Annual Report 2008/09

voestalpine

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voestalpine Group Key Figures

In millions of euros[1]	2004/05	2005/06	2006/07	2007/08	2008/09
Revenue	5,779.1	6,230.6	6,943.8	10,481.2	11,625.3
Profit from operations before depreciation (EBITDA)	887.7	1,079.0	1,358.6	1,836.5	1,724.2
EBITDA margin	15.4%	17.3%	19.6%	17.5%	14.8%
Profit from operations (EBIT)	552.5	724.1	1,011.4	1,152.6	1,016.0
EBIT margin	9.6%	11.6%	14.6%	11.0%	8.7%
Profit before tax (EBT)	497.5	674.3	976.4	979.6	728.4
Profit for the period from continuing operations	373.5	519.7	755.0	777.1	636.2
Profit for the period[2]	323.5	525.9	764.9	751.9	611.6
EPS – Earnings/share (euros)	2.36	3.25	4.76	4.69	3.41
Balance sheet total	5,369.2	6,158.6	6,827.5	12,601.8	12,846.5
Cash flow from operating activities	550.6	860.1	970.2	1,135.8	1,357.9
Investments in tangible and intangible assets and interests	564.9	566.3	907.8	3,910.1	1,078.9
Depreciation	335.2	354.9	347.2	683.9	708.2
Equity	2,124.7	2,547.3	2,882.3	4,289.3	4,262.5
Net financial debt	683.5	376.9	526.2	3,571.7	3,761.6
Net financial debt (in % of equity)	32.2%	14.8%	18.3%	83.3%	88.2%
Return on capital employed (ROCE)	15.0%	21.5%	26.2%	13.4%	11.8%
Market capitalization end of period	2,355.1	4,565.4	8,366.2	7,006.4	1,645.0
Number of outstanding shares as of March 31	158,167,880	158,164,504	154,073,274	159,235,738	167,003,706
Share price end of period (euros)	14.89	28.87	54.30	44.0	9.85
Dividend/share (euros)	0.53	0.78	1.45	2.10	1.05[3]
Employees excl. apprentices (end of period)	22,955	22,918	24,613	41,490	41,216

[1] According to IFRS all figures after purchase price allocation (ppa).
[2] Before minority interests and interest on hybrid capital.
[3] As proposed to the Annual General Shareholders' Meeting.

Overview of the voestalpine Group

voestalpine Group

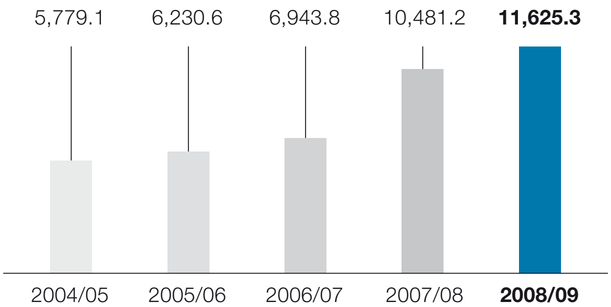
In millions of euros	2008/09
Revenue	11,625.3
EBIT	1,016.0
EBIT margin	8.7%
Employees excl. apprentices	41,216

voestalpine Divisions

In millions of euros	Steel	Special Steel	Railway Systems	Profilform	Automotive
Revenue	4,328.5	3,530.6	2,351.0	1,147.1	889.0
EBIT	522.3	55.0	324.7	132.4	28.0
EBIT margin	12.1%	1.6%	13.8%	11.5%	3.2%
Employees excl. apprentices	10,034	14,734	8,077	3,512	4,171

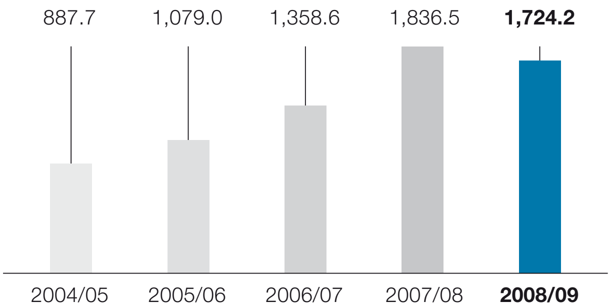
Revenue

In millions of euros



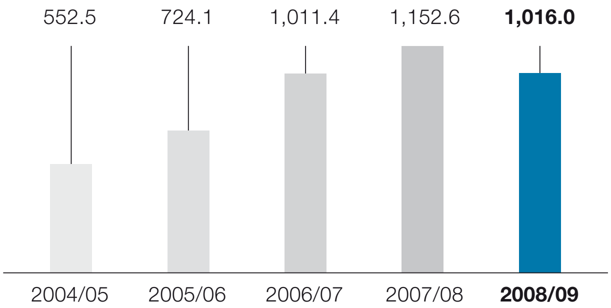
EBITDA Earnings before interest, taxes, depreciation and amortization

In millions of euros



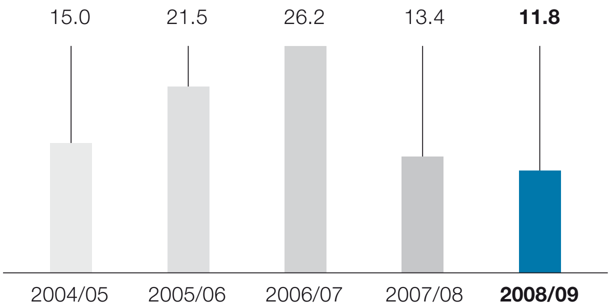
EBIT Profit from operations

In millions of euros



ROCE Return on capital employed

In %



Highlights[1]

- Business year 2008/09 characterized by **worst economic slump since 1945.**
- New **revenue record and second best profit from operations** due to outstanding first half of the year—key figures **under pressure beginning in 3rd quarter, continuing deterioration in the 4th quarter.**
- **Due to** swift **crisis management** across the entire Group, **most result categories remained positive even in the 4th quarter.**
- **Revenue gains of 10.9%** from EUR 10.48 billion **to EUR 11.63 billion** due to full consolidation of BÖHLER-UDDEHOLM AG and success in passing on price increases for raw materials and pre-materials during the first half of 2008/09.
- **Due to** global **economic slump** during the second half of the year, **EBITDA declines by 6.1%** from EUR 1.84 billion **to EUR 1.72 billion,** and **EBIT by 11.9%** from EUR 1.15 billion **to EUR 1.02 billion.**
- Despite the downtrend, the **Railway Systems Division exceeds its previous year's figures.**
- **EBITDA and EBIT margins drop due to the crisis** and **dilution effects** (higher revenue basis due to raw materials prices) **to 14.8%** (previous year: 17.5%) and **8.7%** (previous year: 11.0%).
- **Declines in profit before tax (by 25.6%** from EUR 979.6 million **to EUR 728.4 million) and net income** (profit for the period **by 18.7%** from EUR 751.9 million **to EUR 611.6 million) due to decrease in profit from operations and higher financing costs.**
- **Earnings per share were EUR 3.41, 27.3% below last year's** figure (EUR 4.69).
- **Dividend reduced** from EUR 2.1 **to EUR 1.05** (recommendation to the Annual General Meeting)—nevertheless **3.6% dividend yield** (measured against annual average rate).
- **Gearing ratio** (net financial debt in percent of equity) at **88.2% almost** at **last year's level** (83.3%), **despite higher dividend distribution to equity holders and hybrid capital owners** last year, as well as **acquisition** of **remaining shares of BÖHLER-UDDEHOLM AG.**
- **Research** and current **environmental expenditures** reach new **record levels.**
- The **number of employees drops** by 0.7% from 41,490 **to 41,216 employees** (excluding apprentices). As a **reaction** to the **crisis,** remaining **vacation days** and **compensatory time credit** were consistently reduced, **working time models** continued to be made more flexible, and there was an increased focus on **early retirement models. Since September 30, 2008,** there has also been a **reduction of staff by 1,109 employees** and **1,679 temporary employees,** and as of March 31, 2009, **10,613 employees have been affected by reduced working hours.**

Effects of the purchase price allocation (ppa) arising from the BÖHLER-UDDEHOLM acquisition[2]

- **Even before ppa effects, EBITDA** and **EBIT below the previous year's level** by 10.8% and 17.9%, at **EUR 1,756.3 million** (previous year: EUR 1,968.5 million) and **EUR 1,234.7 million** (previous year: EUR 1,503 million).
- **EBITDA adversely affected** by **ppa** effects **for the last time** (at EUR 32 million) in the business year 2008/09.
- **EBIT** 2008/09 **adversely affected by ppa at EUR 218.6 million;** 2009/10 and 2010/11 ppa effects anticipated to be EUR 116 million and EUR 67 million respectively.

[1] In the absence of any statements to the contrary, pursuant to IFRS, all stated figures are after purchase price allocation (ppa).
[2] Please refer to the Annual Report 2007/08 for more details.

Contents

Divisional Reports

Consolidated Financial Statements

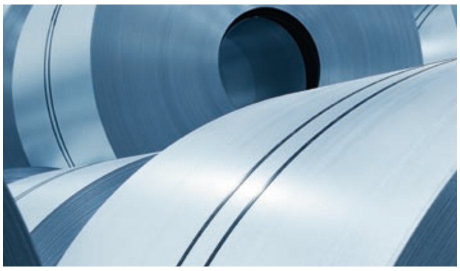
Service

Group structure

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

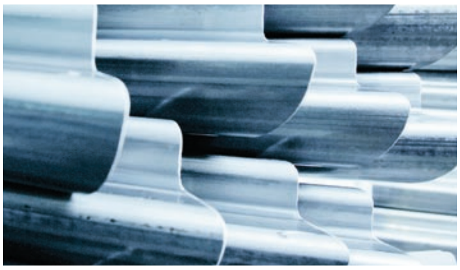
- Steel Division



- Special Steel Division

- Railway Systems Division

- Profilform Division



- Automotive Division

voestalpine Stahl GmbH

voestalpine Grobblech GmbH
voestalpine Giesserei Linz GmbH
voestalpine Anarbeitung GmbH
vatron gmbh (66.5%)[1]
voestalpine Rohstoffbeschaffungs GmbH[1]
voestalpine Stahl Service Center GmbH
voestalpine Eurostahl GmbH
Logistik Service GmbH

BÖHLER-UDDEHOLM AG

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

voestalpine Bahnsysteme GmbH & Co KG

voestalpine Schienen GmbH
TSTG Schienen Technik GmbH & Co KG
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

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
Meincol Distribuidora de Aços S.A. (75%)

voestalpine Automotive GmbH

voestalpine Polynorm N.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] 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
Member of the Managing Board of WIENER STAEDTISCHE Versicherung AG
Vienna Insurance Group, Vienna

Dr. Stefan Kralik
Member of the Supervisory Board
Initial appointment: July 7, 1999
Notary Public, 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

Univ.-Prof. Dr. Ewald Nowotny
Member of the Supervisory Board (until August 31, 2008)
Initial appointment: July 5, 2006
Governor of the National Bank of Austria

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
Chairman of the European Works Council of BÖHLER-UDDEHOLM AG, Vienna

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

Ing. Fritz Sulzbacher
Member of the Supervisory Board
Initially delegated: December 22, 1993
Chairman of the Works Council for Salaried Employees of voestalpine Stahl GmbH, Linz
Delegate to the Upper Austrian Parliament

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 2008/09.

Members of the Presidential Committee (both Nomination and Compensation Committee as defined by the Corporate Governance Code) of the Supervisory Board:
Dr. Joachim Lemppenau (Chairman)
KR Mag. Dr. Ludwig Scharinger (Deputy Chairman)
Hans-Karl Schaller

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
Hans-Karl Schaller
Ing. Fritz Sulzbacher

Number of sessions during the business year 2008/09: Supervisory Board – 5, Audit Committee – 2, Presidential Committee – 1.

The Management Board of voestalpine AG

Mag. Wolfgang Spreitzer
Member of the Management Board since 2001

Born 1951
Joined the Company in 1971

Head of the Profilform Division

Assigned area of responsibility:
Information technology

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

Born 1967
Joined the Company in 1997

CFO

Assigned areas of responsibility:
Corporate accounting and reporting, Controlling, Treasury, Corporate tax and finance advisory, Management information systems, Risk management

Dkfm. Dr. Claus J. Raidl
Member of the Management Board since 2007

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

Head of the Special Steel Division

Dr. Wolfgang Eder
Chairman of the Management Board and CEO of voestalpine AG since 2004

Born 1952
Joined the Company in 1978
Member of the Management Board since 1995

Head of the Steel Division

Assigned areas of responsibility:
Corporate development, Corporate human resources, Legal department and M&A, Corporate communications and corporate image, Investor relations, Strategic environmental management, internal auditing

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

Born 1953
Joined the Company in 1978

Head of the Automotive Division

Assigned area of responsibility:
R&D and innovation strategy

Dipl.-Ing. Josef Mülner
Member of the Management Board since 2003

Born 1947
Joined the Company in 1974

Head of the Railway Systems Division

Assigned area of responsibility:
Procurement strategy, including raw materials strategy

Ladies and Gentlemen,

The business year behind us was a year of extremes and utterly different than all the years that have gone before. Records of every kind—record sales volume, record revenue, record results, record employment levels—vied with each other during the first half of the year. Then, practically overnight, an economic slump set in during the second half of the year, whose pace was faster than anything we had seen before and that pushed the global economy into the worst recession in generations.

We can assume that everyone is familiar with the bad economic news that has bombarded us for nine months—demand spiraling downward, price collapse, reduced working hours, staff reductions, credit crunch, insolvencies, rising unemployment numbers, national debt … This was the past.

Far more important than looking back is looking to the future. What does the future hold? How are we going to deal with challenges that reveal an entirely new dimension?

We could simply deny the crisis or try to ignore it completely and say, "What crisis? We don't have a crisis. Why keep chattering about the crisis?" We could simply surrender to it and say, "It won't be so bad. Somehow things will turn out all right. We'll get through it somehow."

Or we can fight—against the crisis, for the future of the Company, our employees, our customers, our shareholders. We can view the crisis as an opportunity, confront it, and take on the challenge with concrete measures and actions: quicker processes, leaner organization, more efficient production, lower costs, more customer intimacy, a more efficient and economical use of resources—whether raw materials, energy, or capital. All this requires more than just superficial headlines. Coping with a crisis means hard, consistent work, day after day, at all levels—from the employees on the assembly lines to the CEO—and at every single company location, whether in Brazil or Russia, the USA or Austria, Italy or China, Germany or Australia.

The voestalpine Group is well equipped for the future. Whatever lies before us, we accept the challenge that the crisis poses—together with our employees who are used to fighting for what needs to be done, with our customers who know they can count on us, and our shareholders who understand that we are handling their capital responsibly.

Linz, June 2009

The Management Board

Wolfgang Eder	Franz Hirschmanner	Josef Mülner
Robert Ottel	Claus J. Raidl	Wolfgang Spreitzer

Investor relations

Price development of the voestalpine share

As already set forth in detail in the letter to shareholders for the first three quarters, much of the business year 2008/09 saw the stock markets worldwide plunge downward to levels never before witnessed.

Particularly from the fall of 2008 on, price losses across all industries reached historic dimensions as the crisis on the financial and capital markets spread to the real economy that had remained intact up to that point.

Against the backdrop of these developments, the voestalpine share, which had shown a gain of about 25% as late as the beginning of the business year, plummeted from EUR 45.55 (as of April 1, 2008) to EUR 9.85 (as of March 31, 2009), the sharpest fall recorded in the history of the Company, resulting in a loss in value during the business year 2008/09 of 78.4%. As the graphic shows, the share price performance largely mirrors the negative development of both Austria's leading share index ATX as well as the major international benchmark indices.

Capital increases

Capital increase from contingent capital (service of the convertible bond)

Pursuant to Section 4, para. 6 of the Articles of Incorporation, the Company's share capital was increased as of November 28, 2008 from EUR 298,756,264.42 to EUR 299,046,953.94 by issuing 159,999 common no-par value bearer shares to creditors of the convertible bond issued by voestalpine AG in July 2005. This corresponds to an increase of the share capital of about 0.1%.

Capital increase from authorized capital (expansion of employee shareholding scheme)

On February 25, 2009, the Management Board of voestalpine AG resolved to exercise its authorization to increase the Company's share capital pursuant to Section 4 para. 2 letter b of the Articles of Incorporation and to increase the share capital of voestalpine AG by about 2% by issuing 3,300,000 new, common no-par value bearer shares. The issue price per no-par value share was fixed at EUR 13.08. The issue price corresponds to the weighted average closing price on the stock exchange of the voestalpine share on the last five trading days immediately preceding the resolution by the Management Board.

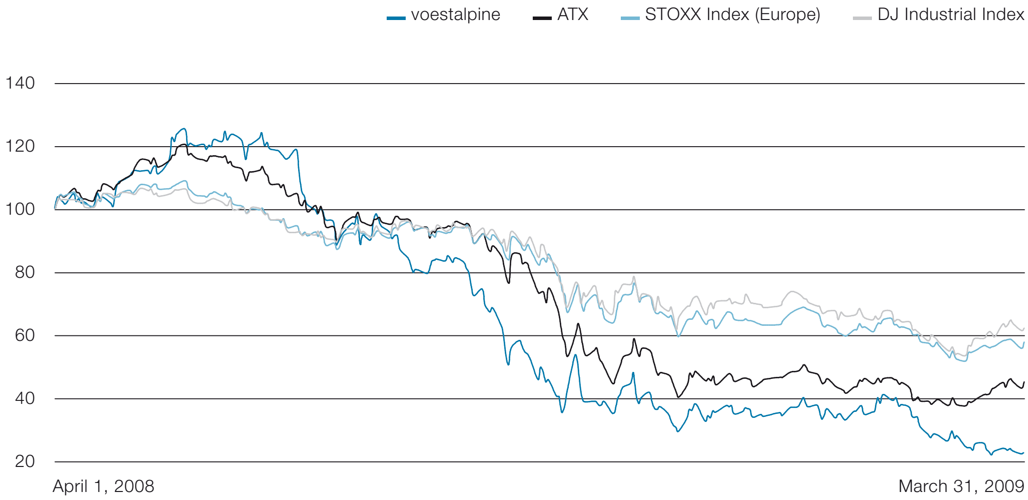
The newly created shares will ensure continued expansion and consolidation of the employee shareholding scheme of the voestalpine Group. Therefore, the voestalpine Mitarbeiterbeteiligung Privatstiftung (a private foundation for the Company's employee shareholding scheme) was approved to acquire the shares, with all other shareholders being excluded from subscription rights; the voestalpine Mitarbeiterbeteiligung Privatstiftung shall hold the shares in trust for the employees participating in the employee shareholding scheme.

