financial statements where these controls are relevant to the preparation of the Group's consolidated financial statements and to the fair presentation of the Group's financial statements.

Disclosures in accordance with § 243a of the Austrian Commercial Code (UGB)

As of March 31, 2010, the share capital of voestalpine AG amounts to EUR 307,132,044.75 and is divided into 169,049,163 no-par value bearer shares. There are no restrictions on voting rights (1 share = 1 vote). voestalpine AG is unaware of any agreements among its shareholders or between its shareholders and third parties that restrict voting rights or the transfer of shares.
Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG, Linz, as well as the voestalpine Mitarbeiterbeteiligung Privatstiftung (a private foundation for the Group's employee shareholding scheme), Linz, each hold more than 10% of the Company's share capital; Oberbank AG, Linz, holds more than 5%.

The Management Board of the voestalpine Mitarbeiterbeteiligung Privatstiftung exercises the voting rights of shares that are owned by Group company employees participating in the employee shareholding scheme and which are held in trust by the voestalpine Mitarbeiterbeteiligung Privatstiftung. However, the way in which the voting rights are exercised requires the approval of the Advisory Board of the voestalpine Mitarbeiterbeteiligung Privatstiftung. The Advisory Board decides on the approval with a simple majority. The Advisory Board is constituted on a basis of parity, with 6 members representing employees and 6 members representing the employer. The Chairman of the Advisory Board, who must be appointed by the employee representatives, has the deciding vote in the event of a tie.

For powers of the Management Board that are not directly derived from applicable statutes, such as the purchase of the Company's own shares, authorized or contingent capital, we refer to item 17 (Equity) in the notes to the consolidated financial statements 2009/10.

The hybrid bond issued in October 2007, the bonds issued in the business year 2008/09 (EUR 333 million in fixed-interest securities 2008–2011, as well as EUR 400 million in fixed-interest securities 2009–2013), as well as other long-term financing agreements with an initial volume of EUR 2.1 billion, which the Company executed in the business year 2008/09 with national and international banks, contain so-called change-of-control clauses. With the exception of the hybrid bond, according to the terms of these financing agreements, the bondholders or the lending banks have the right to demand redemption of their bonds if control of the Company changes. Under the terms and conditions of the hybrid bond issue, the fixed interest rate of 7.125% (interest rate during the fixed-interest period) or the margin of 5.05% (interest rate during the variable-interest period) goes up by 5% 61 days after a change in control occurs. voestalpine AG has the right to call and redeem the bonds no later than 60 days after a change in control. According to the terms and conditions of the aforementioned bonds and financing agreements, control by voestalpine AG changes when a controlling interest within the meaning of the Austrian Takeover Act *(Übernahmegesetz)* is acquired by another party.

The Company has no compensation agreements with the members of the Management Board, Supervisory Board, or employees in the event of a public tender offer.

Outlook

In the spring of 2010, the global economic situation is being shaped almost exclusively by macroeconomic parameters. The development of individual companies, sometimes even of entire business sectors, is being eclipsed by fundamental debates and decisions concerning political, economic, and monetary policy. In the last decades, the structures and positions within the global economic and monetary fabric have seldom been questioned and challenged as forcefully as has been the case in these weeks and months—from the basic topic of the general relationship between politics and the economy, to the limits of the debt-carrying capacity of national economies and to the question of regulation of capital and financial markets.

Against this backdrop, it is even harder today to predict than it was just a few months ago to what extent the effects of the worst recession of the last decades have been definitively overcome and whether we can assume at least a gradual recovery of the global economy in the next years. In the light of the progressively worsening indebtedness situation in a number of—not only European—countries, the question also arises of whether a broad-based recovery of the world economy in the foreseeable future is even realistic or whether we should assume that this is merely an upswing in individual regions and is itself possibly only temporary.

The decisive role in the answer to this question will be the development of the economic situation in Asia, primarily the sustainability of the uptrend in China. In this context, the Chinese monetary and foreign exchange policies have become increasingly important for the future course of global trade. From the European perspective, it is the further development of the euro in relation to other Western currencies that will determine the economic landscape. Apart from the pacifying effect that a possible euro consolidation would have on the capital markets, current events could also have positive aspects for Europe in the long term. Should a deepening of the economic integration of the European Union or the euro area result from a solution of the indebtedness problems of individual European countries, this would in the long term lead to a significant strengthening of this economic area in terms of worldwide competition.

In addition to all of these fundamental uncertainties, there are a number of unanswered questions from an industry-specific perspective with regard to what the further development of the economic situation might be. Which industries will recover more quickly and which only over the long term? How long will it take to be able to pass on the current doubling of raw materials costs for steel products along the entire value chain to the market? What does it mean for pricing vis-à-vis our customers that after decades of annual price agreements for raw materials, we are now dealing with quarterly price fixing?

But even if there is a great deal that is still unanswered and uncertain for the future, there are a number of facts that allow us to anticipate a continuation of the positive basic trend for the next months. Capacity utilization in the Steel and Railway Systems Divisions is outstanding and the positive trend in the Special Steel, Profilform, and Automotive Divisions is continuing. Demand is stable at a good level in the important customer segments of the automobile and white goods industry, railway infrastructure, and alternative energies, and we are seeing rising demand in the conventional energy segment, in the mechanical engineering and tool manufacturing segments, and in the commercial vehicle industry. Only the construction and aviation sectors have shown hardly any growth. Additional favorable factors that support a continuation of the positive trend are a defused import situation in the European steel sector, customer inventories that are not filled above a normal level in all divisions, and price levels that are trending upward.

In summary, despite the very challenging economic environment that we described at the outset, we are anticipating a continuing improvement of the Group's operating result, at least for the first half of the business year 2010/11. From today's perspective, it is almost impossible to make predictions for the second half of the year. However, due to the increasing effect of continuing cost reduction measures, we anticipate that the voestalpine Group's operating result for the entire business year 2010/11 will be higher than that of the previous year.

“Values as the foundation of our actions”

In order to achieve our joint goals, it is absolutely crucial to make them understandable to each and every employee, thus enabling them to identify completely with the Company. The values that voestalpine represents—foremost reliability, openness for changes, and confidence in one’s own strengths—have proven themselves once again in the crisis as the foundation of our actions. More than ever, it is these values that will enable us to be a true partner for our customers and our shareholders in the future.

Dr. Wolfgang Eder

Steel Division

Key figures of the Steel Division

In millions of euros

	2008/09	2009/10	Change in %
Revenue	4,328.5	3,098.7	–28.4
EBITDA	735.5	423.3	–42.4
EBITDA margin	17.0%	13.7%	
EBIT	522.3	201.4	–61.4
EBIT margin	12.1%	6.5%	
Employees (excl. temporary personnel and apprentices)	10,034	9,510	–5.2

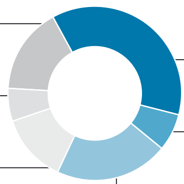
Customers of the Steel Division

As percentage of divisional revenue
Business year 2009/10

16% Energy industry

6% White goods/consumer goods

13% Building & construction subsuppliers



37% Automotive

7% Other

21% Civil & mechanical engineering

Markets of the Steel Division

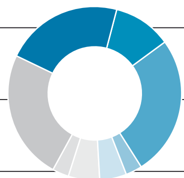
As percentage of divisional revenue
Business year 2009/10

22% Other Europe

24% Austria

3% Rest of world

6% Asia



11% Italy

26% Germany

3% Benelux

5% Poland

Market environment and business development

The economic environment of the Steel Division in the business year 2009/10, especially during its first months, was very difficult, and the effects of the crisis on the individual business segments were highly variable both with regard to their extent and their time sequence.

In the *quality flat steel* segment, the "classic" strip products, massive drops in both demand and price that had begun in the fall of 2008 continued throughout the early part of the business year 2009/10 until they bottomed out in the summer of 2009. Subsequently, the market stabilized and, starting in the fall, demand gradually but noticeably began to recover. While the automobile and automotive supply industries saw demand begin to revive and production be stepped up in the second half of the 2009 calendar year, not least due to extensive government stimulus packages ("scrapping premium"), sectors such as the commercial vehicle industry or mechanical engineering faced a far greater collapse of demand (up to 70%), resulting in a recovery that is still much more sluggish than other sectors. An additional favorable factor during 2009 were the historically low inventories and the fact that imports to the EU zone were down compared to previous periods. However, because a number of steel companies accelerated resumption of production in plants that had been temporarily shut down starting in the fall of 2009, the latter months of the year saw significant price pressure in short-term business. However, starting in early 2010, this was followed by a new trend reversal toward significantly higher prices. This development, however, was not primarily due to increased demand on the market, but largely the result of the announcement by the major mine operators that prices for coal and ore would be doubling as of April 1, 2010. With the exception of the scheduled major overhaul of one of the two small blast furnaces (December 2009 to March 2010), all available production capacity was in full operation mode from early September 2009 to the end of the business year 2009/10.

Although the *heavy plate* segment had a satisfactory order backlog at the beginning of the year, it came under massive pressure in the course of the business year 2009/10. Due to the financial and economic crisis and the downward spiral of oil prices, extensive project shutdowns in the energy sector resulted in major cutbacks in demand and enormous price declines, the latter exacerbated by growing competition from Asia and Russia. It was not until the end of the business year that this segment began to recover, with incoming orders and prices levels increasing. Particularly noteworthy in this regard is growing demand from the wind energy industry, as well as more momentum in oil and natural gas production.

The first half of the 2009/10 year was largely stable in the *foundry* business segment with good capacity utilization, while the second half of the year was challenging. Incoming orders fell significantly due to weak demand from the energy and mechanical engineering industries, mainly as a result of delays in major steam turbine projects and dwindling demand for gas turbines. On balance, business performance in the hydropower sector continues to be stable at a positive level.

The business year 2009/10 was far more favorable for the *Steel Service Center (SSC)* than in the other segments of the division; here, demand picked up markedly as early as the summer of 2009, with momentum continuing to trend upward during the quarter. Business performance in the division's *preprocessing activities* was significantly less positive, but, similarly to the heavy plate segment, the situation eased up substantially in the course of the final quarter of the business year.

The concept phase for the divisional project "Zukunft" ("Future") was concluded at the end of the business year 2009/10. In addition to leadership in technology and quality, this project will also ensure cost leadership in key product segments by generating savings of at least EUR 350 million by the business year 2012/13. In addition to pure cost savings, the project is targeted on an even more consistent and optimized control system at division level, the main task of which is to safeguard the organization's ability to adapt immediately to future market volatility which is continuing to rise.

Development of the key figures

Against the backdrop of a very difficult economic environment across broad stretches of the year marked by huge declines in both sales volume and prices, the division's revenue and operating result figures were substantially lower than those of the previous year.

Revenue fell by 28.4% from EUR 4,328.5 million to EUR 3,098.7 million. EBITDA went down by 42.4% from EUR 735.5 million to EUR 423.3 million, and EBIT declined by 61.4% from EUR 522.3 million to EUR 201.4 million. The EBITDA margin reached 13.7% in the business year 2009/10 (previous year: 17.0%), while the EBIT margin was at 6.5% (previous year: 12.1%).

It should be emphasized in this regard that the Steel Division's specific positioning against the competition as a niche player in the top quality segment has become particularly apparent during the crisis.

The development of revenue and operating result during the individual quarters demonstrates the success of the crisis management measures that were implemented quickly and consistently. Although revenue remained almost identical during the first three quarters of 2009/10, gains in the operating result were disproportionately high. The result of the last quarter was also affected by the shutdown of one of the two small blast furnaces due to a major scheduled repair.

The Steel Division had 9,510 employees at the end of business year 2009/10. Compared to March 31, 2009, (10,034) this corresponds to a reduction by 5.2%, resulting from measures taken to adjust capacity due to the economic crisis.

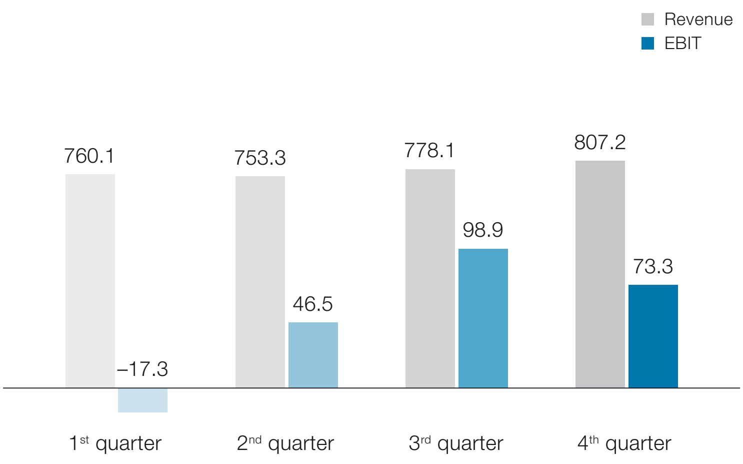
Quarterly development of the Steel Division

	1st quarter 2009/10	2nd quarter 2009/10	3rd quarter 2009/10	4th quarter 2009/10	BY 2009/10
Revenue	760.1	753.3	778.1	807.2	3,098.7
EBITDA	34.0	100.5	155.0	133.8	423.3
EBITDA margin	4.5%	13.3%	19.9%	16.6%	13.7%
EBIT	–17.3	46.5	98.9	73.3	201.4
EBIT margin	–2.3%	6.2%	12.7%	9.1%	6.5%
Employees (excl. temporary personnel and apprentices)	9,839	9,618	9,530	9,510	9,510

In millions of euros

Quarterly development of the Steel Division

In millions of euros
Business year 2009/10



“Leadership and individual responsibility”

It is important to strike the right balance between leadership and the greatest possible level of individual responsibility. As much decentralization as possible, so that operating units can develop customized solutions to meet individual requirements, yet simultaneously with sufficient strategic direction so as not to lose sight of the overall target. By treading this middle course we have managed to overcome the crisis and now face future challenges with optimism.

Dkfm. Dr. Claus J. Raidl

Special Steel Division

Key figures of the Special Steel Division[1]

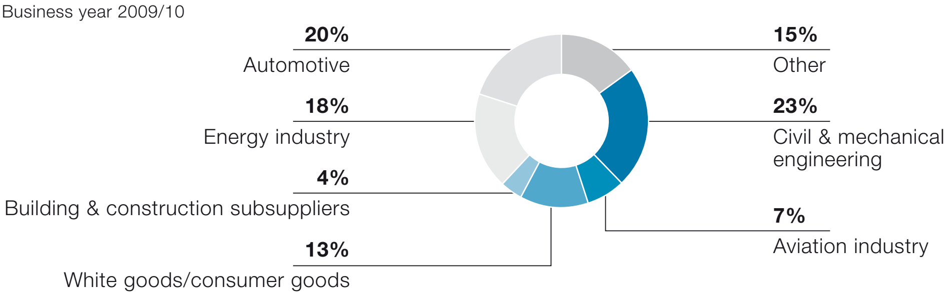
In millions of euros

	2008/09	2009/10	Change in %
Revenue	3,530.6	2,358.4	–33.2
EBITDA	363.3	153.1	–57.9
EBITDA margin	10.3%	6.5%	
EBIT	55.0	–79.6	
EBIT margin	1.6%	–3.4%	
Employees (excl. temporary personnel and apprentices)	14,734	13,762	–6.6

[1] In accordance with IFRS, all figures after application of the purchase price allocation (ppa). For explanatory remarks on the ppa, please refer to the inside cover page of the Annual Report 2007/08.

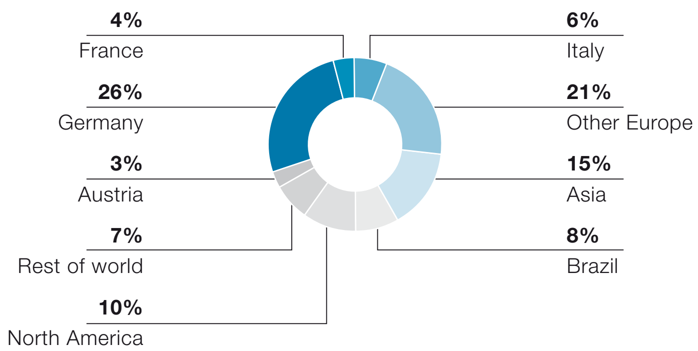
Customers of the Special Steel Division

As percentage of divisional revenue
Business year 2009/10



Markets of the Special Steel Division

As percentage of divisional revenue
Business year 2009/10



Market environment and business development

In the first half of the business year 2009/10, the market environment of the Special Steel Division was not only affected by the general decline in demand, but it had to deal with the challenge of a massive reduction of inventory along the entire value chain to the end consumer. The resulting losses in incoming orders led to significantly reduced capacity utilization in all four business segments.

It was not until the fall of 2009, when inventories had fallen to a minimum, that demand picked up again slightly. The performance later on in the business year confirmed the (gradual) trend reversal, with the recovery being driven primarily by Asian markets, with China leading the way. The economic uptrend also gained momentum in South America, predominantly in Brazil, while recovery in North America began much more tentatively. In Europe, demand continued to stagnate at a low level.

Toward the end of the business year, demand from some of the most important customer industries improved, with the consumer goods, automotive, and alternative energy sectors being at the forefront, so that all indicators are pointing to a sustained trend reversal in these segments. The economic situation in the mechanical engineering segment, however, continues to be difficult; the commercial vehicle and ship building industries are also not yet showing a sustained market recovery. Demand in the aviation and conventional energy generation sectors was still very weak even toward the end of the business year.

In the individual business segments[1] the performance of the Special Steel Division was as follows:
After an extremely difficult beginning of the business year 2009/10, the *high performance metals* segment experienced a slight rise in demand for tool steel and high-speed steel. Demand for special steels and open-die forgings remained under expectations throughout the entire business year. There were some positive signals, primarily relative to China, Brazil, and to a lesser extent North America. Demand on the European markets, however, continued to lag behind other economic regions.

In the *welding consumables* segment, the initial favorable level of demand eroded during the course of the business year. At the same time, demand in the pipeline construction segment and to some degree also in the offshore and petrochemicals segments was mostly stable, although at a lower level than in the previous year. All other customer industries reduced their demand, in particular, the power plant construction, appliance manufacturing, and mechanical engineering segments.

Unsatisfactory demand during the first half of 2009/10 in the *precision strip* segment improved somewhat in the course of the

[1] According to the division structure valid up to March 31, 2010. For the new organizational structure starting as of the business year 2010/11, please see the organizational chart of the voestalpine Group.

second half of the business year, and capacity utilization in the production plants is again showing an upward trend. This segment's profitability was substantially improved during the year, primarily by way of cost adjustments.

The *special forgings* segment also had to deal with a major decline in demand, especially in the early part of the business year 2009/10, from the aviation, energy generation, and commercial vehicle industries. As the business year progressed, the tension around the economic situation gradually abated somewhat, although it is not yet certain to what degree the improvement will be sustainable.

Development of the key figures

Sales volumes and price levels were substantially below the comparative figures of the previous year in all business segments of the Special Steel Division; this includes the alloy prices that are highly relevant for the division's earnings, which did not begin to pick up until late in the business year 2009/10. This resulted in a revenue decline of 33.2% from EUR 3,530.6 million to EUR 2,358.4 million. EBITDA came to EUR 153.1 million and was thus 57.9% below last year's figure (EUR 363.3 million). This corresponds to an EBITDA margin of 6.5% (previous year: 10.3%).

The Special Steel Division was also able to turn its operating result around in the course of the business year through consistent crisis management, primarily by undertaking wide-ranging cost optimization measures so that in the last quarter, the division showed positive EBIT at EUR 23.7 million, even after application of the purchase price allocation (ppa). Application of the ppa adversely affected EBIT in the business year 2009/10 with a total of EUR 116.4 million. Taking this (purely accounting) effect into consideration, EBIT for the business year 2009/10 is EUR –79.6 million (compared to EUR 55.0 million in the previous year). The EBIT margin is therefore at –3.4% (previous year: 1.6%).

As of March 31, 2010, the Special Steel Division had 13,762 employees. Compared to the previous year's figure of 14,734 employees, this corresponds to a 6.6% reduction due to restructuring.

Quarterly development of the Special Steel Division[1]

	1st quarter 2009/10	2nd quarter 2009/10	3rd quarter 2009/10	4th quarter 2009/10	BY 2009/10
Revenue	570.8	560.7	576.4	650.5	2,358.4
EBITDA	12.2	26.3	37.7	76.9	153.1
EBITDA margin	2.1%	4.7%	6.5%	11.8%	6.5%
EBIT	–47.6	–33.2	–22.5	23.7	–79.6
EBIT margin	–8.3%	–5.9%	–3.9%	3.6%	–3.4%
Employees (excl. temporary personnel and apprentices)	14,250	13,884	13,777	13,762	13,762

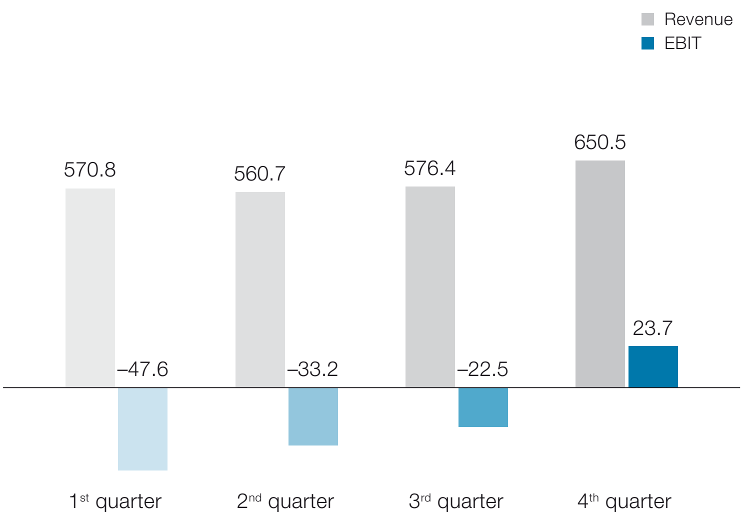
[1] In accordance with IFRS, all figures after application of the purchase price allocation (ppa). For explanatory remarks on the ppa, please refer to the inside cover page of the Annual Report 2007/08.

In millions of euros

Quarterly development of the Special Steel Division[1]

In millions of euros
Business year 2009/10

[1] In accordance with IFRS, all figures after application of the purchase price allocation (ppa). For explanatory remarks on the ppa, please refer to the inside cover page of the Annual Report 2007/08.



“Strengths and weaknesses”

The strengths and weaknesses of any organization are revealed in the speed at which it succeeds in reacting to unexpected crises. In this respect, the crisis management which was equally well executed by all the divisions was truly impressive. But I am also proud that, even during the difficult past business year, “my” division has developed into a mainstay of the Group, thanks to its product and market portfolio.

Dipl.-Ing. Josef Mülner

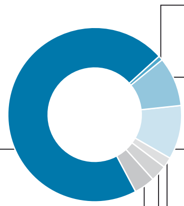
Railway Systems Division

Key figures of the Railway Systems Division

In millions of euros	2008/09	2009/10	Change in %
Revenue	2,351.0	1,908.5	–18.8
EBITDA	414.7	329.0	–20.7
EBITDA margin	17.6%	17.2%	
EBIT	324.7	225.6	–30.5
EBIT margin	13.8%	11.8%	
Employees (excl. temporary personnel and apprentices)	8,077	7,863	–2.6

Customers of the Railway Systems Division

As percentage of divisional revenue
Business year 2009/10



Markets of the Railway Systems Division

As percentage of divisional revenue
Business year 2009/10

Market environment and business development

During the past business year, the overall market environment was largely positive for the Railway Systems Division, although it was strongly differentiated in the individual segments due to their specific circumstances.

The *railway infrastructure* sector was characterized by an economic situation that was generally satisfactory—not least due to accelerated state-sponsored infrastructure programs.
Turnout technology displayed a stable business performance in Western Europe, and in Eastern Europe project activity picked up. The development of exports to overseas railway markets, especially exports of sophisticated Hytronics technology, was very satisfactory. Railway building projects in China, the Gulf states, and in the CIS states are particularly noteworthy; in the latter, business is improving due to the rising volume of goods traffic. In North America, however, economic stimulus programs have not resulted in a recovery in the railway infrastructure segment thus far; overall, demand has stabilized only at a low level or has even continued to decline, for example in the important freight segment (Class I railways).
Sinking pre-materials prices (for steel and rails) have resulted in a corresponding pressure on prices; this development was further exacerbated by growing competition, in particular from Asian suppliers.
The situation of the *rail* sector is similar, where, starting in the fall of 2009, far more aggressive competition has resulted in a sharp decline in prices, particularly within the scope of new tenders in Europe. It is not yet possible today to say where the bottom of this decline will be, particularly in the standard rail segment. While the past business year was widely characterized by a large order backlog from previous periods that provided a cushion and corresponding attractive margins, the second half of 2009/10 was marked by a growing number of postponed projects and contract awards. This trend was particularly conspicuous in the increasingly limited latitude in the budgets of the Central and Eastern European countries. The overall demand for rails in Europe fell by more than 10 percent, although this was partly compensated by higher exports to other markets.

After a difficult first half of the year that was marked by significant declines due to the economic crisis, the *wire* business segment showed a substantial upward trend in the second half of the business year. From the fall of 2009 onward, demand in all product groups and in almost all of the major customer industries has been very satisfactory. The long-term focus on niche products of the highest quality and the ability to secure mostly long-term supply agreements have paid off during this economic crisis. The gratifyingly favorable trend in incoming orders, including orders that are being rolled over into the new business year, has resulted in a high capacity utilization and enabled the reintroduction of corresponding production levels in the wire production segment.

The picture of the *seamless tube* segment for the business year 2009/10 is sharply differentiated. Although the difficult situation with regard to both prices and volumes improved substantially in the course of the year, from today's vantage point, the sustainability of this trend has not yet been secured. In the OCTG (Oil Country Tubular Goods) segment, whose main market is the USA, the trend in rig counts, the market's most important indicator, continues to be favorable and has resulted in a level of orders that is higher than expected. Demand for industrial tubes (mechanical engineering, automotive, boiler construction) was at a very low level in the early part of the business year, however, there was a subsequent slight rise in demand. Nevertheless, the average price level continues to be extremely modest; an improvement cannot be expected prior to the middle of the 2010 calendar year.

As in the previously described trends in the division's other segments, the *steel* segment showed a gradual improvement in utilization of capacity and profit; as of the beginning of the third quarter of the business year, it again became possible to fully ramp up production due to growing demand from both divisional processing companies and external customers.

Development of the key figures

Although the Railway Systems Division's revenue and operating result did not attain last year's figures, given the economic crisis, they can be considered very favorable. After EUR 2,351.0 million last year, sales revenue came to EUR 1,908.5 million, representing a decrease by 18.8%. Even though EBITDA fell by 20.7% from EUR 414.7 million to EUR 329.0 million and EBIT by 30.5% from EUR 324.7 million to EUR 225.6 million, it was possible to achieve two-digit profit margins. At 17.2%, the EBITDA margin was almost back to last year's level (17.6%) and at 11.8%, the EBIT margin was only slightly below last year's figure of 13.8%. However, this was possible only by way of an accelerated adjustment of the cost structure to the earnings structure, meaning a substantial reduction of the break-even point.