With the implementation of the capital increase as of the end of March 2009, the Company's share capital is EUR 305,042,462.76 and is divided into 167,899,032 shares.

voestalpine AG vs. international indices

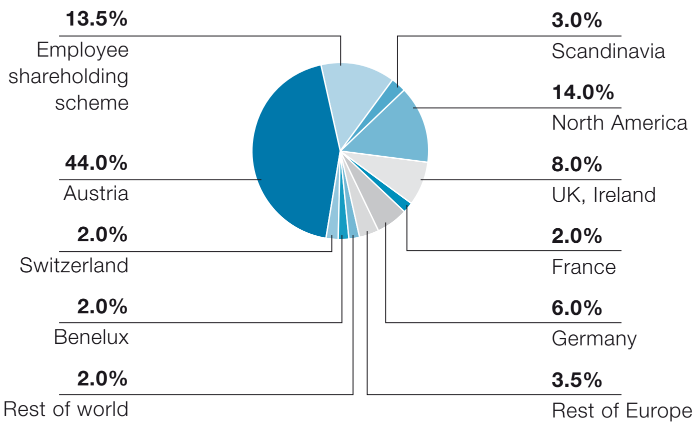
Business year 2008/09

Changes as compared to March 2008 in %



Shareholder structure

The sharholder structure of voestalpine AG is as follows (indicative data as of May 2009):



Largest individual shareholders

Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG	> 15%
voestalpine Mitarbeiterbeteiligung Privatstiftung	> 10%
Oberbank AG	> 5%

Transfer of voestalpine AG's own shares

Within the scope of the existing employee shareholding scheme, voestalpine AG transferred 1,801,061 of its own shares (this corresponds to 1.1% of the share capital) to the Company's employees and to the voestalpine Mitarbeiterbeteiligung Privatstiftung during the course of the business year 2008/09.

New analyses

During the business year under review, Chevreux and Berenberg, two international investment banks, published analyses of voestalpine AG for the first time. This brings the number of banks and investment houses that cover the Company to 18.

voestalpine bonds

Convertible bond (2005–2010)

With regard to the convertible bond issued by voestalpine AG in July 2005, additional bond holders have exercised their right to convert the bond to voestalpine shares. The obligations due to these conversions were settled by way of voestalpine's own shares and contingent capital. A total of 8.6% of the convertible bond issue was still outstanding as of March 31, 2009.

Hybrid bond (2007–2014)

The voestalpine hybrid bond could not escape the effects of the turmoil on the credit markets from September 2008 on; after a long, very stable phase, it fell to a low of 77% of the face value. This trend paralleled the development of the credit default swaps. Measured against comparable instruments, the voestalpine hybrid bond is holding its own very well, despite this loss in value and has shown a substantial rise in price after the end of March.

Corporate bond (2009–2013)

In March 2009, voestalpine AG was able to successfully place a corporate bond with a volume of EUR 400 million on the market. This is a straight coupon bond with a maturity of 4 years and a fixed coupon rate of 8.75% annually. The bond was placed with international investors and to a significant extent with Austrian private investors as well; after it was issued, it rose to about 104% of the face value as of the end of March 2009. This placement in a particularly difficult market environment received a great deal of attention internationally and underscored voestalpine AG's excellent reputation that enables the Company, despite being unrated, to acquire borrowed capital in times when the money markets are tight.

Share information

The following investment banks/institutes currently prepare analysis reports on voestalpine AG:

- Berenberg, Hamburg
- BHF-BANK, Frankfurt
- Chevreux, Vienna/Paris
- Citigroup, London
- Credit Suisse, London
- Deutsche Bank, Frankfurt/London
- Erste Bank, Vienna
- Exane BNP Paribas, Paris
- Goldman Sachs, London
- HSBC, London
- JP Morgan, London
- Morgan Stanley, London
- Nord LB, Hannover
- Raiffeisen Centrobank, Vienna
- Sal. Oppenheim, Frankfurt
- Steubing AG, Frankfurt
- UBS, London
- UniCredit, Vienna

Share capital	EUR 305,042,462.76, divided into 167,899,032 no-par value shares
	Shares in proprietary possession as of March 31, 2009: 895,326
Class of shares	Common 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 2008 to March 2009	EUR 55.03
Share price low April 2008 to March 2009	EUR 9.56
Share price as of March 31, 2009	EUR 9.85
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, 2009*	EUR 1,644,986,504.1

* Based on total number of shares minus repurchased shares.

Business year 2008/09

Earnings per share	EUR 3.41
Dividend per share	EUR 1.05*
Book value per share	EUR 25.06

* Proposal to the Annual General Meeting.

Financial calendar 2009/10

Annual General Meeting	July 1, 2009
Ex-dividend date	July 6, 2009
Dividend payment date	July 13, 2009
Letter to shareholders for the 1st quarter of 2008/09	August 20, 2009
Letter to shareholders for the 1st half of 2009/10	November 19, 2009
Letter to shareholders for the 3rd quarter of 2009/10	February 25, 2010
Annual Report 2009/10	June 1, 2010
Annual General Meeting	July 7, 2010

Corporate governance

The Austrian Corporate Governance Code came into force in October 2002. The 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. It 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, 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 June 2007.

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 implemented the amendments introduced since that date. voestalpine AG thus affirms that it will comply with the Austrian Corporate Governance Code as amended in 2007; references made in this Annual Report refer to this version of the Code.

In addition to the mandatory "L rules"[1], the Company also complies with all of the "C rules" of the Code, with one exception: Contrary to Rule 57, neither the Articles of Association nor the Internal Rules of Procedure include an age limit for nominations to the Company's Supervisory Board.

With regard to Rule 49 of the Code, in the business year 2008/09, the Supervisory Board approved the law firm of Binder Grösswang Rechtsanwälte, where Supervisory Board member Dr. Michael Kutschera is a partner, as legal advisor to voestalpine AG in matters relating to transactions regarding the financing of the acquisition of BÖHLER-UDDEHOLM AG, the squeeze-out procedure for minority shareholders of BÖHLER-UDDEHOLM AG, the issue of a corporate bond, general matters associated with the financing of the voestalpine Group, as well as a number of special issues concerning corporate law. Fees for these matters

[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.

are invoiced at the general hourly rates of the law firm of Binder Grösswang Rechtsanwälte applicable at the time, which were between EUR 200 and EUR 420 per hour. The total of the fees paid to the law firm Binder Grösswang Rechtsanwälte during the business year 2008/09 amounted to EUR 418,138.70, net.

All of the members elected to the Supervisory Board by the Annual 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 Internet at www.voestalpine.com. Furthermore, with the exception of Dr. Ludwig Scharinger, who represents the shareholder Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OEG, and Mag. Dr. Peischer, who represents the voestalpine Mitarbeiterbeteiligung Privatstiftung (a private foundation for the Company's employee shareholding scheme), none of the members elected to the Supervisory Board by the Annual General Shareholders' Meeting are shareholders with an investment of more than 10% or represent the interests of such shareholders (Rule 54).

The Corporate Governance Code provides for a regular external evaluation of compliance with the Code. This evaluation was carried out by the Group's auditor during the audit of the 2008/09 financial statements. The findings of the auditor's review were that the declaration of compliance with the Corporate Governance Code as amended in 2007 that was issued by voestalpine AG is in agreement with actual circumstances when the reservations included in the declaration are taken into account.

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

Report of the Management Board

Management Report 2008/09

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

Economic environment

Overall economic development

While the first half of the business year 2008/09 was still characterized in the real economy worldwide by demand that remained high and stable overall in all customer industries that are crucial for the voestalpine Group and this positive environment resulted in new record figures for revenues and earnings, starting in late summer 2008, this trend began to wane significantly. The pace and extent of the economic slump that kept accelerating up to the spring of 2009 reached previously unseen dimensions in almost all industry segments. The global economy is currently in a recession, the duration and intensity of which cannot be realistically evaluated. While the global gross domestic product (GDP) for 2008 overall still showed growth of 2.5%—again driven primarily by strong growth in China (+9%)—the EU-27, with their 0.9% increase in GDP for 2008 overall, already showed an unmistakable trend towards stagnation. Since the 4th quarter of the 2008 calendar year, both the industrial countries and the economy worldwide have experienced significant declines in their economic figures so that for 2009, the global economy is expected to shrink by about 1% and in the EU-27 even by up to 4%—depending on which forecast is consulted. According to the latest forecasts, industrial production is expected to drop even more sharply by about 17% in the EU-27 in 2009.

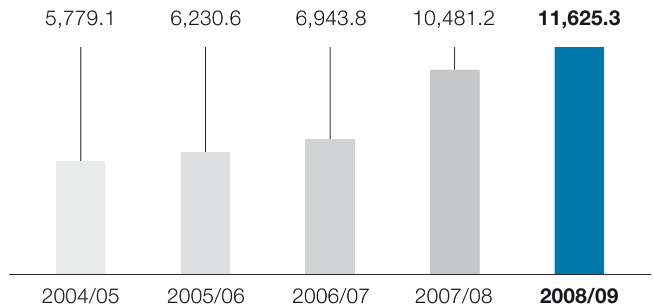
Development of steel consumption and production

The continuing deterioration of the global economy also resulted in a commensurate and extremely steep drop in the demand for steel. Whilst consumption for 2008 as a whole still showed a comparatively small decline (1.4% worldwide, 8.4% for the EU-27), the result of demand remaining high and stable up to the fall of the year, for 2009, a global drop of about 15% is expected. Besides North America, the European Union (EU-27) is most strongly affected, for which a plunge by almost 30% is being forecast.

While the global crude steel production declined by only 1.2% in 2008, it was nevertheless above 1.3 billion tons for the second consecutive time; this development was characterized primarily by further growth in the emerging countries, particularly in Asia; the EU-27, however, recorded a drop of 5.3% and North America a decline by 5.5%. However, the largely stable global production figures for the year 2008 overall are misleading, and fail to reflect the extent of the nosedive towards the end of the year: they were largely shaped by an outstanding performance during the first 8 months

Revenue of the voestalpine Group

In millions of euros



which, statistically, was able to largely compensate for the declines that began in the fall. The fact is that global steel production has gone into a massive slump since September 2008 and, from this point in time on, capacity utilization has been declining considerably as a result of the demand that has shrunk dramatically in comparison to the corresponding figures in the last year. To illustrate this fact, the 1st quarter of the 2009 calendar year saw crude steel production go down by 23% in comparison to the 1st quarter of the previous year, while in Europe, the decline of 41% was even more pronounced.

Development in the most important customer industries

After business performance had remained stable at an excellent level prior to the summer of the year, subsequently, practically all customer industries of the voestalpine Group were hit by the recession.

The only sectors that remained exempt from this development were the *railway infrastructure sector,* which was able to insulate itself due to increased investments that had been vigorously implemented for a long time (most recently within the scope of economic stimulus programs), and the *energy sector.* As of the early part of 2009, however, the latter sector experienced a growing weakening of demand, especially as a result of lower oil prices, with the sole exception being the alternative energy sector.

In all other industries—primarily the commercial vehicle industry and mechanical engineering with declines of up to 80%, as well as the automotive and building industries and the steel trade—incoming orders have been declining markedly since the fall of 2008 and have been accompanied by significantly lower production figures.

Business development of the voestalpine Group[1]

Despite the outstanding development during the first half of the year, in the business year 2008/09, the voestalpine Group was not able to quite attain the record figures of the past business year due to the underlying economic circumstances that deteriorated worldwide from the 3rd quarter on, resulting in significant declines in both sales volume and price.

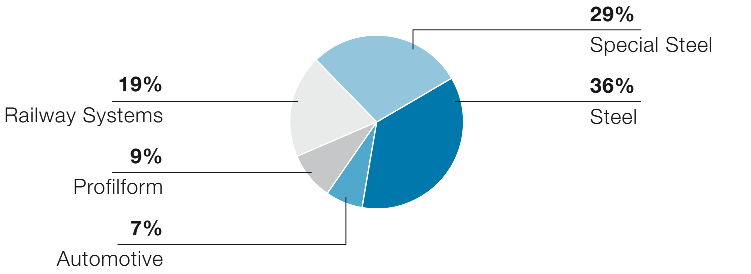
Increase in revenue by 10.9% to EUR 11.6 billion

The revenue of the voestalpine Group rose compared to the business year 2007/08 by EUR 1,144.1 million (+10.9%) from EUR 10,481.2 million to EUR 11,625.3 million.

[1] In the absence of any statements to the contrary, pursuant to IFRS, all stated figures are after purchase price allocation (ppa).

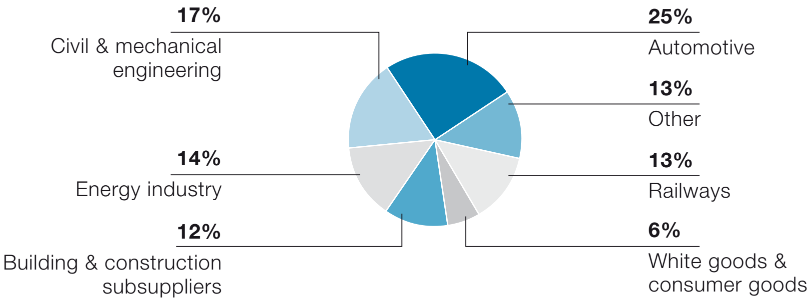
Revenue by divisions

As percentage of Group revenue
Business year 2008/09



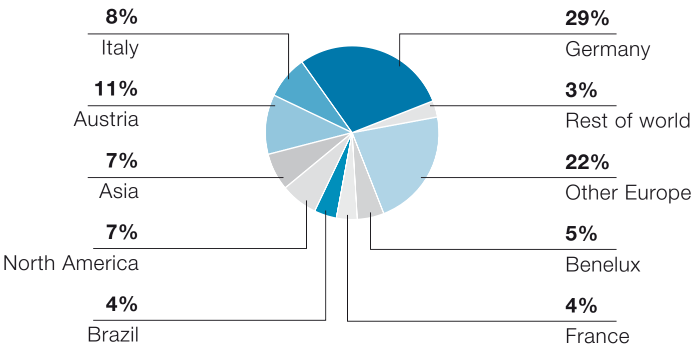
Revenue by industries

As percentage of Group revenue
Business year 2008/09



Revenue by regions

As percentage of Group revenue
Business year 2008/09



This increase is largely the result of the consolidation of the Special Steel Division that was consolidated for the full business year for the first time, which raised the revenue by EUR 772.1 million; in the previous year's comparative figure, the 1st quarter had not yet taken the consolidation into account. In addition to this gain in earnings due to the consolidation, the divisions Steel, Railway Systems, and Profilform also recorded an increase in revenue as compared to the previous year. Due to strong growth in prices and sales volume during the first half of the year, the Steel Division boosted its revenue most substantially, both in percentages and absolutely, with a 9.8% increase from EUR 3,942.8 million to EUR 4,328.5 million, followed by the Railway Systems Division, which increased its revenue by 6.3% from EUR 2,211.4 million to EUR 2,351 million as a result of its success in passing on the very steep rise in raw materials costs to the market. The small gain in the revenue of the Profilform Division by 0.7% from EUR 1,138.7 million to EUR 1,147.1 million is primarily due to the fact that full-year results from the companies acquired in the USA and Brazil in 2007 were included for the first time. Although demand spiraled downward during the second half of the year, at EUR 889 million, the revenue of the Automotive Division was only 6.2% lower than in the previous year (EUR 947.5 million). This is primarily due to high capacity utilization during the first half of 2008/09, when the robust backlog of orders from the previous business year kept volume up.

Comparing the quarterly revenue, the full dimension of the dramatic deterioration of the economy and its pace become clear. While the 2nd quarter recorded the second highest revenue at EUR 3,231.2 million, declines in sales volumes and prices in all business areas resulted in a drop in the revenue during the 3rd quarter, when compared to the same quarter in the previous year; in the 4th quarter, the downtrend continued with another decline of 16.1%. With a decrease in revenue by 43% from EUR 348.5 million in the 2nd quarter to EUR 198.5 million in the 4th quarter, the Profilform Division, as a classic early cyclical mover, was affected most strongly by far. The downswings in other divisions, albeit significant, seem almost moderate by comparison: the Special Steel Division by 28.8% from EUR 977.3 million to EUR 695.9 million, the Steel Division by 24.5% from EUR 1,193.9 million to EUR 901 million, the Railway Systems Division by 24.4% from EUR 633.8 million to EUR 478.9 million, and the Automotive Division by 20.6% from EUR 235.7 million to EUR 187.2 million.

Further increase in the export quota

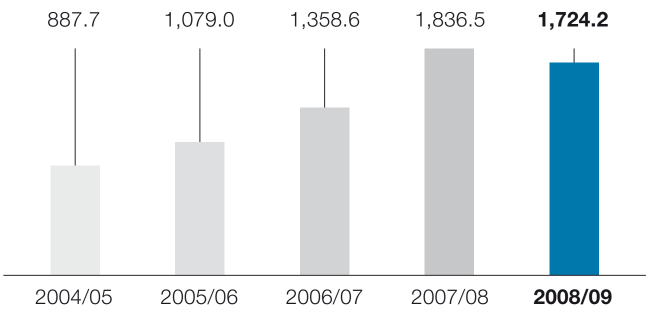
In the business year 2008/09, the export quota rose from 88% to 89%; Europe remained the most important market by far, where a total of 78% of the Group's revenue was generated. In addition to the domestic market, the most important individual markets were Germany, Italy, USA, Brazil, and France.

EBITDA decreases by 6.1% to EUR 1,724.2 million

The positive trend of continuing growth of voestalpine Group earnings established in previous years came to a halt in the year under review due to the economic slump. For the first time in six years, EBITDA could not be increased in comparison to the previous year. It fell by 6.1% from EUR 1,836.5 million to EUR 1,724.2 million. With the exception of the Railway Systems Division, whose EBITDA climbed by 3% from EUR 402.8 million to EUR 414.7 million, none of the Group's business areas could escape this downtrend. Seen individually, EBITDA went down in the Automotive Division by 24.5% to EUR 86.6 million, followed by the Steel Division with 17.5% down to

EBITDA – Earnings before interest, taxes, depreciation and amortization

In millions of euros



EUR 735.5 million. The Profilform Division recorded a slightly smaller decline in EBITDA; although its revenue fell more sharply compared to the other divisions, it recorded EBITDA of EUR 163.8 million due to the outstanding business performance during the first half of the year. The Special Steel Division increased its EBITDA by 18.4% from EUR 306.8 to EUR 363.3 million, however, this gain is only the result of the initial full-year consolidation and the declining adverse impact of the purchase price allocation (ppa) on EBITDA in the business year 2008/09 as compared to the business year 2007/08.

Even though the market environment during the business year 2008/09 experienced dramatic changes, the voestalpine Group nevertheless posted an EBITDA margin of 14.8% (previous year: 17.5%). However, none of the divisions could sustain the margins of the previous year, which decreased as follows: Steel Division from 22.6% to 17%, Special Steel Division from 11.1% to 10.3%, Profilform Division from 16.4% to 14.3%, and Automotive Division from 12.1% to 9.7%. Although the Railway Systems Division's EBITDA rose in absolute numbers, dilution effects resulting from a higher revenue basis due to raw materials prices led to a slight fall of the EBITDA margin from 18.2% to 17.6% here as well.

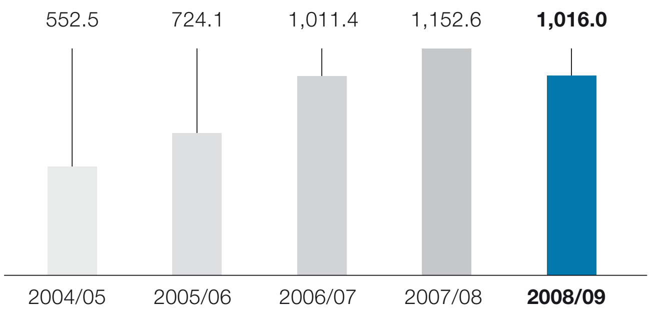
As was the case with regard to revenue, the dramatic scope of the economic trend is depicted most vividly in a direct comparison of EBITDA in the 2nd quarter, which was still excellent, with the 4th quarter of the business year 2008/09. The decline in revenue of 27.4% (comparing the 2nd quarter with the 4th quarter of 2008/09) described previously results in an even more substantial drop in EBITDA by 64.4% or from EUR 600.8 million to EUR 214.1 million. With a dip of "only" 22.9% from EUR 113.3 million to EUR 87.3 million, the Railway Systems Division was again the least affected by the more challenging market environment. The fall in EBITDA from the 2nd to the 4th quarter was 87.1% in the Special Steel Division, 74.3% in the Steel Division, 65.1% in the Profilform Division, and 40.2% in the Automotive Division. Despite the severe deterioration of the market situation, the Group nevertheless recorded an EBITDA margin of 9.1% for the 4th quarter (2nd quarter: 18.6%), viewed in isolation.

Profit from operations (EBIT) fell by 11.9% to EUR 1,016 million

EBIT (profit from operations) came down as compared to the previous year by 11.9% from EUR 1,152.6 million to EUR 1,016 million. With the exception of the Railway Systems Division, which—as with regard to EBITDA—experienced a 3% increase from

EBIT – Profit from operations

In millions of euros



EUR 315.3 million to EUR 324.7 million, all divisions reported lower operating profits than in the previous year. In the face of the global drop in prices for both raw materials and alloys and pre-materials in general, devaluations became necessary so that EBIT went down more than EBITDA, falling in the Automotive Division by 53.5% to EUR 28 million, in the Steel Division by 23.7% to EUR 522.3 million, and in the Profilform Division by 16.6% to EUR 132.4 million. Due solely to the full-year consolidation and the declining adverse impact resulting from the purchase price allocation (ppa) previously mentioned under EBITDA, the Special Steel Division increased its EBIT from EUR 5.8 million to EUR 55 million.

At 8.7%, the EBIT margin of the voestalpine Group in the business year under review was also markedly lower than the previous year's figure of 11%. As was the case for the EBITDA margin, no division was able to match the previous year's figures, which declined as follows: Steel Division from 17.4% to 12.1%, Profilform Division from 13.9% to 11.5%, and Automotive Division from 6.4% to 3.2%. As a result of the dilution effect due to increased revenue, the Railway Systems Division—as was the case for the EBITDA margin—experienced a slightly lower margin that fell from 14.3% to 13.8%, although the absolute EBIT figure climbed. The Special Steel Division increased its EBIT margin from 0.2% to 1.6% due solely to the declining adverse impact resulting from the ppa.

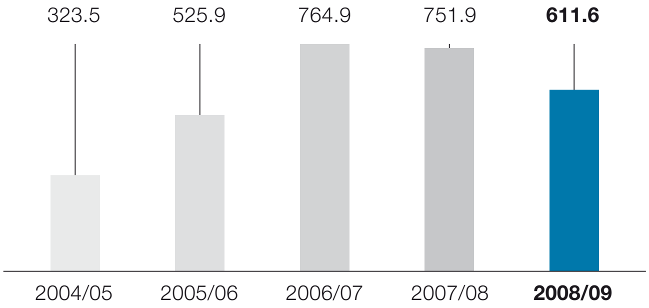
Comparing EBIT in the 2nd quarter with that of the 4th quarter of 2008/09 shows the dramatic economic trend even more strikingly than the comparison of revenue or EBITDA. While revenue slipped "only" by 27.4% when comparing the 2nd with the 4th quarter 2008/09, EBITDA fell by 64.4%, and EBIT plunged downward by 92% from EUR 427.9 million to EUR 34.2 million, recording a loss that was unprecedented in scope. This means that the voestalpine Group posted an EBIT margin in the 4th quarter of only 1.5%. However, voestalpine is the only listed steel company in Europe that closed the 1st quarter of 2009 with positive results (EBIT, profit for the period).

Effects of ppa resulting from the BÖHLER-UDDEHOLM acquisition

Even before ppa effects, EBITDA and EBIT at EUR 1,756.2 million (previous year: EUR 1,968.5 million) and EUR 1,234.6 million (previous year: EUR 1,503 million) were below the previous year's level by 10.8% and 17.9% respectively. At EUR 32 million, EBITDA was adversely affected by ppa effects for the last time in the business year 2008/09. The adverse impact of ppa

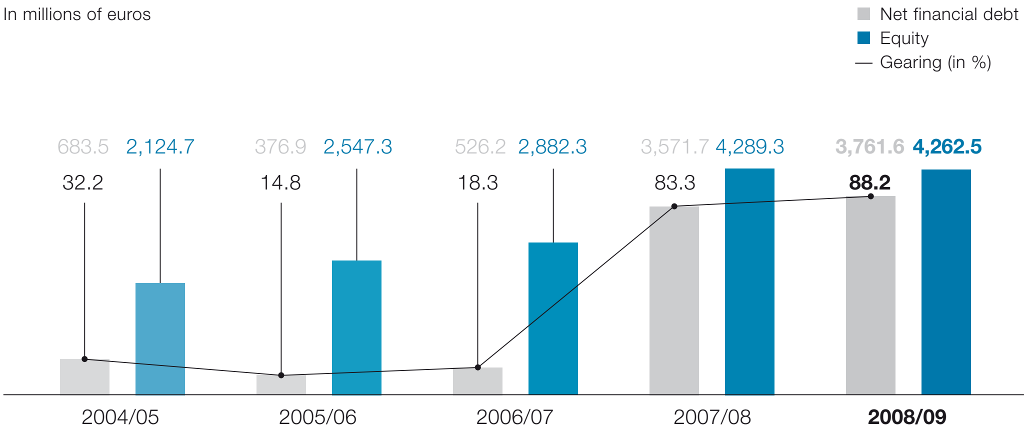
Profit for the period

In millions of euros



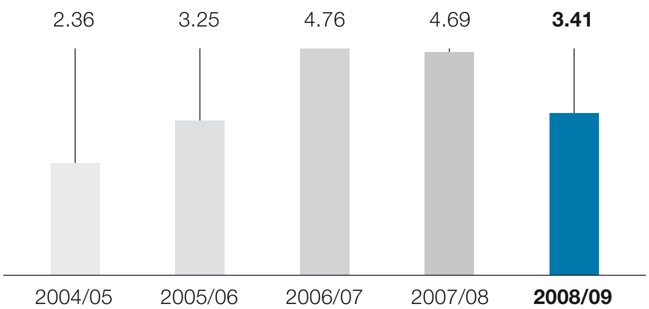
Net financial debt – Equity – Gearing ratio

In millions of euros



EPS – Earnings per share

In euros



effects on EBIT is also diminishing. In the business year 2008/09, EBIT was impacted with EUR 218.6 million; the anticipated adverse impact in 2009/10 and 2010/11 is EUR 116 million and EUR 67 million respectively.

Profit before tax shrinks by 25.6% to EUR 728.4 million and profit for the period by 18.7% to EUR 611.6 million

Due to declining operating profit and higher financing costs, profit before tax in 2008/09 also dropped by 25.6% from EUR 979.6 million to EUR 728.4 million, and the net income (profit for the period), which fell versus 2007/08 by 18.7% from EUR 751.9 million to EUR 611.6 million, remained under the previous year's figures. Due to deferred tax assets that were recognized, the tax rate in the year under review was 12.7% as compared to 20.7% in the year before.

At 88.2%, gearing ratio is at about the previous year's level

At EUR 4,262.5 million, equity of the voestalpine Group remained almost unchanged versus the end of the business year 2007/08 (EUR 4,289.3 million). The slight reduction is due to the use of equity to finance the remaining shares of BÖHLER-UDDEHOLM AG, which were acquired by way of a squeeze-out, in the amount of EUR 336 million, thus resulting in a one-time, non-recurring item. Without this non-recurring item, equity would have been considerably higher despite a dividend distribution to equity holders and hybrid capital owners in the amount of EUR 412.7 million. Net financial debt rose by 5.3% from EUR 3,571.7 million to EUR 3,761.6 million versus the previous year's balance sheet date due to financing of the dividend, cost of the acquisition of the remaining BÖHLER-UDDEHOLM shares, and investment activity, which had still been high during the year under review. It is, however, noteworthy that the net financial debt was reduced just in the 4th quarter from EUR 4,258 million as of December 31, 2008 to EUR 3,761.6 million as of the end of March primarily by consistent and efficient management of working capital.

At EUR 3.41, earnings per share significantly under the previous year's level

Earnings per share (EPS) for the business year 2008/09 amount to EUR 3.41 and are thus 27.3% lower than the previous year's comparative figure of EUR 4.69 per share.

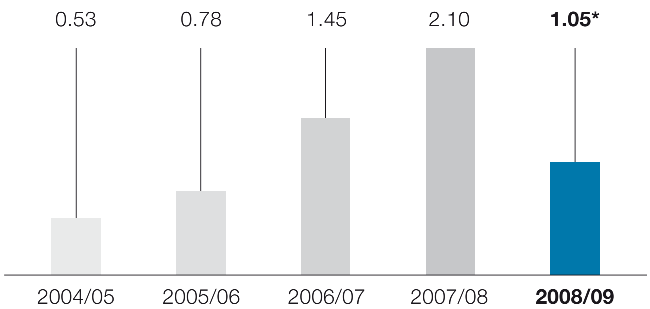
Proposed dividend: EUR 1.05

Subject to the approval of the Annual General Shareholders' Meeting of voestalpine AG, which will take place on July 1, 2009, a dividend of EUR 1.05 per share will be distributed to the shareholders for the business year 2008/09. This corresponds to

Dividend per share

In euros

* As proposed to the Annual General Shareholders' Meeting.



precisely half of the previous year's dividend of EUR 2.10 per share, however, as measured against the average share price of the business year 2008/09 of EUR 29.25, it still represents a dividend yield of 3.6%.

Crude steel production declines for the first time in 9 years

A total of 6.81 million tons of crude steel was produced in the voestalpine Group during the business year 2008/09. The 10% decrease compared to the previous year (7.57 million tons) is due to the downturn in demand from October 2008 on. Thus, the Steel Division produced 4.59 million tons, 14.8% less than in the same period of the previous year (5.39 million tons). In the Railway Systems Division, crude steel production was reduced only by 3.9% from 1.53 million tons to 1.47 million tons, primarily due to capacity utilization in the rail technology segment that continues to be good. As the 1st quarter of 2007/08 of the Special Steel Division had not yet been consolidated, its contribution to the Group's crude steel production compared to the previous year increased by 15.4% from 0.65 million tons to 0.75 million tons.

The dramatic magnitude of the economic trend can be seen here in the direct comparison of the 2nd and 4th quarters 2008/09; while the 2nd quarter reported crude steel production of 2.03 million tons, the highest output in the history of the company, crude steel production fell in the 4th quarter by 46.8% to just 1.08 million tons.

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 2008/09.

Quarterly development

	1st quarter 2008/09	2nd quarter 2008/09	3rd quarter 2008/09	4th quarter 2008/09	BY 2007/08	BY 2008/09	Change in %
Revenue	3,255.0	3,231.2	2,793.9	2,345.2	10,481.2	11,625.3	10.9
EBITDA	542.6	600.8	366.7	214.1	1,836.5	1,724.2	–6.1
EBITDA margin	16.7%	18.6%	13.1%	9.1%	17.5%	14.8%	
EBIT	357.7	427.9	196.2	34.2	1,152.6	1,016.0	–11.9
EBIT margin	11.0%	13.3%	7.0%	1.5%	11.0%	8.7%	
Employees excl. apprentices	42,088	42,325	42,062	41,216	41,490	41,216	–0.7

In millions of euros

Acquisitions and divestments

Acquisitions

Full acquisition of BÖHLER-UDDEHOLM AG

On June 23, 2008, the Annual General Meeting of BÖHLER-UDDEHOLM AG passed the resolution to initiate a squeeze-out pursuant to the Austrian Minority Shareholder Squeeze-Out Act *(Gesellschafterausschlussgesetz)* with the majority vote required under the law. This resolution—after entry into the Commercial Register pursuant to the decision by the Commercial Court (Vienna) dated September 4, 2008—was the basis for the acquisition of all BÖHLER-UDDEHOLM shares by voestalpine AG at a price of EUR 70.26 per share, plus the statutory interest.

Pursuant to the Minority Shareholder Squeeze-Out Act, each minority shareholder has the right to have the adequacy of the offered cash settlement amount reviewed by the courts. As of the statutory deadline for requests for such review procedures on October 22, 2008, a number of such requests had been made so that an appropriate review procedure by the court was initiated. However, this does not have any effect on the validity under the law of the 100% ownership of BÖHLER-UDDEHOLM AG by voestalpine AG, as this review is limited solely to the whether the cash settlement price was adequate and no longer challenges sole ownership by voestalpine AG. From today's vantage point, no conclusions about the duration of the review procedure can be drawn.

Financing of the acquisition

In November 2008, long-term financing of the acquisition of BÖHLER-UDDEHOLM by way of a bond issue in the amount of EUR 333 million was completed. In this context, a club deal in the amount of EUR 1.5 billion was signed and a debt security in the amount of EUR 500 million was issued in June 2008. Additionally, a hybrid bond with an issue volume of EUR 1 billion was successfully placed on the capital market.

Further acquisitions

In the business year 2008/09, the Railway Systems Division made several small but strategically important acquisitions. During the first half of the business year, the following acquisitions were made: 50.1% of TSF-A GmbH (Austria, production of switch ties), which has annual revenues of EUR 3.6 million and 10 employees; 100% of the North American company Leading Edge Enterprises Inc. (Illinois), a manufacturer of manganese frogs and cast ductile iron (annual revenue: EUR 8 million and 56 employees), as part of an asset deal in March 2009. The partial acquisition (49%) of René Prinsen Spoorwegmaterialen B.V. (Netherlands, laying of new track components, annual revenue: EUR 12.7 million and 23 employees) was presented in the last Annual Report; as of January 1, 2009, the remaining 51% were acquired so that the Railway Systems Division now holds 100% of this company's equity interest.

Divestments

As a result of the capital market crisis, the financing of company transactions has, of course, become significantly more difficult than before. This has had a substantial adverse affect on sales negotiations for those companies that the Automotive Division had decided to divest last year within the scope of its ongoing portfolio optimization. As of the end of the business year, a sale on acceptable terms was not possible, however, this undertaking is currently still being pursued.

The same applies to the French company Amstutz Levin & Cie. as well as to the sale of three companies in the plastics segment of the voestalpine Polynorm Group, with two sites in the Netherlands and one in the UK, which—as reported in detail in the letter to shareholders for the 3rd quarter 2008/09—failed just before a final agreement with a potential buyer from the USA could be reached.

Therefore, a restructuring plan was developed for these three companies, and it is currently being implemented. In this context, the closure of the site in St. Helens, UK, has already been initiated. However, discussions are being continued with various interested parties. The sale of the two tube processing companies, voestalpine Rotec Iberica S.A. (Spain) and voestalpine Elmsteel Ltd. (Great Britain), has also been delayed due to the economic crisis. Alternative options and restructuring measures for these companies are being evaluated. Retail activities in Germany in the tube segment were ended as of the end of the business year; this step was part of the ongoing effort to optimize the Automotive Division's product portfolio. Furthermore, the Satu Mare site in Romania, which was involved in the pre-processing of precision tubes, was closed and its production successfully relocated to voestalpine Elmsteel Polska Sp. z.o.o. in Poland.

Following the decision to sell the Automotive Division's subsidiary, voestalpine Euroweld S.r.l., sales negotiations have been held with several interested parties. It has been possible to come to a rapid agreement on the basic outlines of such a sale with one of the interested parties during the period within which the balance sheet was being prepared. The estimated effect of a divestment on profits, based on the agreed outlines of the sale, has been accounted for in the balance sheet of the annual financial statements for 2008/09. The details of the disposal of the Rivalta location, near Turin, Italy, which produces laser welded blanks and has a staff of 77 employees, and the corresponding purchase contract are currently in the final stages of negotiation.

Investments

The *investments of the voestalpine Group* in the business year 2008/09 came to EUR 1,078.9 million. Of the total investments, EUR 967.1 million were attributable to tangible fixed assets, EUR 51.1 million to intangible assets, and EUR 60.7 million to equity holdings.