The development of the individual quarters of the business year 2009/10 impressively mirrors the Railway Systems Division's high degree of stability with regard to revenue and profit, even in an extremely difficult market environment. While in the first half of 2009/10, it was primarily the rail and turnout segments that bolstered the division's earnings due to the market environment and a high level of orders with attractive margins, a revitalization of the wire and seamless tube segments starting in the second half of 2009/10 was able to largely compensate the increasingly aggressive competition in the rail and turnout segments.

As of March 31, 2010, the Railway Systems Division had 7,863 employees; compared to the previous year (8,077) this corresponds to a 2.6% reduction.

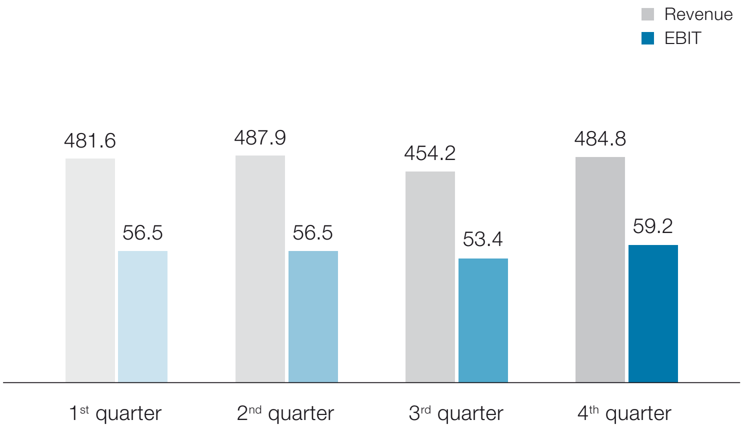
Quarterly development of the Railway Systems Division

	1st quarter 2009/10	2nd quarter 2009/10	3rd quarter 2009/10	4th quarter 2009/10	BY 2009/10
Revenue	481.6	487.9	454.2	484.8	1,908.5
EBITDA	81.4	84.3	77.9	85.4	329.0
EBITDA margin	16.9%	17.3%	17.2%	17.6%	17.2%
EBIT	56.5	56.5	53.4	59.2	225.6
EBIT margin	11.7%	11.6%	11.8%	12.2%	11.8%
Employees (excl. temporary personnel and apprentices)	8,035	8,023	7,830	7,863	7,863

In millions of euros

Quarterly development of the Railway Systems Division

In millions of euros
Business year 2009/10



“Adapt to new realities”

We cannot determine and predict the future, and we should regard with skepticism all those who claim they can. But it is our task to adapt the organization to the new realities, so that it can not only survive but also remain profitable in the face of all imaginable scenarios. One of the most important lessons that we have learnt from the crisis, after the many boom years, is that this demands hard work and continual improvement.

Mag. Wolfgang Spreitzer

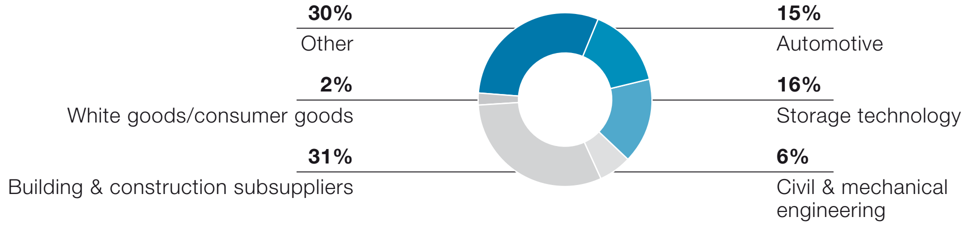
Profilform Division

Key figures of the Profilform Division

In millions of euros	2008/09	2009/10	Change in %
Revenue	1,147.1	724.0	–36.9
EBITDA	163.8	63.6	–61.2
EBITDA margin	14.3%	8.8%	
EBIT	132.4	31.9	–75.9
EBIT margin	11.5%	4.4%	
Employees (excl. temporary personnel and apprentices)	3,512	3,087	–12.1

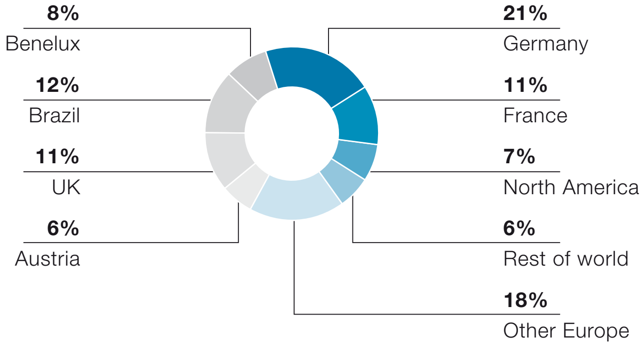
Customers of the Profilform Division

As percentage of divisional revenue
Business year 2009/10



Markets of the Profilform Division

As percentage of divisional revenue
Business year 2009/10



Market environment and business development

The early part of the business year 2009/10 was still adversely impacted to a significant degree by continuing weak demand that was carried over from the previous business year. However, after the summer of 2009, which was still strongly marked by long-term plant closures, reduced working hours, and personnel reductions in the major customer industries, demand began to increasingly stabilize, gradually gaining sustainability and strength and finally reaching a satisfactory level in the fourth quarter of the business year 2009/10.

The economic development of the most relevant customer industries for the Profilform Division was sharply differentiated. While the *energy generation* sector, and here particularly the solar energy segment, experienced very strong growth, demand from the *construction and construction supply industries* remained disappointing. The production figures in the *logistics* segment exhibited sustained positive development, with the tubes and sections and storage technology segments profiting equally from this trend. Demand continued to be very subdued in the *commercial vehicle* sector, which was hit hardest by the global economic crisis in terms of volumes. It was not until the last quarter of the business year that demand in this sector showed slight signs of recovery, although, of course, the starting point of this trend reversal was 60 to 70% below the pre-crisis level.

Observed regionally, business performance was stable in the USA, while Brazil has been recording significantly increasing volumes since the end of 2009 with very favorable prospects for the future. From the fall of 2009 on, Europe saw a stabilization and a moderate uptick in business, although Great Britain and Russia continue to face a weak economy, especially in the construction sector.

Development of the key figures

Due to the global economic crisis, both volumes and prices in the business year 2009/10 lagged considerably behind those of the previous year so that revenue and operating result are correspondingly down.

In the comparison of all Group divisions, at 36.9%, the Profilform Division recorded the largest drop in revenue, falling from EUR 1,147.1 million to EUR 724.0 million. The operating result plunged even further, as it was additionally impacted by significant non-recurring adverse effects within the scope of restructuring measures due to unsatisfactory capacity utilization. EBITDA fell by 61.2% from EUR 163.8 million to EUR 63.6 million, while the operating result (EBIT) plummeted by 75.9% from EUR 132.4 million to EUR 31.9 million. The EBITDA margin in the business year 2009/10 was at 8.8% (previous year: 14.3%), under 10% for the first time in many years; the EBIT margin dropped from 11.5% to 4.4%.

Nevertheless, it must be noted that the success of the implemented crisis measures is reflected impressively in the quarter-to-quarter development of results. The break-even point was substantially reduced during the business year 2009/10 and that, together with increasingly more stable demand, it was possible to considerably improve the results. So a minimally negative operating result was recorded only for the first quarter of 2009/10. By the last quarter of the business year 2009/10, the Profilform Division was again able to post a two-digit operational margin at 10.1%.

The division had 3,087 employees as of March 31, 2010, representing a reduction of 425 employees or 12.1% over the previous year (3,512). This decline was the result of personnel adjustments made due to the steep drop in demand.

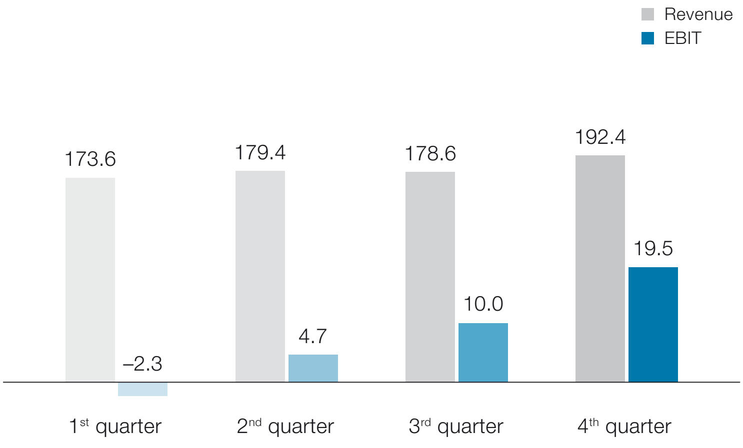
Quarterly development of the Profilform Division

	1st quarter 2009/10	2nd quarter 2009/10	3rd quarter 2009/10	4th quarter 2009/10	BY 2009/10
Revenue	173.6	179.4	178.6	192.4	724.0
EBITDA	5.7	12.7	17.8	27.4	63.6
EBITDA margin	3.3%	7.1%	10.0%	14.2%	8.8%
EBIT	–2.3	4.7	10.0	19.5	31.9
EBIT margin	–1.3%	2.6%	5.6%	10.1%	4.4%
Employees (excl. temporary personnel and apprentices)	3,319	3,159	3,108	3,087	3,087

In millions of euros

Quarterly development of the Profilform Division

In millions of euros
Business year 2009/10



“New cooperation for future markets”

The crisis has enabled changes that would previously have been impossible. This applies not only to areas such as costs, efficiency or organization, but also in the positive sense to a new kind of cooperation, when it comes to innovations for our “future markets.” I have been pleasantly surprised by the dynamism and commitment with which projects are jointly advanced across divisional borders, and this makes me very confident about our abilities to meet future challenges.

Dipl.-Ing. Franz Hirschmanner

Automotive Division

Key figures of the Automotive Division[1]

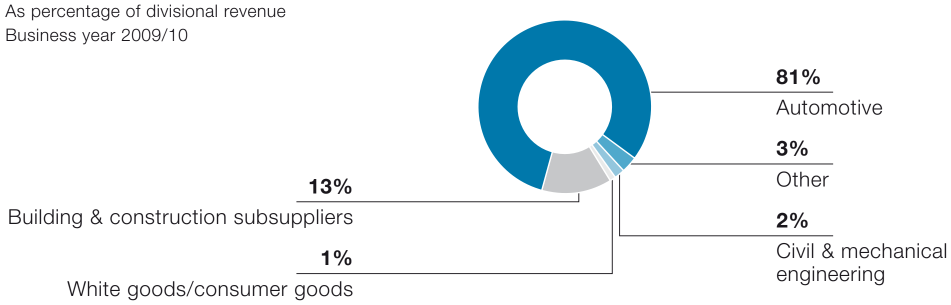
In millions of euros

	2008/09	2009/10	Change in %
Revenue	988.6	835.4	–15.5
EBITDA	72.2	73.8	2.2
EBITDA margin	7.3%	8.8%	
EBIT	0.6	18.0	
EBIT margin	0.1%	2.2%	
Employees (excl. temporary personnel and apprentices)	4,870	4,551	–6.6

[1] Retroactive adjustment pursuant to IFRS 5 — Reinclusion of the division's plastics operations and of Amstutz Levin & Cie under continued operations.

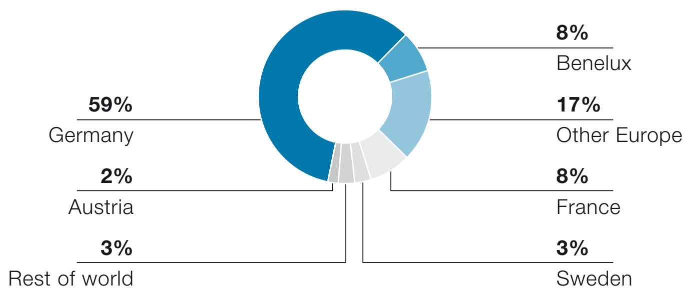
Customers of the Automotive Division

As percentage of divisional revenue
Business year 2009/10



Markets of the Automotive Division

As percentage of divisional revenue
Business year 2009/10



Market environment and business development

At the beginning of the business year 2009/10, the situation of the international automobile industry was, quite simply put, dramatic. Demand was crumbling across the board and a massive reduction of inventory levels throughout the entire process chain resulted in the most extensive production cutbacks in the history of the industry. At this point in time, European production was more than 30% below its level prior to the crisis.

It was not until the comprehensive government-backed incentive programs to revitalize the automotive market were put into place that this trend could be curbed on the Western European markets, particularly Germany, France, and Italy. Initially, it was primarily the high-volume manufacturers and their sub-compact and compact car segments that benefited from these incentives. Among the premium manufacturers, it was mainly the sales numbers of the smaller models that picked up; the mid-sized, executive, and luxury classes did not show signs of recovery until the fall of 2009.

The beginning upward trend was mirrored in an upturn in production, keeping production going until right before Christmas 2009, just like before the economic crisis. Currently, European automobile production has settled at just above 80% of the pre-crisis level; in Europe, however, developments are strongly diverging. While automobile sales in Western Europe during the first calendar quarter of 2010 rose by 11% compared to the previous year, sales in the Eastern European countries during the same period declined by about 18%.

Development of the key figures

At EUR 835.4 million, revenues were 15.5% below the previous year's figure (EUR 988.6 million). In percentages, this figure corresponds to the smallest decline in revenue of all five divisions. Following a very difficult first half of the year, a significant economic recovery in the second six months was primarily the result of the government incentive programs.

Furthermore, the Automotive Division was even able to increase its operating result for the business year 2009/10 as compared to the previous year, boosting EBITDA slightly by 2.2% from EUR 72.2 million to EUR 73.8 million, while the EBITDA margin rose from 7.3% to 8.8%. The above average increase of EBIT from EUR 0.6 million to EUR 18.0 million (at an EBIT margin that rose from 0.1% to 2.2%) is largely the result of the consistently implemented measures taken in the fall of 2008 immediately after the onset of the economic crisis to adjust the cost structure as effectively as possible to the diminished order and revenue trends.

The plastics operations of the Automotive Division and the French company Amstutz Levin & Cie are included in the revenue and operating result key figures for the business year 2009/10 and in the retroactively adjusted comparative figures of the previous year; as it was not possible to realize their divestment at reasonable terms—a step that was planned three years ago—due primarily to the crisis, as of the business year 2009/10, these segments were again included under "continued operations." (Details in this regard can be found in the "Acquisitions and divestments" section of this Annual Report.)

The distinctly noticeable revival of demand starting in the fall of 2009, as well as the consistent continuation of crisis management measures to adjust the cost structure to the earnings structure were mirrored in how the revenue and operating result figures developed during the quarter. While the operating result for the first half of the business year 2009/10 was still slightly down, clearly positive operating results were posted starting in the second half of the year.

As of March 31, 2010, the division had 4,551 employees. This represents a decline of 6.6% compared to the previous year (4,870) due to the economic situation.

Quarterly development of the Automotive Division[1]

	1st quarter 2009/10	2nd quarter 2009/10	3rd quarter 2009/10	4th quarter 2009/10	BY 2009/10
Revenue	195.1	193.4	213.1	233.8	835.4
EBITDA	12.7	12.1	21.3	27.7	73.8
EBITDA margin	6.5%	6.3%	10.0%	11.8%	8.8%
EBIT	–2.1	–0.5	7.1	13.5	18.0
EBIT margin	–1.1%	–0.3%	3.3%	5.8%	2.2%
Employees (excl. temporary personnel and apprentices)	4,696	4,591	4,520	4,551	4,551

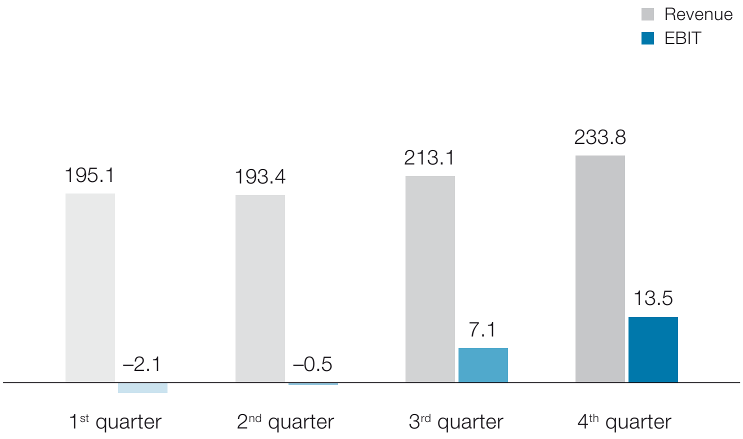
[1] Retroactive adjustment pursuant to IFRS 5—Reinclusion of the division's plastics operations and of Amstutz Levin & Cie under continued operations.

In millions of euros

Quarterly development of the Automotive Division[1]

In millions of euros
Business year 2009/10

[1] Retroactive adjustment pursuant to IFRS 5—Reinclusion of the division's plastics operations and of Amstutz Levin & Cie under continued operations.



"Economic climate change"

The fact that we have succeeded in significantly reducing working capital as well as debt even during difficult times demonstrates that voestalpine has adapted well to "economic climate change." The positive side effect is the increased awareness of financial matters, of the global nature of business and, finally, of the role of a CFO.

Mag. Dipl.-Ing. Robert Ottel, MBA

voestalpine AG

Consolidated Financial Statements 2009/10

Consolidated Financial Statements

Service

Report of the Supervisory Board on the business year 2009/10

During the business year 2009/10, the Supervisory Board fulfilled its responsibilities under the law and the Articles of Incorporation, holding six plenary sessions, two meetings of the Audit Committee, and three meetings of the General Committee. The Management Board provided information both orally and in written form regarding the state of business and the situation of the Company.

The annual financial statements and the Group's consolidated financial statements as of March 31, 2010, were audited by Grant Thornton Wirtschaftsprüfungs- und Steuerberatungs-GmbH, Vienna, which was engaged as mandated by § 270 of the Austrian Commercial Code (*Unternehmensgesetzbuch—UGB*).

The audit showed that the accounting practices, the annual financial statements and the Group's consolidated financial statements conform to the statutory regulations and the provisions of the Articles of Incorporation. The audit also concluded that the provisions of § 269 of the Austrian Commercial Code were fully met so that the auditor issued an unqualified audit opinion.

There was no cause for any objections. The annual financial statements were reviewed by the Audit Committee of the Supervisory Board in its meeting on May 31, 2010, and was forwarded to the Supervisory Board with the recommendation that it be approved. The Supervisory Board reviewed and approved the annual financial statements and the Group's consolidated financial statements, as well as the Management Report, the Corporate Governance Report, and the recommendation for the appropriation of earnings. The annual financial statements are herewith deemed adopted pursuant to § 125 of the Austrian Stock Corporation Act (*Aktiengesetz*). The consolidated financial statements were prepared according to the International Financial Reporting Standards (IFRS). These financial statements were also audited by Grant Thornton Wirtschaftsprüfungs- und Steuerberatungs-GmbH, Vienna, and accorded an unqualified certification. The Supervisory Board took note of and approved the Group's consolidated financial statements and the Group Management Report.

The Corporate Governance Report was also audited by Grant Thornton Wirtschaftsprüfungs- und Steuerberatungs-GmbH, Vienna, within the scope of the annual external audit, and it was determined that the report is in agree ment with the actual circumstances.

It has been established that the business year 2009/10 has ended with a net profit of EUR 85,000,000.00; it is being recommended that a dividend of EUR 0.50 per dividend-bearing share be paid to the shareholders and the remaining amount be carried forward.

The Supervisory Board

Dr. Joachim Lemppenau
(Chairman)

Linz, May 31, 2010

voestalpine AG

Consolidated statement of financial position for the year ended March 31, 2010

Assets

	Notes	03/31/2009	03/31/2010
A. Non-current assets			
Property, plant and equipment	9	4,378,253	4,484,043
Goodwill	10	1,420,874	1,420,404
Other intangible assets	11	596,704	462,416
Investments in associates	12	129,151	126,525
Other financial assets	12	141,524	167,154
Deferred tax assets	13	408,999	411,681
		7,075,505	**7,072,223**
B. Current assets			
Inventories	14	2,909,701	2,198,300
Trade and other receivables	15	1,785,529	1,458,113
Other financial assets	12	218,029	536,827
Cash and cash equivalents	16	857,736	1,028,619
		5,770,995	**5,221,859**
Total assets		**12,846,500**	**12,294,082**

In thousands of euros

Equity and liabilities

	Notes	03/31/2009	03/31/2010
A. Equity			
Share capital		305,042	307,132
Capital reserves		402,063	417,511
Hybrid capital		992,096	992,096
Reserve for own shares		–46,855	–34,450
Other reserves		–210,215	–163,902
Retained earnings		2,743,796	2.671,216
Equity attributable to equity holders of the parent		4,185,927	4,189,603
Minority interest		76,581	72,844
	17	**4,262,508**	**4,262,447**
B. Non-current liabilities			
Pensions and other employee obligations	18	854,564	853,045
Provisions	19	58,263	57,435
Deferred tax liabilities	13	312,060	246,021
Financial liabilities	20	3,500,555	3,268,281
		4,725,442	**4,424,782**
C. Current liabilities			
Provisions	19	396,709	382,002
Tax liabilities		117,471	50,951
Financial liabilities	20	1,445,010	1,448,033
Trade and other payables	21	1,899,360	1,725,867
		3,858,550	**3,606,853**
Total equity and liabilities		**12,846,500**	**12,294,082**

In thousands of euros

voestalpine AG

Consolidated statement of cash flows 2009/10

	Notes	2008/09	2009/10
Operating activities			
Profit for the period		611,556	186,799
Adjustments	24	627,790	546,942
Changes in working capital		118,520	872,386
Cash flows from operating activities		**1,357,866**	**1,606,127**
Investing activities			
Additions of other intangible assets, property, plant and equipment		–979,477	–615,419
Income from disposals of assets		22,354	31,819
Cash flows from changes in the consolidation range and acquisitions of minority interest		–353,971	–3,304
Additions of other financial assets		61,694	–327,586
Cash flows from investing activities		**–1,249,400**	**–914,490**
Financing activities			
Dividends paid		–412,725	–246,776
Dividends paid to minority interest/other changes in equity		–4,282	–7,636
Acquisitions/disposals of own shares		72,151	4,104
Capital increase		42,840	0
Borrowing/repayment of financial liabilities		715,449	–289,256
Cash flows from financing activities		**413,433**	**–539,564**
Net decrease/increase in cash and cash equivalents		**521,899**	**152,073**
Cash and cash equivalents, beginning of year		331,892	857,737
Net exchange differences		3,945	18,809
Cash and cash equivalents, end of year	16	**857,736**	**1,028,619**

In thousands of euros

voestalpine AG

Consolidated income statement 2009/10

	Notes	2008/09	2009/10
Revenue	1	**11,724,869**	**8,550,049**
Cost of sales		–9,248,099	–6,880,198
Gross profit		**2,476,770**	**1,669,851**
Other operating income	2	439,962	365,218
Distribution costs		–1,005,057	–853,199
Administrative expenses		–542,029	–509,125
Other operating expenses	3	–380,909	–320,773
Profit from operations (EBIT)		**988,737**	**351,972**
Share of profit of associates	4	24,358	20,379
Finance income	5	73,585	93,895
Finance costs	6	–386,686	–282,903
Profit before tax (EBT)		**699,994**	**183,343**
Income tax expense	7	–88,438	3,456
Profit for the period from continuing operations		**611,556**	**186,799**
Discontinued operations	8	0	0
Profit for the period		**611,556**	**186,799**
Attributable to:			
Equity holders of the parent		529,844	108,403
Minority interest		9,698	6,382
Share planned for hybrid capital owners		72,014	72,014
Basic earnings per share from continuing operations (euros)	31	**3.26**	**0.65**
Diluted earnings per share from continuing operations (euros)		**3.24**	**0.65**

Statement of comprehensive income:

		2008/09	2009/10
Profit for the period		**611,556**	**186,799**
Other comprehensive income			
Hedge accounting		7,199	–19,538
Currency translation		–9,665	85,070
Actuarial gains/losses		–17,277	–13,202
Other comprehensive income for the period, net of income tax		**–19,743**	**52,330**
Total comprehensive income for the period		**591,813**	**239,129**
Attributable to:			
Equity holders of the parent		509,959	154,716
Minority interest		9,840	12,399
Share planned for hybrid capital owners		72,014	72,014
Total comprehensive income for the period		**591,813**	**239,129**

In thousands of euros

voestalpine AG

Consolidated statement of changes in equity 2009/10

	Share capital	Capital reserves	Hybrid capital	Reserve for own shares	Translation reserve
Balance as of April 1, 2008	**298,756**	**470,633**	**992,096**	**–272,304**	**–66,045**
Profit for the period	**0**	**0**	**0**	**0**	**0**
Other comprehensive income					
Hedge accounting	0	0	0	0	0
Currency translation	0	0	0	0	–10,915
Actuarial gains/losses	0	0	0	0	0
Other comprehensive income for the period, net of income tax	**0**	**0**	**0**	**0**	**–10,915**
Total comprehensive income for the period	**0**	**0**	**0**	**0**	**–10,915**
Own shares acquired/disposed	0	–109,585	0	225,449	0
Dividends	0	0	0	0	0
Capital increase	6,286	39,388	0	0	0
Share-based payment	0	–2,795	0	0	0
Other changes	0	4,422	0	0	0
	6,286	**–68,570**	**0**	**225,449**	**0**
Balance as of March 31, 2009 = Balance as of April 1, 2009	**305,042**	**402,063**	**992,096**	**–46,855**	**–76,960**
Profit for the period	**0**	**0**	**0**	**0**	**0**
Other comprehensive income					
Hedge accounting	0	0	0	0	0
Currency translation	0	0	0	0	79,040
Actuarial gains/losses	0	0	0	0	0
Other comprehensive income for the period, net of income tax	**0**	**0**	**0**	**0**	**79,040**
Total comprehensive income for the period	**0**	**0**	**0**	**0**	**79,040**
Own shares acquired/disposed	0	–8,301	0	12,405	0
Dividends	0	0	0	0	0
Capital increase	2,090	18,786	0	0	0
Share-based payment	0	0	0	0	0
Other changes	0	4,963	0	0	0
	2,090	**15,448**	**0**	**12,405**	**0**
Balance as of March 31, 2010	**307,132**	**417,511**	**992,096**	**–34,450**	**2,080**

Other reserves					
Hedging reserve	**Actuarial gains (+)/losses (–)**	**Retained earnings**	**Total attributable to equity holders of the parent**	**Minority interest**	**Total equity**
–16,365	**–106,310**	**2,734,942**	**4,035,403**	**253,894**	**4,289,297**
0	**0**	**601,858**	**601,858**	**9,698**	**611,556**
8,418	0	0	8,418	–1,219	7,199
0	0	0	–10,915	1,250	–9,665
0	–17.388	0	–17,388	111	–17,277
8,418	**–17,388**	**0**	**–19,885**	**142**	**–19,743**
8,418	**–17,388**	**601,858**	**581,973**	**9,840**	**591,813**
0	0	0	115,864	0	115,864
0	0	–412,725	–412,725	–5,782	–418,507
0	0	0	45,674	0	45,674
0	0	0	–2,795	–38	–2,833
–11	–1,599	–180,279	–177,467	–181,333	–358,800
–11	**–1,599**	**–593,004**	**–431,449**	**–187,153**	**–618,602**
–7,958	**–125,297**	**2,743,796**	**4,185,927**	**76,581**	**4,262,508**
0	**0**	**180,417**	**180,417**	**6,382**	**186,799**
–19,515	0	0	–19,515	–23	–19,538
0	0	0	79,040	6,030	85,070
0	–13,212	0	–13,212	10	–13,202
–19,515	**–13,212**	**0**	**46,313**	**6,017**	**52,330**
–19,515	**–13,212**	**180,417**	**226,730**	**12,399**	**239,129**
0	0	0	4,104	0	4,104
0	0	–246,776	–246,776	–7,769	–254,545
0	0	0	20,876	0	20,876
0	0	0	0	0	0
0	0	–6,221	–1,258	–8,367	–9,625
0	**0**	**–252,997**	**–223,054**	**–16,136**	**–239,190**
–27,473	**–138,509**	**2,671,216**	**4,189,603**	**72,844**	**4,262,447**

In thousands of euros

voestalpine AG

Notes to the consolidated financial statements 2009/10

A. General information and corporate purpose

voestalpine AG and its Group companies (hereinafter referred to as the "Group") are primarily engaged in the production, processing, and distribution of materials made of steel, research and development in the area of metallurgy, metal processing, and materials technology.

voestalpine AG is the Group's ultimate parent company and prepares the consolidated financial statements. It is registered in the commercial register of Linz and has its registered office in voestalpine-Strasse 1, 4020 Linz, Austria. The shares of voestalpine AG are listed on the stock exchange in Vienna, Austria.