The decline as compared to the all-time high reported in the previous year (EUR 3,910.1 million) is not entirely conclusive insofar as this comparative figure includes more than 90% of expenditures for the acquisition of BÖHLER-UDDEHOLM AG as well as a number of major investment projects, which have been completed in the meantime. To a lesser extent, these figures also mirror the roll-back of investment activity that was reduced in all five divisions during the second half of the year for the first time in years due to the economic slump; both ongoing and planned projects were strictly reviewed and, in part, eliminated, redimensioned, or their realization delayed or even postponed (the most important effects of these measures will not become effective until the business year 2009/10).

Despite a very restrictive investment policy due to the crisis, those projects where the focus is on the long-term expansion of the technology and quality leadership of the voestalpine Group or where significant cost cuts are possible in the short term are still being pursued.

In detail, the investment activities of the individual divisions in the business year 2008/09 were as follows:

The *Steel Division* reported investments of EUR 446.9 million, representing a decrease of 6.9% over the previous year (EUR 479.9 million). The major priorities were the completion of the investment program "Linz 2010" (the last individual project—hot-dip galvanizing plant 5—has been largely completed) and the implementation of the subsequent project "L6 – Part 1." Within the scope of this project, the company's own power plant is currently being expanded by an additional unit, and the wide strip mill is being comprehensively updated. Furthermore, a long-planned major repair on one of the two small blast furnaces is being performed. The construction of a new continuous casting facility in the steel mill as well as continuing modernization of the heavy plate production was postponed due to the current difficult economic environment.

In the business year 2008/09, the *Special Steel Division* reported investments in the amount of EUR 275.9 million. In the previous year, nine months were consolidated, and during this period of time, investments in the amount of EUR 219.4 million were made. The focus of investments was implementation of the expansion and modernization projects aimed at increasing capacity in the open-die forges in Kapfenberg (Austria), Hagfors (Sweden), Sumaré (Brazil), and Wetzlar (Germany); these investments have an estimated volume of around EUR 300 million. The program will be carried out as planned, however, it will be implemented over a longer period than originally scheduled due to the economic crisis. Therefore, only the new facilities in Brazil were commissioned in the year under review, while the completion of the investment projects at the other three sites will probably be extended through to the business year 2011/12.

In Austria, the Special Steel Division will erect a new cold rolling center in direct proximity to its Böhlerwerk/Ybbstal site; the investment here is projected to be about EUR 60 million. Construction is slated to begin this year with incremental start-up of operations from mid-2010 on. This project constitutes a strategically important investment with substantial technological innovations in the premium strip steel segment; it is the first step of a two-part project with an estimated total investment of EUR 110 million. The decision regarding the realization of the second stage—the construction of a new strip steel production facility (investment of approximately EUR 50 million)—will be made at a later date, depending on the overall economic situation.

At EUR 242,3 million, the *Railway Systems Division's* investments were 3% higher than in the previous year (EUR 235.0 million). The focus was the completion of a number of major projects at the Donawitz site in Austria and their (successful) commissioning. These are primarily the following projects: a new power plant unit (investment: EUR 79 million) in order to boost the company's own generation of electricity, a new water supply plan (EUR 54 million), which provides a permanent solution to the water supply and wastewater disposal issues at this site, as well as the new double heat treatment facility that will optimize performance of the rail production line (EUR 12 million).

Additionally, work involving the construction of a manganese foundry at the new site for the production of switches in France (investment of about EUR 17 million) went forward, and various smaller projects in all segments of the division were continued.

Investment activity of the *Profilform Division* in the business year 2008/09 showed a substantial downward trend, with a decline by 51.9% from EUR 97.5 million to EUR 46.9 million. This is due primarily to the fact that a roll-back was implemented in the first half of the year so that only a very trimmed version of the investment program to expand capacity in the special sections segment at the Krems site (Austria) was realized due to the severe drop in demand.

The same development driven by the poor economic climate affected the *Automotive Division,* which reported investments of EUR 50.9 million in the business year 2008/09, a decline compared to the previous year (EUR 77.8 million) by 34.6%. As detailed in previous reports, the focus was on the commissioning of five of the six new presses, in order to increase capacity in the sector of high-quality structural parts and components at various international sites.

Employees

The voestalpine Group had *41,216 employees* worldwide as of March 31, 2009 (not including apprentices and temporary personnel). As compared to March 31, 2008 (41,490), this corresponds to a decline by 274 employees or 0.7%.

Detailing the divisions individually, the workforce of the Steel Division during the year under review rose by 2.1% from 9,829 to 10,034 employees. The Railway Systems Division (+3.2% from 7,827 to 8,077) and the Automotive Division (+0.7% from 4,144 to 4,171) also saw their number of employees rise. On the other hand, the workforce declined in the Special Steel Division (by 4.6% from 15,453 to 14,734 employees) and in the Profilform Division (by 7.4% from 3,794 to 3,512 employees).

21,452 or 52% of the employees are working at the Group's international locations, while 48% or 19,764 employees are at companies in Austria. This ratio has remained almost unchanged as compared to the previous year (53% to 47%).

As of the end of the business year 2008/09, the voestalpine Group was training *1,503 apprentices,* of which 1,045 were being trained in Austria and 458 at international locations. Compared to the last business year (1,411 apprentices), this means that the apprenticeship program in the Group expanded yet again, growing by almost 100 young people or 6.5%.

Development of employee numbers and personnel adjustments due to the economic climate in the business year 2008/09

A comparison of employee data as of March 31, 2009 with the data as of the balance sheet date last year is not very conclusive. As the *quarterly development (see table on page 28)* shows, the abrupt change in the economic climate after the first half of the business year is naturally mirrored in how workforce numbers changed in the course of the year.

By the end of the 1st quarter, the number of core employees as of March 31, 2008 (41,490) had risen to 42,088 and by the end of the first half of the business year, the workforce had grown even further to a record high of 42,325 employees, in other words, increasing in the first six months by 835 employees or 2%.

Subsequently, however, personnel measures were initiated across the entire Group so that by the end of the 3rd quarter, the workforce declined to 42,062 and finally to 41,216 as of March 31, 2009.

Reduction of core personnel and temporary staff

Within the course of capacity adjustments, it became necessary to reduce a total of 1,109 *core employees* by March 31, 2009 as compared to September 30, 2008; more than 90% of them were employed in Group companies in those countries that were most directly affected by the crisis (for example, the UK, the Netherlands, and Germany).

In addition to cutting the core workforce by 1,109 employees, 1,679 *temporary employees* were reduced across the Group during the same period so that the overall number of employees dropped by about 2,800 during the second half of the business year.

Besides cutting back the number of employees, work hour and vacation day accrual balances were consistently slashed, reduced working hours were implemented at several Group locations, existing working time models were made more flexible, and there was an increased focus on early retirement models and part-time work for employees nearing retirement age.

Extent of reduced working hours in the voestalpine Group

Despite the differing underlying statutory framework in the various countries, the instrument of temporary reduced working hours has been implemented in several countries at locations affected by the economic crisis in order to be able to keep highly qualified core personnel employed. As of the end of the business year 2008/09, 6,680 employees of the voestalpine Group were affected by reduced working hours, of which 3,784 were employed in Austrian Group companies and 2,896 in Group companies abroad. An additional 3,933 employees were on the roster for temporary reduced working hours as of March 31, 2009. This means that the instrument of (temporary) reduced working hours is currently applicable to a total of 10,613 employees of the voestalpine Group, which is 25.7% of the workforce.

Implementation of the educational leave model in Austria

The Austrian educational leave model provides employees with the opportunity to take advantage of continuing education for a period of three to twelve months, in part financed by government agencies. As of March 31, 2009, 120 employees from Austrian Group companies were on educational leave, the majority of which (108 employees) were from the Steel Division. Outside Austria there are similar, albeit differently organized, models in some countries, which also generally provide for state funding for training programs. At the Group's international locations, currently 1,912 employees are taking advantage of this opportunity, with 1,896 of them being from the Automotive Division.

Stahlstiftung (Steel Foundation)

The Stahlstiftung (Steel Foundation) was founded in 1987 when the predecessor company, VOEST-ALPINE AG, was going through an existential crisis. The foundation is funded by way of a solidarity contribution by all Austrian employees of the voestalpine Group, by contributions from foundation members, and by the Labor Market Service *(Arbeitsmarktservice – AMS)*. This entity provides the participants with the opportunity to complete training or continuing education programs for a period of up to four years as professional retraining. As of March 31, 2009, there were a total of 495 persons being assisted by the Stahlstiftung.

Employee shareholding scheme

During the business year 2008/09, another step was taken to consolidate and expand participation by (primarily Austrian) employees in the voestalpine AG employee shareholding scheme. The model is based on a regulation in the Collective Agreement, according to which part of the pay increases is used to acquire employee shares. The employees of the Special Steel Division (BÖHLER-UDDEHOLM Group) acquired in 2007 who are working in Austria were included in the employee shareholding scheme for the first time during the business year under review.
Through the voestalpine Mitarbeiterbeteiligung Privatstiftung, previously voestalpine – Arbeitnehmer-Privatstiftung (a private foundation for the Company's employee shareholding scheme), employees currently own 13.0% of voestalpine AG shares. Due to the first-time participation of the employees of the Special Steel Division in the employee shareholding scheme, the number of participating employees rose from 16,868 to 21,614 during the business year 2008/09.

Furthermore, in addition to the actual employee shareholding model, another 939,942 shares (that is about 0.5% of voting shares), which are held by current or former employees, are being managed by voestalpine Mitarbeiterbeteiligung Privatstiftung, which also exercises voting rights for these shares. In total, as of March 31, 2009, employees held 13.5% of the shares in voestalpine AG. This is an increase over the previous year (10.8%) of 2.7 percentage points.

During the business year 2008/09, an increase in the participation of employees outside Austria in the shareholding scheme was vigorously pursued. To this end, a practicable model, whose basic premises are independent of statutory and tax-related circumstances in the individual countries, was developed and its implementation was begun at individual Group companies during the 1st quarter of the business year 2009/10 within the scope of a pilot project. voestalpine Mitarbeiterbeteiligung Privatstiftung will also be exercising the voting rights attached to the shares in the international employee shareholding model.

Despite the fact that due to the global economic crisis the human resources sector was focused on crisis management, during the business year 2008/09, long pursued measures in the segments of personnel development, knowledge retention, qualification, and internationalization continued to be implemented.

Raw materials

The business year 2008/09 was characterized by two completely opposite developments on the raw materials markets. During the first six months, demand and prices were still being determined by new records in the global crude steel production, driven in particular by China and India, but also by Brazil and Russia. Raw materials capacity, the expansion of which had been accelerated in the past few years, was not able to keep pace with the soaring demand of the steel industry despite record production. As a result of this imbalance between supply and demand, in the early part of the business year 2008/09, the large iron ore mines were able to push through price increases for long-term contracts of up to 80%. For coking coal, the increase was even more significant, surging to as high as triple the price level of 2007/08. The scrap market also reacted with extreme price jumps, reaching an all-time high in June 2008 with almost EUR 500 per ton.

Beginning in the fall, the massive effects of the global economic crisis on the steel industry led to a drastic downturn in crude steel production, which in turn resulted in a marked decline in raw materials demand with corresponding consequences for prices. From this point in time on, for example, the spot prices for iron ore and coking coal dropped by half in comparison to their highest levels. Freight rates for maritime transport and scrap prices declined even more significantly and were more volatile overall. By December, the freight rate index, which had reached a record high as late as May, plummeted by about 90%. The development of scrap prices was similar, with prices dropping by about 75%; as of the end of the business year, it was selling for about EUR 120 per ton. During the course of the year, the price trend for alloy metals (nickel, vanadium, molybdenum, etc.) was similarly dramatic.

For the 2009/10 business year, raw materials contract prices are expected to shrink considerably. While international price agreements at about 55% of last year's level have in part already been reached for coking coal, the final agreements for iron ore are anticipated for mid-May 2009. Due to the global production slump in the steel industry, a steep price reduction can be expected. The scrap price continues to be extremely volatile, with very sensitive reactions to the development in demand for steel. After the massive drop last year, moderate price increases are expected for alloy metals.

Environment

In the business year 2008/09, environment-related investments of the voestalpine Group came to around EUR 49 million at the Austrian sites alone. While they declined in comparison to the previous record set last year (EUR 61 million), they are nevertheless above the already high level of the business year 2006/07 (EUR 47 million). The current expenses for the operation and maintenance of environmental protection systems came to EUR 225 million, thus significantly exceeding the all-time high achieved last year (EUR 206 million). The increase in comparison to last year, particularly at the Linz and Donawitz locations, is due, among other factors, to the need to purchase CO_2 certificates that was defined during the business year 2008/09 and set forth in the procurement strategy for the trading period 2008-2012.

The focus of our environmental efforts was, of course, on the major steel production sites in Austria, Linz, Donawitz, and Kapfenberg, however, the environmental standards are being consistently improved internationally as well, primarily in the plants of the Special Steel Division (Germany, Sweden, Brazil).

With environmental investments in the amount of EUR 37 million and current operating costs of EUR 179 million, the largest portion of expenditures pertained to the largest production site in Linz (Steel Division). The Railway Systems Division recorded environmental investments in the amount of EUR 9.7 million for its main site in Donawitz and operating expenses of EUR 34 million; for the Special Steel Division's Kapfenberg production site, the environment-related investments came to EUR 1.4 million, with current operating expenses amounting to EUR 6.5 million.

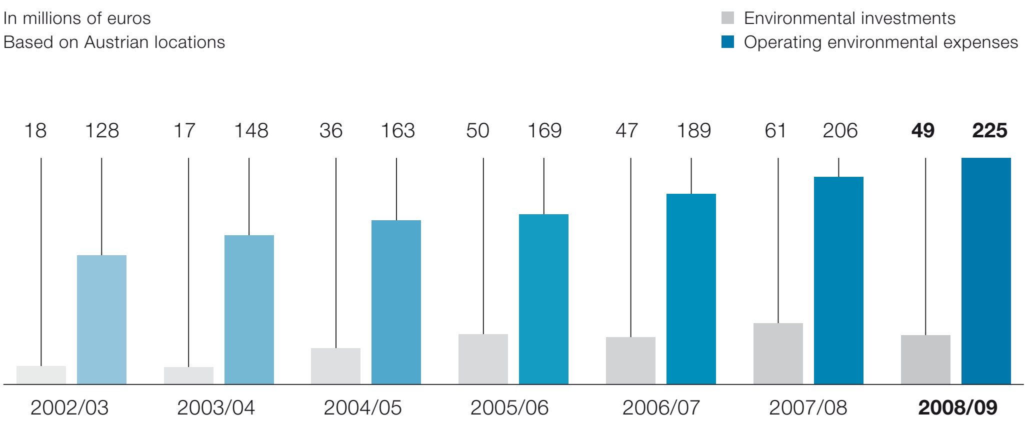
Focus of environmental efforts in the business year 2008/09

The measures that have been consistently implemented for a number of years with the objective of continuing improvement of the environmental standards at all of the Group's production locations were continued during the business year 2008/09. The goal is to achieve ongoing improvements in energy and raw materials efficiency as well as further reduction in air and water emissions and the amount of production-generated waste.

Here are some noteworthy examples from the sector of environmental investments made during the business year under review:

In the *Steel Division* (Linz site), the testing laboratory was expanded in order to improve environmental monitoring, and a new facility was built to enable more efficient treatment of washing tower sludge and its subsequent return to the sintering plant.
Additionally, the second expansion stage of the system for injection of waste plastic into the blast furnace was successfully put into operation. This increases even further the degree of substitution of fossil fuel reducing agents (such as, coke, coal, and heavy oil) by using specially prepared recycled plastics. This makes it possible to reduce the CO_2 emissions at the Linz site in full operation mode by up to 500,000 tons per year.
Other environmentally relevant measures taken by the Steel Division were associated

Environmental expenditures



with the reduction of fresh water consumption and wastewater volume in the production of heavy plate by around 10%, optimization of energy and raw material use in the foundry, another substantial reduction of energy consumption and emissions generated by production in the Steel Service Center, and measures in the logistics department enabling annual savings of about 7% in fuel and approximately 10% in electricity consumption.

In the *Special Steel Division* extensive measures were implemented at the Kapfenberg location (Austria) to improve waste heat recovery, which in turn results in CO_2 reduction. In Wetzlar (Germany), the focus of environmental efforts was on a reduction of noise and dust emissions, while in Villares (Brazil), a secondary dust removal system for the electric arc furnace was installed. Measures resulting in (significant) reductions in emissions and raw material and energy consumption were realized in other Swedish, Lower Austrian, and German companies within the Special Steel Division.

During the past few years, the *Railway Systems Division* has implemented a new water supply plan at its Donawitz plant, resulting in a permanent and environmentally compatible solution to water supply and wastewater disposal problems that had been difficult to resolve. Switch production at the Zeltweg site in Austria participated in the construction of a small hydroelectric power plant with a capacity of 2.6 MW or 12.9 GWh that generates clean energy. Surplus electricity is fed back into the public utility grid.

It should also be noted that numerous *new products* have been *developed* by Group companies that have produced positive and sustainable environmental effects, for example, foundry power plant components for so-called ultra-super-critical power plants (USC), which improve the efficiency of power plants considerably, thus contributing to a substantial reduction of CO_2 emissions. Special welding fillers that have been recently developed by the Special Steel Division also bolster power plant efficiency.

The high standards of the voestalpine Group in the sector of environment and safety were honored by various *awards* during the business year 2008/09. For example, voestalpine Stahl GmbH received the Austrian EMAS Environmental Award in June 2008 for the second time since 2002. The EMAS award is granted for the quality of the content and design of the environmental statement as well as for the representation and marketing of EMAS (ecomanagement and audit scheme) as part of a company's corporate identity; participation is voluntary. Jointly with voestalpine Stahl Donawitz GmbH, the company has a leading role in the European steel industry with regard to EMAS validation and environmental standards. Furthermore, voestalpine Stahl GmbH was nominated for the European EMAS Award.

Böhler Edelstahl GmbH & Co KG was awarded the "klima:aktiv-Auszeichnung" *(climate:active Award)* by the Austrian Ministry for the Environment for its showcase project of an installation of a heat exchanger in the exhaust chimney of a steam boiler plant.

The British Group company Metsec plc (Profilform Division) received the Gold Charter Award in November 2008 from the BCSA (British Constructional Steel Association) for savings in energy consumption and ongoing environmental improvements.