The consolidated financial statements for the year ended March 31, 2010, (including comparative figures for the year ended March 31, 2009) have been prepared in accordance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standard Board (IASB) and adopted by the European Union.

The consolidated financial statements are presented in euros (= functional currency of the parent company) rounded to the nearest thousand.

The consolidated income statement has been prepared using the cost of sales method.

The Management Board of voestalpine AG approved the consolidated financial statements and authorized the consolidated financial statements for submission to the Supervisory Board on May 18, 2010.

B. Summary of accounting policies

General information

With the exception of financial instruments, which are measured at fair value, the consolidated financial statements are prepared on the historical cost basis.

The accounting policies applied to the consolidated financial statements are consistent with those of the previous year with the exceptions listed below.

Since the requirements for the application of IFRS 5 are no longer met, the entities classified as discontinued operations in the previous year are classified again as continuing operations in the business year 2009/10; prior year's comparative figures were adjusted accordingly.

The following new and revised Standards were adopted for the first time in the business year 2009/10:

Standard	Content	Effective date[1]
IAS 1	Presentation of Financial Statements	January 1, 2009
IAS 23 (2007)	Borrowing Costs	January 1, 2009
IAS 32 (2008)	Financial Instruments: Presentation	January 1, 2009
IAS 39 (2008)	Reclassification of Financial Instruments	July 1, 2008
IAS 39	Financial Instruments: Recognition and Measurement of Embedded Derivatives	June 30, 2009[2]
IFRS 1 (2008)	First-time Adoption of International Financial Reporting Standards	January 1, 2009
IFRS 2 (2008)	Share-based Payment	January 1, 2009
IFRS 7	Reclassification of Financial Instruments	July 1, 2008
IFRS 7	Financial Instruments: Disclosures	January 1, 2009
IFRS 8	Operating Segments	January 1, 2009
Various Standards	Improvements to IFRS 2008	January 1, 2009

[1] These Standards are applicable to reporting periods beginning on or after the effective date.
[2] These Standards are applicable for the first time to reporting periods ending on or after the effective date.

The first-time adoption of the revised IAS 23, which eliminated the option to expense all borrowing costs relating to qualifying assets, when incurred resulted in a change in the treatment of borrowing costs.

The revised IAS 1 and the amendments to IFRS 7 resulted in changes in the presentation of financial statements and in expanded explanatory notes.

The first-time adoption of IFRS 8 did not result in changes to the Group's reportable segments. The remaining new Standards had no impact on the consolidated financial statements.

The following Standards have been endorsed by the European Union as of the balance sheet date, but their application was not yet mandatory for the business year:

Standard	Content	Effective date[1]
IAS 27 (2008)	Consolidated and Separate Financial Statements	July 1, 2009
IAS 32	Classification of Rights Issues	February 1, 2010
IAS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items	July 1, 2009
IFRS 1 (2008)	First-time Adoption of International Financial Reporting Standards	July 1, 2009
IFRS 2 (2009)	Group Cash-settled Share-based Payment Transactions	January 1, 2010
IFRS 3 (2008)	Business Combinations	July 1, 2009
Various Standards	Improvements to IFRS 2009	January 1, 2010

[1] These Standards are applicable to reporting periods beginning on or after the effective date.

The Group did not early adopt these Standards and does not expect that the new Standards will have a significant impact on the consolidated financial statements.

The use of automated calculation systems may result in rounding differences.

Basis of consolidation

The annual financial statements of fully consolidated or proportionately consolidated entities are prepared using uniform accounting policies. For entities included using the equity method, local accounting policies and different balance sheet dates are maintained if the relevant amounts are immaterial.

In the case of initial consolidation, assets, liabilities, and contingent liabilities are measured at their fair value at the date of acquisition. Any excess of the cost of acquisition over the net of the assets acquired and liabilities assumed is recognized as goodwill. If the net of the assets acquired and liabilities assumed exceeds the cost of acquisition, the difference is recognized immediately in profit or loss. Minority interests in the acquired entity are stated at the minority's proportion of the net fair values of the acquired assets, liabilities, and contingent liabilities.

All intra-group profits, receivables and payables, income and expenses are eliminated.

Foreign currency translation

In accordance with IAS 21, annual financial statements in foreign currencies that are included in the consolidated financial statements are translated into euros using the functional currency method. The relevant national currency is the functional currency in all cases since, from a financial, economic, and organizational perspective, these entities all operate independently. Assets and liabilities have been translated using the exchange rate on the balance sheet date. Income and expenses have been translated using the average exchange rate for the business year.

Equity is translated using the historical exchange rate. Currency translation differences are recognized directly in equity in the currency translation reserve.

In the separate financial statements of consolidated entities, foreign currency transactions are translated into the functional currency of the entity using the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from translation at the transaction date and balance sheet date are recognized in the consolidated income statement.

Currency exchange rates (ECB fixing) of key currencies have changed as follows:

Closing exchange rate	**03/31/2009**	**03/31/2010**
USD	1.3308	1.3479
GBP	0.9308	0.8898
Average annual rate	**2008/09**	**2009/10**
USD	1.4213	1.4136
GBP	0.8342	0.8856

Uncertainties in accounting estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires the management to make accounting estimates and assumptions that may significantly affect the recognition and measurement of assets and liabilities, the recognition of other obligations as of the balance sheet date, and the recognition of income and expenses during the business year.

The following assumptions bear a significant risk of causing a material adjustment to assets and liabilities within the next business year:

- The assessment of the recoverability of intangible assets, goodwill, as well as property, plant and equipment is based on assumptions concerning the future. The determination of the recoverable amount in the course of an impairment test is based on various assumptions, such as future net cash flows and discount rates. The net cash flows correspond to the amounts in the most current business plan at the time of the preparation of financial statements.
- Where the fair values of financial instruments cannot be derived from active markets, they are determined using alternative mathematical models. The underlying parameters used in the determination of the fair values are based partially on assumptions concerning the future.
- The valuation of existing severance payments and pension obligations are based on assumptions regarding interest rate, retirement age, life expectancy, labor turnover, and future salary/wage increases.
- Recognition of deferred tax assets is based on the assumption that sufficient taxable profit will be generated in the future to utilize these tax loss carryforwards.

Estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates if the determining factors at the reporting date differ from the expectations. Revisions to accounting estimates are recognized through profit or loss in the period in which the estimates are revised and the assumptions are adjusted accordingly.

Recognition of revenue and expenses

Revenue arising from the provision of goods and services are realized when all material risks and rewards arising from the goods or services provided have passed to the buyer. Operating expenses are recognized when goods or services are used or when the expense is incurred.

Investment grants are treated as deferred items and recognized as income over the useful life of the asset. Cost subsidies are recognized on an accrual basis, corresponding to the associated expenses. Government grants of EUR 17.9 million (2008/09: EUR 14.3 million) for capital expenditures, research and development, and promotion of job opportunities were recognized as income during the reporting period. Expenses for research and development amounted to EUR 108.8 million (2008/09: EUR 112.0 million) in the business year 2009/10.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses.

The cost of self-constructed property, plant and equipment includes direct costs and an appropriate portion of indirect materials and indirect labor.

Depreciation is calculated on a straight-line basis over the expected useful lives. Land is not subject to depreciation. Depreciation is based on the following rates:

Buildings	2.0–20.0%
Plant and equipment	3.3–25.0%
Fixtures and fittings	5.0–20.0%

In respect of borrowing costs relating to qualifying assets, for which the commencement date for capitalization is on or after April 1, 2009, the Group capitalizes borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset as part of the cost of that asset. The commencement date for capitalization is the date when expenditures for the asset and borrowing costs are incurred as well as activities are undertaken that are necessary to prepare the asset for its intended use or sale. Previously, the Group immediately recognized all borrowing costs as an expense.

This change in accounting policy was due to the first-time adoption of IAS 23 (revised 2007). The revision of the Standard eliminated the option to expense all borrowing costs related to qualifying assets when incurred.

Investment property is measured following the cost model. Useful lives and depreciation methods are identical to property, plant and equipment recognized under IAS 16.

Leases

Leased assets are treated as finance leases when they are considered asset purchases subject to long-term financing in economic terms. Lease agreements in which the Group assumes substantially all the risks and rewards of ownership as a lessee are considered asset purchases subject to long-term financing and are classified as finance leases; otherwise, they are classified as operating leases. Lease payments under operating leases are shown as expenses in the consolidated income statement.

Finance leases are initially recognized as Group assets at fair value or the lower present value of the minimum lease payments at the inception of the lease. The corresponding liability to the lessor is recorded under financial liabilities in the consolidated statement of financial position.

Finance leases are depreciated over their expected useful lives on the same basis as comparable assets or, where shorter, over the term of the relevant lease. The Group does not act as a lessor.

Goodwill

All corporate acquisitions are accounted for by applying the purchase method. Goodwill arises from the acquisition of subsidiaries and investments in associates.

Goodwill is allocated to cash-generating units and, in accordance with IFRS 3, is not amortized, but tested at least annually for impairment. The carrying amount of investments in associates also includes the carrying amount of goodwill.

Negative goodwill arising from an acquisition is immediately recognized as income.

On disposal of a subsidiary or associate, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Other intangible assets

Expenses for research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized as an expense as incurred. In accordance with IAS 38.57, development expenditure is capitalized if the relevant criteria are satisfied. Usually, the relevant criteria are not satisfied. Capitalized development costs are therefore not significant. Expenditure on internally generated goodwill and brands is recognized as an expense as incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortization and impairment charges. Amortization is charged on a straight-line basis over the expected useful life of the asset. The maximum expected useful lives are as follows:

Backlog of orders	1 year
Customer relations	11 years
Technology	5 years

Impairment testing of goodwill, other intangible assets, and property, plant and equipment

Cash-generating units that include goodwill and other intangible assets with indefinite useful lives are tested for impairment at least annually. All other assets and cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of impairment testing, assets are grouped at the lowest levels at which cash flows are independently generated (cash-generating units). Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the management monitors cash flows.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of the fair value less cost to sell and value in use. Impairment losses recognized in respect of cash-generating units to which goodwill has been allocated are first applied against the carrying amount of goodwill. Any remaining impairment loss reduces pro-rata the carrying amounts of the assets of the cash-generating unit.

With the exception of goodwill, impairment losses are reversed when previous indications of impairment no longer exist.

Investments in associates

The proportional results and equity of associates that are not of minor significance are included in the consolidated financial statements using the equity method.

Financial instruments

Derivative financial instruments are used exclusively for the purpose of hedging the foreign currency risk, interest rate risk, and raw materials price risk (including CO_2 emission certificates). Derivative financial instruments are carried at fair value. Hedge accounting in accordance with IAS 39 is used for the majority of the Group's derivative financial instruments. Gains or losses resulting from changes in the value of derivative financial instruments are recognized either as profit or loss or directly in equity, depending on whether a fair value hedge or cash flow hedge is involved.

Loans and receivables are carried at amortized cost. Since the Group's securities meet the criteria in accordance with IAS 39.9 for application of the fair value option, securities are recognized at fair value through profit or loss. There are no held-to-maturity financial instruments.

Other investments

Investments in subsidiaries, joint ventures, and associates that are not included in the consolidated financial statements by full consolidation, proportionate consolidation, or the equity method are reported under "other investments" at the lower of cost or market value.

Securities are carried at fair value. The fair value option is applied. Changes in the fair value are recognized through profit or loss in the income statement.

Income taxes

Income tax expense represents the total of current and deferred tax. Current tax is based on taxable income and is calculated using the tax rates currently applicable.

In accordance with IAS 12, all temporary differences between items in the consolidated financial statements and their tax bases are included in deferred taxes. Deferred tax assets on carryforwards of unused tax losses are recognized to the extent that it is probable that future taxable profit will be available against which the tax losses can be utilized.

The calculation of deferred taxes is based on the respective local income tax rates that have been enacted or substantively enacted.

Emission certificates

Emission certificates are measured at zero cost, as the rights have been allocated free of charge. In the case of under-allocation, proportional amounts for CO_2 emission certificates are included in the other provisions. The necessary certificates are measured using the average hedged prices or the fair value at the balance sheet date.

Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price less estimated costs of completion and estimated costs necessary to make the sale. In exceptional cases, the replacement cost of raw materials and supplies may serve as the basis of measurement in accordance with IAS 2.32.

The cost of inventories of the same type is determined by the weighted average price method or similar methods. Cost includes directly attributable costs and all pro-rated material and production overheads based on normal capacity utilization. Interest costs and general administrative and sales expenses are not recognized in inventory.

Trade and other receivables

Trade and other receivables are stated at their nominal value. Credit insurance is acquired to cover individually identifiable risks. Non-interest- or low-interest-bearing receivables with a remaining period of more than one year are recognized at their discounted present value. Sold receivables, for which the default risk is transferred to the buyer and for which the seller assumes a contingent liability to the extent of the retained amount from credit insurances, are derecognized because the power of disposition has transferred to the buyer.

For construction contracts, the percentage of completion method is used to realize profit over time based on a reliable estimate of the degree of completion, total costs, and total revenue.

Accruals and deferrals are reported under other receivables and other liabilities.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at banks, and checks and are carried at market value.

Pensions and other employee obligations

Pensions and other employee obligations include provisions for severance payments, for pensions, and long-service bonuses and are recognized in accordance with IAS 19 using the projected unit credit method.

Employees of Austrian entities who started their employment before January 1, 2003, receive a lump-sum payment if their employment is terminated by the employer or if they retire. The amount to be paid depends on the number of years of service and the employee's salary or wage at the time employment ends. For employees who started their employment after December 31, 2002, severance obligations are transferred to a contribution-based system. The contributions to external employee pension funds are recognized as expenses.

Both defined contribution and defined benefit pension plans exist within the Group. Defined contribution plans involve no additional future obligations after the payment of premiums. Defined benefit plans guarantee the employee a specified pension, which is based on a certain percentage of salaries or wages depending on years of service or on a valorized fixed amount per year of service. Defined benefit obligations are stated in the annual financial statements of the respective entities until the contractual vesting date. After that date the pensions are transferred to a pension fund.

In accordance with IAS 19.93A, actuarial gains and losses in respect of severance and pension obligations are recognized directly in equity in the year in which they are incurred. Actuarial gains and losses in respect of provisions for long-service bonuses are recognized immediately in profit or loss.

The calculation of employee benefits in all countries where the Group has material operations is based on the following parameters:

	2008/09	2009/10
Interest rate (%)	5.75	5.25
Salary/wage increases (%)	3.75	3.50
Pension increases (%)	2.50	2.50
Retirement age men/women (years)	max. 65	max. 65
Mortality tables	AVÖ 2008-P	AVÖ 2008-P

Interest expenses resulting from employee benefits are included in the consolidated income statement under finance costs.

Other provisions

Other provisions due to present obligations arising from past events, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, are stated at the amount that reflects the most probable value based on a reliable estimate. Provisions are discounted where the effect is material.

Liabilities

Liabilities, except liabilities from derivative financial instruments, are stated at amortized cost.

Stock option program

A resolution approving a stock option plan for members of the Management Board and executives of the voestalpine Group was passed at the Annual General Meeting on July 5, 2006.

These stock options can be exercised at any time between July 1, 2008, and June 30, 2011, in compliance with the Issuer Compliance Directive. The options can be exercised if the participant is a current employee or member of the Management Board of voestalpine AG or a Group company.

Each option entitles the participant to receive one voestalpine AG share after the exercise requirements have been fulfilled. voestalpine AG's intention at the time the options were granted was to provide settlement in shares. The holder of the option has no choice of settlement. Under IFRS 2, the transaction is therefore considered a share-based payment transaction.

Due to the changed circumstances after the acquisition of BÖHLER-UDDEHOLM Aktiengesellschaft, the Management Board of voestalpine AG has decided to settle the obligation related to the options in cash. Options (personnel expenses) are carried at fair value at the time of the grant. The offsetting entry is recorded directly in equity. The cash settlement on the exercise date is also recognized directly in equity.

Employee stock ownership plan

The employee stock ownership plan is based on the appropriation of a part of the salary and wage increase due to collective bargaining agreements over several business years. For the first time in the business year 2000/01, employees received voestalpine AG shares in return for a 1% lower salary or wage increase.

In each of the business years 2002/03, 2003/04, 2005/06, 2007/08, and 2008/09, between 0.3% and 0.5% of the total amount of wages and salaries required for the increase were used to provide voestalpine AG shares to employees. The actual amount is calculated from the monthly amount of wages and salaries waived, based on November 1, 2002, 2003, 2005, 2007, and 2008, applying an annual increase of 3.5%.

The Works Council and the Company concluded an agreement for implementation of the employee stock ownership plan. Shares are acquired by the voestalpine Mitarbeiterbeteiligung Privatstiftung (a private foundation for the Company's employee shareholding scheme), which transfers the shares to employees according to the wages and salaries they have waived. The value of the consideration provided is independent of price fluctuations. Therefore, IFRS 2 does not apply to the allocation of shares based on lower collective bargaining agreements.

In addition, employee bonuses are partially provided in the form of shares. Under IFRS 2, share-based payments settled with equity instruments are recognized as personnel expenses at fair value, with the offsetting entry recognized directly in equity.

On March 31, 2010, the voestalpine Mitarbeiterbeteiligung Privatstiftung (a private foundation for the Company's employee shareholding scheme) held approximately 13.3% of voestalpine AG's shares in trust for employees.

C. Scope of consolidated financial statements

The consolidated Group (see "Investments" appendix to the notes) is established in accordance with IFRS. In addition to the annual financial statements of voestalpine AG, the consolidated financial statements also include the financial statements of entities controlled by voestalpine AG (and their subsidiaries).

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Joint ventures are included in the consolidated financial statements using proportionate consolidation. The annual financial statements of subsidiaries and joint ventures are included in the consolidated financial statements from the acquisition date until disposal date.

Associates are entities over which the Group has significant influence without having control over the financial and operating policies. The annual financial statements of associates are included in the consolidated financial statements using the equity method, from the acquisition date until disposal date. The Group's associates are listed in the "Investments" appendix to the notes.

The following table shows the proportionate amounts included in the consolidated financial statements by proportionate consolidation:

	03/31/2009	03/31/2010
Non-current assets	31.5	29.4
Current assets	104.7	53.6
	136.2	**83.0**
Equity	30.5	28.2
Non-current provisions and liabilities	11.8	10.0
Current provisions and liabilities	93.9	44.8
	136.2	**83.0**

	2008/09	2009/10
Revenue	287.7	144.9
Cost of sales	191.6	104.4
Profit for the period	69.6	25.2

In millions of euros

The following table shows the values (100%) for entities included in the consolidated financial statements using the equity method:

	03/31/2009	03/31/2010
Non-current assets	323.2	315.6
Current assets	739.4	577.8
	1,062.6	**893.4**
Equity	351.1	334.7
Non-current provisions and liabilities	124.6	66.7
Current provisions and liabilities	586.9	492.0
	1,062.6	**893.4**

	2008/09	2009/10
Revenue	3,205.1	1,742.9
Profit for the period	71.3	52.8

In millions of euros

The scope of consolidated financial statements changed as follows during the business year:

	Full consolidation	Proportionate consolidation	Equity method
As of April 1, 2009	**320**	**2**	**15**
Acquisitions	0		
Change in consolidation method			
Acquisitions	5		
Disposals	–3		–2
Reorganizations	–16		
Divestments or disposals	–10		
As of March 31, 2010	**296**	**2**	**13**
Of which foreign companies	240	0	5

The following entities were deconsolidated during the business year 2009/10:

Name of entity	Date of deconsolidation
Full consolidation in the previous year	
voestalpine Euroweld S.r.l.	June 30, 2009
Böhler Welding Group Norway AS	March 31, 2010
BTF S.p.A.	September 30, 2009
DAN Spray A/S	April 1, 2009
Flotek (International) Ltd.	April 1, 2009
Hilarius Haarlem Holland Beheer B.V.	April 1, 2009
Meltgran AB	March 31, 2010
Meltgran Management AB	March 31, 2010
Meltgran Trading AB	March 31, 2010
Nedcon N.V.	March 31, 2010
Polynorm Automotive Holding USA Inc.	March 31, 2010
voestalpine Polynorm Inc.	March 31, 2010
voestalpine Polynorm Plastics Limited	March 31, 2010
Reorganization	
Coriolis	April 1, 2009
Böhler Uddeholm Services, LLC	April 1, 2009
Böhler Ybbstal GmbH	April 1, 2009
Böhler Schweißtechnik GmbH	April 1, 2009
Böhler Verwaltungs GmbH	April 1, 2009
Böhler-Uddeholm Bearbeitungs GmbH	April 1, 2009
BÖHLER-UDDEHOLM Precision Strip GmbH & Co KG	April 1, 2009
BÖHLER-UDDEHOLM Precision Strip GmbH	April 1, 2009
Buderus Edelstahl Zerspanungstechnik GmbH	April 1, 2009
BWG Services Verwaltungs GmbH	April 1, 2009
Kestra Schweißtechnik GmbH	April 1, 2009
LEED Steel LLC	April 1, 2009
Martin Miller GmbH	April 1, 2009
Soudometal S.A.	April 1, 2009
Summerville Steel LLC	April 1, 2009
voestalpine Dancke Werkzeugbau GmbH & Co KG	April 1, 2009
Equity method in the previous year	
BÖHLER-UDDEHOLM Immobilien GmbH	March 31, 2010

The disposals had the following effect on the consolidated financial statements:

	Recognized values
Non-current assets	–8.8
Current assets	–10.5
Non-current provisions and liabilities	1.0
Current provisions and liabilities	11.6
Net assets	**–6.7**
Consideration received	6.0
Cash and cash equivalents disposed of	–0.8
Net cash inflow	**5.2**

In millions of euros

D. Acquisitions and other additions to the scope of consolidated financial statements

The following entities were included in the consolidated financial statements for the first time during the business year 2009/10:

Name of entity	**Interest in %**	**Date of initial consolidation**
Full consolidation		
Bohler Welding Group SRL	100.000	October 26, 2009
Flamco Hungary Kft	100.000	March 30, 2010
Rene Prinsen Spoorwegmaterialen B.V.	100.000	April 1, 2009
voestalpine Bahnsysteme GmbH	100.000	April 1, 2009
voestalpine Finanzierung Holding GmbH	100.000	April 1, 2009

These entities have contributed EUR –1.8 million to the profit for the period and EUR 6.0 million to sales since initial consolidation.

The pro-forma values "as though the acquisition date had been at the beginning of the period" are not stated due to immaterial differences of the above mentioned acquisitions.

Except for one acquisition, additions to the scope of consolidated financial statements include start-ups and entities that changed from non-consolidated to fully consolidated status.

One entity, which was previously accounted for using the equity method, has now been fully consolidated after acquisition of the remaining shares. The net cash outflow amounts to EUR 3.6 million due to EUR 4.0 million acquisition cost in the period under review and the entity's incoming cash and cash equivalents of EUR 0.4 million.

In accordance with IFRS 3, the acquired companies are included in the consolidated financial statements at the fair value of the acquired assets, liabilities and contingent liabilities determined as of the acquisition date, including depreciation and amortization as appropriate. In accordance with IFRS 3, intangible assets, inventories, and provisions shall be considered provisional due to uncertainties.

The increase of majority interests is treated as a transaction between owners. The difference between the costs of acquisition for the additional shares and the pro-rated carrying value of the minority interests is recognized directly in equity. During the business year 2009/10, EUR 5.1 million were paid for the acquisition of minority interests. Minority interests amounting to EUR 1.6 million were derecognized, and the remaining amount of EUR 3.5 million (2008/09: EUR 159.6 million) was charged directly in equity.

Put options granted to minority shareholders in exchange for their shares in Group companies are disclosed in the statement of financial position as liabilities stated at fair value. If the risks and rewards associated with ownership of a minority interest have already been transferred at the time the majority interest is acquired, an acquisition of 100% of the entity is assumed. Where the risks and rewards have not been transferred, the minority interest continues to be shown in equity. The liability is covered by a direct transfer from Group capital reserves with no effect on profit or loss (double credit approach).

Open put options, which are charged against equity, had a fair value of EUR 13.9 million (2008/09: EUR 16.4 million) as of March 31, 2010.

E. Explanations and other disclosures

1. Operating segments

The voestalpine Group operates in six reportable segments: Steel Division, Special Steel Division, Railway Systems Division, Profilform Division, Automotive Division, and Other. The reporting system, which is essentially based on the nature of the products provided, reflects the internal financial reporting, the management structure of the organization, and the predominant sources of risks and rewards of the Company.

The *Steel Division* focuses on the production of flat steel products for the automotive, white goods, and construction industries. This division is a top-three European player in the highest quality segment. The division produces and processes hot- and cold-rolled steel as well as electrolytically galvanized, hot-dip galvanized, and organically coated plate and electrical sheet steel. It also has other activities, such as heavy plate production, a foundry, and a variety of downstream processes.

The *Special Steel Division* is a global market leader in tool steel. Furthermore, it has a leading position in precision strip steel, special forgings, and welding technology. Key customers include the automotive industry, tool and machinery manufacturers, aircraft manufacturers, the consumer goods and electronics industries, the wood industry, the textile and paper industries, the construction of power plants and other industrial facilities, and oilfield technology.

The *Railway Systems Division* is the global market leader in switches and the European market leader for rails and processed wire, as well as a full-service provider for railway construction, including planning, logistics, signal engineering, and line maintenance. The division has its own steel production and also manufactures rod wire, drawn wire, seamless tubes, and semi-finished products.

The *Profilform Division* is responsible for the Group's tube and section production activities. It specializes in welded tubes and hollow sections, open standard sections, and all types of custom roll forming of special tubes and sections. In addition, the division also produces pallet and high-bay racking systems and elements for street safety. It is the global market leader in the special sections segment.