It must be mentioned in this regard that all of the major production locations in the voestalpine Group have environmental management systems conforming with ISO 14001 or EMAS requirements and have been certified or validated accordingly.

Environmental policy topics

The *climate protection plans* of the EU Commission for the period following expiration of the Kyoto Protocol in 2012 were published in January 2008.

The resolution by the European Parliament on the EU climate package in December 2008 set the strategic direction for an ambitious reduction of CO_2 emissions in the European Union for the period prior to 2020 and beyond. Contingent on the results of the World Climate Conference in late 2009, it holds out the prospect to the steel industry of free allocation of emission certificates for up to a total of 100% based on strict benchmarks.

The benchmark system for the steel industry recommended by voestalpine AG jointly with the European steel association EUROFER and its member companies would advance the realization of still existing CO_2 reduction potential in the steel industry to the greatest extent possible. The free allocation of certificates would be implemented on the basis of these benchmarks from 2013 on. The details of this system for the steel industry will be negotiated in the course of this year with the European Commission.

As of June 1, 2007, the EU directive on *REACH* took effect, the effects of which were presented in detail in the previous Annual Report. The preregistration of chemical substances required pursuant to REACH was completed on schedule by December 1, 2008 in the voestalpine Group; 28 Group companies carried out about 1,000 preregistrations with the European Chemicals Agency, which is headquartered in Helsinki.

Further steps to be taken pertain to the preparation for the registration of the substances by the first registration deadline of December 1, 2010; the voestalpine Group will be focusing on the creation of a contractual foundation for a comprehensive cooperation model that offers commensurate cost efficiency.

Currently, the *IPPC Guidelines* (Integrated Prevention Pollution and Control Directive), which were adopted in 1996, are being revised; a particular focus is the determination and standardization of emission threshold values for industrial facilities in all EU member states. These threshold values, which will be effective across Europe, may be changed in the future only in justified exceptional cases due to special local circumstances and with prior approval by the EU in order to avoid ecologically induced distortions of competition to the greatest extent possible.

The ambitious goals of the EU *Water Framework Directive* are currently being legislatively implemented or have already been implemented. At this time, it is being reviewed whether and which measures need to be taken to comply with these requirements for the companies within the voestalpine Group.

Information technology

Organization of Group-wide IT activities

The task of the information technology sector within the voestalpine Group is to support all important business processes to the greatest extent possible. Organizationally, this unit is part of Strategic IT Management and is (operationally) integrated into voestalpine Group-IT GmbH.

Strategic IT Management (ITM) is defined as a management function in each individual company; it is responsible for the efficiency and cost-effectiveness of the IT systems that support the various business processes. These functions are represented in the divisional ITM Boards to ensure that the overall strategic orientation is the same across the entire Group. Additionally, the IT managers of the divisions are represented on the ITM Board for the entire Group, which functions as a steering committee for the entire information technology sector and is headed by the CIO (Chief Information Officer) of voestalpine AG.

voestalpine Group-IT GmbH, a captive company, is responsible for setup and operation of required IT systems that are as cost-effective as possible and that have been technically optimized. In cooperation with external service providers, this company, with its approximately 600 employees, provides the required IT shared services for all units in the Group. voestalpine Group-IT GmbH, which is headquartered in Linz, also has regional companies in Germany, Sweden, and Brazil in order to provide the best possible service to the most important Group companies; its management is represented by a spokesperson on the ITM Board that is responsible for the entire Group. Within the scope of Group-wide IT operations, 208 international locations and 272 companies of the voestalpine Group are linked via the Group's IT network.

Current IT priorities

During the business year 2008/09, the integration of the Special Steel Division into the overall structures of the voestalpine Group was the focus of IT activities.

Currently, several major divisional projects are being implemented to

- Enable business process integration (BPI, Profilform Division)
- Develop a joint, standardized process and IT architecture ("Genesis," Railway Systems Division)

These projects—as well as numerous smaller projects in various Group companies—aim to make business processes along the entire value chain even more flexible on all levels, while at the same time increasing cost efficiency.

Research and development

The R&D expenses of the voestalpine Group in the business year 2008/09 came to EUR 112 million. This not only corresponds to another increase versus the previous year (EUR 93 million) by 20.4%, but when compared over the long term means that the voestalpine Group has more than tripled its annual expenditures for research and development over the past ten years.

The research ratio (R&D expenses divided by the Group's total revenue) was at 0.9% in the year under review (2007/08: 0.9%); the ratio of R&D expenses to economic value added came to 2.6% (previous year: 2.2%). Group-wide, a total of 500 employees are currently working in the more narrowly defined segment of Research & Development.

Focus of R&D efforts in the business year 2008/09

The cooperation of business and industry and science is a central focus of the Group's innovation strategy. For example, within the scope of the competency centers set up under the Austrian funding program COMET, several Group divisions in the metallurgy, materials development, and mechatronics segments are working closely with scientific institutes.

By participating in K1-MET (Competence Center for Excellent Technologies in Advanced Metallurgical and Environmental Process Development), a sustained and effective collaboration between science and industry is being undertaken to accelerate development of the metallurgical principles of steel production. In the next few years, close to EUR 20 million are being invested in this project. In the MPPE project (Integrated Research in Materials, Processing and Product Engineering), materials development is being vigorously pursued. A total of EUR 53 million is being invested in this competency center to foster the development of new products.

Great importance is also placed on the exchange of knowledge and networking and sharing know-how within the Group across all divisions. The "voestalpine Synergy Platform 2008," which was held in Kapfenberg/Styria in June on the topic of "Joining," addressed primarily welding, which is an important topic in all divisions and is a subject of several cross-divisional R&D projects. The project "Welding of high-strength steels" is worthy of particular mention; it is a Group-wide project at the highest and most sophisticated level involving the know-how of all five divisions.

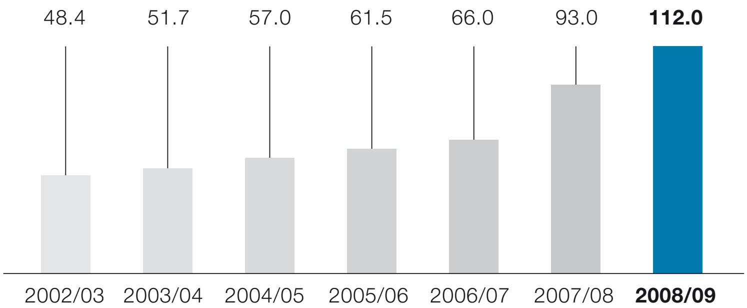
Steel Division

Research and development effort in the Steel Division is comprehensively assisted by physical and numerical simulation. Materials development on the simulator is considerably faster and more cost-effective in comparison to development in a plant and does not disrupt or endanger production. From a new laboratory melting furnace to all rolling processes, all the essential process steps involved in steel production can be realistically replicated. Since last year the voestalpine Group has a facility that is unique

Research expenses for the voestalpine Group

In millions of euros

R&D gross expenses (without R&D installation investments)



worldwide: the newly developed hot rolling simulator, with which the process of hot rolling can be simulated realistically and under practice-oriented conditions in the laboratory.

Within the scope of a strategic partnership with the Johannes Kepler University Linz, the Steel Division is supporting the establishment of a Center for Surface and Nano-Analysis (ZONA). This collaboration bundles the competencies of both partners and furthers the development of surface-refined steels of the highest quality. With ZONA, all the facilities of the University of Linz, including academic support in the sector of nano-analysis of surfaces are at the Group's disposal.

The development of zinc-magnesium-coated sheet metal has led to this product being transitioned to series production. The building industry is the main customer for this product. This process significantly improves the corrosion resistance of zinc surfaces by adding magnesium by alloying; at the same time the thickness of the coating can be reduced by half while retaining the same protective effect. This means that the new coating is also making an outstanding contribution to preserving resources.

"Colofer robust" is a new and successful product from the family of organic coatings. A special polyester coating makes the surface of sheet steel much more scratch-resistant and also protects against UV rays and temperature fluctuations. The coating enables the material to retain its corrosion resistance even under the most challenging operating conditions; additionally, it can be readily bent and folded.

As lightweight construction in body-in-white production is gaining in significance, combination construction parts made of steel and aluminum are becoming increasingly important. This, however, makes corrosion protection a major challenge. In collaboration with the K1 Center CEST (Center for Electrochemical Surface Technology), various surface coatings are being tested on a vehicle under real-life conditions to find an optimal way to provide corrosion protection.

The energy industry's demand for higher efficiency in the construction of turbines requires new materials that are suitable for high temperatures and pressures. New concepts in alloy design are currently in development to meet these requirements. As a higher energy output can be achieved by way of larger power plant components, the dimensions of components used in turbine construction are increasing. The largest steam turbine casing ever cast weighs 101 tons and comes from the voestalpine foundry in Linz.

Special Steel Division

In the Special Steel Division, development efforts in the open-die forgings segment have a high priority (focus at Buderus Edelstahl). Projects with various power plant manufacturers, whose objective it is to deliver turbine shafts of ever increasing size, are being realized with particular vigor. In this context, however, fundamental cross-segment issues in the areas of metallurgy and conversion technology are being dealt with, for example, in a recent cross-process reference project jointly with a major manufacturer of gearboxes and a classification society.

At the Swedish Group company Uddeholm Tooling AB, an experimental reactor has been commissioned to accelerate efforts to develop nitrogen-alloyed powder steel; this reactor will be used for continuing development of this process. The first nitrogen-alloyed powder steel on the market, Vancron 40, received the "2007 EPMA Award" for powder metallurgical excellence.

At Böhler Edelstahl in Austria, a notable development has been S419 in the high-speed steel segment; this product will be used in the low alloy steel segment as a cost-effective complementary product to S404, the standard economic high-speed steel.

Böhler Bleche (Austria) has recently accelerated the development of bullet-proof plates for cars and has already been qualified as a supplier by an automobile manufacturer. Development of this manufacturing technology for bullet-resistant prefabricated parts is being undertaken in collaboration with voestalpine Polynorm Grau, a Group company in the Automotive Division.

Railway Systems Division

The recently completed investment at the site in Donawitz, Austria, in a new rail heat treatment plant with a double cooling unit will enable a significant increase in productivity in the production of special headhardened rails. In addition to these "HSH" rails, this new double heat treatment facility will be able to produce second and third generation high-speed tracks, which are still in the process of being developed. This will have direct positive effects on further development of bainitic rails.

In the seamless tube segment, a new, high-quality, gas-tight threaded connection for oilfield tubes has been developed. After the required tests were completed with positive results, the first installations were made in the past year for customers. The newly developed threaded connection was trademarked under the name "Vasuperior," and a patent application was filed.

The "ready-to-install tram switch" project marked a first success when the Railway Systems Division performed a trial installation of such switches in Frankfurt on the Main. By pre-assembling the switch on several supporting concrete slabs, street closure times can be minimized and the initial quality improved, which also enables lower life-cycle costs.

A new crack detection system makes it possible to produce a surface finish that meets requirements better in the manufacture of crack-sensitive steel wire for demanding applications (for example, steel for cold extrusion for automotive applications and oil-hardened and tempered, alloyed spring wire for heavy-duty continuous oscillation applications).

Profilform Division

Development of the zinc-magnesium coating that was developed in the Steel Division was successfully continued in the Profilform Division to series production readiness: This process has already been used to protect more than 1,000 tons of trellis posts against corrosion, which were sold to the winegrowing industry.

Kobe Steel, Ltd., Japan, and the Group company voestalpine Krems GmbH have signed a cooperation agreement with reference to the use of ultra-high-tensile steels and cold roll forming technologies for the automobile industry. The voestalpine Group will continue to expand collaboration with the Japanese steel manufacturer in the segment of the so-called UHSS (ultra-high-strength steel) grades for the automobile industry. This collaboration between Kobe Steel and voestalpine Stahl GmbH with the purpose of worldwide supply of UHSS grades was begun in 2002.

Last year, the Roll Forming Corporation, USA, successfully realized a long-term development project in the aviation sector. The company is now the exclusive supplier of laser-welded titanium components for seat rails for the U.S. aircraft manufacturer Boeing. This order is the largest long-term individual order in the history of the Profilform Division.

Automotive Division

In an intensive collaboration with the Steel Division, a new material called "phs-ultraform," a press-hardened steel for special press parts, was developed to series production readiness within just a few years. In the summer of 2008, major production deliveries to the automobile industry began and are still ongoing.

Risk management

Since the business year 2000/01, the voestalpine Group has had a comprehensive risk management system in place that was established based on a general, Group-wide policy. It is based on a revolving procedure that is performed at least once a year to identify potential risks early on and evaluate them with regard to possible losses and probability of occurrence.

Now that the Austrian Company Law Amendment Act of 2008 *(Unternehmensrechts-Änderungsgesetz)* has taken effect, the importance of an internal control system (ICS) and a risk management system and their monitoring has grown even further. Both the risk management and the internal control systems are integral components of the existing management systems within the voestalpine Group. The Internal Audit department independently monitors operating and business processes and the ICS and has full discretion when reporting and assessing audit results.

Main risk areas

The preventive measures for the main risk areas detailed in last year's Annual Report continue to apply unchanged. The main risk areas are:

- Raw materials availability and price hedging
- Failure of IT systems
- Failure of production facilities
- Legal risks (in order to limit these to an even greater extent, a Code of Conduct was developed and put into effect Group-wide in the year under review)
- CO_2 issues (are depicted in detail in the "Environment" section of this Annual Report)
- Financial risks – liquidity risk, credit risk, foreign currency risk (are explained in detail in the notes to the consolidated financial statements)

The already existing package of measures for the event of a pandemic is reviewed annually as a matter of course to ensure their absolute state-of-the-art efficiency and effectiveness in the case of an actual such occurrence. For example, directly after the outbreak of the swine flu in the spring of this year, all possible preventive measures were set in motion.

During the business year 2008/09, a number of additional measures were initiated in connection with the global economic and financial crisis and its effects on the voestalpine Group in order to address and prevent the resulting risks. These measures are targeted at

- Keeping the negative consequences of the weak economic climate on the voestalpine Group as limited as possible
- Ensuring high product quality despite massive cost cutting
- Keeping adequate liquidity available
- Preventing a crisis-driven drain of important in-house expertise with a view to our constant objective of a long-term expansion of our quality and technology leadership

Viewed from the current vantage point, it will be possible to keep the negative effects of the economic and financial crisis within manageable proportions due to the Group's high standards of technology and quality and its good market position, the capability of the deliberately chosen decentralized organizational structure to respond directly to priority issues, and the portfolio of products that is quite diversified in comparison to the competition.

Considering the overall challenging economic development, it is of particular importance that the voestalpine Group's risk management system was already put into place in the business year 2008/09 in all major production companies of the Special Steel Division (BÖHLER-UDDEHOLM AG) that had just been purchased in the previous year.

Concrete measures to eliminate or at least diminish the risks previously identified in the Group have been developed and largely implemented. The nature of these measures was aimed at mitigating losses and/or reducing the probability of occurrence.

It should be noted that risks within the voestalpine Group overall are limited and manageable and do not represent a danger to the continued existence of the Group.

Legal information

As of March 31, 2009, the share capital of voestalpine AG amounts to EUR 305,042,462.76 and is divided into 167,899,032 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 Company'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.

Section 4 para. 2 of the Articles of Association authorizes the Management Board of voestalpine AG to increase the Company's share capital on or before June 30, 2010 by up to 15,840,000 no-par value shares (approximately 9.43%), to be used to issue shares to employees, executives, and members of the Management Board (Section 4 para. 2 letter b) and up to 31,680,000 no-par value shares (approximately 18.87%) for other purposes (Section 4 para. 2 letter a) (authorized capital).
On February 25, 2009, the Management Board resolved to exercise its authorization pursuant to Section 4 para. 2 letter b of the Articles of Incorporation and increased the share capital of voestalpine AG by about 2% by issuing 3,300,000 no-par value bearer shares to employees of voestalpine AG and of companies affiliated with voestalpine AG within the scope of the voestalpine employee shareholding scheme. The Supervisory Board approved this capital increase on March 16, 2009. The entry into the Commercial Register was carried out on March 27, 2009.

In addition, Section 4 para. 6 of the Articles of Association also authorizes the Management Board to increase the share capital by up to 15,840,000 no-par value shares (approximately 9.43%) in the event that holders of the convertible bond issued by the Company in July 2005 exercise their conversion rights. In the business year 2008/09, the Management Board utilized this authorization and issued 159,999 ordinary no-par value shares (= 0.1%) to creditors of the convertible bond.

Under a resolution passed by the Annual General Meeting on July 2, 2008, the Management Board of voestalpine AG is authorized to repurchase a total of 10% of the Company's shares on or before December 31, 2010.

The convertible bond issued by voestalpine AG in July 2005, the hybrid bond issued in October 2007, the bonds issued in the period under review (EUR 333 million in fixed-interest securities 2008-2011, as well as EUR 400 million in fixed-interest debt securities 2009-2013), and other long-term financing agreements with a total volume of EUR 2.1 billion, which the Company executed in the period under review with national and international banks, contain so-called change-of-control clauses. Under the terms and conditions of the convertible bond and of the bonds issued during the period under review, bondholders have the right to demand redemption of their bonds if control of the Company changes. The banks, which executed financing agreements with a total volume of EUR 2.1 billion, are entitled to the same right.

Under the terms and conditions of the hybrid bond issue, the fixed interest rate of 7.125% or the margin of 5.05% go 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 past nine months, the global economy has deteriorated in a way that no one could have expected at the beginning of the business year 2008/09. Despite certain fears of a recession in the USA and Japan, it seemed completely unthinkable that just six months later the entire world would be in the worst recession since the 1930s. It was also unimaginable that regions experiencing an economic boom, such as China, Southeast Asia, and India, but also Central and Eastern Europe, would lose their economic momentum practically overnight. That this is precisely what happened nonetheless makes it clear once again how difficult it is to predict economic developments for a time period that is more than just a few months.

In all consciousness of this uncertainty, the following will attempt a forecast of economic developments up to the end of 2010. Viewed from today's vantage point, the economic downtrend should be coming to a stop by the fall of 2009 and enter a phase of weak and volatile growth of the real economy until the summer of next year. A stabilization of demand must be at the forefront of any changes, as this is the prerequisite for the rising price levels required for sustained and sustainable economic growth. Realistically, however, this cannot be anticipated to occur before the second half of 2010. A recovery of the production level prevalent in 2007 seems probable only in the medium term, meaning over a period of several years. Against this backdrop, in 2009/10 the economic environment will create the most difficult business year in decades for the voestalpine Group.