The *Automotive Division* processes steel and other materials, such as aluminum and plastics, into components, modules, and systems for the automotive industry. It focuses on laser-welded blanks as well as on body-in-white components and safety-related parts. The Automotive Division has become a top-three player in the European automotive component supplier industry.

The holding company, several Group financing companies as well as the entities of group IT are included under *Other*. These companies are combined in this segment because their focus is on providing coordination and assistance to the subsidiaries.

Segment revenue, segment expenses, and segment results include transfers between operating segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar products. These transactions have been eliminated in the consolidated financial statements.

The voestalpine Group uses the profit from operations (EBIT) to measure the performance of the segments because it is commonly used in the steel and steel processing industry as a comparative measure of financial performance. In addition, the voestalpine Group considers it a widely accepted indicator for measuring the Group's profitability.

The operating segments[1] of the Group are presented as follows:

Operating segments

	Steel Division		Special Steel Division		Railway Systems Division	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Segment revenue	4,328.5	3,098.7	3,530.6	2,358.4	2,351.0	1,908.5
Of which revenue with third parties	3,736.3	2,746.2	3,526.2	2,353.9	2,332.0	1,895.7
Of which revenue with other segments	592.2	352.5	4.4	4.5	19.0	12.8
EBITDA	735.5	423.3	363.3	153.1	414.7	329.0
Depreciation and amortization of property, plant and equipment and intangible assets	213.1	221.9	308.3	232.7	90.0	103.4
Of which impairment	0.0	0.0	0.0	0.0	0.4	3.1
Of which reversal of impairment	0.0	0.0	0.0	0.0	0.0	0.0
Profit from operations (EBIT)	522.3	201.4	55.0	–79.6	324.7	225.6
EBIT margin	12.1%	6.5%	1.6%	–3.4%	13.8%	11.8%
Share of profit of associates	14.7	10.5	0.0	0.0	2.6	3.8
Profit for the period	361.6	139.5	–18.3	–98.9	227.7	158.9
Segment assets	3,902.8	3,342.3	5,061.2	4,748.1	1,989.7	1,840.9
Of which investments in associates	81.9	83.5	0.1	0.0	18.4	13.3
Net financial debt	896.7	949.3	627.4	821.4	440.0	382.7
Investments in property, plant and equipment and intangible assets	398.6	240.7	274.5	181.2	232.5	71.6
Employees (excl. temporary personnel and apprentices)	10,034	9,510	14,734	13,762	8,077	7,863

[1] The cash-generating units Precision Strip and Welding Consumables have been legally allocated to the Profilform Division and the Railway Systems Division with retroactive effect from April 1, 2009, but they were managed and reported within the Special Steel Division during the entire business year 2009/10 and therefore are allocated to the operating segment Special Steel Division in these consolidated financial statements.

The reconciliation of the key ratios EBITDA and EBIT are shown in the following table:

EBITDA	2008/09	2009/10
Net exchange differences incl. result from valuation of derivatives	4.5	18.3
Value adjustments for receivables/waiver of receivables	6.6	–1.7
Consolidation	6.1	6.8
Other	–0.4	–1.1
EBITDA – Total reconciliation	**16.8**	**22.3**

In millions of euros

Profilform Division		Automotive Division		Other		Reconciliation		Total Group	
2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
1,147.1	724.0	988.6	835.4	106.3	88.4	–727.2	–463.4	11,724.9	8,550.0
1,140.5	719.4	985.8	833.1	4.1	1.7	0.0	0.0	11,724.9	8,550.0
6.6	4.6	2.8	2.3	102.2	86.7	–727.2	–463.4	0.0	0.0
163.8	63.6	72.2	73.8	–56.2	–60.8	16.8	22.3	1,710.1	1,004.3
31.4	31.7	71.6	55.9	6.9	6.7	0.0	0.0	721.3	652.3
0.0	0.0	7.2	0.0	0.0	0.0	0.0	0.0	7.6	3.1
0.0	0.0	0.0	9.3	0.0	0.0	0.0	0.0	0.0	9.3
132.4	31.9	0.6	18.0	–63.1	–67.7	16.8	22.4	988.7	352.0
11.5%	4.4%	0.1%	2.2%					8.4%	4.1%
0.0	0.0	0.0	0.0	6.7	6.0	0.4	0.1	24.4	20.4
81.1	17.2	–2.4	16.4	984.6	–233.5	–1,022.7	187.2	611.6	186.8
627.5	576.4	930.7	866.7	9,536.1	8,662.8	–9,201.5	–7,743.1	12,846.5	12,294.1
0.0	0.0	0.0	0.0	0.1	1.0	28.7	28.7	129.2	126.5
150.7	171.8	376.6	283.8	1,335.9	504.4	–65.7	–76.1	3,761.6	3,037.3
46.8	19.3	50.9	22.5	7.4	4.4	7.4	0.0	1,018.1	539.7
3,512	3,087	4,870	4,551	688	633	0	0	41,915	39,406

In millions of euros

EBIT	2008/09	2009/10
Net exchange differences incl. result from valuation of derivatives	4.5	18.3
Value adjustments for receivables/waiver of receivables	6.6	–1.7
Consolidation	6.1	6.8
Other	–0.4	–1.0
EBIT – Total reconciliation	**16.8**	**22.4**

In millions of euros

For the most part, all other key ratios contain solely the effects of consolidation.

Geographical information

The following table provides selected financial information subsumed into the major geographical areas. External revenue is allocated by geographical location of the customers' companies. Non-current assets and investments are reported by geographical location of the companies.

	Austria		European Union		Other countries	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
External revenue	1,328.3	774.3	7,192.4	5,345.1	3,204.2	2,430.6
Non-current assets	4,401.9	4,350.0	1,629.5	1,598.5	493.6	544.9
Investments in property, plant and equipment and intangible assets	693.2	403.9	244.1	105.7	80.8	30.1

In millions of euros

The voestalpine Group does not record any revenue from transactions with a single external customer amounting to 10% or more of an entity's revenue.

2. Other operating income

	2008/09	2009/10
Gains on disposal of property, plant and equipment	12.8	11.1
Income from reversal of provisions	58.8	34.3
Exchange profits and income from the valuation of derivatives	83.3	78.5
Other operating income	285.1	241.3
	440.0	**365.2**

In millions of euros

In the business year 2009/10, EUR 130.1 million from the sale of products and services not generated in the course of ordinary activities are included in other operating income.

3. Other operating expenses

	2008/09	2009/10
Taxes other than income taxes	18.6	13.9
Losses on disposal of property, plant and equipment	1.9	3.3
Exchange losses and expenses from the valuation of derivatives	71.7	45.6
Other operating expenses	288.7	258.0
	380.9	**320.8**

In millions of euros

In the business year 2009/10, EUR 124.5 million from the sale of products and services not generated in the course of ordinary activities are included in other operating expenses.

4. Share of profit of associates

	2008/09	2009/10
Income from associates	24.4	20.7
Expenses from associates	0.0	–0.3
	24.4	**20.4**

In millions of euros

Income from associates is primarily attributable to VA Intertrading AG, Ningxia Kocel Steel Foundry Co. Ltd., and Chinese New Turnout Technologies Co. Ltd.

5. Finance income

	2008/09	2009/10
Income from investments	7.2	6.7
Of which from affiliated companies	3.6	5.1
Income from other long-term securities and loans	4.4	3.4
Of which from affiliated companies	0.0	0.0
Other interest and similar income	61.4	64.3
Of which from affiliated companies	0.1	1.3
Income from disposals and fair value measurements of investment at fair value through profit or loss	0.6	19.5
	73.6	**93.9**

In millions of euros

6. Finance costs

	2008/09	2009/10
Expenses from investments		
Net loss from fair value measurement of investment at fair value through profit or loss	28.7	1.6
Expenses from affiliated companies	0.0	1.7
Other expenses	0.3	0.2
	29.0	**3.5**
Other interest and similar expenses	357.7	279.4
Of which from affiliated companies	4.1	2.3
	386.7	**282.9**

In millions of euros

7. Income tax expense

Income tax expense includes income taxes paid and owed as well as deferred taxes (+ income tax expense/– income tax benefit).

	2008/09	2009/10
Current tax expense	144.8	55.7
Deferred tax expense	–56.4	–59.2
	88.4	**–3.5**

In millions of euros

The following reconciliation shows the difference between the Austrian corporate tax rate of 25% and the effective Group tax rate:

	2008/09		2009/10	
Profit before tax		**700.0**		**183.3**
Income tax using the Austrian corporate tax rate	25.0%	175.0	25.0%	45.8
Difference to foreign tax rates	–1.2%	–8.6	–4.2%	–7.7
Non-taxable income and expenses	1.5%	11.0	–0.5%	–0.9
Non-taxable income from participations	–1.1%	–7.9	–3.7%	–6.8
Effects from the depreciation of participations	–4.8%	–33.3	3.0%	5.5
Taxes from previous periods	–1.3%	–9.0	–8.1%	–14.9
Own shares	–3.7%	–26.1	–0.3%	–0.5
Hybrid bond	–2.6%	–18.2	–9.9%	–18.2
Other differences	0.8%	5.5	–3.2%	–5.8
Effective Group tax rate (%)/income tax expense	**12.6%**	**88.4**	**–1.9%**	**–3.5**

In millions of euros

In Austria, dividends (interest) on hybrid capital represent a tax-deductive expense. The tax reduction is recognized through profit and loss.

8. Discontinued operations

Due to the current global economic situation, the Group has given up the plans to divest the entities reported as discontinued operations in the previous year. The plastics operations of the Polynorm Group as well as the French company Amstutz Levin & Cie (Automotive Division) are again reported under continuing operations in the consolidated financial statements 2009/10.

Due to the fact that these entities are reported under continuing operations again, the profit from operations (EBIT) has been positively affected by EUR 1.3 million. The retroactively adjusted profit from operations (EBIT) for the business year 2008/09 is EUR 27.2 million lower than the reported figure of the previous year.

9. Property, plant and equipment

	Land and buildings	Plant and equipment	Fixtures and fittings	Advance payments and plant under construction	Total
Gross carrying amount	2,173.1	7,025.6	836.8	451.5	10,487.0
Accumulated depreciation and impairment	–1,073.8	–4,803.1	–608.4	0.0	–6,485.3
Carrying amount as of April 1, 2008	**1,099.3**	**2,222.5**	**228.4**	**451.5**	**4,001.7**
Gross carrying amount	2,259.4	7,260.5	880.8	812.8	11,213.5
Accumulated depreciation and impairment	–1,112.2	–5,083.4	–637.7	–1.9	–6,835.2
Carrying amount as of March 31, 2009	**1,147.2**	**2,177.1**	**243.1**	**810.9**	**4,378.3**
Gross carrying amount	2,454.8	7,670.2	923.7	594.1	11,642.8
Accumulated depreciation and impairment	–1,165.7	–5,316.1	–675.5	–1.5	–7,158.8
Carrying amount as of March 31, 2010	**1,289.1**	**2,354.1**	**248.2**	**592.6**	**4,484.0**

In millions of euros

The following table shows a reconciliation of the carrying amounts of property, plant and equipment for the periods presented in the consolidated financial statements as of March 31, 2010:

	Land and buildings	Plant and equipment	Fixtures and fittings	Advance payments and plant under construction	Total
Carrying amount as of April 1, 2008	**1,099.3**	**2,222.5**	**228.4**	**451.5**	**4,001.7**
Changes in the scope of consolidated financial statements	2.9	1.9	0.6	0.3	5.7
Additions	75.4	225.2	67.3	589.3	957.2
Transfers	42.1	150.7	19.1	–213.7	–1.8
Disposals	–4.8	–6.6	–2.4	–8.0	–21.8
Depreciation	–56.9	–387.1	–65.8	–0.5	–510.3
Impairment	–0.4	–7.2	0.0	0.0	–7.6
Net exchange differences	–10.4	–22.3	–4.1	–8.0	–44.8
Carrying amount as of March 31, 2009	**1,147.2**	**2,177.1**	**243.1**	**810.9**	**4,378.3**
Changes in the scope of consolidated financial statements	0.0	1.2	–0.6	0.0	0.6
Additions	52.7	183.8	38.9	247.8	523.2
Transfers	125.1	321.4	25.6	–476.0	–3.9
Disposals	–3.3	–3.5	–1.8	–2.9	–11.5
Depreciation	–59.2	–376.5	–65.1	–0.2	–501.0
Impairment	–1.5	–0.9	–0.1	0.0	–2.5
Reversal of impairment	4.2	4.4	0.2	0.5	9.3
Net exchange differences	23.9	47.1	8.0	12.5	91.5
Carrying amount as of March 31, 2010	**1,289.1**	**2,354.1**	**248.2**	**592.6**	**4,484.0**

In millions of euros

As of March 31, 2010, restrictions on the disposal of property, plant and equipment amounted to EUR 23.9 million (March 31, 2009: EUR 34.7 million). Furthermore, as of March 31, 2010, commitments for the purchase of property, plant and equipment amounted to EUR 211.2 million (March 31, 2009: EUR 388.4 million).

Immaterial borrowing costs relating to qualifying assets were capitalized for the first time in the reporting period. The calculation was based on an average borrowing cost rate of 4.4%.

As of March 31, 2010, the gross carrying amount and accumulated depreciation of investment properties (IAS 40) are reported as follows:

	03/31/2009	03/31/2010
Gross carrying amount	31.5	31.5
Accumulated depreciation and impairment	–8.2	–8.2
Carrying amount	**23.3**	**23.3**

In millions of euros

The following table shows a reconciliation of the carrying amounts of investment properties for the periods presented in the consolidated financial statements as of March 31, 2010:

	2008/09	2009/10
Carrying amount as of April 1	**26.8**	**23.3**
Disposals	–3.4	0.0
Depreciation	–0.1	0.0
Carrying amount as of March 31	**23.3**	**23.3**

In millions of euros

Investment properties are measured at cost. Depreciation is recorded in line with the general accounting policies for property, plant and equipment. Based on comparable sales transactions, the market value of these assets is estimated at EUR 23.9 million (March 31, 2009: EUR 24.0 million).

The carrying amount for each class of asset under finance leases is reported as follows:

	Total 2008/09	Property, plant and equipment: Land and buildings	Plant and equipment	Fixtures and fittings	Advance payments and plant under construction	Intangible assets	Total 2009/10
Gross carrying amount	116.8	78.0	32.3	2.0	1.9	1.3	115.5
Accumulated depreciation and impairment	–43.7	–19.2	–16.7	–1.3	0.0	–1.3	–38.5
Carrying amount	**73.1**	**58.8**	**15.6**	**0.7**	**1.9**	**0.0**	**77.0**

In millions of euros

The present value of the minimum finance lease payments is due as follows:

	Minimum finance lease payments		Discounts on finance lease		Present value of the minimum finance lease payments	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Less than one year	9.7	8.6	–2.6	–2.6	7.1	6.0
Between one and five years	35.6	34.6	–9.4	–8.7	26.2	25.9
More than five years	41.5	37.4	–7.3	–7.0	34.2	30.4
	86.8	**80.6**	**–19.3**	**–18.3**	**67.5**	**62.3**

In millions of euros

The most significant finance lease agreements for buildings and production plants have a term between 5 and 22 years. Thereby, the Group has the option to purchase the plants at the end of the contracted period at the nominal value or renew the contract. The obligations from finance lease agreements are collateralized mainly by way of retention of title to the leased asset by the lessor.

In addition to finance leases, obligations also exist under operating leases for property, plant and equipment that are not reported on the statement of financial position. These obligations are due as follows:

	2008/09	2009/10
Less than one year	26.1	30.6
Between one and five years	73.7	87.3
More than five years	73.1	63.1
	172.9	**181.0**

In millions of euros

Payments of EUR 34.7 million (2008/09: EUR 24.5 million) under operating leases have been recognized as expenses.

The most significant operating lease agreements are related to buildings with a lease term of at least 15 years and with a renewal option of about 10 years in certain cases. At the end of the lease term there are purchase options. There are no restrictions concerning dividends, additional debt, and further leases.

Reconciliation of depreciation and amortization of property, plant and equipment and intangible assets by functional area

	2008/09	2009/10
Cost of sales	572.8	523.5
Distribution costs	104.1	82.6
Administration expenses	33.2	34.0
Other operating expenses	11.2	12.2
	721.3	**652.3**

In millions of euros

Impairment losses and reversal of impairment losses

Impairment losses on property, plant and equipment (primarily as a precaution for future reorganization) amounting to EUR 2.5 million (March 31, 2009: EUR 7.6 million) were recognized during the reporting period (they affect primarily land and buildings in the Railway Systems Division). These are primarily recognized in the cost of sales.

Reversals of impairment losses on property, plant and equipment amounting to EUR 9.3 million were recognized through profit and loss in the Automotive Division due to an increase of the fair value during the reporting period (March 31, 2009: EUR 0.0 million). These are primarily recognized in other operating income.

10. Goodwill

	03/31/2008	03/31/2009	03/31/2010
Gross carrying amount	1,418.8	1,436.3	1,435.8
Impairment loss	–15.4	–15.4	–15.4
Carrying amount	**1,403.4**	**1,420.9**	**1,420.4**

In millions of euros

The following table shows a reconciliation of the carrying amounts of goodwill for the periods presented in the consolidated financial statements as of March 31, 2010:

	Goodwill
Carrying amount as of April 1, 2008	**1,403.4**
Changes in the scope of consolidated financial statements	11.4
Additions	10.8
Disposals	–7.8
Net exchange differences	3.1
Carrying amount as of March 31, 2009	**1,420.9**
Additions	3.9
Disposals	–3.9
Net exchange differences	–0.5
Carrying amount as of March 31, 2010	**1,420.4**

In millions of euros

Impairment tests for cash-generating units containing goodwill
Goodwill is allocated to the following cash-generating units:

	2008/09	2009/10
Total Steel Division	**160.2**	**160.2**
High Performance Metals	504.3	505.2
Welding Consumables	169.9	170.2
Precision Strip	220.3	220.3
Special Forging	14.0	14.0
Total Special Steel Division	**908.5**	**909.7**
Switches	131.6	129.9
Rail	25.2	25.2
Steel	25.8	25.8
Total Railway Systems Division	**182.6**	**180.9**
Tubes and Sections	46.0	46.0
Storage Technology	11.2	11.2
Total Profilform Division	**57.2**	**57.2**
Precision Parts and Safety Technology	16.9	16.9
Laser-Welded Blanks	4.5	4.5
Great Pressed Parts	20.9	20.9
Structural Parts	70.1	70.1
Total Automotive Division	**112.4**	**112.4**
voestalpine Group	**1,420.9**	**1,420.4**

In millions of euros

With regard to the value in use, goodwill is reviewed for impairment applying the discounted cash flow method. The calculation is performed on the basis of cash flows before tax of a medium-term business plan as of the beginning of March. This medium-term business plan is based on historical data as well as on assumptions regarding the expected future market performance. The Group's planning assumptions are extended to include sectoral planning assumptions. Intra-group evaluations are complemented by external market studies. Cash flows are discounted using a pre-tax discount rate (WACC) of 8.2%.

Both internal and external market forecasts for the sales of flat steel products in Europe were used for the three-year medium-term business plan of the *Steel Division*. The figures allocated to the most significant assumptions in the plan generally correspond to external sources of information. Cash flows of the last plan year are the basis of the terminal value's determination. The terminal value is calculated with a growth rate of 1%.

The impairment tests for the *Special Steel Division* are performed on the basis of a detailed three-year planning period. The actual degree of utilization has been adapted to the market expectations in the plan years. In the Special Steel Division, the growth rate in terminal value amounts to 1%, which is lower than the rate of inflation.

The three-year medium-term business plan for the significant cash-generating units in the *Railway Systems Division* was based on external market forecasts for the sales of switches and rails. On the procurement side, global market forecasts were used for assumptions concerning the use of raw materials. The income level of the third plan year was used to determine the terminal value. A growth rate of 1% was used for the terminal value calculation.

In the *Profilform Division*, the planning assumptions on the sales side are based on market assessments for the most significant customer industries and industry segments and take specific market studies (e.g., the Global Truck Report) into consideration. Forecasts of international research institutes were used as a basis for the trend of pre-materials prices. The third plan year is the basis for the determination of the terminal value. Country-specific risk premiums of up to 3% were included in the calculation for production in emerging markets. No growth rates were used.

In the *Automotive Division*, the determination of the degree of utilization was based on automotive production forecasts. External forecasts were revised downward as a result of internal estimates. Impairment tests in the Automotive Division are based on a detailed three-year planning period. The terminal value is calculated with a growth rate of 1%.

The calculation did not result in an impairment of goodwill for the business year 2009/10. A sensitivity analysis shows that an increase of the discount rate (8.2%) by 10% would result in an impairment amounting to EUR 30.5 million only in the Precision Strip cash-generating unit. Using the discount rate of 8.2%, the recoverable amount exceeds the carrying amount by EUR 20.1 million. Using a discount rate of 8.5%, the recoverable amount corresponds to the carrying amount.

The following cash-generating units contain intangible assets with indefinite useful lives:

	2008/09	2009/10
High Performance Metals	62.5	62.5
Welding Consumables	12.6	12.6
Precision Strip	2.6	2.6
Subtotal	**77.7**	**77.7**
Special Steel	149.9	149.9
Total Special Steel Division	**227.6**	**227.6**
voestalpine Group	**227.6**	**227.6**

In millions of euros

Intangible assets with indefinite useful lives exclusively include brands, which do not depreciate and are therefore not amortized.

11. Other intangible assets

	Patents and trademarks	Intangible assets in accordence with IFRS 3	Advance payments	Total
Gross carrying amount	228.9	1,015.3	2.3	1,246.5
Accumulated amortization and impairment	–179.4	–298.5	–0.2	–478.1
Carrying amount as of April 1, 2008	**49.5**	**716.8**	**2.1**	**768.4**
Gross carrying amount	233.0	1,027.3	4.7	1,265.0
Accumulated amortization and impairment	–181.5	–486.8	0.0	–668.3
Carrying amount as of March 31, 2009	**51.5**	**540.5**	**4.7**	**596.7**
Gross carrying amount	236.6	1,027.2	0.9	1,264.7
Accumulated amortization and impairment	–189.7	–612.6	0.0	–802.3
Carrying amount as of March 31, 2010	**46.9**	**414.6**	**0.9**	**462.4**

In millions of euros

The following table shows a reconciliation of the carrying amounts of other intangible assets for the periods presented in the consolidated financial statements as of March 31, 2010:

	Patents and trademarks	Intangible assets in accordence with IFRS 3	Advance payments	Total
Carrying amount as of April 1, 2008	**49.5**	**716.8**	**2.1**	**768.4**
Changes in the scope of consolidated financial statements	0.0	7.9	0.0	7.9
Additions	13.8	3.3	3.7	20.8
Transfers	1.7	0.0	–0.5	1.2
Disposals	0.0	0.0	–0.6	–0.6
Amortization	–15.8	–187.7	0.0	–203.5
Net exchange differences	2.3	0.2	0.0	2.5
Carrying amount as of March 31, 2009	**51.5**	**540.5**	**4.7**	**596.7**
Changes in the scope of consolidated financial statements	–0.1	0.0	0.0	–0.1
Additions	9.6	0.0	1.2	10.8
Transfers	8.4	–0.1	–4.2	4.1
Disposals	–0.8	0.0	–0.8	–1.6
Amortization	–22.7	–125.8	0.0	–148.5
Net exchange differences	1.0	0.0	0.0	1.0
Carrying amount as of March 31, 2010	**46.9**	**414.6**	**0.9**	**462.4**

In millions of euros

The functional areas of cost of sales, distribution costs, administration expenses, and other operating expenses may include amortization of intangible assets.

12. Investments in associates and other financial assets

	Affiliated companies	Investments in associates	Other investments	Securities	Loans granted	Advance payments	Total
Gross carrying amount	25.0	110.5	14.6	63.8	14.4	2.3	230.6
Accumulated depreciation	–6.8	–2.5	–5.2	–3.2	–1.2	0.0	–18.9
Carrying amount as of April 1, 2008	**18.2**	**108.0**	**9.4**	**60.6**	**13.2**	**2.3**	**211.7**
Gross carrying amount	25.2	131.7	56.9	65.2	14.3	0.0	293.3
Accumulated depreciation	–8.1	–2.5	–2.2	–8.2	–1.6	0.0	–22.6
Carrying amount as of March 31, 2009	**17.1**	**129.2**	**54.7**	**57.0**	**12.7**	**0.0**	**270.7**
Gross carrying amount	24.3	129.0	61.2	85.1	11.8	0.0	311.4
Accumulated depreciation	–7.5	–2.5	–2.2	–3.9	–1.6	0.0	–17.7
Carrying amount as of March 31, 2010	**16.8**	**126.5**	**59.0**	**81.2**	**10.2**	**0.0**	**293.7**

In millions of euros

	Affiliated companies	Invest-ments in associates	Other invest-ments	Securities	Loans granted	Advance payments	Total
Carrying amount as of April 1, 2008	**18.2**	**108.0**	**9.4**	**60.6**	**13.2**	**2.3**	**211.7**
Changes in the scope of consolidated financial statements	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additions	5.2	26.3	45.1	2.3	1.0	0.0	79.9
Transfers	–6.2	6.3	0.5	0.6	–0.9	–2.3	–2.0
Disposals	0.0	–11.4	–0.3	–1.3	–0.8	0.0	–13.8
Depreciation	–0.1	0.0	0.0	–5.2	–0.2	0.0	–5.5
Revaluation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net exchange differences	0.0	0.0	0.0	0.0	0.4	0.0	0.4
Carrying amount as of March 31, 2009	**17.1**	**129.2**	**54.7**	**57.0**	**12.7**	**0.0**	**270.7**
Changes in the scope of consolidated financial statements	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additions	1.7	15.2	0.4	20.3	0.8	0.0	38.4
Transfers	–0.4	–11.9	4.2	0.0	11.6	0.0	3.5
Disposals	–0.3	–6.0	–0.3	–0.4	–14.7	0.0	–21.7
Depreciation	–1.6	0.0	0.0	0.0	–0.1	0.0	–1.7
Revaluation	0.3	0.0	0.0	4.3	0.0	0.0	4.6
Net exchange differences	0.0	0.0	0.0	0.0	–0.1	0.0	–0.1
Carrying amount as of March 31, 2010	**16.8**	**126.5**	**59.0**	**81.2**	**10.2**	**0.0**	**293.7**

In millions of euros

A minor investment classified as held for sale is recorded under other investments and accounted for in accordance with IFRS 5.

Loans granted comprise the following items:

	03/31/2008	03/31/2009	03/31/2010
Loans to affiliated companies	1.4	1.3	1.3
Loans to associates	0.0	0.0	0.0
Loans to other investments	0.0	0.0	0.0
Other loans	10.0	9.5	8.4
Other receivables from financing	1.8	1.9	0.5
	13.2	**12.7**	**10.2**

In millions of euros

Other current investments include shares in the V54 investment fund amounting to EUR 323.1 million (March 31, 2009: EUR 193.3 million), EUR 185.1 million in another liquidity fund, and other securities amounting to EUR 28.6 million (March 31, 2009: EUR 24.7 million).

Current and non-current securities amounting to EUR 104.5 million (March 31, 2009: EUR 111.4 million) are pledged for investment loans granted by the European Investment Bank.