The prerequisite for the economic trend reversal expected in the course of this year is a swift normalization of the inventory situation in all major customer industries; from today's perspective, this should occur in the course of the summer months. Beginning in the second quarter of the business year, the Steel and Special Steel Divisions will profit from the raw materials and energy prices that are shrinking considerably; this, however, will compensate the price deterioration of the last quarters only in part. Nevertheless, after an extremely difficult first half of the year for these two divisions, this should bring some initial relief with regard to both revenue and profit from the fall of 2009 onward. Viewed over the entire business year, the development of the Railway Systems Division will be more stable; the toll taken by the economic slump on its main business segment, railway infrastructure, was far less severe than in the other business sectors. But even in this division, it will not be possible to avoid negative effects on profit entirely, as the smaller segments of wire and seamless tubes will continue to be under pressure. As a typical early cyclical mover, the Profilform Division should be able to put the most difficult phase behind it in the course of the summer of 2009; for the Automotive Division, however, an improvement of the economic environment seems improbable for the entire business year.

To summarize, the voestalpine Group can anticipate that the economic environment will continue to be challenging in the first half of the business year 2009/10, resulting in a negative—albeit manageable—operating profit; the second half of the business year can be expected to be more positive, both with regard to revenue and profit, due to an easing of the economic situation. This trend will be underpinned by an additional extensive cost optimization program, focused working capital management to pursue active management of liquidity, and a critical reexamination of investments and maintenance expenditures. From today's perspective, the business year 2009/10 overall can be expected to report a positive operating profit.

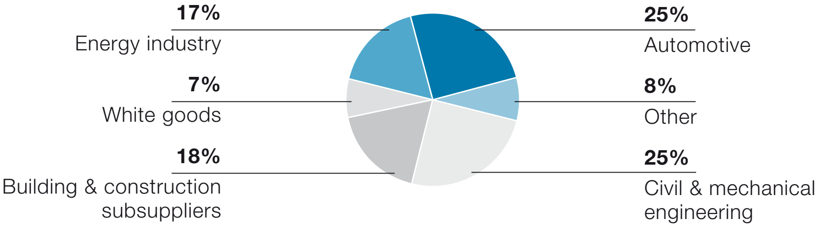
Steel Division

Key figures of Steel Division

In millions of euros	2007/08	2008/09	Change in %
Revenue	3,942.8	4,328.5	9.8
EBITDA	891.6	735.5	–17.5
EBITDA margin	22.6%	17.0%	
EBIT	684.4	522.3	–23.7
EBIT margin	17.4%	12.1%	
Employees excl. apprentices	9,829	10,034	2.1

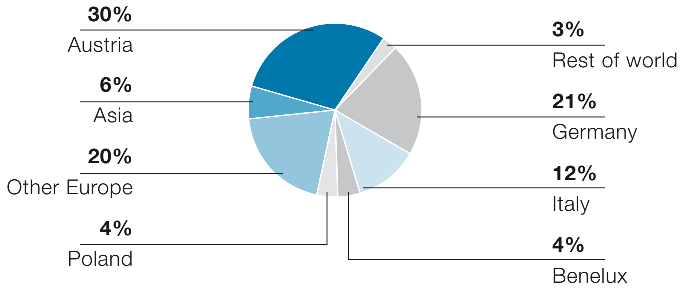
Customers of Steel Division

As percentage of divisional revenue
Business year 2008/09



Markets of Steel Division

As percentage of divisional revenue
Business year 2008/09



Market environment and business development

The business year 2008/09 was marked by a sharp contrast between the two halves of the year, with record sales volumes, record revenues, and record results in the first half of the year and in the second half an economic reversal whose stunning pace and extent eclipsed everything that has gone before.

Against this backdrop, even production cutbacks by the European steel industry, some of which were very significant, could not prevent steel prices from coming under intense pressure from the 4th quarter of the 2008 calendar year on. Compared to the record level in mid-2008, prices on the spot markets in Europe were reduced by almost half within the space of just over six months—and this despite a reduction of flat steel imports into the EU by 16% compared to the previous year.

The most significant factor in the price collapse in the second half of the business year was the decline in demand due to shrinking production across all industries, with the exception of the energy sector. And as this economic slump was so broad-based, it was impossible to compensate the falling demand in one industry in other sectors.

In many sectors, the nosedive in industrial production is truly dramatic. From November 2008 on, the production figures of the European automobile industry were 30 to 40% below the comparison months of the previous year; in the commercial vehicle segment, capacity utilization dropped as low as 20% in some cases.
Even sectors such as heavy plate for the energy sector, which had not shown any weakness initially, have not been able to escape the downtrend.

Development of key figures

After an outstanding first half of 2008/09, the Steel Division was fully hit by the effects of the deteriorating economy. From the 3rd quarter on, the largest segment of quality flat steel (strip products) as well as the Steel Service Center and the pre-processing segment were impacted by a severely declining order volume from almost all customer industries. In contrast, business development in the heavy plate and foundry areas was marked by high demand and an attractive price level throughout the whole year.

Supported by the very good market environment in all product segments, during the first half of 2008/09, higher costs due to rising raw materials prices were passed on to the market by way of increased prices; as a result the *operating profit* at EUR 4,328.5 million was still 9.8% higher over the entire year than the previous year's figure (EUR 3,942.8 million). At EUR 735.5 million, *EBITDA* fell compared to the same period of the previous year (EUR 891.6 million) by 17.5% due to the continuing high raw materials prices at diminishing production volumes, sinking prices, and a commensurate need for a devaluation of raw materials and semi-finished and finished goods. The decline in *EBIT* was even more pronounced at 23.7% from EUR 684.4 million to EUR 522.3 million. The immediate reaction to the sharp fall in demand, with capacity adjustments and accelerated cost-cutting measures, had a beneficial effect so that, despite the difficult economic environment, the division nevertheless recorded a comparatively very good *EBITDA margin* of 17% (compared to 22.6% in the previous year) and an *EBIT margin* of 12.1% (compared to 17.4% in 2007/08).

As of the end of the business year 2008/09, there were 10,034 *employees* in the Steel Division. The increase of 2.1% compared to the previous year (9,829 employees) resulted from the excellent level of demand in the first half of the business year 2008/09. The initial adjustments to personnel to accommodate the changed economic circumstances were a reduction of temporary personnel *(please refer to the section "Employees" in the management report),* accelerated consumption of compensatory time credit and vacation days, as well as reduced working hours for about 3,000 employees in February and March.

Quarterly development

	1st quarter 2008/09	2nd quarter 2008/09	3rd quarter 2008/09	4th quarter 2008/09	BY 2008/09
Revenue	1,174.7	1,193.9	1,058.9	901.0	4,328.5
EBITDA	240.8	264.9	161.7	68.1	735.5
EBITDA margin	20.5%	22.2%	15.3%	7.6%	17.0%
EBIT	188.7	210.9	108.8	13.9	522.3
EBIT margin	16.1%	17.7%	10.3%	1.5%	12.1%
Employees excl. apprentices	9,889	9,937	10,023	10,034	10,034

In millions of euros

Special Steel Division[1]

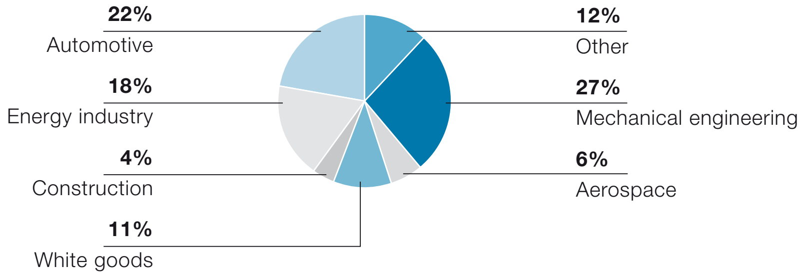
Key figures of Special Steel Division

In millions of euros	2007/08*	2008/09	Change in %
Revenue	3,684.5	3,530.6	–4.2
EBITDA	454.2	363.3	–20.0
EBITDA margin	12.3%	10.3%	
EBIT	124.9	55.0	–56.0
EBIT margin	3.4%	1.6%	
Employees excl. apprentices	15,453	14,734	–4.7

* In order to better compare the business performance of the Special Steel Division, the 1st quarter of 2007/08 (April 1 to June 30, 2007) is presented as a component of the business year 2007/08 (April 1 to March 31, 2008), corresponding to the BÖHLER-UDDEHOLM AG figures published at the time. Formally, it was never a component of the voestalpine consolidated financial statements, as the initial consolidation of the BÖHLER-UDDEHOLM acquisition occurred on July 1, 2007.

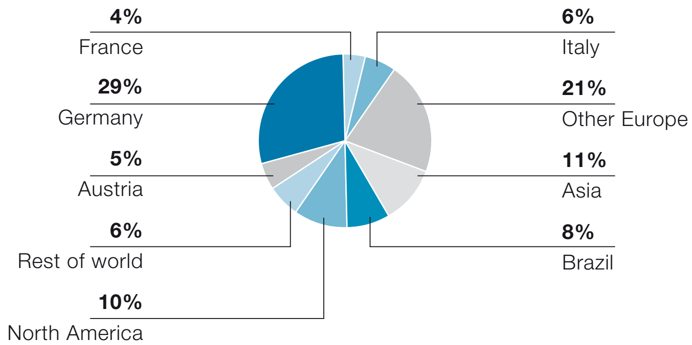
Customers of Special Steel Division

As percentage of divisional revenue
Business year 2008/09



Markets of Special Steel Division

As percentage of divisional revenue
Business year 2008/09



Market environment and business development

As was the case in all other divisions, the first half of 2008/09 was still characterized by a positive trend in all of the major product segments; in the second half of the business year, however, the global economic crisis led to an unparalleled collapse of demand in almost all customer sectors and markets for the Special Steel Division as well.
Customers in the automobile, mechanical engineering, building, and consumer goods industries were among those most severely affected. Demand from the energy sector, the chemicals industry, the aviation industry, and the oilfield technology sector remained more or less stable in the second half of the year, although it was trending downward here as well.

Compared to the previous year, the Special Steel Division reported a significant decline in sales volume that resulted both from generally shrinking demand and from the dramatic reduction of inventory along the entire value chain through to the end customer. Reaction was swift to the sharply diminishing utilization of the divisional production companies with measures being taken to manage capacity, in particular, reduced working hours and work suspension agreements, reduction of both temporary employees and core staff, as well as accelerated implementation of cost optimization programs.

There are, however, substantial differences in the market environment of individual segments of the Special Steel Division. In the largest segment *(high performance metals),* the economic slump in the second half of the year was very distinctly noticeable in all the core markets and most important customer industries, with the exception of the energy generation and aviation industries. The product segments of tool steel and high-speed steel suffered most dramatically from a steep drop in demand, while the special materials sector was somewhat less heavily affected.
The *welding consumables segment,* on the other hand, registered satisfactory demand throughout the entire business year in the power plant, pipeline, and mechanical engineering sectors, as well as in the petrochemical segment. The manufacture of appliances, the automobile industry, and the maintenance & repair sector were also hit hard by falling demand.
After an initial cooling trend in the fall of 2008, the *precision strip* business area experienced a very sharp decline in orders in the 4th quarter of the business year, with the band saw strip steel segment impacted most strongly. Sales of cold-rolled strip, precision strip steel, as well as rule die steel and cutting and creasing rules were down considerably. The product segments of hot strip and bimetallic strip fell less steeply below the previous year's level.
In the *special forgings* business area, demand for forgings for wide-body aircraft and high-quality turbine blades for the energy sector remained at the previous year's high level. Business in the commercial vehicle industry and the plant and machinery construction sectors, which were harshly affected by the economic crisis, was less satisfactory.

[1] In the absence of any statements to the contrary, pursuant to IFRS, all stated figures are after purchase price allocation (ppa).

Development of key figures

Due to the dramatic deterioration of the market environment, the Special Steel Division could not match its good performance of the past years.

In the business year 2008/09, *revenue* came to EUR 3,530.6 million. Due to the drop in demand, together with a falling price level, it was 4.2% below that of the previous year (EUR 3,684.5 million).
The division's operating profit was additionally impacted by the fact that, although base prices in the most important product groups could be maintained at a good level despite challenging market conditions, alloy surcharges decreased significantly, necessitating considerable write-downs of inventories. Accordingly, *EBITDA* declined compared to the previous year by 20% from EUR 454.2 million to EUR 363.3 million, and the *EBITDA margin* from 12.3% to 10.3%. At EUR 55 million, *EBIT* of the Special Steel Division was 56% under the comparison figure of the previous year (EUR 124.9 million), while the *EBIT margin* fell from 3.4% to 1.6%. Thus, operating profit was substantially below the previous year's figures, although it should be noted that the included but not consolidated EBITDA and EBIT figures of the 1st quarter of 2007/08 in the amount of EUR 147.4 million and EUR 119.1 million respectively were not reduced by the purchase price allocation (ppa), unlike the other profit figures, so that the business year 2007/08 can only be used for comparison to a limited extent. (In the business year 2008/09, EBITDA was impacted by EUR 32 million in ppa effects and is EUR 395.3 million before ppa; the EBITDA margin before ppa is 11.2%. EBIT is EUR 273.6 million before ppa, and the EBIT margin before ppa is 7.8%. While the adverse impact resulting from ppa came to EUR 350.4 million in the business year 2007/08, in the year under review it was reduced to EUR 218.6 million.

As of March 31, 2009, the Special Steel Division had 14,734 employees; compared to the end of the business year 2007/08 (15,453 employees), this corresponds to a personnel reduction by 719 employees or 4.7% *(please refer to the section "Employees" in the management report)* to adjust production capacity to the sharp decline in demand.

Quarterly development

	1st quarter 2008/09	2nd quarter 2008/09	3rd quarter 2008/09	4th quarter 2008/09	BY 2008/09
Revenue	1,017.1	977.3	840.3	695.9	3,530.6
EBITDA	122.2	152.5	69.0	19.6	363.3
EBITDA margin	12.0%	15.6%	8.2%	2.8%	10.3%
EBIT	33.8	78.5	–4.3	–53.0	55.0
EBIT margin	3.3%	8.0%	–0.5%	–7.6%	1.6%
Employees excl. apprentices	15,451	15,487	15,314	14,734	14,734

In millions of euros

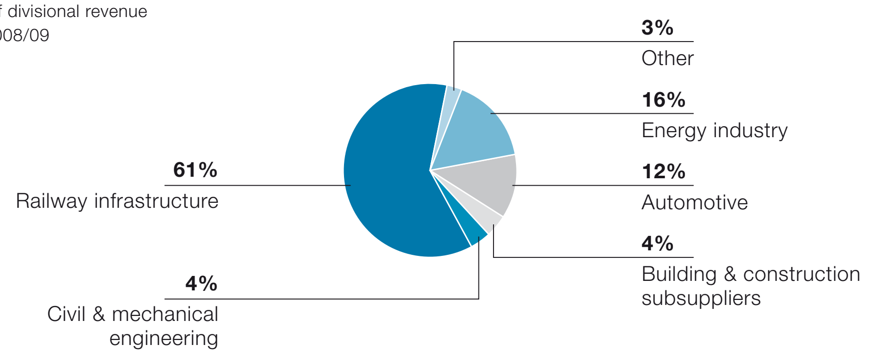
Railway Systems Division

Key figures of Railway Systems Division

In millions of euros	2007/08	2008/09	Change in %
Revenue	2,211.4	2,351.0	6.3
EBITDA	402.8	414.7	3.0
EBITDA margin	18.2%	17.6%	
EBIT	315.3	324.7	3.0
EBIT margin	14.3%	13.8%	
Employees excl. apprentices	7,827	8,077	3.2

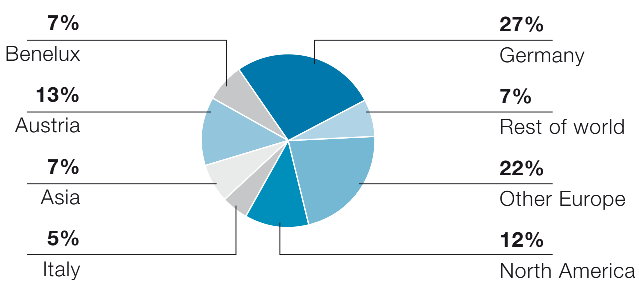
Customers of Railway Systems Division

As percentage of divisional revenue
Business year 2008/09



Markets of Railway Systems Division

As percentage of divisional revenue
Business year 2008/09



Market environment and business development

In the business year 2008/09, the performance of the four segments of the Railway Systems Division was markedly different. In early October 2008, the *wire segment* experienced an abrupt and significant deterioration of the market environment, which had been excellent up to that point in time. The demand for *seamless tubes* in the OCTG segment (oilfield tubes) encountered a similar development—albeit one quarter later—primarily in North America, the single most important market of voestalpine Tubulars GmbH & Co KG, making it necessary to scale down from a four-shift to a three-shift operation in March 2009.

A noticeable weakening of demand, including in the non-OCTG segment, in particular in the mechanical engineering and automotive industries, made the situation even more challenging. Nevertheless, the seamless tube segment achieved an excellent result for the year with an EBIT margin of 25.1% and was thus again the best-performing business area in the division by far.

A very friendly market environment in practically all markets enabled full utilization of capacity in the *railway infrastructure segments.* There was significant reduction in capacity utilization in the second half of the year only in the North American freight train segment due to the economic crisis.

During the last quarter of the business year, the industrial sector and the mining industry were affected by a substantial weakness in demand. However, additional business volume in Europe and in Asian growth markets compensated for this decline so that both the rail technology and the turnout technology business segments were able to set new revenue records. The economic stimulus packages implemented by many governments both across Europe and overseas should be able to separate the railway infrastructure markets from the general economic climate that continues to be under pressure.

In the wire segment, the downward spiral of demand since the fall of 2008 is due primarily to the crisis in the automotive industry. After using up all remaining vacation days and compensatory time credit from flexible working hours, dropping demand had to be countered by way of reduced working hours and personnel cuts.

There was a significant decline in orders for wire and seamless tubes, with external customers placing far fewer orders, but as production capacity in the *steel segment* had been curtailed, it was possible to avoid building up inventory. Simultaneously, there was a commensurate roll-back of raw materials purchases (ore, coke, and coal) so that there were no disproportionate inventory levels of raw materials that would have resulted in undue capital commitment.

Development of key figures

In the business year 2008/09, despite the extremely difficult economic situation, the Railway Systems Division was again able to increase both revenue and the operating result as compared to the already high level of the previous year.

The *revenue* rose by 6.3% from EUR 2,211.4 million to EUR 2,351 million, due primarily to the fact that it was possible in most cases to pass on the steeply higher raw materials costs (coal/coke, ore, scrap, and alloys) to the market.

EBITDA came to EUR 414.7 million, an increase of 3.0% compared to last year's figure of EUR 402.8 million. *EBIT* also went up by 3.0% from EUR 315.3 million to EUR 324.7 million. This positive development is chiefly the result of the fact that the economic environment during the first half of 2008/09 was still excellent, the business performance in the rail and turnout technology segments was stable (including the second half of 2008/09), the profitability of seamless tubes in the OCTG segment is high, and there has been a continuing focus on cost optimization programs that have been successful for a number of years.

Both the *EBITDA* (17.6% compared to 18.2% last year) and the *EBIT margins* (13.8% compared to 14.3% in the business year 2007/08) almost attained last year's figures despite the dilution effect resulting from a higher revenue basis due to raw materials prices. This highlights the fact that the division's strategic position is outstanding by international standards as well.

As of March 31, 2009, the Railway Systems Division had 8,077 *employees;* compared to last year (7,827) this corresponds to a 3.2% increase (due primarily to acquisitions).

Quarterly development

	1st quarter 2008/09	2nd quarter 2008/09	3rd quarter 2008/09	4th quarter 2008/09	BY 2008/09
Revenue	630.7	633.8	607.6	478.9	2,351.0
EBITDA	112.8	113.3	101.3	87.3	414.7
EBITDA margin	17.9%	17.9%	16.7%	18.2%	17.6%
EBIT	90.7	91.0	79.3	63.7	324.7
EBIT margin	14.4%	14.3%	13.1%	13.3%	13.8%
Employees excl. apprentices	8,023	8,068	8,110	8,077	8,077

In millions of euros

Profilform Division

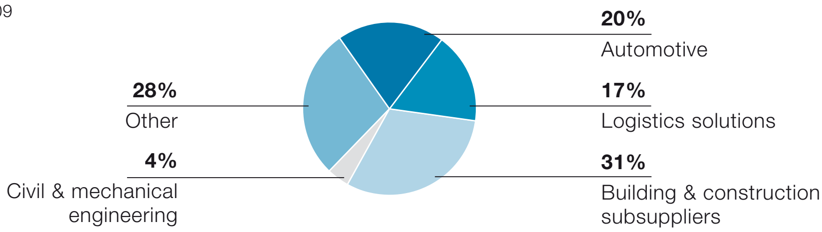
Key figures of Profilform Division

In millions of euros

	2007/08	2008/09	Change in %
Revenue	1,138.7	1,147.1	0.7
EBITDA	186.8	163.8	–12.3
EBITDA margin	16.4%	14.3%	
EBIT	158.7	132.4	–16.6
EBIT margin	13.9%	11.5%	
Employees excl. apprentices	3,794	3,512	–7.4

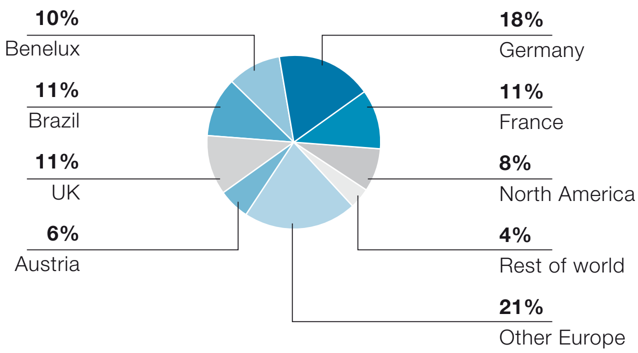
Customers of Profilform Division

As percentage of divisional revenue
Business year 2008/09



Markets of Profilform Division

As percentage of divisional revenue
Business year 2008/09



Market environment and business development

Analogous to the development in the other areas of the Group, the business year 2008/09 was characterized by two halves of the year that stood in sharp contrast to each other.

While the excellent economic situation with high sales volumes and rising sales prices continued unchanged until late summer 2008—with the two business segments tubes/sections and storage technology being able to increase their delivery quantities by almost 25% compared to the record volumes of the previous year—from mid-September on, practically all of the division's customer industries and market regions were gripped by a collapse of demand that was unexpectedly dramatic and unprecedented in scope.

This development alone was already extremely precarious, but it was exacerbated by a rigorous reduction of inventory by traders, who practically stopped placing orders due to prices that continued to fall. During the second half of the business year 2008/09, this led to dramatic declines in new orders and sales volumes.

The commercial vehicle sector was most strongly affected during this period, with drops of up to 80%; the few positive signs with regard to demand were limited to the energy technology segment. Regionally, business performance in the USA was characterized by an unexpected stability, while in Brazil a downturn did not become noticeable until the end of the business year; Europe, on the other hand, has been widely affected by an economic slump since the fall of 2008. The development in the UK, France, and Russia has been particularly critical.

Due to the historically unique dimensions of this global crisis, the Profilform Division has not only sharply limited its investment activities but has also taken comprehensive steps to adjust capacity. In addition to accelerated consumption of vacation days and compensatory time credit, as well as implementation of flexible working time models, a reduction of core personnel was unavoidable[1]. An additional focus was a concentrated management of working capital in order to ease the liquidity situation.

[1] For more information, see the “Employees” section of the management report.

Development of key figures

Despite the dramatic deterioration of the market environment during the second half of the year, the Profilform Division was again able to markedly exceed the revenue benchmark of EUR 1 billion in the business year 2008/09 and hold its profitability at a level that was satisfactory overall, despite the downward trend.

Revenue came to EUR 1,147.1 million, 0.7% above that of the previous year (EUR 1,138.7 million), due to the outstanding first half of the business year 2008/09 and the fact that the consolidated financial statements included full-year results from the companies acquired in the USA and Brazil during the previous year for the first time.

The upheaval that pervaded the economic scene worldwide during the 3rd quarter of 2008/09 and the associated declines in sales volumes and prices, as well as the necessary value adjustments to inventory resulted in a decrease in *EBITDA* by 12.3% from EUR 186.8 million to EUR 163.8 million.

Profit from operations (EBIT) declined by 16.6% from EUR 158.7 million to EUR 132.4 million compared to the previous business year, nevertheless achieving one of the best results since the division was established.

Despite the pronounced tightening of the market environment, the Profilfom Division was still able to post an *EBITDA margin* of 14.3% (last year: 16.4%) and an *EBIT margin* of 11.5% (last year: 13.9%).

As of March 31, 2009, the division had 3,512 *employees;* compared to last year (3,794) this corresponds to a reduction of 7.4% because of personnel adjustments due to the economic situation.

Quarterly development

	1st quarter 2008/09	2nd quarter 2008/09	3rd quarter 2008/09	4th quarter 2008/09	BY 2008/09
Revenue	341.2	348.5	258.9	198.5	1,147.1
EBITDA	57.3	58.4	27.7	20.4	163.8
EBITDA margin	16.8%	16.8%	10.7%	10.3%	14.3%
EBIT	49.4	50.4	20.0	12.6	132.4
EBIT margin	14.5%	14.5%	7.7%	6.4%	11.5%
Employees excl. apprentices	3,839	3,859	3,681	3,512	3,512

In millions of euros

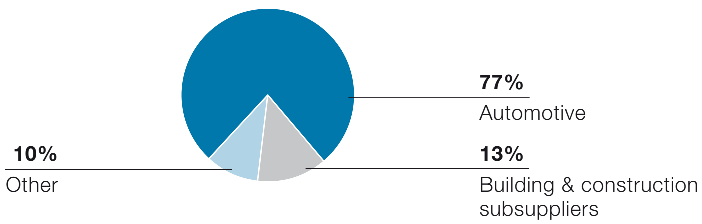
Automotive Division

Key figures of Automotive Division

In millions of euros	2007/08	2008/09	Change in %
Revenue	947.5	889.0	–6.2
EBITDA	114.7	86.6	–24.5
EBITDA margin	12.1%	9.7%	
EBIT	60.2	28.0	–53.5
EBIT margin	6.4%	3.2%	
Employees excl. apprentices	4,144	4,171	0.7

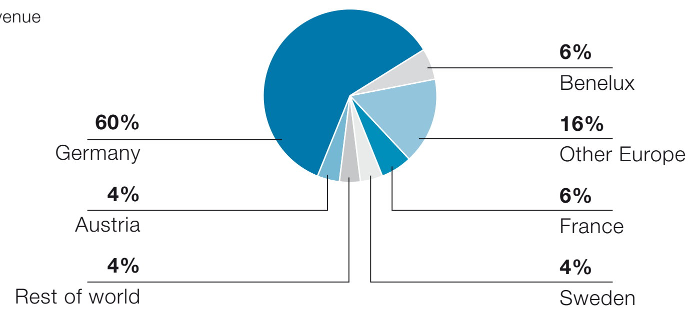
Customers of Automotive Division

As percentage of divisional revenue
Business year 2008/09



Markets of Automotive Division

As percentage of divisional revenue
Business year 2008/09



Market environment and business development

As was the case in the other divisions of the Group, the two halves of the business year under review revealed widely diverging results for the Automotive Division.

While up to mid-2008 both global automobile production and sales figures outperformed the record figures of the previous year, after the summer months a sharp trend reversal began; as it continued, the Western automobile industry went into a fundamental downward spiral that threatened the very existence of many manufacturers and suppliers.

The devastating drop in sales was followed by massive production cutbacks by the automobile manufacturers and a drastic reduction of inventory. Despite national initiatives to boost automobile sales in many countries, this development continues unabated in 2009.

While European automobile production fell only by about 5% during the 2008 calendar year compared to the previous year, this picture is deceptive as it does not show the momentum of the increasingly negative development beginning in the fall of 2009. Just during the period from October 2008, the actual beginning of the downward trend, to March 2009, European automobile production plunged by more than 30%; from January to March 2009, the last quarter of the voestalpine business year, the decline (more than 36%) was even steeper.

Despite sinking demand by the automobile manufacturers, production during the early part of the crisis could still be utilized to capacity due to the high order backlog from prior months. However, with the continuing negative development of the market environment after late fall of 2008, capacity utilization in almost all business segments of the Automotive Division was sharply reduced accordingly.

In order to counter the massive losses in earnings resulting from underutilization of production capacity, measures were initiated at almost all the sites affected in order to adjust the cost structure as effectively as possible to the order and revenue situation that had changed so drastically.

The results of the division's small non-automotive segment, however, remained gratifyingly stable and quite positive during the course of the business year.

Development of key figures

Due to the economic slump beginning in the second half of 2008/09, the Automotive Division was not able to achieve the record revenue and operating result it had posted last year.

Revenue came down by 6.2% from EUR 947.5 million to EUR 889 million; it was possible to keep losses relatively low because the high order backlog from the previous year had resulted in good capacity utilization during the first six months of the year.

The revenue for the business year 2008/09 no longer includes the plastics operations of the division or the French company Amstutz Levin & Cie. as the sale of these segments is being planned. As was the case last year, these companies will be recognized in the annual financial statements for 2008/09 as "discontinued operations." *(Details in this regard can be found in the "Acquisitions and divestments" section.)*

Compared to the revenue, the earnings show a decline that is considerably greater. Compared to the business year 2007/08, *EBITDA* went down by 24.5% from EUR 114.7 million to EUR 86.6 million, while *EBIT* was more than halved, shrinking by 53.5% from EUR 60.2 million to EUR 28 million.

This means that, compared to the previous year, for the business year 2008/09, the *EBITDA margin* fell from 12.1% to 9.7%, while the *EBIT margin* declined from 6.4% to 3.2%.

However, it must be emphasized that despite a market environment that was extremely challenging for the automotive supply industry, all four individual quarters of the business year 2008/09 (before non-recurring items) ended with a positive result. Due to an asset impairment, an extraordinary adverse effect on earnings of EUR 7.2 million was recorded in the 4th quarter.

As of March 31, 2009, the Automotive Division had 4,171 *employees,* of which 88% were outside Austria. Although this corresponds to a slight increase of 0.7% over last year (4,144) overall, compared to the end of the first half of 2008/09 (4,306), the workforce was reduced by 3.1% within the scope of capacity adjustments.

The sharp drop in call-offs was countered mainly by an extensive reduction in temporary employees. At a number of locations, various reduced working time models were implemented during the past few months *(see the "Employees" section).*

Quarterly development

	1st quarter 2008/09	2nd quarter 2008/09	3rd quarter 2008/09	4th quarter 2008/09	BY 2008/09
Revenue	259.2	235.7	206.9	187.2	889.0
EBITDA	30.4	24.9	16.4	14.9	86.6
EBITDA margin	11.%	10.6%	7.9%	7.9%	9.7%
EBIT	17.6	12.1	3.5	–5.2	28.0
EBIT margin	6.8%	5.2%	1.7%	–2.8%	3.2%
Employees excl. apprentices	4,244	4,306	4,247	4,171	4,171

In millions of euros

voestalpine AG

Consolidated Financial Statements 2008/09

Consolidated Financial Statements

Service

Report of the Supervisory Board on the business year 2008/09

During the business year 2008/09, the Supervisory Board fulfilled its responsibilities under the law and the Articles of Incorporation, holding five plenary sessions and two meetings of the Audit 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, 2009 were audited by Grant Thornton Wirtschaftsprüfungs- und Steuerberatungs-GmbH, Vienna, which was engaged as mandated by Section 270 of the Austrian Companies 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 Section 269 of the Austrian Companies 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 June 3, 2009 and forwarded to the Supervisory Board with the recommendation that they 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 and the recommendation for the appropriation of earnings. The annual financial statements are herewith deemed adopted pursuant to Section 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, who issued an unqualified audit opinion. The Supervisory Board took note of and approved the Group's consolidated financial statements and the Group management report.

It has been established that the business year 2008/09 has ended with a net profit of EUR 178,000,000.00; it is being recommended that a dividend of EUR 1.05 per dividend-bearing share be paid to the shareholders and the remaining amount be carried forward.

The Supervisory Board

Dr. Joachim Lemppenau (Chairman)

Linz, June 3, 2009

voestalpine AG

Consolidated income statement 2008/09

	Notes	2007/08	2008/09
Revenue	1	**10,481,204**	**11,625,276**
Cost of sales		–7,977,871	–9,143,912
Gross profit		**2,503,333**	**2,481,364**
Other operating income	2	308,317	437,066
Distribution costs		–866,099	–999,755
Administrative expenses		–468,224	–527,172
Other operating expenses	3	–324,749	–375,492
Profit from operations (EBIT)		**1,152,578**	**1,016,011**
Share of profit of associates	4	28,707	24,358
Finance income	5	61,204	73,467
Finance costs	6	–262,908	–385,387
Profit before tax (EBT)		**979,581**	**728,449**
Income tax expense	7	–202,485	–92,247
Profit for the period from continuing operations		**777,096**	**636,202**
Discontinued operations	8	–25,155	–24,646
Profit for the period		**751,941**	**611,556**
Attributable to:			
Equity holders of the parent		718,227	529,844
Minority interest		3,806	9,698
Share planned for hybrid capital owners		29,908	72,014
Basic earnings per share from continuing operations (euros)	28	**4.69**	**3.41**
Diluted earnings per share from continuing operations (euros)		**4.56**	**3.39**

In thousands of euros

voestalpine AG

Consolidated cash flow statement 2008/09

	Notes	2007/08	2008/09
Operating activities			
Profit for the period		751,941	611,556
Adjustments	24	646,147	627,790
Changes in working capital		–262,333	118,520
Cash flows from operating activities		**1,135,755**	**1,357,866**
Investing activities			
Additions of other intangible assets, property, plant and equipment		–871,057	–979,477
Income from disposals of assets		41,064	22,354
Cash flows from changes in the consolidation range and acquisitions of minority interest		–3,335,866	–353,971
Additions of other financial assets		131,344	61,694
Cash flows from investing activities		**–4,034,515**	**–1,249,400**
Financing activities			
Dividends paid		–234,758	–412,725
Dividends paid to minority interest/other changes in equity		859	–4,282
Acquisitions/disposals of own shares		–192,106	72,151
Hybrid capital		992,096	0
Capital increase		0	42,840
Borrowing/repayment of financial liabilities		2,297,869	715,449
Cash flows from financing activities		**2,863,960**	**413,433**
Net decrease/increase in cash and cash equivalents		**–34,800**	**521,899**
Cash and cash equivalents, beginning of year		356,135	331,892
Net exchange differences		10,557	3,945
Cash and cash equivalents, end of year	16	**331,892**	**857,736**

In thousands of euros

voestalpine AG

Consolidated balance sheet for the year ended March 31, 2009

Assets

	Notes	03/31/2008[1]	03/31/2009[1]
A. Non-current assets			
Property, plant and equipment	9	4,001,665	4,378,253
Goodwill	10	1,403,387	1,420,874
Other intangible assets	11	768,408	596,704
Investments in associates	12	108,002	129,151
Other financial assets	12	103,726	141,524
Deferred tax assets	13	393,180	408,999
		6,778,368	**7,075,505**
B. Current assets			
Inventories	14	3,011,079	2,909,701
Trade and other receivables	15	2,232,787	1,785,529
Other financial assets	12	247,666	218,029
Cash and cash equivalents	16	331,892	857,736
		5,823,424	**5,770,995**
Total assets		**12,601,792**	**12,846,500**

[1] Insignificant assets and liabilities from discontinued operations are separated in the Notes.