13. Deferred taxes

In accordance with IAS 12.39, deferred taxes on differences resulting from investments in subsidiaries were not recognized.

Timing differences between items in the consolidated financial statements and the tax statement are as follows:

	Assets		Equity and liabilities	
	03/31/2009	**03/31/2010**	**03/31/2009**	**03/31/2010**
Non-current assets	140.8	448.4	346.8	422.8
Current assets	105.6	195.2	216.0	222.7
Non-current provisions and liabilities	376.4	404.8	69.6	120.2
Current provisions and liabilities	119.2	190.4	86.4	127.5
	742.0	**1,238.8**	**718.8**	**893.2**
Consolidation				
Intercompany profit elimination	109.8	85.0	0.0	0.0
Revalued assets	0.0	0.0	614.7	481.5
Other	31.5	114.6	29.3	195.7
	883.3	**1,438.4**	**1,362.8**	**1,570.4**
Corporate tax rate	25.0%	25.0%	25.0%	25.0%
Deferred taxes	220.8	359.6	340.7	392.6
Acquisition-related tax credit	216.8	198.7	0.0	0.0
Netting of deferred taxes to the same tax authority	–28.6	–146.6	–28.6	–146.6
Net deferred taxes	**409.0**	**411.7**	**312.1**	**246.0**

In millions of euros

Pursuant to IAS 12.34, the tax benefit from the acquisition of BÖHLER-UDDEHOLM Aktiengesellschaft is reported as unused tax credit and will be released over a period of 14 years with an amount of EUR 18.1 million per year. This is offset by actual tax savings.

Deferred tax assets and liabilities of EUR 8.2 million (March 31, 2009: EUR 6.0 million) for items recognized directly in equity were also recognized in equity with no effect on profit or loss during the reporting period.

Deferred tax assets on losses carried forward in the amount of EUR 57.6 million were recognized. As of March 31, 2010, there is a total of unused tax losses of approximately EUR 38.6 million (corporate income tax) (March 31, 2009: total of approximately EUR 64.0 million), for which no deferred tax asset has been recognized. Up to 2016, approximately EUR 29,0 million of tax loss carryforwards (corporate income tax) will expire.

14. Inventories

	2008/09	2009/10
Raw materials and supplies	1,007.3	707.4
Work in progress	608.7	532.9
Finished goods	1,012.0	745.3
Merchandise	257.7	198.4
As yet unbillable services	11.5	8.0
Advance payments	12.5	6.3
	2,909.7	**2,198.3**

In millions of euros

Write-downs to the lower net realizable value amounting to EUR 78.8 million (March 31, 2009: EUR 148.9 million) are recorded in the consolidated financial statements. Inventories of EUR 3.1 million (March 31, 2009: EUR 3.8 million) are pledged as security for liabilities. An amount of EUR 4,427.3 million (March 31, 2009: EUR 6.643.2 million) has been recognized as cost of materials.

15. Trade and other receivables

	03/31/2009	Of which over one year	03/31/2010	Of which over one year
Trade receivables	1,321.0	5.1	1,114.6	6.0
Receivables from affiliated companies	13.2	0.2	12.0	0.0
Receivables from other investments	52.7	0.0	46.1	0.0
Other receivables and other assets	398.6	9.9	285.4	12.6
	1,785.5	**15.2**	**1,458.1**	**18.6**

In millions of euros

Trade receivables include the following receivables from construction contracts:

	03/31/2009	03/31/2010
Aggregate amount of costs incurred	128.9	99.8
Aggregate amount of accrued profits	15.5	11.8
Aggregate amount of incurred losses	–1.4	–1.0
Gross receivables from construction contracts	**143.0**	**110.6**
Less amount of advances received	–96.6	–74.9
Receivables from construction contracts	**46.4**	**35.7**

In millions of euros

Revenue from construction contracts amounts to EUR 122.2 million in the business year 2009/10.

16. Cash and cash equivalents

	2008/09	2009/10
Cash on hand, cash at banks, checks	857.7	1,028.6

In millions of euros

17. Equity

Share capital (incl. disclosures according to § 240 of the Austrian Commercial Code (UGB))
Under the former § 4 (6) of the Articles of Incorporation, the Management Board was authorized to increase the share capital by up to EUR 28,778,442.33 by issuing up to 15,840,000 ordinary no-par value shares to the extent that creditors of the convertible bond 2005/10 exercise their conversion rights (contingent capital increase).

Effective January 29, 2010, voestalpine AG called the convertible bond 2005/10. Due to the call, all convertible bonds outstanding at the time of the call (= 8.6% of the total nominal amount of the convertible bond amounting to EUR 250 million) were converted into shares of the Company by the creditors of the convertible bond. For this conversion, the Management Board exercised its authority under § 4 (6) of the Articles of Incorporation and increased the share capital of voestalpine AG by 0.68% through the issue of 1,150,131 ordinary no-par value bearer shares to creditors of the convertible bond 2005/10. A further issue of shares by the Management Board according to § 4 (6) of the Articles of Incorporation is no longer possible due to the total redemption of the convertible bond 2005/10. § 4 (6) of the Articles of Incorporation has been deleted and the former § 4 (7) of the Articles of Incorporation is now § 4 (6). As of March 31, 2010, there are no convertible bonds outstanding.

As of March 31, 2010, the share capital amounts to EUR 307,132,044.75 (March 31, 2009: EUR 305,042,462.76) and is divided into 169,049,163 ordinary no-par value shares (March 31, 2009: 167,899,032). All shares are fully paid up.

Under § 4 (2) of the Articles of Incorporation, the Management Board of voestalpine AG is authorized to increase the share capital of the Company by issuing up to 83,949,516 ordinary no-par value bearer shares (about 49.66%) up to June 30, 2014, against cash contributions and/or, if necessary, by excluding shareholders' subscription rights in full or in part, (i) against contributions in kind, including but not limited to contributions of equity interests, companies, businesses, or business units, and/or (ii) to be issued to employees, executives, and members of the Management Board of the Company or an affiliated company under an employee stock ownership plan or stock option plan (authorized capital increase). The Management Board did not exercise this authority during the reporting period.

Under § 4 (6) of the Articles of Incorporation, the Management Board of voestalpine AG is authorized to increase the share capital of the Company up to 80,000,000 ordinary no-par value bearer shares (= 47.32%) for issuance to creditors of financial instruments within the meaning of § 174 of the Austrian Stock Corporation Act (convertible bonds, income bonds, participation rights); the Management Board was authorized to issue these shares during the Annual General Meeting on July 1, 2009 (contingent capital increase). During the reporting period, the Management Board did not exercise the authority granted on July 1, 2009, to issue financial instruments within the meaning of § 174 of the Austrian Stock Corporation Act.

During the Annual General Meeting on July 2, 2008, the Management Board was authorized to repurchase own shares up to December 31, 2010, representing no more than 10% of the respective share capital. The repurchase price may not be more than 20% below or 10% above the average stock exchange price of the shares on the three market trading days prior to the repurchase. The Management Board did not exercise this authority during the reporting period.

Capital reserves mainly include the share premium (net of capital funding costs), profit/loss from the sale of own shares, and share-based compensation.

Reserves for own shares include cost of acquisition and disposal at cost of repurchased own shares, respectively.

Retained earnings include the profit for the period less dividend distributions. When increasing the majority interests, the difference between the costs of acquisition for the additional shares and the pro-rated carrying amount of the minority interests is recognized directly in retained earnings. Actuarial gains and losses in respect of severance and pension obligations are recognized directly in equity in the year in which they are incurred.

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign subsidiaries.

The hedging reserve comprises gains and losses from the effective portion of the cash flow hedges. The cumulative gains or losses on the hedged transactions recognized in the reserves are recognized in the income statement only if the hedged transaction affects the result as well.

The number of shares outstanding for the periods presented in the consolidated financial statements as of March 31, 2010, has changed as follows:

	Number of no-par value shares	Number of own shares	Number of shares outstanding
Balance as of April 1, 2008	**164,439**	**5,203**	**159,236**
Additions	3,460		3,460
Disposals		–4,308	4,308
Balance as of March 31, 2009	**167,899**	**895**	**167,004**
Additions	1,150		1,150
Disposals		–237	237
Balance as of March 31, 2010	**169,049**	**658**	**168,391**

In thousands of shares

Hybrid capital

On October 16, 2007, voestalpine AG issued a EUR 1 billion subordinated bond with an indefinite term (hybrid bond). The coupon rate of the bond, which can also be suspended if dividends are suspended, is 7.125%. Seven years after issue of the bond, voestalpine AG, but not the creditors, will have its first opportunity to redeem the bond or to continue it at a variable interest rate (3-month Euribor plus 5.05%).

As the hybrid bond satisfies the IAS 32 criteria for equity, the proceeds from the bond issue are recognized as part of equity. Accordingly, coupon payments are also presented as dividend payments. The issue costs and the bond discount amounted to EUR 10.5 million. A tax benefit related to this position in the amount of EUR 2.6 million was recognized. Thus, the increase in equity was EUR 992.1 million.

Minority interest

The minority interest as of March 31, 2010, results primarily from minority interests in the VAE Group, Railpro B.V., and the Danube Equity companies.

Other comprehensive income includes the following items:

	2008/09	2009/10
Hedge accounting	9.3	–25.3
Actuarial gains/losses	–25.4	–15.7
Currency translation	–9.7	85.1
Deferred taxes on hedge accounting and actuarial gains/losses	6.1	8.2
Other comprehensive income net	**–19.7**	**52.3**

In millions of euros

18. Pensions and other employee obligations

	2008/09	2009/10
Provisions for severance payments	444.3	424.6
Provisions for pensions	298.4	323.0
Provisions for long-service bonuses	111.9	105.4
	854.6	**853.0**

In millions of euros

Provisions for severance payments

	2008/09	2009/10
Present value of defined benefit obligation (DBO) as of April 1, 2009	**447.8**	**444.3**
Service costs for the period	10.6	10.3
Interest costs for the period	22.9	24.9
Changes in the scope of consolidated financial statements	0.0	–0.4
Severance payments	–32.4	–47.8
Actuarial gains (–)/losses (+)	–4.6	–6.7
Present value of defined benefit obligation (DBO) as of March 31, 2010	**444.3**	**424.6**

In millions of euros

	03/31/2006	03/31/2007	03/31/2008	03/31/2009	03/31/2010
Present value of defined benefit obligation (DBO)	337.6	359.8	447.8	444.3	424.6
Actuarial gains (+)/losses (–) due to parameter changes in %	–11.1%	–3.0%	2.7%	3.5%	–2.4%

In millions of euros

Provisions for pensions

	2008/09	2009/10
Present value of defined benefit obligation (DBO) as of April 1, 2009	**616.8**	**595.4**
Service costs for the period	9.6	18.2
Interest costs for the period	29.3	33.4
Changes in the scope of consolidated financial statements	0.5	0.0
Pension payments	–35.2	–28.3
Net exchange differences	–4.8	4.3
Actuarial gains (–)/losses (+)	–20.8	48.2
Present value of defined benefit obligation (DBO) as of March 31, 2010	**595.4**	**671.2**
Plan assets as of March 31, 2010	–297.0	–348.2
Provisions for pensions as of March 31, 2010	**298.4**	**323.0**

In millions of euros

As of March 31, 2010, the present value of the defined benefit obligations amounts to EUR 671.2 million, with EUR 468.0 million thereof wholly or partly funded; EUR 203.2 million are unfunded.

	2008/09	2009/10
Plan assets as of April 1, 2009	**337.9**	**297.0**
Expected return for the period	20.4	17.5
Actuarial gains (+)/losses (–)	–54.4	32.3
Net exchange differences	0.6	0.5
Changes in the scope of consolidated financial statements	0.0	0.0
Employer contributions	15.8	18.2
Pension payments	–23.3	–17.3
Plan assets as of March 31, 2010	**297.0**	**348.2**

In millions of euros

	03/31/2006	03/31/2007	03/31/2008	03/31/2009	03/31/2010
Present value of defined benefit obligation (DBO)	377.0	381.4	616.8	595.4	671.2
Plan assets	–253.7	–270.0	–337.9	–297.0	–348.2
	123.3	**111.4**	**278.9**	**298.4**	**323.0**
Actuarial gains (+)/losses (–) due to parameter changes in %	–12.4%	1.1%	1.3%	7.4%	–7.3%

In millions of euros

As of March 31, 2010, the major categories of plan assets are as follows:

	2009/10
Equity instruments	26.7%
Debt instruments	52.9%
Property	6.7%
Other	13.7%
	100.0%

In millions of euros

The plan assets include own shares with a fair value of EUR 1.0 million.

The average expected return is determined by the portfolio structure of the plan assets, empirical data, as well as future estimates of investment returns. The calculation of the provisions for pensions was based on an expected interest rate of 6% on plan assets. The actual interest rate was 16.8%.

The amount recognized as an expense in the income statement for defined contribution plans is EUR 14.4 million.

Provisions for long-service bonuses

	2008/09	2009/10
Present value of defined benefit obligation (DBO) as of April 1, 2009	**112.6**	**111.9**
Service costs for the period	5.2	5.0
Interest costs for the period	5.4	5.9
Changes in the scope of consolidated financial statements	0.0	0.0
Long-service bonus payments	–10.2	–10.3
Actuarial gains (–)/losses (+)	–1.1	–7.0
Present value of defined benefit obligation (DBO) as of March 31, 2010	**111.9**	**105.5**

In millions of euros

	03/31/2006	03/31/2007	03/31/2008	03/31/2009	03/31/2010
Present value of defined benefit obligation (DBO)	90.7	94.9	112.6	111.9	105.5

In millions of euros

Expenses/revenue relative to provisions for severance payments, pensions, and long-service bonuses recognized in the income statement are as follows:

	2008/09	2009/10
Service costs for the period	25.4	33.5
Interest costs for the period	57.6	64.2
Expected return on plan assets for the period	–20.4	–17.5
Expenses/revenue recognized in the income statement	**62.6**	**80.2**

In millions of euros

Expenses are included in the functional areas of cost of sales, distribution costs, and administration expenses and to a minimum extent in the functional area of other operating expenses.

19. Provisions

	Balance as of 04/01/2009	Changes in the scope of consolidated financial statements	Net exchange differences	Use	Reversal	Addition	Balance as of 03/31/2010
Non-current provisions							
Other personnel expenses	20.4	0.0	0.1	–4.5	–0.1	3.0	18.9
Warranties	14.5	0.0	1.3	–4.0	–1.6	1.3	11.5
Other non-current provisions	23.4	0.0	0.0	–1.8	–0.8	6.2	27.0
	58.3	**0.0**	**1.4**	**–10.3**	**–2.5**	**10.5**	**57.4**
Current provisions							
Vacations	101.3	0.0	2.6	–69.6	–0.1	55.9	90.1
Other personnel expenses	141.8	0.0	1.6	–129.6	–10.4	104.3	107.7
Warranties	42.6	0.0	0.2	–9.7	–7.6	28.6	54.1
Onerous contracts	13.2	0.0	0.1	–6.7	–1.3	34.7	40.0
Other current provisions	97.8	0.0	0.8	–57.3	–11.4	60.2	90.1
	396.7	**0.0**	**5.3**	**–272.9**	**–30.8**	**283.7**	**382.0**
	455.0	**0.0**	**6.7**	**–283.2**	**–33.3**	**294.2**	**439.4**

In millions of euros

The provisions for personnel expenses mainly include bonuses. Provisions for warranties as well as onerous contracts apply to current operating activities. The other provisions mainly consist of provisions for commissions, litigation, legal and consulting fees, and environmental protection obligations.

The amount recognized as a provision for warranties is calculated as the most reliable estimated value of the amount that would be required to settle these obligations at the balance sheet date. The statistical measure is the expected value, which is based on the probability of occurrence of an event according to past experience.

A provision for onerous contracts is recognized when the earnings expected to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. Before recognizing a separate provision for onerous contracts, the Group recognizes an impairment loss on the assets associated with such contracts.

20. Financial liabilities

	Up to one year		Over one year	
	03/31/2009	**03/31/2010**	**03/31/2009**	**03/31/2010**
Bank loans and bonds	1,309.4	1,393.2	3,438.8	3,211.3
Liabilities from finance leases	7.1	6.0	60.4	56.3
Liabilities from affiliated companies	17.2	17.7	0.0	0.0
Liabilities from other investments	46.0	21.6	0.0	0.1
Other payables and liabilities	65.3	9.5	1.4	0.6
	1,445.0	**1,448.0**	**3,500.6**	**3,268.3**

In millions of euros

On July 21, 2005, convertible bonds with a nominal value of EUR 250 million, a term of five years, and an interest rate of 1.5% were issued.

The proceeds from the issue of the convertible bonds are separated into a liability and an equity component. The equity component reflects the market value of the embedded option to convert the liability into equity.

The interest expense for the convertible bond is calculated by using the effective interest rate method with an interest rate of 4.0%.

In the reporting period, voestalpine AG called the convertible bond 2005/10 effective January 29, 2010, and redeemed it entirely. For detailed information, please refer to item 17 (Equity).

As of March 31, 2010, the liability component is calculated as follows:

Liability component as of April 1, 2008	**67.6**
Conversion	–46.6
Interest accrued	–0.1
Liability component as of March 31, 2009	**20.9**
Conversion	–21.0
Interest accrued	0.1
Liability component as of March 31, 2010	**0.0**

In millions of euros

On December 17, 2008, voestalpine AG issued a fixed-interest bond amounting to EUR 333.0 million. The bond will be redeemed in two tranches, with the first payment of EUR 222.0 million falling due on December 17, 2010, and the second payment of EUR 111.0 million falling due on December 17, 2011. The fixed interest rate over the entire term of both tranches is 5.75%.

On March 30, 2009, voestalpine AG issued a fixed-interest bond amounting to EUR 400.0 million. The bond will be redeemed on March 30, 2013. The interest rate amounts to 8.75% p.a.

21. Trade and other payables

	03/31/2009	03/31/2010
Prepayments received on orders	82.5	64.2
Trade payables	842.6	898.7
Liabilities from bills payable	414.8	274.8
Liabilities from affiliated companies	8.9	8.3
Liabilities from other investments	5.1	3.0
Other liabilities from taxes	81.8	91.3
Other liabilities related to social security	37.4	38.9
Other payables and other liabilities	426.3	346.7
	1,899.4	**1,725.9**

In millions of euros

22. Contingent liabilities

	03/31/2009	03/31/2010
Obligations from bills payable	1.6	1.4
Guarantees	4.6	5.1
Other contingent liabilities	0.0	0.0
	6.2	**6.5**

In millions of euros

23. Financial instruments

General information

The principal financial instruments used by the voestalpine Group consist of bank loans and short-term demand notes, bonds, and trade payables. The primary aim of the financial instruments is to finance the business activities of the Group. The Group holds various financial assets, such as trade receivables, short-term deposits, and non-current investments, which result directly from the Group's business activities.

The Group also uses derivative financial instruments. These instruments include mainly interest rate swaps and forward exchange transactions. These derivative financial instruments are used to hedge interest rate and currency risks and risks from fluctuations in raw materials and CO_2 prices, which result from the business activities of the Group and its sources of financing.

Capital management

In addition to ensuring availability of the liquidity necessary to support business activities and maximizing shareholder value, the primary objective of the Group's capital management is to ensure appropriate creditworthiness and a satisfactory equity ratio.

Capital management in the voestalpine Group is performed using the net financial debt to EBITDA ratio and the gearing ratio, i.e., the net financial debt to equity ratio. Net financial debt consists of interest-bearing loans less financing receivables and other loan receivables, securities, cash and cash equivalents. Equity includes minority interests in Group companies and the hybrid capital.

The Group's maximum sustainable gearing ratio has been set at 70% and may only be exceeded for a limited period of time. The net financial debt to EBITDA ratio may not exceed 3.0. All growth measures and capital market transactions are based on these ratios.

The following table shows these two ratios for the reporting period:

	03/31/2009	03/31/2010
Gearing ratio in %	88.2%	71.3%
Net financial debt to EBITDA ratio	2.2	3.0

Financial risk management – Corporate finance organization
Financial risk management also includes the area of raw material risk management. Financial risk management is organized centrally with respect to policy-making power, strategy determination, and target definition. The existing policies include targets, principles, duties, and responsibilities for both the Group treasury and individual Group companies. In addition, they govern the areas of pooling, money market, credit and securities management, currency, interest rate and liquidity risk, and reporting. The Group treasury, acting as a service center, is responsible for implementation. Three organizationally separate units are responsible for closing, processing and recording transactions, which guarantees a six-eyes principle. Policies, policy compliance, and all business processes are additionally audited once a year by an external auditor.

It is part of our corporate policy to continuously monitor, quantify and, where reasonable, hedge financial risks. Our willingness to accept risk is relatively low. The strategy aims at reducing fluctuations in cash flows and income. Hedging of market risks is done to a large extent by means of derivative financial instruments.

voestalpine AG uses the "@-risk" concept to quantify interest rate, currency, and commodity price risk. The maximum loss within one year is determined with 95% certainty. Risk is calculated for the open position, which is defined as the budgeted quantity for the next 12 months less the quantity that has already been hedged.

The variance-covariance approach is used to evaluate interest rate and foreign currency risk. The cash flow risk due to fluctuations in raw materials prices is calculated using the Monte Carlo simulation.

Liquidity risk – Financing
Liquidity risk refers to the risk of not being able to fulfill the payment commitments due to insufficient means of payment.

The primary instrument for controlling liquidity risk is a precise financial plan that is submitted quarterly by the operating entities directly to the Group treasury of voestalpine AG. The funding requirements in respect of financing and bank credit lines are determined by the consolidated results.

Working capital is financed by the Group treasury. A central clearing system performs intra-group netting daily. Entities with liquidity surpluses indirectly put these funds at the disposal of entities requiring liquidity. The Group treasury places any residual liquidity with their principal banks. This allows the volume of outside borrowing to be decreased and net interest income to be optimized.

Financing is mostly carried out in the local currency of the borrower in order to avoid exchange rate risk or is currency-hedged using cross-currency swaps.

voestalpine AG holds securities and current investments as a liquidity reserve. As of March 31, 2010, non-restricted securities amounted to EUR 394.6 million (March 31, 2009: EUR 106.6 million) and current investments to EUR 1,028.6 million (March 31, 2009: EUR 857.7 million).

Additionally, adequate credit lines that are callable at any time exist with domestic and foreign banks. These credit lines have not been drawn. In addition to the possibility of exhausting these financing arrangements, a contractually guaranteed liquidity reserve of EUR 150 million is available to bridge any economic downturns.

The sources of financing are managed on the basis of the principle of bank independence. Financing is currently being provided by approximately 25 different domestic and foreign banks. Covenants agreed for a minor part of the total credit volume with a single bank are adhered to. The capital market is also used as a source of financing. No new emissions were issued during the business year 2009/10.

A maturity analysis of all liabilities existing as of the balance sheet date is presented below:

Liabilities

	Due within one year		Due between one and five years		Due after more than five years	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Bonds	0.0	222.0	753.2	510.5	0.0	0.0
Bank loans	1,309.4	1,171.2	2,627.3	2,676.0	58.3	24.8
Trade payables	839.3	898.3	3.3	0.4	0.0	0.0
Liabilities from finance leases	7.1	6.0	26.2	25.0	34.2	31.3
Other financial liabilities	65.3	9.5	1.4	0.6	0.0	0.0
Total liabilities	**2,221.1**	**2,307.0**	**3,411.4**	**3,212.5**	**92.5**	**56.1**

In millions of euros

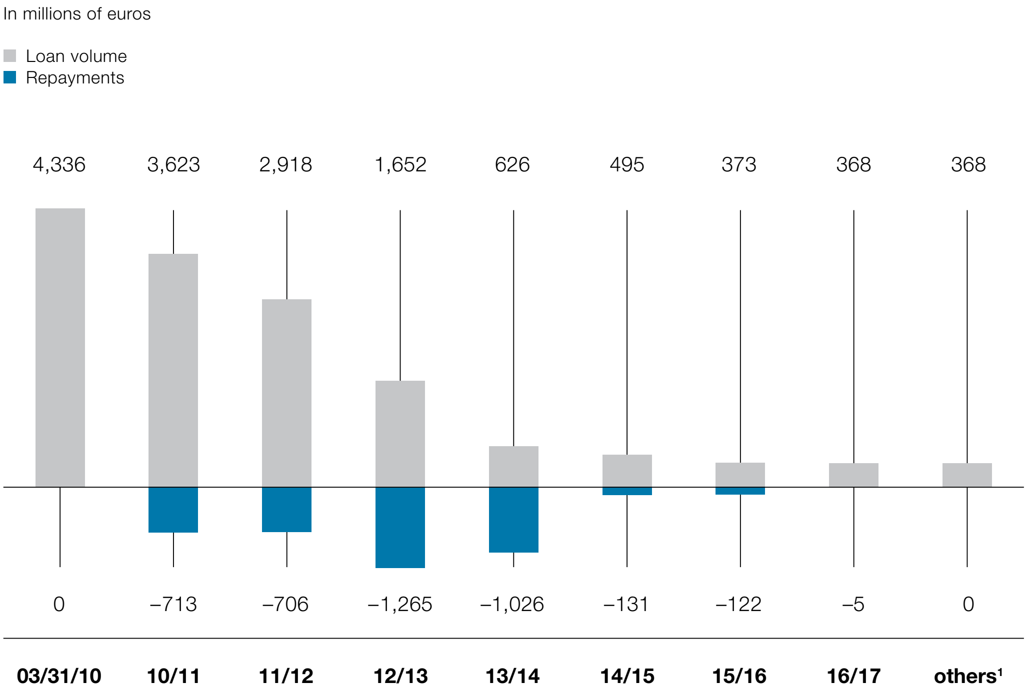
As estimated as of the balance sheet date, the following prospective interest charges correspond to these existing liabilities:

	Due within one year		Due between one and five years		Due after more than five years	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Interest on bonds	54.7	54.1	130.6	76.4	0.0	0.0
Interest on bank loans	126.0	113.6	254.5	232.3	2.9	2.5
Interest on trade payables	0.0	0.0	0.0	0.0	0.0	0.0
Interest on liabilities from finance leases	2.6	2.6	9.4	8.7	7.3	7.0
Interest on other financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Total interest charges	**183.3**	**170.3**	**394.5**	**317.4**	**10.2**	**9.5**

In millions of euros

The maturity structure of the loan portfolio has the following repayment profile for the next several years.

Loan portfolio maturity structure



[1] Contains EUR 351.0 million of revolving export loans

Credit risk

Credit risk refers to financial losses that may occur through non-fulfillment of contractual obligations by business partners.

The credit risk of the underlying transactions is kept low by precise management of receivables. A high percentage of delivery transactions is covered by credit insurance. Bankable security is also provided, such as guarantees and letters of credit.

The following receivables, for which no valuation allowance has been recorded, were overdue as of the balance sheet date:

Overdue receivables, for which no valuation allowance has been recorded

	2008/09	2009/10
Less than 30 days past due	191.9	123.4
More than 31 and less than 60 days past due	66.6	35.8
More than 61 and less than 90 days past due	21.2	13.7
More than 91 and less than 120 days past due	12.0	7.3
More than 120 days past due	31.8	22.4
Total	**323.5**	**202.6**

In millions of euros

The following valuation allowances were recorded for receivables during the reporting period:

Valuation allowances for receivables

	2008/09	2009/10
Opening balance as of April 1, 2009	**52.4**	**48.5**
Additions	21.4	13.6
Net exchange differences	1.0	1.1
Changes in the scope of consolidated financial statements	0.9	0.2
Reversal	–21.0	–5.6
Use	–6.2	–12.4
Closing balance as of March 31, 2010	**48.5**	**45.4**

In millions of euros

As most of the receivables are insured, the risk of bad debt losses is limited. The maximum loss, which is theoretically possible, equals the amount at which the receivables are stated in the statement of financial position.

The management of credit risk from investment and derivative transactions is governed by internal guidelines. All investment and derivative transactions are limited for each counterparty, with the size of the limit dependent on the rating of the bank.

The credit risk for derivative financial instruments is limited to transactions with a positive market value and to the replacement cost of such transactions. Therefore, derivative transactions are only valued at their positive market value up to this limit. Derivative transactions are almost exclusively based on standardized master agreements for financial forward transactions.

Breakdown of investments at financial institutions by rating classes

	AAA	AA	A	BBB	NR
Bonds	342	44	59	24	27
Money market investments excl. account credit balances	0	178	584	0	0
Derivatives[1]	0	13	24	0	0

[1] Only positive market value

In millions of euros

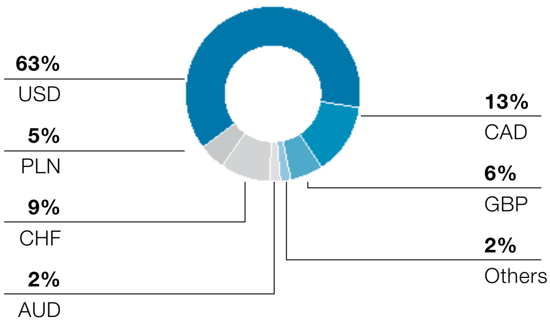
Currency risk

The largest currency position in the Group arises from raw materials purchases in USD and to a lesser degree from exports to the "non-euro area."

An initial hedge is provided by naturally covered items where, for example, trade receivables in USD are offset by liabilities for the purchase of raw materials (USD netting). The use of derivative hedging instruments is another possibility. voestalpine AG hedges budgeted (net) foreign currency payments over the next 12 months. Longer-term hedging occurs only for contracted projects. The hedging ratio is between 50% and 100%. The further in the future the cash flow lies, the lower the hedging ratio. There is no indirect currency risk.

The net requirement for USD was USD 324.9 million in the business year 2009/10. The decrease compared to the previous year (USD 1,082.3 million) was due to the decline in quantities and prices of raw materials purchased. Due to increased exports to Canada, the Canadian dollar (CAD) has been the second-largest currency position. The remaining foreign currency exposure, resulting primarily from exports to the "non-euro area," is significantly lower than the USD risk.

Foreign currency portfolio 2009/10 (net)



Based on the Value-at-Risk calculation, as of March 31, 2010, the risks for all open positions for the upcoming business year are as follows:

Undiversified	USD	PLN	ZAR	NOK	CAD	CHF	GBP	Other
Position	–139.40	–23.56	0.93	3.80	10.29	6.17	8.41	6.93
VaR (95%/year)	22.85	4.89	0.21	0.49	1.69	0.38	1.27	0.80

In millions of euros

Taking into account the correlation between the different currencies, the resulting portfolio risk is EUR 20.6 million.

Interest rate risk

voestalpine AG differentiates between cash flow risk (the risk that interest expenses or interest income will undergo a detrimental change) for variable-interest financial instruments and present value risk for fixed-interest financial instruments. The positions shown include all interest rate-sensitive financial instruments (loans, money market, issued and purchased securities).

The primary objective of interest rate management is to optimize interest expenses while taking the risk into consideration. voestalpine's business profile permits an overweighting of floating-rate financing. Fixed interest rates are used to take advantage of extreme situations (cycle bottom).

The variable-interest positions on the liabilities side significantly exceed the positions on the assets side, so that a 1% increase in the money market rate increases the interest expense by EUR 11.6 million.

The weighted average interest rate for asset positions is 0.85% with a duration of 0.49 years (including money market investments) and 3.53% for liability positions with a duration of 0.92 years.

	Position[1]	Weighted average interest rate	Duration (years)	Average capital commitment (years)[2]	Sensitivity to a 1% change in the interest rate[1]	Cash flow risk[1]
Assets	1,641	0.85%	0.49	0.67	–7.97	–14.32
Liabilities	–4,604	3.53%	0.92	3.45	59.28	25.90
Net	–2,963				51.31	11.58

[1] In millions of euros
[2] Excluding revolving export credits of EUR 351.0 million

The present value risk determined using the Value-at-Risk calculation for March 31, 2010, is equal to EUR 8.3 million (2008/09: EUR 10.2 million) for positions on the assets side given a 1% change in the interest rate and EUR 64.2 million (2008/09: EUR 123.2 million) for positions on the liabilities side. Therefore, in the event of a 1% drop in the interest rate, voestalpine AG would have an imputed (unrecognized) net present value loss of EUR 55.9 million (2008/09: EUR 113.0 million).

The asset positions include EUR 413.1 million (previous year: EUR 252.9 million) of investments in the V47 and V54 funds of funds. 73.8% of the fund assets are invested in bonds and money market securities in euros or in cash in the three sub-funds V101, V102, and V103 and in three special funds as follows:

Funds	Investment currency	
Sub-fund V101	EUR 91.8 million	with a modified duration of 0.49
Sub-fund V102	EUR 109.9 million	with a modified duration of 2.62
Sub-fund V103	EUR 103.1 million	with a modified duration of 5.14
Special funds	EUR 26.0 million	(only included in V54)

The fund of funds includes EUR 15.7 million in equities (3.8% of fund assets), which are divided among two global equity funds with different investment approaches.

For reasons of credit risk management, an amount of EUR 191.6 million has been invested in daily realizable, externally managed money market funds with an AAA rating as a replacement for money market investments.

Due to the general recovery of the financial markets, gains in the fund of funds for the business year were recorded:

Fund of funds	Performance
V47	11.37%
V54	9.44%

Securities are measured at fair value. For the determination of the fair value, quoted prices (unadjusted) in active markets for identical assets or liabilities are used. Net profit amounting to EUR 19.4 million (2008/09: net losses EUR 24.1 million) are recognized at fair value through profit or loss using the fair value option.

Derivative financial instruments

Portfolio of derivative financial instruments as of March 31, 2010:

	Nominal value (in millions of euros)	Fair value (in millions of euros)	Of which accounted for in equity	Maturity
Forward exchange transactions (incl. currency swaps)	547.3	12.9	10.7	< 3 years
Interest rate derivatives	1,646.7	–46.4	–46.5	< 5 years
Commodity swaps	35.6	5.4	0	< 2 years
Total	**2,229.6**	**–28.1**	**–35.8**	

The derivative transactions are marked to market daily by determining the value that would be realized if the hedging position were closed out (liquidation method). Input for the calculation of fair values are observable currency exchange rates and raw materials prices as well as interest rates. Based on the input, the fair value is calculated using generally accepted actuarial formulas.

Unrealized profits or losses from hedged transactions are accounted for as follows:

- If the hedged asset or liability is already recognized in the statement of financial position or an obligation not recorded in the statement of financial position is hedged, the unrealized profits and losses from the hedged transaction are recognized through profit and loss. At the same time, the hedged item is reported at fair value, regardless of its initial valuation method. The resulting unrealized profits and losses are offset with the unrealized results of the hedged transaction in the income statement, so that in total, only the ineffective portion of the hedged transaction is reported in profit or loss for the period (fair value hedges).
- If a future transaction is hedged, the effective portion of the unrealized profits and losses accumulated up to the balance sheet date is recognized directly in equity. The ineffective portion is recognized through profit and loss. When the transaction that is hedged results in the recognition of an asset or a liability in the statement of financial position, the amount recognized in equity is taken into account when the carrying amount of this item is determined. Otherwise, the amount reported in equity is recognized through profit or loss in accordance with the income effectiveness of the future transaction or the existing obligation (cash flow hedges).

In the business year 2009/10, hedge accounting in accordance with IAS 39 was used for hedging foreign currency cash flows, interest bearing receivables and liabilities, and raw materials purchase agreements. The interest rate and currency hedges are mainly cash flow hedges, while the raw material hedges were designated almost exclusively as fair value hedges. Hedge accounting is only applied to a part of currency and raw material hedges.

Net losses of foreign currency and interest rate derivatives (cash flow hedges) amounting to EUR 1.9 million were recognized through profit and loss in the reporting period.

Profits amounting to EUR 16.9 million on raw material hedges, which are designated as fair value hedges, were recognized through profit and loss. Losses for the corresponding hedged items amounting to EUR 16.9 million were also recognized through profit and loss.

Positive fair values amounting to EUR 10.6 million previously recorded in the reserve for foreign exchange hedges were recognized through profit and loss during the reporting period; fair values amounting to EUR 10.7 million were allocated to the reserve. The reserve for interest hedges decreased by EUR 25.9 million following changes in the fair values of the hedges.

Derivatives designated as cash flow hedges have the following effects on cash flows and profit or loss for the period:

	Total contractual cash flows		Contractual cash flows					
			< 1 year		> 1 year and < 5 years		> 5 years	
	2008/09	**2009/10**	**2008/09**	**2009/10**	**2008/09**	**2009/10**	**2008/09**	**2009/10**
Interest derivatives								
Assets	186.4	137.5	59.5	49.4	126.7	88.1	0.2	0.0
Liabilities	–215.3	–184.0	–59.4	–59.8	–155.9	–124.2	0.0	0.0
	–28.9	**–46.5**	**0.1**	**–10.4**	**–29.2**	**–36.1**	**0.2**	**0.0**
Currency derivatives								
Assets	10.2	10.7	9.9	10.4	0.3	0.3	0.0	0.0
Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	10.2	**10.7**	**9.9**	**10.4**	**0.3**	**0.3**	**0.0**	**0.0**

In millions of euros

Categories of financial instruments

Classes	Financial assets measured at (amortized) cost	Financial assets measured at fair value		
Categories	Loans and receivables	Financial assets measured at fair value through profit or loss		
		Held for trading (derivatives)	Other	Total
Assets 2008/09				
Other financial assets – non-current	12.7		128.8	141.5
Trade and other receivables	1,756.6	28.9		1,785.5
Other financial assets – current			218.1	218.1
Cash and cash equivalents	857.7			857.7
Carrying amount	**2,627.0**	**28.9**	**346.9**	**3,002.8**
Fair value	**2,627.0**	**28.9**	**346.9**	**3,002.8**
Assets 2009/10				
Other financial assets – non-current	10.2		157.0	167.2
Trade and other receivables	1,433.1	25.0		1,458.1
Other financial assets – current			536.8	536.8
Cash and cash equivalents	1,028.6			1,028.6
Carrying amount	**2,471.9**	**25.0**	**693.8**	**3,190.7**
Fair value	**2,471.9**	**25.0**	**693.8**	**3,190.7**

In millions of euros

The item "Other" in the category "Financial assets measured at fair value through profit or loss" contains securities measured using the fair value option as well as other non-consolidated investments.

Classes	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value	
Categories	**Financial liabilities measured at amortized cost**	**Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)**	**Total**
Liabilities 2008/09			
Financial liabilities – non-current	3,500.6		3,500.6
Financial liabilities – current	1,445.0		1,445.0
Trade and other payables	1,841.4	67.3	1,908.7
Carrying amount	**6,787.0**	**67.3**	**6,854.3**
Fair value	**6,782.3**	**67.3**	**6,849.6**
Liabilities 2009/10			
Financial liabilities – non-current	3,268.3		3,268.3
Financial liabilities – current	1,448.0		1,448.0
Trade and other payables	1,678.0	53.4	1,731.4
Carrying amount	**6,394.3**	**53.4**	**6,447.7**
Fair value	**6,467.4**	**53.4**	**6,520.8**

In millions of euros

The table below analyzes financial instruments measured at fair value, by valuation method. The different levels of valuation methods have been defined as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

2008/09

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Held for trading (derivatives)		28.9		28.9
Other	275.1		71.8	346.9
	275.1	**28.9**	**71.8**	**375.8**
Financial liabilities				
Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)		67.3		67.3
	0.0	**67.3**	**0.0**	**67.3**
Total	**275.1**	**96.2**	**71.8**	**443.1**

In millions of euros

2009/10

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Held for trading (derivatives)		25.0		25.0
Other	618.0		75.8	693.8
	618.0	**25.0**	**75.8**	**718.8**
Financial liabilities				
Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)		53.4		53.4
	0.0	**53.4**	**0.0**	**53.4**
Total	**618.0**	**78.4**	**75.8**	**772.2**

In millions of euros

Level 3 contains other investments that are measured at fair value in accordance with IAS 39. As the fair value is not reliably determinable for all other investments, amortized costs serve as an approximation. The costs (in the current reporting period as well as in the previous year) either correspond to the fair value or the deviations are immaterial.

The table below shows net gains and losses on categories of financial instruments for the business year 2009/10:

Loans and receivables	48.8
Held for trading (derivatives)	35.8
Other	26.0
Financial liabilities	–215.1

In millions of euros

Total interest income and total interest expense for financial assets and financial liabilities that were not measured at fair value through profit or loss were recorded as follows in the business year 2009/10:

Total interest income	51.8
Total interest expense	–205.8

In millions of euros

The impairment loss on financial instruments measured at amortized cost amounts to EUR 21.4 million.

24. Consolidated statement of cash flows

The consolidated statement of cash flows was prepared using the indirect method. Cash and cash equivalents include cash on hand, cash at banks, and checks. The effects of changes in the scope of consolidated financial statements were eliminated and reported in the cash flows from investing activities.

	2008/09	2009/10
Interest received	61.3	64.3
Interest paid	308.3	227.3
Taxes paid	240.5	121.6

In millions of euros

Interest received and paid as well as taxes paid are included in the cash flows from operating activities.

Adjustments

	2008/09	2009/10
Depreciation, amortization and impairment	726.8	640.0
Result from sale of assets	–10.8	1.7
Changes in pensions and other employee obligations, non-current provisions and deferred taxes	–76.6	–79.6
Other non-cash income and expenses	–11.6	–15.2
	627.8	**546.9**

In millions of euros

Cash flows from operating activities include dividend income of EUR 15.2 million from associates and other investments.

The conversion of convertible bonds amounting to EUR 21.0 million increased equity but had no effect on the consolidated statement of cash flows.

25. Related party disclosures

Business transactions between the Group and non-consolidated subsidiaries and equity-consolidated entities, as well as proportionately consolidated entities are carried out at arm's length terms and are included in the following items of the consolidated financial statements:

	2008/09		2009/10	
	With proportionately consolidated entities	With equity-consolidated entities and non-consolidated subsidiaries	With proportionately consolidated entities	With equity-consolidated entities and non-consolidated subsidiaries
Revenue	127.4	371.0	48.2	191.8
Material expenses	11.6	149.7	2.9	96.1
Other operating expenses	0.0	42.4	0.0	34.9
	03/31/2009		03/31/2010	
Trade and other receivables	9.6	20.5	8.9	18.1
Financial liabilities/trade and other payables	47.6	29.2	23.1	27.4

In millions of euros

In the business year 2009/10, 843 temporary employees (2008/09: 649) from a company reported under other investments were employed to cover short-term personnel shortages.

The non-inclusion of non-consolidated entities has no significant impact on the Group's net assets, financial position, and results of operations.

Management Board

The fixed compensation of the Management Board is determined by the Executive Committee of the Supervisory Board pursuant to the Austrian legal situation and is reviewed periodically.

The award of a bonus is subject to a target agreement to be concluded with the Executive Committee of the Supervisory Board and consisting of quantitative and qualitative targets. The maximum bonus is limited to 150% (starting in the business year 2010/11: 135%) of the annual gross salary for members of the Management Board and to 200% (starting in the business year 2010/11: 175%) of the annual gross salary for the Chairman of the Management Board. If the agreed target values for quantitative targets are achieved exactly, 55% of the maximum bonus applies; if the agreed target values for qualitative targets are achieved, 20% of the maximum bonus applies. The over-achievement of the targets is taken into consideration proportionally until the maximum bonus is reached. The target amounts for the quantitative targets are the profit from operations (EBIT) and return on capital employed (ROCE). Specific target amounts are determined periodically (generally for a period of three years) by the Executive Committee of the Supervisory Board in consultation with the Management Board. In the business year 2009/10, the only qualitative target is the free cash flow of the voestalpine Group (in view of the central importance of free cash flow in the current crisis environment, no other qualitative targets were set).

The amount of the contractually approved company pension depends on the length of service. The amount of the annual pension equals 1.2% of the last annual gross salary for each year of service. The pension benefit cannot exceed 40% of the last annual gross salary (without variable compensation).

The members of the Management Board receive severance benefits at the time of termination of their employment by way of analogous application of the Salaried Employees Act.

For the members of the Management Board (as well as for executives) and for the members of the Supervisory Board there is a D&O insurance, the costs of which amounting to EUR 0.2 million are borne by the entity.

The members of the Management Board have waived 10% of their base salary (fixed compensation) for the months June to December 2009 because of the difficult economic environment.

The compensation paid to the active members of the Management Board of voestalpine AG is comprised as follows:

	Dr. Wolfgang Eder	Dipl.-Ing. Franz Hirschmanner	Dipl.-Ing. Josef Mülner	Mag. Dipl.-Ing. Robert Ottel	Dkfm. Dr. Claus J. Raidl	Mag. Wolfgang Spreitzer	2009/10	2008/09
Fixed compensation	0.7	0.5	0.5	0.5	0.5	0.5	3.2	3.2
Variable compensation	0.6	0.4	0.5	0.4	0.7	0.4	3.0	4.7
	1.3	**0.9**	**1.0**	**0.9**	**1.2**	**0.9**	**6.2**	**7.9**

In millions of euros

In the business year 2009/10, total compensation of the Management Board decreased by 22% compared to the previous year. Additionally, the compensation of the business year 2009/10 includes long-service bonuses and compensation relating to other reporting periods to Dkfm. Dr. Raidl (EUR 0.4 million) and Dipl.-Ing. Mülner (EUR 0.1 million).

At the balance sheet date, the outstanding balance of the variable compensation was EUR 2.1 million. No advances or loans were granted to the members of the Management Board of voestalpine AG. Regarding disclosures of share-based payments (stock option plan) please refer to item 27.

Directors' dealings notices of the members of the Management Board are published on the website of the Austrian Financial Market Authority at www.fma.gv.at.

Supervisory Board

Under § 15 of the Articles of Incorporation, the members of the Supervisory Board of voestalpine AG receive 0.1% of the profit for the period reported in the approved consolidated financial statements as compensation. The total amount is divided in proportion to the assigned fractions of 100% for the Chairman, 75% for the Vice-Chairman, and 50% for all other members, with a minimum compensation of EUR 20,000 for the Chairman, EUR 15,000 for the Vice-Chairman, and EUR 10,000 for all other members of the Supervisory Board. Compensation is limited to a multiple of four times the stated amounts. Additionally, members of the Supervisory Board receive an attendance honorarium amounting to EUR 500 per Supervisory Board meeting.

According to this regulation, the shareholders' representatives in the Supervisory Board received the following compensation for the business year 2009/10: Dr. Joachim Lemppenau (Chairman): EUR 38,300 (2008/09: EUR 80,000); Dr. Ludwig Scharinger (Vice-Chairman): EUR 28,700 (2008/09: EUR 60,000); Dr. Stefan Kralik: EUR 4,800 (2008/09: EUR 40,000); all other shareholders' representatives EUR 19,200 (2008/09: EUR 40,000). The members of the Supervisory Board nominated by the Works Council do not receive any compensation.

The annual compensation of members of the Supervisory Board and the mode of calculation are conclusively regulated by the Articles of Incorporation and do not require an Annual General Meeting's resolution.

The compensation of the Supervisory Board (incl. attendance honorarium) totaled EUR 0.2 million (2008/09: EUR 0.4 million) in the business year 2009/10. Payment of the compensation of the Supervisory Board for the business year 2009/10 is carried out at the latest 14 days after the Annual General Meeting in July 2010. No advances or loans were granted to members of the Supervisory Board of voestalpine AG.

Directors' dealings notices of the members of the Supervisory Board are published on the website of the Austrian Financial Market Authority at www.fma.gv.at.

As legal counsel to voestalpine AG, the law firm Binder Grösswang Rechtsanwälte GmbH, of which Dr. Michael Kutschera (member of the Supervisory Board) is partner, provided legal advisory services relative to the minority shareholder squeeze-out procedure related to BÖHLER-UDDEHOLM Aktiengesellschaft in the reporting period 2009/10. Fees for these matters are invoiced at the general hourly rates of the law firm of Binder Grösswang Rechtsanwälte GmbH applicable at the time. Total net fees of EUR 147,525.83 were incurred for services provided by the law firm of Binder Grösswang Rechtsanwälte GmbH.

26. Employee information

Total personnel expenses include the following items:

	2008/09	2009/10
Wages	920.5	804.2
Salaries	795.3	741.8
Expenses for severance payments	20.5	36.6
Expenses for pensions	25.9	23.3
Expenses for statutory benefits and payroll-based contributions	398.5	353.9
Other social security expenses	45.1	38.9
	2,205.8	**1,998.7**

In millions of euros

Total number of employees

	Balance sheet date		Average	
	03/31/2009	03/31/2010	2008/09	2009/10
Laborers	26,229	24,361	26,940	24,796
Salaried employees	15,686	15,045	15,713	15,270
Apprentices	1,506	1,472	1,577	1,580
	43,421	**40,878**	**44,230**	**41,646**

27. Share-based payments

Stock option plan

A stock option plan was resolved by the Management Board and approved by the Supervisory Board of the Company in the business year 2006/07. The vesting period ended June 30, 2008. Members of the Management Board (with the exception of the new member of the Management Board Dkfm. Dr. Claus J. Raidl appointed in the business year 2007/08) were granted a total of 900,000 options and executives were granted 3,309,795 options. The options and the right to exercise the options are not transferable. The options can be exercised if the participant is a current employee or officer of voestalpine AG or a Group company.

If the share closing price on the exercise date is at least 15% above the exercise price, each stock option plan participant is allowed to exercise 50% of his options. The exercise price is calculated as the average of the closing prices during the period from August 1, 2006, to September 30, 2006. The market value of these options at the time of grant was calculated by an independent expert using the Monte Carlo simulation.

The other 50% of the options may be exercised if the closing price of voestalpine shares is above the Dow-Jones EUROSTOXX 600 on the exercise date, using July 1, 2006, as the starting point for calculating relative performance. The market value of these options at the time of grant was calculated by an independent expert using the binomial method.

The market value of the options at the time of grant is EUR 5.26 per option and was recognized over a period of 22 months on a straight-line basis until the end of the vesting period. The following parameters were used for determining the value of the options at the time of grant:

Strike price	euros	29.78
Share price at grant date	euros	30.16
Expected volatility	%	28.90
Risk-free interest rate	%	3.60
Dividend yield	%	4.00

Expected volatility was calculated using the historical volatilities of the last three years. Based on an expected early exercise of stock options as compared to normal options, early exercise after two or three years was assumed. The requirement that the relative performance of voestalpine shares must exceed that of the Dow Jones EUROSTOXX 600 index was included in the calculation by way of a 7% discount.

In the business year 2009/10, neither the members of the Management Board nor executives exercised any options. The number of outstanding options therefore remained unchanged and amounts to 3,855,330 at the end of the reporting period (March 31, 2009: 3,855,330 units).

As the relative performance of voestalpine shares since July 1, 2006, has exceeded that of the Dow Jones EUROSTOXX 600, one of the two exercise requirements has been met as of the end of the reporting period. The intrinsic value of the stock options amounted to EUR 0.3 million at the end of the reporting period (March 31, 2009: EUR 0.0 million).

28. Expenses for the Group auditor

Expenses for the Group auditor are structured as follows:

	2008/09	2009/10
Expenses for the audit of the financial statements	0.2	0.2
Expenses for other certifications	0.9	0.9
Expenses for tax consulting services	0.0	0.0
Expenses for other services	0.0	0.0
	1.1	**1.1**

In millions of euros

29. Disclosures of transactions not recorded in the statement of financial position according to § 266 (2a) of the Austrian Commercial Code (UGB)

Trade receivables amounting to EUR 418.6 million (March 31, 2009: EUR 382.5 million) were sold and derecognized. With regard to factoring, credit insured trade receivables are assigned to banks at 100% of their nominal value, whereby the acquiring banks assume the default risk (del credere risk and political risk); moreover the power of disposition is transferred to the buyer of the receivables. The seller assumes a contingent liability in the amount of the deductible of the credit insurance (range from 10% to 30%). At the balance sheet date, the maximum risk from the contingent liability amounts to EUR 50.5 million.

30. Events after the Reporting Period

No significant events after the reporting period have occurred.

31. Earnings per share

Basic (undiluted) earnings per share are calculated as follows:

	2008/09	2009/10
Profit attributable to equity holders of the parent	**529,844**	**108,403**
Issued ordinary shares (average)	164,780,699	168,204,587
Effect of own shares held (average)	–2,186,710	–718,610
Weighted average number of outstanding ordinary shares	**162,593,989**	**167,485,977**
Basic (undiluted) earnings per share (euros)	**3.26**	**0.65**

In thousands of euros

Diluted earnings per share are calculated as follows:

	2008/09	2009/10
Profit attributable to equity holders of the parent	529,844	108,403
Interest charged for convertible bonds (net)	623	191
Base for diluted earnings per share	**530,467**	**108,594**
Weighted average number of outstanding ordinary shares	162,593,989	167,485,977
Weighted average potential shares	1,150,440	0
Weighted average number of ordinary shares for diluted earnings per share	**163,744,429**	**167,485,977**
Diluted earnings per share (euros)	**3.24**	**0.65**

In thousands of euros

32. Dividend

In accordance with the Austrian Stock Corporation Act, the appropriation of net profit is based on the annual financial statements of voestalpine AG as of March 31, 2010. These financial statements show net retained profits of EUR 85.0 million. The Management Board proposes a dividend of EUR 0.50 per share (2008/09: EUR 1.05).

Linz, May 18, 2010

The Management Board

Wolfgang Eder   Franz Hirschmanner   Josef Mülner

Robert Ottel   Claus J. Raidl   Wolfgang Spreitzer

The consolidated financial statements of voestalpine AG and associated documents will be filed with the commercial register of the Commercial Court of Linz under company register number FN 66209 t.

Appendix to the notes: Investments

Unqualified auditor's report

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of voestalpine AG, Linz, for the fiscal year from April 1, 2009 to March 31, 2010. These consolidated financial statements comprise the consolidated balance sheet as of March 31, 2010, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity for the fiscal year ended March 31, 2010, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements and for the accounting system

The Company's management is responsible for the Group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility and description of type and scope of the statutory audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing, as well as in accordance with International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of March 31, 2010 and of its financial performance and its cash flows for the fiscal year from April 1, 2009 to March 31, 2010 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Comments on the Management Report for the Group

Pursuant to statutory provisions, the Management Report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position.

The auditor's report also has to contain a statement as to whether the Management Report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the Management Report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, May 18, 2010

Grant Thornton
Wirtschaftsprüfungs- und Steuerberatungs-GmbH

Univ.-Doz. Dr. Walter Platzer

Mag. Josef Töglhofer

Certified Public Accountants

This report is a translation of the original report in German, which is solely valid. Publication of the financial statements together with our auditor's opinion may only be made if the financial statements and the Management Report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

Management Board statement in accordance with § 82 (4) of the Stock Exchange Act

The Management Board of voestalpine AG confirms to the best of its knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group Management Report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

Linz, May 18, 2010

The Management Board

Wolfgang Eder
Chairman of the Management Board

Franz Hirschmanner
Member of the Management Board

Josef Mülner
Member of the Management Board

Robert Ottel
Member of the Management Board

Claus J. Raidl
Member of the Management Board

Wolfgang Spreitzer
Member of the Management Board

voestalpine AG

Investments

Steel Division

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Stahl GmbH	AUT	100.000%	voestalpine AG	KV
Breuckmann GmbH	DEU	100.000%	vatron gmbh	KV
Importkohle Gesellschaft m.b.H.[1]	AUT	66.000%	voestalpine Rohstoffbeschaffungs GmbH	KV
Importkohle Gesellschaft m.b.H.[1]	AUT	1.000%	BÖHLER Edelstahl GmbH & Co KG	KV
Logistik Service GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
vatron gmbh	AUT	66.500%	voestalpine Stahl GmbH	KV
vatron gmbh	AUT	5.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine Anarbeitung GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Eurostahl GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Giesserei Linz GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Giesserei Traisen GmbH	AUT	100.000%	voestalpine Giesserei Linz GmbH	KV
voestalpine Grobblech GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Personalberatung GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Rohstoffbeschaffungs GmbH	AUT	75.100%	voestalpine Stahl GmbH	KV
voestalpine Rohstoffbeschaffungs GmbH	AUT	24.900%	voestalpine Stahl Donawitz GmbH & Co KG	KV
voestalpine Stahl Service Center GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Steel Service Center Polska Sp. z o.o.	POL	100.000%	voestalpine Stahl Service Center GmbH	KV
GEORG FISCHER FITTINGS GmbH[1]	AUT	49.000%	voestalpine Stahl GmbH	KE
Herzog Coilex GmbH[2]	DEU	25.100%	voestalpine Stahl Service Center GmbH	KE
Industrie-Logistik-Linz GmbH & Co KG[1]	AUT	37.000%	voestalpine Stahl GmbH	KE
Jiaxing NYC Industrial Co. Ltd[1]	CHN	51.000%	voestalpine Giesserei Linz GmbH	KE
Kühne + Nagel Euroshipping GmbH[1]	DEU	49.000%	Logistik Service GmbH	KE
METALSERVICE S.P.A.[1]	ITA	40.000%	voestalpine Stahl Service Center GmbH	KE
Ningxia Kocel Steel Foundry Co. Ltd.[1]	CHN	49.000%	voestalpine Giesserei Linz GmbH	KE
Scholz Austria GmbH[1]	AUT	28.250%	voestalpine Stahl GmbH	KE
Scholz Austria GmbH[1]	AUT	5.160%	voestalpine Stahl Donawitz GmbH & Co KG	KE
Scholz Austria GmbH[1]	AUT	3.712%	BÖHLER Edelstahl GmbH & Co KG	KE
Wuppermann Austria Gesellschaft m.b.H.[1]	AUT	30.000%	voestalpine Stahl GmbH	KE
Austrian Center of Competence in Mechatronics GmbH	AUT	33.333%	vatron gmbh	K0
B-Zone Projektentwicklungs- und -vermarktungsgesellschaft mbH	AUT	100.000%	voestalpine Stahl GmbH	K0
Cargo Service GmbH	AUT	100.000%	Logistik Service GmbH	K0
Caseli GmbH	AUT	100.000%	voestalpine Stahl GmbH	K0

[1] For fully consolidated and/or equity consolidated companies marked [1], the balance sheet date of December 31 applies. [2] For equity consolidated companies marked [2], the balance sheet date of September 30 applies.

	Domicile of the company	Interest held	Parent company	Type of consolidation
COGNOR Stahlhandel GmbH	AUT	25.100%	voestalpine Stahl GmbH	K0
Energie AG Oberösterreich	AUT	2.063%	voestalpine Stahl GmbH	K0
GWL Gebäude- Wohnungs- und Liegenschafts-Verwaltungsgesellschaft m.b.H.	AUT	91.000%	voestalpine Stahl GmbH	K0
Hot Vision Research GmbH	AUT	100.000%	vatron gmbh	K0
Industrie-Logistik-Linz Geschäftsführungs-GmbH	AUT	37.000%	voestalpine Stahl GmbH	K0
Kontext Druckerei GmbH	AUT	64.800%	voestalpine Stahl GmbH	K0
Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.	AUT	33.333%	voestalpine Stahl GmbH	K0
Stahlservice Rauschenberger Verwaltungs-GmbH	DEU	100.000%	voestalpine Stahl GmbH	K0
VA OMV Personalholding GmbH	AUT	50.000%	voestalpine Personalberatung GmbH	K0
vivo Mitarbeiter-Service GmbH	AUT	100.000%	voestalpine Stahl GmbH	K0
voestalpine Belgium NV/SA	BEL	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine CR, s.r.o.	CZE	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine d.o.o.	HRV	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine d.o.o.	SRB	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine d.o.o.	SVN	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Danmark ApS.	DNK	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Deutschland GmbH	DEU	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine France SAS	FRA	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Hungaria Kft.	HUN	99.000%	voestalpine Eurostahl GmbH	K0
voestalpine Hungaria Kft.	HUN	1.000%	Donauländische Baugesellschaft m.b.H.	K0
voestalpine Italia S.r. l.	ITA	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Nederland B.V.	NLD	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Polska Sp.z o.o.	POL	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Romania S.R.L	ROU	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Scandinavia AB	SWE	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Schweiz GmbH	CHE	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Slovakia s.r.o.	SVK	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Stahlwelt GmbH	AUT	100.000%	voestalpine Stahl GmbH	K0
voestalpine Steel Service Center Romania SRL	ROU	100.000%	voestalpine Stahl Service Center GmbH	K0
voestalpine UK LTD	GBR	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine USA Corp.	USA	100.000%	voestalpine Eurostahl GmbH	K0
Werksgärtnerei Gesellschaft m.b.H.	AUT	100.000%	voestalpine Stahl GmbH	K0

Special Steel Division

	Domicile of the company	Interest held	Parent company	Type of consolidation
BÖHLER-UDDEHOLM Aktiengesellschaft	AUT	100.000%	voestalpine AG	KV
Aceros Boehler del Ecuador S.A.	ECU	1.753%	BOHLER-UDDEHOLM Colombia S.A.	KV
Aceros Boehler del Ecuador S.A.	ECU	98.247%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Aceros Boehler del Peru S.A.	PER	2.500%	BÖHLER Edelstahl GmbH & Co KG	KV
Aceros Boehler del Peru S.A.	PER	95.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Aceros Boehler del Peru S.A.	PER	2.500%	Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.	KV
Aceros Boehler Uddeholm S.A.	ARG	94.378%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Aceros Boehler Uddeholm S.A.	ARG	5.622%	Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.	KV
Aceros Bohler Uddeholm, S.A. de C.V.	MEX	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Acos Bohler Uddeholm do Brasil Ltda.	BRA	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Aktiebolaget Finansa	SWE	100.000%	Uddeholms AB	KV
Aktiebolaget Uddeholmsagenturen	SWE	100.000%	Uddeholms AB	KV
ASSAB Steels (China) Ltd.	CHN	100.000%	ASSAB Steels (HK) Ltd.	KV
ASSAB Steels (HK) Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Steels (Korea) Co., Ltd.	KOR	85.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Steels (Malaysia) Co., Ltd.	MYS	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Steels (Taiwan) Ltd.	TWN	82.500%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Steels (Thailand) Ltd.	THA	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Steels Singapore (Pte) Ltd.	SGP	90.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Technology (Malaysia) Sdn Bhd	MYS	100.000%	ASSAB Steels (Malaysia) Co., Ltd.	KV
ASSAB Tooling (Beijing) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Tooling (Dong Guan) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Tooling (Qing Dao) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Tooling (Xiamen) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Tooling Technology (Chongqing) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Tooling Technology (Ningbo) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Tooling Technology (Shanghai) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB CELIK VE ISIL ISLEM SANAYI VE TICARET ANONIM SIRKETI	TUR	69.891%	ASSAB International Aktiebolag	KV
ASSAB CELIK VE ISIL ISLEM SANAYI VE TICARET ANONIM SIRKETI	TUR	0.036%	Böhler Grundstücks GmbH & Co KG	KV
ASSAB CELIK VE ISIL ISLEM SANAYI VE TICARET ANONIM SIRKETI	TUR	0.036%	BÖHLER-UDDEHOLM Immobilien GmbH	KV

	Domicile of the company	Interest held	Parent company	Type of consolidation
ASSAB CELIK VE ISIL ISLEM SANAYI VE TICARET ANONIM SIRKETI	TUR	0.036%	Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.	KV
ASSAB CELIK VE ISIL ISLEM SANAYI VE TICARET ANONIM SIRKETI	TUR	0.003%	Uddeholm Holding AB	KV
ASSAB CELIK VE ISIL ISLEM SANAYI VE TICARET ANONIM SIRKETI	TUR	29.997%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
ASSAB International Aktiebolag	SWE	100.000%	Uddeholm Holding AB	KV
ASSAB Pacific Pte.Ltd.	SGP	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
ASSAB SRIPAD Steels Limited	IND	70.000%	ASSAB International Aktiebolag	KV
Associated Swedish Steels Aktiebolag	SWE	100.000%	Uddeholms AB	KV
Associated Swedish Steels Phils., Inc.	PHL	84.970%	ASSAB Pacific Pte.Ltd.	KV
Avesta Welding LLC	USA	100.000%	Bohler Welding Group USA Inc.	KV
Böhler Aktiengesellschaft	DEU	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
BÖHLER Bleche GmbH	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
BÖHLER Bleche GmbH & Co KG	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Bleche Multilayer GmbH	DEU	100.000%	BÖHLER Bleche GmbH & Co KG	KV
Böhler Edelstahl GmbH	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
BÖHLER Edelstahl GmbH & Co KG	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Grundstücks Beteiligungs GmbH	DEU	100.000%	Böhler Aktiengesellschaft	KV
Böhler Grundstücks GmbH & Co KG[1]	DEU	100.000%	Böhler Aktiengesellschaft	KV
Böhler International GmbH	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Kereskedelmi Kft.	HUN	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Lastechniek Groep Nederland B.V.	NLD	100.000%	Hilarius Holding B.V.	KV
Böhler Schmiedetechnik GmbH	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Schmiedetechnik GmbH & Co KG	AUT	99.999%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Schmiedetechnik GmbH & Co KG	AUT	0.001%	Böhler Schmiedetechnik GmbH	KV
Böhler Schweißtechnik Austria GmbH	AUT	100.000%	Böhler Welding Holding GmbH	KV
Böhler Schweißtechnik Deutschland GmbH	DEU	100.000%	Böhler Welding Holding GmbH	KV
Böhler Soldaduras S.A. de C.V.	MEX	99.990%	Böhler Welding Holding GmbH	KV
Böhler Soldaduras S.A. de C.V.	MEX	0.010%	Böhler Welding Group GmbH	KV

	Domicile of the company	Interest held	Parent company	Type of consolidation
Böhler Tecnica de Soldagem Ltda.	BRA	100.000%	Böhler Welding Holding GmbH	KV
Bohler Uddeholm (Australia) Pty Ltd.	AUS	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Bohler Uddeholm Africa (Pty) Ltd.	ZAF	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Uddeholm CZ s.r.o.	CZE	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Uddeholm Deutschland GmbH	DEU	100.000%	Böhler-Uddeholm Holding GmbH	KV
Böhler Uddeholm Härtereitechnik GmbH	DEU	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Bohler Uddeholm Polska s.p.z.o.o	POL	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Uddeholm Precision Steel AB	SWE	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Böhler Uddeholm Precision Strip AB	SWE	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Bohler Uddeholm Romania s.r.l.	ROU	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Uddeholm Saw Steel AB	SWE	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Böhler Uddeholm Service Center AB	SWE	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Böhler Wärmebehandlung GmbH	AUT	51.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Bohler Welding Group Canada Ltd.	CAN	100.000%	Böhler Welding Holding GmbH	KV
Böhler Welding Group GmbH	AUT	100.000%	Böhler Welding Holding GmbH	KV
Böhler Welding Group Greece S.A.	GRC	100.000%	Böhler Welding Holding GmbH	KV
Bohler Welding Group India Private Limited	IND	99.998%	Böhler Welding Holding GmbH	KV
Bohler Welding Group India Private Limited	IND	0.002%	Böhler Welding Group GmbH	KV
BOHLER WELDING GROUP ITALIA s.p.a.	ITA	100.000%	Böhler Welding Holding GmbH	KV
Bohler Welding Group Middle East FZE	ARE	100.000%	Böhler Welding Holding GmbH	KV
Böhler Welding Group Nordic AB	SWE	100.000%	Böhler Schweißtechnik Austria GmbH	KV
Böhler Welding Group Nordic Sales AB	SWE	100.000%	Böhler Welding Group Nordic AB	KV
Böhler Welding Group Schweiz AG	CHE	100.000%	Böhler Welding Holding GmbH	KV
Bohler Welding Group SRL	ROU	100.000%	Böhler Welding Group GmbH	KV
Bohler Welding Group UK Ltd	GBR	100.000%	Böhler Welding Holding GmbH	KV
Bohler Welding Group USA Inc.	USA	100.000%	Böhler Welding Holding GmbH	KV
Böhler Welding Technololgy (China) Co. Ltd.	CHN	100.000%	Böhler Welding Holding GmbH	KV
Böhler Welding Trading (Shanghai) Co. Ltd.	CHN	100.000%	Böhler Welding Holding GmbH	KV
Böhlerstahl Vertriebsgesellschaft m.b.H.	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV

[1] These consolidated financial statements represent an exemption for Böhler Grundstücks GmbH & Co KG according to § 264b of the German Commercial Code.

	Domicile of the company	Interest held	Parent company	Type of consolidation
Bohler-Uddeholm (UK) Ltd.	GBR	100.000%	Bohler-Uddeholm Holdings (UK) Ltd.	KV
Böhler-Uddeholm B.V.	NLD	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
BOHLER-UDDEHOLM Colombia S.A.	COL	0.009%	BÖHLER Bleche GmbH & Co KG	KV
BOHLER-UDDEHOLM Colombia S.A.	COL	0.009%	BÖHLER Edelstahl GmbH & Co KG	KV
BOHLER-UDDEHOLM Colombia S.A.	COL	90.635%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
BOHLER-UDDEHOLM Colombia S.A.	COL	9.347%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Bohler-Uddeholm Corporation	USA	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler-Uddeholm France S.A.S.	FRA	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler-Uddeholm Holding GmbH	DEU	100.000%	Böhler Aktiengesellschaft	KV
Bohler-Uddeholm Holdings (UK) Ltd.	GBR	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler-Uddeholm Iberica S.A.	ESP	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler-Uddeholm Italia S.p.A.	ITA	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler-Uddeholm Ltd.	CAN	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler-Uddeholm SLOVAKIA, s.r.o.	SVK	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Bohler-Uddeholm Specialty Metals, Inc.	USA	100.000%	Bohler-Uddeholm Corporation	KV
Bohler-Uddeholm Strip Steel, LLC	USA	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Böhler-Ybbstal Profil GmbH	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
BU Beteiligungs- und Vermögensverwaltung GmbH	AUT	100.000%	Böhler Edelstahl GmbH	KV
BU Precision Strip Trading (Suzhou) Co., Ltd	CHN	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Buderus Edelstahl Band GmbH	DEU	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Buderus Edelstahl GmbH	DEU	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Buderus Edelstahl Schmiedetechnik GmbH	DEU	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Compania de Industria y Comercio, S.A. de C.V.	MEX	99.999%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Compania de Industria y Comercio, S.A. de C.V.	MEX	0.001%	voestalpine Profilform GmbH	KV
D.I.N. Acciai S.p.A.	ITA	100.000%	Böhler-Uddeholm Italia S.p.A.	KV
Densam Industrial Co. Ltd.	TWN	51.000%	ASSAB Pacific Pte.Ltd.	KV
Densam Industrial Co. Ltd.	TWN	49.000%	ASSAB Steels (Taiwan) Ltd.	KV
Deville Rectification S.A.S.	FRA	100.000%	Buderus Edelstahl GmbH	KV

	Domicile of the company	Interest held	Parent company	Type of consolidation
EDRO Engineering, Inc.	USA	100.000%	Bohler-Uddeholm Corporation	KV
EDRO Specialty Steels GmbH	DEU	75.000%	EDRO Specialty Steels, Inc.	KV
EDRO Specialty Steels, Inc.	USA	100.000%	Bohler-Uddeholm Corporation	KV
ENPAR Sonderwerkstoffe GmbH	DEU	85.000%	Böhler Aktiengesellschaft	KV
Eschmann Stahl GmbH & Co KG[1]	DEU	51.000%	Böhler-Uddeholm Holding GmbH	KV
Eschmann Stahl GmbH & Co KG[1]	DEU	49.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Eschmann Stal S.p.z.o.o.	POL	100.000%	Eschmann Stahl GmbH & Co KG	KV
Eschmann Textura Internacional – Transformacao de Ferramentas LDA	PRT	100.000%	Eschmann Textures International GmbH	KV
Eschmann Textures India Private Limited	IND	70.000%	Eschmann Textures International GmbH	KV
Eschmann Textures International GmbH	DEU	100.000%	Eschmann Stahl GmbH & Co KG	KV
Eschmann Vermögensverwaltung GmbH	DEU	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Eschmann-Stahl Portugal-Acos Finos e Transformacao de Ferramentas, Unipessoal Lda	PRT	100.000%	Eschmann Stahl GmbH & Co KG	KV
Fontargen Gesellschaft mit beschränkter Haftung	DEU	100.000%	Böhler Welding Holding GmbH	KV
Gebrüder Böhler & Co. AG	CHE	99.830%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
GMV Eschmann International SAS	FRA	100.000%	Eschmann Textures International GmbH	KV
Grabados Eschmann International S.L.	ESP	100.000%	Eschmann Textures International GmbH	KV
Gravutex Eschmann International Ltd.	GBR	95.000%	Eschmann Textures International GmbH	KV
Gravutex Textures (UK) Ltd	GBR	100.000%	Eschmann Stahl GmbH & Co KG	KV
Groupe Bohler Soudage France S.A.S.	FRA	100.000%	Böhler Schweißtechnik Austria GmbH	KV
Grupo Bohler Soldadura Espana S.A.	ESP	100.000%	Böhler Welding Holding GmbH	KV
Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.	AUT	100.000%	BÖHLER Edelstahl GmbH & Co KG	KV
Helmold LLC	USA	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Hilarius Haarlem Holland B.V.	NLD	100.000%	Hilarius Holding B.V.	KV
Hilarius Holding B.V.	NLD	100.000%	Böhler Welding Holding GmbH	KV
IS Intersteel Stahlhandel GmbH	DEU	100.000%	Böhler Aktiengesellschaft	KV
Jing Ying Industrial Co. Ltd.	TWN	100.000%	Densam Industrial Co. Ltd.	KV

[1] These consolidated financial statements represent an exemption for Eschmann Stahl GmbH & Co KG according to § 264b of the German Commercial Code.

	Domicile of the company	Interest held	Parent company	Type of consolidation
Nordmark-Klarälvens Järnvägsaktiebolag	SWE	100.000%	Uddeholms AB	KV
OOO Böhler Uddeholm	RUS	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
OOO Böhler Welding Group Russia	RUS	100.000%	Böhler Welding Holding GmbH	KV
PT Assab Steels Indonesia	IDN	99.900%	ASSAB Pacific Pte.Ltd.	KV
PT Assab Steels Indonesia	IDN	0.100%	ASSAB Steels Singapore (Pte) Ltd.	KV
PT Bohler Welding Group South East Asia	IDN	95.000%	Böhler Welding Group Nordic AB	KV
PT Bohler Welding Group South East Asia	IDN	5.000%	Böhler Schweißtechnik Austria GmbH	KV
Sacma Acciai Speciali S.p.A.	ITA	100.000%	Böhler-Uddeholm Italia S.p.A.	KV
Schoeller-Bleckmann (UK) Ltd.	GBR	100.000%	Bohler-Uddeholm (UK) Ltd.	KV
Servitroquel - Notting, S.A., Unipersonal	ESP	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Soudokay S.A.	BEL	100.000%	Böhler Welding Holding GmbH	KV
Uddeholm A/S	DNK	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Uddeholm AS	NOR	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Uddeholm Eiendom AS	NOR	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Uddeholm Holding AB	SWE	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Uddeholm K.K.	JPN	100.000%	ASSAB Pacific Pte.Ltd.	KV
Uddeholm Machining Aktiebolag	SWE	100.000%	Uddeholms AB	KV
Uddeholm Oy Ab	FIN	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Uddeholm Svenska Aktiebolag	SWE	100.000%	Uddeholms AB	KV
Uddeholms AB	SWE	100.000%	Uddeholm Holding AB	KV
Villares Metals International B.V.	NLD	100.000%	Villares Metals S.A.	KV
Villares Metals S.A.	BRA	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Villares Metals Suomi Oy	FIN	100.000%	Villares Metals International B.V.	KV
voestalpine Treasury Holding GmbH	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Aceros Boehler Bolivia S.A.	BOL	98.000%	Aceros Boehler del Peru S.A.	K0
Aceros Boehler Bolivia S.A.	BOL	1.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	K0
Aceros Boehler Bolivia S.A.	BOL	1.000%	Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.	K0
Bohlasia Steels Sdn. Bhd.	MYS	53.333%	BÖHLER-UDDEHOLM Aktiengesellschaft	K0
Bohler High Performance Metals Private Limited	IND	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	K0

	Domicile of the company	Interest held	Parent company	Type of consolidation
BOHLER STEEL AFRICA (Proprietary) Limited	ZAF	100.000%	Bohler Uddeholm Africa (Pty) Ltd.	K0
BÖHLER-UDDEHOLM Immobilien GmbH	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	K0
Böhler-Uddeholm (UK) Pension Trustees Ltd.	GBR	100.000%	Bohler-Uddeholm Holdings (UK) Ltd.	K0
Böhler-Uddeholm Solidaritätsfonds Privatstiftung	AUT	100.000%	BÖHLER Edelstahl GmbH & Co KG	K0
Böhler-Uddeholm Toplinska Obrada d.o.o.	HRV	85.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	K0
Böhler-Uddeholm Ukraine LLC	UKR	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	K0
Böhler-Uddeholm Wärmebehandlung GmbH	DEU	100.000%	Böhler Uddeholm Deutschland GmbH	K0
Böhler-Uddeholm Zagreb d.o.o.	HRV	83.400%	BÖHLER-UDDEHOLM Aktiengesellschaft	K0
DAN Spray A/S i likvidation	DNK	100.000%	Uddeholms AB	K0
DEGECANDOR Grundstücksverwaltungs-gesellschaft mbH & Co Immobilien-Vermietungs KG	DEU	95.000%	Böhler Aktiengesellschaft	K0
Edelstahlwerke Buderus Nederland B.V.	NLD	100.000%	Buderus Edelstahl GmbH	K0
EDRO Limited	CHN	100.000%	EDRO Specialty Steels, Inc.	K0
Eschmann Beteiligungsgesellschaft mbH	DEU	50.977%	Böhler-Uddeholm Holding GmbH	K0
Eschmann Beteiligungsgesellschaft mbH	DEU	49.023%	Eschmann Vermögensverwaltung GmbH	K0
Euracier	FRA	20.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	K0
Flotek (International) Ltd.	GBR	100.000%	Gravutex Textures (UK) Ltd	K0
Grundstück-Verwaltungsgesellschaft Gewerbehof Sendling mbH & Co. KG	DEU	62.916%	Böhler Aktiengesellschaft	K0
Hotel Böhlerstern Gesellschaft m.b.H.	AUT	99.000%	BÖHLER Edelstahl GmbH & Co KG	K0
Hotel Böhlerstern Gesellschaft m.b.H.	AUT	1.000%	Böhler Schmiedetechnik GmbH & Co KG	K0
Industriegleiskonsortium Birgi	CHE	24.958%	Gebrüder Böhler & Co. AG	K0
Inter Stal Centrum Property Sp.z.o.o.	POL	100.000%	Bohler Uddeholm Polska s.p.z.o.o	K0
Martin Miller Blansko, spol.s.r.o. (in Liquidation)	CZE	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	K0
Martin Miller North America Inc.	USA	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	K0
Munkfors Värmeverk Aktiebolag	SWE	40.000%	Böhler Uddeholm Precision Strip AB	K0
Osaühing Uddeholm Tooling Eesti	EST	100.000%	Uddeholms AB	K0
Uddeholm Tooling Latvia, SIA	LVA	100.000%	Uddeholms AB	K0
VK Italia S.p.A.	ITA	20.000%	Böhler-Uddeholm Italia S.p.A.	K0

Railway Systems Division

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Bahnsysteme GmbH & Co KG	AUT	100.000%	voestalpine AG	KV
Advanced Railway Systems GmbH	AUT	100.000%	VAE Eisenbahnsysteme GmbH	KV
Böhler Welding Holding GmbH	DEU	94.500%	voestalpine Bahnsysteme GmbH	KV
Böhler Welding Holding GmbH	DEU	5.500%	Böhler Uddeholm Härtereitechnik GmbH	KV
CONTEC GmbH Transportation Systems	DEU	62.376%	VAE Eisenbahnsysteme GmbH	KV
Control and Display Systems Limited	GBR	60.003%	VAE Eisenbahnsysteme GmbH	KV
Digvijay Steels Private Limited	IND	50.100%	VAE GmbH	KV
HBW Light Rail B.V.	NLD	100.000%	voestalpine BWG GmbH & Co. KG	KV
JEZ Sistemas Ferroviarios S.L.	ESP	50.000%	VAE GmbH	KV
Materiel Ferroviaire d'Arberats SASU	FRA	100.000%	JEZ Sistemas Ferroviarios S.L.	KV
Nortrak-Damy, Cambios de Via, S.A.P.I. de C.V.	MEX	51.007%	VAE Nortrak North America Incorporation	KV
Rahee Track Technologies (Pvt) Ltd	IND	51.000%	VAE GmbH	KV
Rene Prinsen Spoorwegmaterialen B.V.	NLD	100.000%	voestalpine Railpro B.V.	KV
SST Signal & System Technik GmbH	DEU	100.000%	VAE Eisenbahnsysteme GmbH	KV
TENS Spolka z.o.o.	POL	80.000%	VAE Eisenbahnsysteme GmbH	KV
TSF-A GmbH	AUT	50.100%	VAE Eisenbahnsysteme GmbH	KV
TSTG Schienen Technik GmbH & Co KG[1]	DEU	100.000%	voestalpine Bahnsysteme Beteiligungsverwaltung Deutschland GmbH	KV
TSTG Schienen Technik Verwaltungs GmbH	DEU	100.000%	voestalpine Bahnsysteme Beteiligungsverwaltung Deutschland GmbH	KV
VAE Africa (Pty) Ltd.	ZAF	100.000%	VAE GmbH	KV
VAE APCAROM SA	ROU	92.321%	VAE GmbH	KV
VAE Brasil Produtos Ferroviários Ltda.	BRA	59.000%	VAE GmbH	KV
VAE Eisenbahnsysteme GmbH	AUT	100.000%	VAE GmbH	KV

	Domicile of the company	Interest held	Parent company	Type of consolidation
VAE Geschäftsführung (Deutschland) GmbH	DEU	100.000%	VAE GmbH	KV
VAE GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
VAE Holding (Deutschland) GmbH	DEU	100.000%	VAE GmbH	KV
VAE Italia S.r.l.	ITA	100.000%	VAE GmbH	KV
VAE Legetecha UAB	LTU	66.000%	VAE GmbH	KV
VAE NORTRAK LTD.	CAN	100.000%	VAE Nortrak North America Incorporation	KV
VAE Nortrak North America Incorporation	USA	100.000%	VAE GmbH	KV
VAE Perway (Pty) Ltd.	ZAF	69.000%	VAE Africa (Pty) Ltd.	KV
VAE Polska Sp.z.o.o.	POL	100.000%	VAE GmbH	KV
VAE Railway Systems Pty.Ltd.	AUS	100.000%	VAE GmbH	KV
VAE Riga SIA	LVA	100.000%	VAE GmbH	KV
VAE Sofia OOD	BGR	51.000%	VAE GmbH	KV
VAE UK Ltd.	GBR	100.000%	VAE GmbH	KV
VAE VKN Industries Private Limited	IND	51.000%	VAE GmbH	KV
VAE VKN Industries Private Limited	IND	6.000%	JEZ Sistemas Ferroviarios S.L.	KV
VAMAV Vasúti Berendezések Kft.	HUN	50.000%	VAE GmbH	KV
voestalpine Austria Draht GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine Bahnsysteme GmbH	AUT	100.000%	voestalpine AG	KV
voestalpine Bahnsysteme Beteiligungsverwaltung Deutschland GmbH	DEU	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine Bahnsysteme Vermögensverwaltungs GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine BWG GmbH & Co. KG[1]	DEU	99.997%	VAE Holding (Deutschland) GmbH	KV
voestalpine BWG GmbH & Co. KG[1]	DEU	0.003%	VAE Geschäftsführung (Deutschland) GmbH	KV

[1] These consolidated financial statements represent an exemption for TSTG Schienen Technik GmbH & Co KG and voestalpine BWG GmbH & Co. KG according to § 264b of the German Commercial Code.

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Draht Finsterwalde GmbH	DEU	100.000%	voestalpine Austria Draht GmbH	KV
voestalpine Klöckner Bahntechnik GmbH	DEU	100.000%	voestalpine Bahnsysteme Beteiligungsverwaltung Deutschland GmbH	KV
voestalpine Rail Center Duisburg GmbH	DEU	75.171%	voestalpine Bahnsysteme Beteiligungsverwaltung Deutschland GmbH	KV
voestalpine Railpro B.V.	NLD	70.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine Schienen GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine Stahl Donawitz GmbH & Co KG	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine Stahl Donawitz Immobilien GmbH	AUT	100.000%	voestalpine Bahnsysteme Vermögensverwaltungs GmbH	KV
voestalpine WBN B.V.	NLD	100.000%	VAE GmbH	KV
WBG Weichenwerk Brandenburg GmbH	DEU	100.000%	voestalpine BWG GmbH & Co. KG	KV
Weichenwerk Wörth GmbH	AUT	70.000%	VAE Eisenbahnsysteme GmbH	KV
voestalpine Tubulars GmbH	AUT	50.000%	voestalpine Bahnsysteme Vermögensverwaltungs GmbH	KQ
voestalpine Tubulars GmbH & Co KG	AUT	49.985%	voestalpine Bahnsysteme Vermögensverwaltungs GmbH	KQ
voestalpine Tubulars GmbH & Co KG	AUT	0.010%	voestalpine Tubulars GmbH	KQ
Chinese New Turnout Technologies Co. Ltd.[1]	CHN	29.070%	VAE GmbH	KE
Chinese New Turnout Technologies Co. Ltd.[1]	CHN	20.930%	voestalpine BWG GmbH & Co. KG	KE
Burbiola S.A.	ESP	50.000%	JEZ Sistemas Ferroviarios S.L.	K0
Draht & Stahl GmbH	DEU	30.930%	voestalpine Draht Finsterwalde GmbH	K0
Draht + Stahl – Polska spolka z.o.o.	POL	100.000%	voestalpine Draht Finsterwalde GmbH	K0
gibSoft GmbH	DEU	75.000%	SST Signal & System Technik GmbH	K0
Liegenschaftsverwaltungs GmbH	AUT	100.000%	voestalpine Bahnsysteme Vermögensverwaltungs GmbH	K0
KW PenzVAEE GmbH	AUT	49.000%	VAE Eisenbahnsysteme GmbH	K0
VAE Murom LLC	RUS	50.000%	VAE GmbH	K0
voestalpine Stahl Donawitz GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	K0
VOEST-ALPINE TUBULAR CORP.	USA	100.000%	voestalpine Tubulars GmbH	K0
voestalpine Tubulars Middle East FZE	ARE	100.000%	voestalpine Tubulars GmbH	K0
voestalpine VAE TS d.o.o. Nis	SRB	70.000%	VAE GmbH	K0

Profilform Division

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Profilform GmbH	AUT	100.000%	voestalpine AG	KV
BÖHLER-UDDEHOLM Precision Strip GmbH	AUT	100.000%	voestalpine Profilform GmbH	KV
Global Rollforming Corporation	USA	100.000%	voestalpine Profilform GmbH	KV
Meincol Distribuidora de Acos S.A.	BRA	75.000%	voestalpine Profilform GmbH	KV
Metsec plc	GBR	100.000%	VOEST-ALPINE KREMS U.K. plc	KV
Nedcon Bohemia s.r.o.	CZE	100.000%	Nedcon Groep N.V.	KV
Nedcon France S.A.S	FRA	100.000%	Nedcon Groep N.V.	KV
Nedcon Groep N.V.	NLD	100.000%	voestalpine Profilform GmbH	KV
Nedcon Lagertechnik GmbH	DEU	100.000%	Nedcon Groep N.V.	KV
Nedcon Magazijninrichting B.V.	NLD	100.000%	Nedcon Groep N.V.	KV
Nedcon USA Inc.	USA	100.000%	Nedcon Groep N.V.	KV
Roll Forming Corporation	USA	100.000%	Global Rollforming Corporation	KV
SADEF N.V.	BEL	100.000%	voestalpine Profilform GmbH	KV
Sharon Custom Metal Forming Inc.	USA	100.000%	Global Rollforming Corporation	KV
Société Automatique de Profilage (SAP)	FRA	100.000%	voestalpine Profilform GmbH	KV
Société Profilafroid	FRA	100.000%	voestalpine Profilform GmbH	KV
Stratford Joists Limited	GBR	100.000%	Metsec plc	KV
voestalpine Krems Finaltechnik GmbH	AUT	100.000%	voestalpine Profilform GmbH	KV
voestalpine Krems GmbH	AUT	100.000%	voestalpine Profilform GmbH	KV
VOEST-ALPINE KREMS U.K. plc	GBR	100.000%	voestalpine Profilform GmbH	KV
voestalpine Präzisionsprofil GmbH	DEU	90.000%	voestalpine Profilform Beteiligung GmbH	KV
voestalpine Präzisionsprofil GmbH	DEU	10.000%	voestalpine Profilform GmbH	KV
voestalpine Profilform Beteiligung GmbH	AUT	100.000%	voestalpine Profilform GmbH	KV
voestalpine PROFILFORM s.r.o.	CZE	100.000%	voestalpine Profilform GmbH	KV
ZAO voestalpine Arkada Profil	RUS	100.000%	voestalpine Profilform Beteiligung GmbH	KV
Gemeinnützige Donau-Ennstaler Siedlungs-Aktiengesellschaft	AUT	33.333%	voestalpine Krems GmbH	K0
Metal Sections Limited	GBR	100.000%	Metsec plc	K0
SADEF FRANCE S.A.R.L.	FRA	90.000%	SADEF N.V.	K0
SADEF FRANCE S.A.R.L.	FRA	10.000%	voestalpine Krems GmbH	K0
voestalpine Arkada Zapad IP	BLR	100.000%	ZAO voestalpine Arkada Profil	K0

[1] For equity consolidated companies marked [1], the balance sheet date of December 31 applies.

Automotive Division

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Automotive GmbH	AUT	100.000%	voestalpine AG	KV
Amstutz Levin & Cie	FRA	99.998%	Stamptec France SAS	KV
Flamco AG	CHE	100.000%	Flamco Holding B.V.	KV
Flamco BV	NLD	100.000%	Flamco Holding B.V.	KV
Flamco Flexcon B.V.	NLD	100.000%	Flamco Holding B.V.	KV
Flamco Flexcon Ltd.	GBR	100.000%	Flamco Holding B.V.	KV
Flamco Flexcon Sarl	FRA	100.000%	Flamco Holding B.V.	KV
Flamco Heating Accessories (Changshu) Co., Ltd.	CHN	100.000%	Flamco Holding B.V.	KV
Flamco Holding B.V.	NLD	100.000%	voestalpine Polynorm N.V.	KV
Flamco Hungary Kft	HUN	100.000%	Flamco Holding B.V.	KV
Flamco IMZ B.V.	NLD	100.000%	Flamco BV	KV
Flamco Pipe Support B.V.	NLD	100.000%	Flamco BV	KV
Flamco Polska Sp. z o.o.	POL	100.000%	Flamco Holding B.V.	KV
Flamco STAG Behälterbau GmbH	DEU	94.000%	Flamco Holding B.V.	KV
Flamco STAG Behälterbau GmbH	DEU	6.000%	Polynorm GmbH	KV
Flamco STAG GmbH	DEU	100.000%	Flamco STAG Behälterbau GmbH	KV
Flamco UK Ltd.	GBR	100.000%	Flamco Flexcon Ltd.	KV
Flamco WEMEFA GmbH	DEU	100.000%	Flamco STAG Behälterbau GmbH	KV
Kadow und Riese Laser- und Umformtechnik GmbH	DEU	100.000%	voestalpine Hügel Holding GmbH	KV
Polynorm GmbH	DEU	100.000%	voestalpine Polynorm N.V.	KV
Polynorm Immobilien GmbH & Co. KG[1]	DEU	100.000%	voestalpine Polynorm N.V.	KV
Stamptec France SAS	FRA	100.000%	Stamptec Holding GmbH	KV
Stamptec Holding GmbH	DEU	95.000%	voestalpine Automotive GmbH	KV
Stamptec Holding GmbH	DEU	5.000%	voestalpine Polynorm GmbH & Co KG	KV
voestalpine Automotive Netherlands Holding B.V.	NLD	100.000%	voestalpine Automotive GmbH	KV

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Automotive Romania S.R.L.	ROU	50.000%	voestalpine Dancke GmbH&Co. KG	KV
voestalpine Automotive Romania S.R.L.	ROU	50.000%	voestalpine Hügel Holding GmbH	KV
voestalpine Dancke GmbH&Co. KG[1]	DEU	100.000%	voestalpine Automotive GmbH	KV
voestalpine Elmsteel Group Limited	GBR	100.000%	voestalpine Rotec GmbH	KV
voestalpine Elmsteel Romania SRL	ROU	99.500%	voestalpine Elmsteel Group Limited	KV
voestalpine Elmsteel Romania SRL	ROU	0.500%	voestalpine Automotive GmbH	KV
voestalpine Europlatinen GmbH	AUT	100.000%	voestalpine Automotive GmbH	KV
voestalpine Gutbrod GmbH[2]	DEU	100.000%	Stamptec Holding GmbH	KV
voestalpine Gutbrod Schmölln GmbH[2]	DEU	100.000%	voestalpine Gutbrod GmbH	KV
voestalpine HTI Beteiligungs GmbH	AUT	100.000%	voestalpine Rotec GmbH	KV
voestalpine Hügel GmbH & Co KG[1]	DEU	100.000%	voestalpine Hügel Holding GmbH	KV
voestalpine Hügel Holding GmbH	DEU	100.000%	Stamptec Holding GmbH	KV
voestalpine Hügel Verwaltungsgesellschaft mbH	DEU	100.000%	voestalpine Hügel Holding GmbH	KV
voestalpine Polynorm B.V.	NLD	100.000%	voestalpine Polynorm N.V.	KV
voestalpine Polynorm GmbH & Co KG[1]	DEU	100.000%	Polynorm GmbH	KV
voestalpine Polynorm N.V.	NLD	100.000%	voestalpine Automotive Netherlands Holding B.V.	KV
voestalpine Polynorm Plastics B.V.	NLD	100.000%	voestalpine Polynorm van Niftrik B.V.	KV
voestalpine Polynorm van Niftrik B.V.	NLD	100.000%	voestalpine Polynorm N.V.	KV
voestalpine Rotec AB	SWE	100.000%	voestalpine Rotec GmbH	KV
voestalpine Rotec France S.A.	FRA	100.000%	voestalpine Rotec GmbH	KV
voestalpine Rotec GmbH	AUT	100.000%	voestalpine Automotive GmbH	KV
voestalpine Rotec GmbH & Co KG[1]	DEU	99.000%	voestalpine HTI Beteiligungs GmbH	KV
voestalpine Rotec GmbH & Co KG[1]	DEU	1.000%	voestalpine Rotec GmbH	KV
voestalpine ROTEC Iberica S.A.	ESP	100.000%	voestalpine Rotec GmbH	KV
voestalpine Rotec Incorporated	USA	100.000%	voestalpine Elmsteel Group Limited	KV

[1] These consolidated financial statements represent an exemption for Polynorm Immobilien GmbH & Co. KG, voestalpine Dancke GmbH&Co. KG, voestalpine Hügel GmbH & Co KG, voestalpine Polynorm GmbH & Co KG and voestalpine Rotec GmbH & Co KG according to § 264b of the German Commercial Code. [2] These consolidated financial statements represent an exemption for voestalpine Gutbrod GmbH and voestalpine Gutbrod Schmölln GmbH according to § 264 (3) of the German Commercial Code.

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Rotec Limited	GBR	100.000%	voestalpine Elmsteel Group Limited	KV
voestalpine Rotec Sp. z.o.o	POL	100.000%	voestalpine Elmsteel Group Limited	KV
voestalpine Rotec Vertriebs GmbH	DEU	100.000%	voestalpine Rotec GmbH	KV
voestalpine Vollmer GmbH & Co KG[1]	DEU	99.667%	voestalpine Vollmer Holding GmbH	KV
voestalpine Vollmer GmbH & Co KG[1]	DEU	0.333%	voestalpine Automotive GmbH	KV
voestalpine Vollmer Holding GmbH	AUT	100.000%	voestalpine Automotive GmbH	KV
voestalpine Vollmer Pfaffenhofen GmbH & Co KG[1]	DEU	99.933%	voestalpine Vollmer Holding GmbH	KV
voestalpine Vollmer Pfaffenhofen GmbH & Co KG[1]	DEU	0.067%	voestalpine Automotive GmbH	KV
Wemefa Horst Christopeit GmbH	DEU	100.000%	Flamco STAG Behälterbau GmbH	KV
Bauer & Dittus Verwaltungs Gesellschaft mit beschränkter Haftung	DEU	100.000%	Flamco STAG Behälterbau GmbH	K0
DS-Beteiligungs-GmbH	DEU	100.000%	voestalpine Dancke GmbH&Co. KG	K0
DW-Beteiligungs-GmbH	DEU	100.000%	voestalpine Dancke GmbH&Co. KG	K0
Entwicklungsgesellschaft Gügling Ost GmbH & Co. KG	DEU	6.000%	Polynorm GmbH	K0
Entwicklungsgesellschaft Gügling Verwaltungs GmbH	DEU	100.000%	Polynorm GmbH	K0
Polynorm Immobilien Beteiligungs GmbH	DEU	100.000%	voestalpine Polynorm N.V.	K0
voestalpine Polynorm Beteiligungsgesellschaft m.b.H.	DEU	100.000%	voestalpine Polynorm GmbH & Co KG	K0
voestalpine Polynorm Plastics Limited	GBR	100.000%	voestalpine Polynorm N.V.	K0

Other companies

	Domicile of the company	Interest held	Parent company	Type of consolidation
Danube Beteiligungs Invest MF-AG	AUT	100.000%	Danube Equity Invest AG	KV
Danube Equity Invest AG	AUT	71.373%	voestalpine AG	KV
Danube Equity Invest Management GmbH	AUT	100.000%	voestalpine AG	KV
voestalpine Dienstleistungs- und Finanzierungs GmbH	DEU	100.000%	voestalpine Finanzierungs Holding GmbH	KV
voestalpine Finanzierungs GmbH	AUT	100.000%	voestalpine Finanzierungs Holding GmbH	KV
voestalpine Finanzierungs Holding GmbH	AUT	100.000%	voestalpine AG	KV
voestalpine group IT GmbH	AUT	100.000%	voestalpine AG	KV
voestalpine group-IT GmbH	DEU	100.000%	voestalpine group IT GmbH	KV
voestalpine group-IT AB	SWE	100.000%	voestalpine group IT GmbH	KV
voestalpine group-IT Tecnologia da Informacao Ltda.	BRA	100.000%	voestalpine group IT GmbH	KV
APK-Pensionskasse Aktiengesellschaft[2]	AUT	19.110%	voestalpine AG	KE
APK-Pensionskasse Aktiengesellschaft[2]	AUT	10.082%	BÖHLER-UDDEHOLM Aktiengesellschaft	KE
VA Intertrading Aktiengesellschaft[2]	AUT	38.500%	voestalpine AG	KE
DBG Vermögensverwaltungs GmbH	AUT	100.000%	voestalpine AG	K0
Donauländische Baugesellschaft m.b.H.	AUT	100.000%	voestalpine AG	K0
Intesy Business & IT Solutions Pty Ltd	AUS	100.000%	voestalpine group IT GmbH	K0
IVM Industrieversicherungsmakler GmbH	AUT	100.000%	voestalpine AG	K0

[1] These consolidated financial statements represent an exemption for voestalpine Vollmer GmbH & Co KG and voestalpine Vollmer Pfaffenhofen GmbH & Co KG according to § 264b of the German Commercial Code.
[2] For equity consolidated companies marked [2], the balance sheet date of December 31 applies.

Explanations:
KV Full consolidation
KQ Proportionate consolidation
KE Equity method
K0 No consolidation

Glossary

Acquisition. Takeover or purchase of companies or of interests in companies.

Affiliated companies. Companies that are directly or indirectly under the same management—in this case of voestalpine AG—in which voestalpine AG holds, directly or indirectly, a majority of the voting rights or exercises the controlling influence.

Asset deal. Company takeover, where the buyer purchases individual assets (rather than shares).

ATX. “Austrian Traded Index,” the leading index of the Vienna Stock Exchange, which contains the 20 most important stocks in the prime market segment.

Blanking. An early step in preparing flat-rolled steel for use by an end user. A blank is a section of sheet that has the same outer dimensions as a specified part (such as a car door or hood) but that has not yet been stamped.

Blast furnace. A towering cylinder lined with heat-resistant (refractory) bricks, used by integrated steel mills to smelt iron from ore. Its name comes from the “blast” of hot air and gases forced up through the iron ore, coke and limestone that load the furnace.

Bloom. A semi-finished steel form whose rectangular cross-section is more than eight inches. This large cast steel shape is broken down in the mill to produce the familiar rails, I-beams, H-beams and sheet piling. Blooms are also part of the high-quality bar manufacturing process. Reduction of a bloom to a much smaller cross-section can improve the quality of the metal.

Body-in-white. Unpainted and untrimmed automotive upper body structures.

Borrowed capital. Inclusive term for provisions, trade and other payables, and liabilities-side accruals posted on the liabilities side of the balance sheet.

Borrowed capital ratio. Ratio of borrowed capital recorded on the balance sheet to total assets (the higher the ratio, the higher the debt burden).

Capital employed. Total employed interest-bearing capital.

Cash flow.
- From investment activities: outflow/inflow of liquid assets from investments/disinvestments;
- From operating activities: outflow/inflow of liquid assets not affected by investment, disinvestment, or financing activities.
- From financing activities: outflow/inflow of liquid assets from capital expenditures and capital contributions.

Coating. The process of covering steel with another material (tin, chrome, zinc), primarily for corrosion resistance.

Coils. Steel sheet that has been wound. A slab, once rolled in a hot-strip mill, can be more than one mile long; coils are the most efficient way to store and transport sheet steel.

Coke. The basic fuel consumed in blast furnaces in the smelting of iron. Coke is a processed form of coal.

Cold working (rolling). Changes in the structure and shape of steel at a low temperature (often room temperature). It is used to create a permanent increase in the hardness and strength of the steel.

Continuous casting. A method of pouring steel directly from a ladle through a tundish into a mold, shaped to form billets, blooms, or slabs.

Corporate governance. International term for responsible corporate management and supervision oriented toward creating long-term added value.

Current assets. Those assets that are expected to be realized in cash or consumed in the short term, that is, they are not expected to be available for a company’s business operations long-term, for example, inventory, trade accounts receivable, or securities.

E-procurement. Procurement of goods and services using modern electronic media, particularly Internet technology.

EBIT (earnings before interest and taxes). Earnings: Profit before the deduction of taxes, equity interests of other shareholders, and financial result.

EBIT margin. EBIT percentage of revenue.

EBITDA (earnings before interest, taxes, depreciation, and amortization). Profit before the deduction of taxes, equity interests of other shareholders, financial result and depreciation and amortization expenses.

EBITDA margin. EBITDA percentage of revenue.

EBT (result from ordinary activities or earnings before taxes). Profit before the deduction of taxes and equity interests of other shareholders.

Electrogalvanized. Zinc plating process in which the molecules on the positively charged zinc anode attach to the negatively charged sheet steel. The thickness of the zinc coating is readily controlled. By increasing the electric charge or slowing the speed of the steel through the plating area, the coating will thicken.

Endogenous growth. Economic growth generated from within an existing company or group.

Equity. Assets made available to a corporation by the owners through deposits and/or contributions or from retained profits.

Equity capital ratio. Balance sheet equity capital divided by total assets.

Exogenous growth. Economic growth generated by acquisitions.

Free float. The portion of the share capital that is actively traded on the stock exchange.

Galvanized steel. Steel coated with a thin layer of zinc to provide corrosion resistance in underbody auto parts, garbage cans, storage tanks, or fencing wire. Sheet steel normally must be cold-rolled prior to the galvanizing stage.

Gearing. Ratio of net financial debt to shareholders' equity.

Gross profit. Revenue less manufacturing costs.

Heavy plate. Steel sheet with a width of up to 200 inches and a thickness of at least 5 millimeters. Mainly used for construction, heavy machinery, ship building, or pipes of big diameters.

Hollow sections. See "Welded tubes"

Hot dipped. Steel is run through a molten zinc coating bath, followed by an air stream "wipe" that controls the thickness of the zinc finish.

Hot mill. The rolling mill that reduces a hot slab into a coil of specified thickness; the whole processing is done at a relatively high temperature (when the steel is still "red").

Hot rolled. Product that is sold in its "as produced state" off the hot mill with no further reduction or processing steps.

IFRS (International Financial Reporting Standards). Accounting regulations developed to guarantee comparable balance sheet preparation and disclosure.

Joint venture. A business partnership between two or more companies, which remain independent but which pool capital to pursue a commercial goal, for example, the penetration of a foreign market.

Laser-welded blanks. Two or more sheets of steel seam-welded together into a single "blank" which is then stamped into a part. Materials that are both highly malleable and strong can be combined to meet customer requirements.

Market capitalization. Market capitalization reflects the current market price of an exchange-listed company.

Cost of materials. Incorporates all expenditures necessary for the procurement of raw and auxiliary materials required for production.

Net financial debt. Interest-bearing liabilities less interest-earning assets.

Organic coating. High-tech composite material made of thin sheet with the highest surface quality and with a colored organic coating. Organic coating offers an even surface, excellent malleability and deep-drawing characteristics due to antifriction effects, high protection against corrosion, high resistance to chemical influences, and good temperature resistance.

Purchase price allocation (ppa). Within the scope of the acquisition of a company, the purchase price is allocated to the assets and liabilities of the acquired enterprise, which are then assigned fair values and recognized in the Group's consolidated financial statements.

Rating. An evaluation of the credit quality of a company recognized on international capital markets.

Return on equity. The ROE is the ratio between after-tax profit (net income) and equity as recorded in the previous period.

ROCE (return on capital employed). ROCE is the ratio of EBIT to average capital employed (until business year 2008/09 EBIT to capital employed), that is, profit generated by the capital invested.

Scrap (ferrous). Ferrous (iron-containing) material that generally is remelted and recast into new steel.

Seamless tubes. Tubes made from a solid billet or bloom, which is heated, then rotated under extreme pressure. This rotational pressure creates an opening in the center of the billet, which is then shaped by a mandrel to form a tube.

Sections. Blooms or billets that are hot-rolled in a rolling mill to form, among other shapes, "L", "U", "T" or "I" shapes. Sections can also be produced by welding together pieces of flat products. Sections can be used for a wide variety of purposes in the construction, machinery and transport industries. Also known as "profiles."

Share capital. The minimum capital requirement to be contributed by the shareholders for shares when establishing a stock corporation or limited partnership; it is issued in shares and constitutes a part of equity.

Simultaneous engineering. At any time of the design process each product life stage is appropriately taken into consideration, i.e., by applying the related expert knowledge by means of forecasting, prognosis and simulation either by tools or by involving the human expert directly.

Slag. The impurities in a molten pool of iron. Flux such as limestone may be added to foster the congregation of undesired elements into a slag. Because slag is lighter than iron, it will float on top of the pool, where it can be skimmed.

Special sections. Sections that are tailor-made to meet individual requirements of the customer.

Specialty tubes. Refers to a wide variety of high-quality custom-made tubular products requiring critical tolerances, precise dimensional control and special metallurgical properties. Specialty tubing is used in the manufacture of automotive, construction and agricultural equipment, and in industrial applications such as hydraulic cylinders, machine parts and printing rollers.

Supply chain management (SCM). The management and control of all materials, funds, and related information in the logistics process from the acquisition of raw materials to the delivery of finished products to the end user.

Surface-coated steel products. Products that are metallically or organically coated through different methods, such as hot-dip galvanizing, electrical galvanizing, color coating and powder coating. Surface coating helps adapt steel for different end uses and creates more value in the steel product.

Switches. Turnout systems and components that meet a wide range of requirements, including high speeds and axle loads, that are used for passengers, freight, heavy haul, commuting, and suburban rail transport.

Tailored blanks. A section of sheet or strip that is cut to length and trimmed to match specifications for the manufacturer's stamping design for a particular part. Because excess steel is cut away (to save shipping costs), all that remains for the stamper is to impart the three-dimensional shape with a die press (see "Blanking").

Volatility. The degree of fluctuation in stock prices and currency exchange rates or in prices of consumer goods in comparison to the market.

Weighted average cost of capital (WACC). Average capital costs for both borrowed capital and equity.

Welded tubes. Rolled plates welded into tubes of various shapes, gages, and diameters from different types of material.

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