In thousands of euros

Equity and liabilities

	Notes	03/31/2008[1]	03/31/2009[1]
A. Equity			
Share capital		298,756	305,042
Capital reserves		470,633	402,063
Hybrid capital		992,096	992,096
Reserve for own shares		–272,304	–46,855
Other reserves		–188,720	–210,215
Retained earnings		2,734,942	2,743,796
Equity attributable to equity holders of the parent		4,035,403	4,185,927
Minority interest		253,894	76,581
	17	**4,289,297**	**4,262,508**
B. Non-current liabilities			
Pensions and other employee obligations	18	839,348	854,564
Provisions	19	69,038	58,263
Deferred tax liabilities	13	361,049	312,060
Financial liabilities	20	1,262,881	3,500,555
		2,532,316	**4,725,442**
C. Current liabilities			
Provisions	19	403,090	396,709
Tax liabilities		198,650	117,471
Financial liabilities	20	3,031,674	1,445,010
Trade and other payables	21	2,146,765	1,899,360
		5,780,179	**3,858,550**
Total equity and liabilities		**12,601,792**	**12,846,500**

[1] Insignificant assets and liabilities from discontinued operations are separated in the Notes.

In thousands of euros

voestalpine AG
Statement of recognized income and expense 2008/09

	Share capital	Capital reserves	Hybrid capital	Reserve for own shares	Translation reserve
2007/08					
Hedge accounting	0	0	0	0	0
Currency translation	0	0	0	0	–64,497
Actuarial gains/losses (including deferred tax)	0	0	0	0	0
Total income and expense for the year recognized directly in equity	**0**	**0**	**0**	**0**	**–64,497**
Profit for the period	0	0	0	0	0
Total income and expense for the year	**0**	**0**	**0**	**0**	**–64,497**
2008/09					
Hedge accounting	0	0	0	0	0
Currency translation	0	0	0	0	–10,915
Actuarial gains/losses (including deferred tax)	0	0	0	0	0
Total income and expense for the year recognized directly in equity	**0**	**0**	**0**	**0**	**–10,915**
Profit for the period	0	0	0	0	0
Total income and expense for the year	**0**	**0**	**0**	**0**	**–10,915**

voestalpine AG
Statement of changes in equity 2008/09

Balance as of April 1, 2007	**287,784**	**398,939**	**0**	**–181,810**	**–1,548**
Total income and expense for the year	**0**	**0**	**0**	**0**	**–64,497**
Own shares acquired/disposed	0	–66,917	0	–90,494	0
Dividends	0	0	0	0	0
Hybrid capital	0	0	992,096	0	0
Capital increase	10,972	90,674	0	0	0
Share-based payment	0	17,209	0	0	0
Other changes	0	30,727	0	0	0
Balance as of March 31, 2008 = Balance as of April 1, 2008	**298,756**	**470,633**	**992,096**	**–272,304**	**–66,045**
Total income and expense for the year	**0**	**0**	**0**	**0**	**–10,915**
Own shares acquired/disposed	0	–109,585	0	225,449	0
Dividends	0	0	0	0	0
Hybrid capital	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
Balance as of March 31, 2009	**305,042**	**402,063**	**992,096**	**–46,855**	**–76,960**

Other reserves: Hedging reserve	Other reserves: Actuarial gains (+)/losses (–)	Retained earnings	Total attributable to equity holders of the parent	Minority interest	Total equity
–20,022	0	0	–20,022	927	–19,095
0	0	0	–64,497	–7,188	–71,685
0	1,247	0	1,247	–1,251	–4
–20,022	**1,247**	**0**	**–83,272**	**–7,512**	**–90,784**
0	0	748,135	748,135	3,806	751,941
–20,022	**1,247**	**748,135**	**664,863**	**–3,706**	**661,157**
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**
0	0	601,858	601,858	9,698	611,556
8,418	**–17,388**	**601,858**	**581,973**	**9,840**	**591,813**
3,656	**–107,557**	**2,429,488**	**2,828,952**	**53,348**	**2,882,300**
–20,022	**1,247**	**748,135**	**664,863**	**–3,706**	**661,157**
0	0	0	–157,411	0	–157,411
0	0	–234,758	–234,758	–2,744	–237,502
0	0	0	992,096	0	992,096
0	0	0	101,646	0	101,646
0	0	0	17,209	132	17,341
1	0	–207,923	–177,195	206,865	29,670
–16,365	**–106,310**	**2,734,942**	**4,035,403**	**253,894**	**4,289,297**
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	0	0	0
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
–7,958	**–125,297**	**2,743,796**	**4,185,927**	**76,581**	**4,262,508**

In thousands of euros

voestalpine AG

Notes to the consolidated financial statements 2008/09

A. General information and corporate purpose

The corporate purpose of voestalpine AG and its Group companies (hereinafter referred to as the "Group") is primarily 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 who prepares the consolidated financial statements. It is registered in the commercial register of Linz and has its registered office in Linz. voestalpine AG's company address is 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, 2009 (including comparative figures for the year ended March 31, 2008) have been prepared in accordance with 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 consolidated financial statements were approved by the Management Board of voestalpine AG on May 18, 2009.

B. Summary of accounting policies

General information

The accounting policies used for the previous year's consolidated financial statements continue to apply.

In the total sums of rounded amounts and ratios, calculation differences may occur through the use of automatic calculation programs.

Consolidation methods

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 market value on the date of acquisition. Any excess of the cost of acquisition over net asset value is recognized as goodwill. Any deficiency of the cost of acquisition below net asset value is recognized as income in the period of acquisition. Hidden reserves or charges attributable to minority shareholders are allocated as well.

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 these entities operate independently from a financial, economic and organizational perspective. 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 on the date of the transaction. Foreign exchange gains and losses resulting from translation on 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	03/31/2008	03/31/2009
USD	1.5812	1.3308
GBP	0.7958	0.9308
Average annual rate	**2007/08**	**2008/09**
USD	1.4179	1.4213
GBP	0.7063	0.8342

Estimates

The preparation of consolidated financial statements in conformity with IFRS requires estimates and assumptions that affect the reported amounts of assets, provisions, liabilities, income and expenses. Actual amounts may differ from these estimates. Estimates are made with the intention of adhering to the "true and fair view" principle.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimate is revised.

Recognition of revenues and expenses

Revenues arising from the provision of goods and services are realized when all material risks and opportunities arising from the goods or services provided have passed over 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 according to the period in which the associated expenses are recognized. Government grants of EUR 14.3 million (2007/08: EUR 11.6 million) for investments, research and development, and promotion of job opportunities were recognized as income during the reporting period. Expenses for research and development were EUR 112.0 million (2007/08: EUR 92.9 million) in the business year 2008/09.

Borrowing costs

All borrowing costs are expensed as incurred.

Property, plant and equipment

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

The construction costs of self-constructed property, plant and equipment includes direct costs and an appropriate portion of material and production overheads. Borrowing costs are recognized as expenses in the period in which they are incurred.

Depreciation is charged on a straight-line basis over expected useful lives. Land is not depreciated. The expected useful lives are as follows:

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

Investment property is measured at depreciated cost.

Leasing

Leases are treated as finance leases when these are viewed commercially as asset purchases with long-term financing. All other leases are treated as operating leases. Lease payments under operating leases are shown as expenses in the consolidated income statement.

Assets held under finance leases are initially recognized as Group assets at the lower of market value or the present value of the minimum lease payments as determined at the beginning of the lease. The corresponding liability to the lessor is shown in the consolidated balance sheet under finance lease obligations.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as comparable acquired 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 price method. Goodwill arises from the acquisition of subsidiaries and 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

Expenditure on 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. Expenditure on internally generated goodwill and brands is immediately recognized as an expense as incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortization and impairment. Amortization is charged on a straight-line basis over the expected useful life of the asset (up to twelve 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 purposes of assessing impairment, 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 in 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 pro-rata results and equities 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 hedging foreign exchange, interest rate and raw materials price risk (including CO_2 emission certificates). Derivative financial instruments are carried at fair value. Hedge accounting within the meaning of IAS 39 is used for the majority of 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. Securities met the criteria of IAS 39.9 for the application of the fair value option, so they are recognized at fair value through profit and loss. There are no held-to-maturity financial instruments.

Other investments

Investments in subsidiaries, joint ventures and associates that are not included in these 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 market value, using the fair value option. Changes in market value are recognized as profit or loss in the income statement.

Taxes on income

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

In accordance with IAS 12, all temporary valuation and accounting differences between tax values and consolidated financial statements are included in deferred taxes. Deferred tax assets on losses carried forward are capitalized to the extent that can be expected to be reversed within a foreseeable period.

The calculation of deferred taxes is based on the respective local income tax rates. Fixed future tax rates are also taken into account for deferred values.

Emission certificates

Emission certificates are measured at zero cost, as the rights have been allocated free of charge. As the actual emissions have exceeded the free-of-charge allocated certificates by March 31, 2009, proportional precautions for CO_2 emission certificates were included in the other provisions. The necessary certificates are measured using the average hedged prices or the market 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 valuation 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 prorated material and production overheads based on normal capacity utilization. Interest costs and general administrative and sales expenses are not capitalized.

Trade and other receivables

Trade and other receivables are stated at 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 totally charged off because the authority to dispose 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 revenues.

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, pensions and long-service bonuses and are recognized in accordance with IAS 19 using the projected unit credit method.

Employees of Austrian entities who began their employment before January 1, 2003, receive a lump-sum payment if their employment is terminated by the employer or if they retire. The size of the payment is dependent on the number of years of service and the employee's salary or wages at the time employment ends. For employees who began their employment after December 31, 2002, this obligation has been converted into a defined contribution system. These payments 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 specific 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 affecting provisions for severance payments and pensions are recognized in equity in the year in which they occur with no effect on profit or loss. Actuarial gains and losses affecting long-service bonuses are recognized immediately in profit or loss.

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

	2007/08	2008/09
Interest rate (%)	5.25	5.75
Salary/wage increases (%)	3.50	3.75
Pension increases (%)	2.50	2.50
Retirement age men/women (years)	max. 65	max. 65
Mortality tables	Heubeck 1998	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 which 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 was passed at the Annual General Meeting of July 5, 2006.

These 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 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 EUR 29.78, which 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 estimated by an independent expert using Monte Carlo simulation.

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.

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. Caused by the changed circumstances after the acquisition of BÖHLER-UDDEHOLM, the Management Board of voestalpine AG has decided to settle the obligation from the options with cash. Options (personnel expenses) are carried at fair value at the time of the grant. The offsetting entry is reported 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 collective bargaining agreements over several business years. In the business year 2000/01, employees received shares of voestalpine AG in return for renouncing 1% of their salary or wages.

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 was used to provide voestalpine AG shares to employees. The actual amount is calculated from the monthly amount of wages and salary renounced, 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 (employee private foundation), which transfers them to employees according to the wages and salary they have renounced. The value of the consideration provided is not dependent on 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, 2009, the voestalpine Mitarbeiterbeteiligung Privatstiftung (employee private foundation) held approximately 13.5% of voestalpine AG's shares in trust for employees.

C. Scope of consolidation

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 direct or indirect potential to determine the financial and operating policies of an entity so as to obtain benefits from its activities. Joint ventures are included on a pro-rata basis in the consolidated financial statements. 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 proportionate consolidation or 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 pro-rata values for entities included in the financial statements by proportionate consolidation:

	03/31/2008	03/31/2009
Non-current assets	26.9	31.5
Current assets	115.9	104.7
	142.8	**136.2**
Equity	30.9	30.5
Non-current provisions and liabilities	11.7	11.8
Current provisions and liabilities	100.2	93.9
	142.8	**136.2**

	2007/08	2008/09
Revenue	272.9	287.7
Profit for the period	71.7	69.6

In millions of euros

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

	03/31/2008	03/31/2009
Non-current assets	319.7	323.2
Current assets	722.1	739.4
	1,041.8	**1,062.6**
Equity	314.9	351.1
Non-current provisions and liabilities	130.6	124.6
Current provisions and liabilities	596.3	586.9
	1,041.8	**1,062.6**
	2007/08	**2008/09**
Revenue	2,859.7	3,205.1
Profit for the period	84.9	71.3

In millions of euros

The scope of consolidation changed as follows during the business year:

	Full consolidation	Proportionate consolidation	Equity method
As of April 1, 2008	**322**	**3**	**14**
Acquisitions	9		2
Change in consolidation method			
Acquisitions	2		
Reorganizations	–6		
Divested or disposals	–7	–1	–1
As of March 31, 2009	**320**	**2**	**15**
Of which foreign companies	262	0	6

The following entities were deconsolidated during the business year 2008/09:

Name of entity	Date of deconsolidation
Fully consolidated in previous year	
Société Civile Immobilière Jean Monnet en liquidation	April 1, 2008
Retrospective Limited	April 1, 2008
Viking Tools (M) Sdn. Bhd.	April 1, 2008
Intesy Business & IT Solutions Pte. Ltd.	April 1, 2008
Bauer & Dittus Verwaltungs Gesellschaft mit beschränkter Haftung	March 31, 2009
Bauer und Dittus GmbH & Co. KG	March 31, 2009
Nedcon UK Ltd.	March 31, 2009
Reorganized	
BWG Services GmbH & Co KG	April 1, 2008
Intesy Business & IT Solutions GmbH	May 1, 2008
ZAO Uddeholm Tooling	April 1, 2008
ROTEC Zug AG	April 1, 2008
voestalpine Präzisrohrtechnik GmbH	April 1, 2008
TSTG Beteiligungs GmbH & Co. KG	April 1, 2008
UTP Schweißmaterial GmbH	April 1, 2008
Proportionally consolidated in previous year	
GBT Gedik Böhler Technology Kaynak Sanayi ve Ticaret A. S.	September 30, 2008
At-equity consolidated in previous year	
ZAO Nedcon – SE Group	April 1, 2008

D. Acquisitions

The following entities were included in the consolidated financial statements for the first time during the business year just ended:

Name of entity	Interest in %	Date of initial consolidation
Full consolidation		
Control and Display Systems Limited	60.003	April 1, 2008
Damy, Cambios de Via, S.A. de C.V.	51.010	April 1, 2008
Turnout Sleeper Factory Austria GmbH	50.100	November 1, 2008
Böhler Ybbstal GmbH	100.000	July 4, 2008
Summerville Steel LLC	100.000	August 1, 2008
Breuckmann GmbH	100.000	March 31, 2009
Gravutex Textures (UK) Ltd	100.000	August 15, 2008
Bohler Welding Group Middle East FZE	100.000	March 4, 2009
BU Precision Strip Trading (Suzhou) Co., Ltd	100.000	March 17, 2009
Consolidation at-equity		
Jiaxing NYC Industrial Co. Ltd	49.000	August 15, 2008
Chinese New Turnout Technologies Co. Ltd	50.000	April 1, 2008

These entities have contributed EUR 0.19 million to the profit for the period during the business year since initial consolidation.

As no separate valuations were performed for the above mentioned acquisitions on April 1, 2008, no pro-forma disclosure of figures "since the beginning of the period" is made.

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

	Recognized values	Fair value adjustments	Carrying amounts
Non-current assets	16.3	7.2	9.1
Current assets	10.5		10.5
Non-current provisions and liabilities	–2.8	–2.1	–0.7
Current provisions and liabilities	–3.7		–3.7
Net assets	**20.3**	**5.1**	**15.2**
Increase in minority interest	–5.5		
Goodwill/badwill	7.3		
Costs of acquisition	**22.1**		
Cash and cash equivalents acquired	–1.5		
Changes in purchase price liability	–2.2		
Net cash outflow	**18.4**		

In millions of euros

The acquired companies are included in the consolidated financial statements as of March 31, 2009, in accordance with IFRS 3 at the fair values 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, purchase price allocations are to be considered provisional due to their complexity.

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-rata carrying value of the minority interests is recognized directly in equity. During the business year 2008/09, EUR 335.9 million were paid for the acquisition of the remaining shares of BÖHLER-UDDEHOLM. Minority interests amounting to EUR 176.3 million were charged off, and the remaining amount of EUR 159.6 million (2007/08: EUR 166.4 million) was charged directly in equity.

Starting in the business year 2007/08, put options granted to minority shareholders in exchange for their shares in Group companies are disclosed in the balance sheet as liabilities stated at fair value. If the opportunities and risks associated with ownership of a minority interest have already passed over at the time that a majority interest is acquired, an acquisition of 100% of the entity is assumed. Where the opportunities and risks have not passed over, the minority interest continues to be shown in equity. The liability is covered by a transfer from Group capital reserves with no effect on profit or loss (double credit approach).

The put options which are charged against equity had a fair value of EUR 16.4 million (2007/08: EUR 21.2 million) on March 31, 2009.

E. Explanations and other disclosures

1. Segment reporting

Segment information is presented according to business segments and geographical segments. The primary segment reporting format, by business segment, is based on the Group's management and internal reporting structure. Intersegment transfer prices are based on comparable normal market terms.

Geographical segments

The secondary segment reporting format, geographical segments, corresponds to IAS 14.69.

External revenue
Segment assets
Investments in property, plant and equipment and intangible assets

Business segments

	Steel Division		Special Steel Division		Railway Systems Division	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Revenue (total)	5,769.3	6,611.6	4,124.3	5,172.3	3,080.8	3,395.7
Of which intersegment revenue	1,826.5	2,283.1	1,365.9	1,641.7	869.3	1,044.7
Segment revenue	3,942.8	4,328.5	2,758.5	3,530.6	2,211.4	2,351.0
Profit from operations	684.4	522.3	5.8	55.0	315.3	324.7
Share of profit of associates	13.9	14.7	0.0	0.0	0.4	2.6
EBITDA	891.6	735.5	306.8	363.3	402.8	414.7
Segment assets	3,745.3	3,902.8	5,203.3	5,061.2	1,885.1	1,989.7
Of which investments in associates	74.8	81.9	0.1	0.1	4.7	18.4
Segment liabilities	2,261.9	2,588.4	2,139.7	2,035.4	1,402.2	1,486.0
Investments in property, plant and equipment and intangible assets	474.9	398.6	2,044.5	274.5	223.0	232.5
Depreciation and amortization of property, plant and equipment and intangible assets	207.3	213.1	301.0	308.3	87.5	90.0
Employees (without apprentices)	9,829	10,034	15,453	14,734	7,827	8,077

	Austria		European Union		Other countries		Total Group	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
	1,210.4	1,328.0	6,699.1	7,094.7	2,571.7	3,202.6	10,481.2	11,625.3
	9,282.2	9,618.6	2,396.9	2,211.1	922.7	1,016.8	12,601.8	12,846.5
	3,552.4	693.2	184.6	244.1	140.6	80.8	3,877.7	1,018.1

In millions of euros

	Profilform Division		Automotive Division		Other/consolidation		Total Group	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
	1,252.8	1,271.6	1,140.4	1,187.6	60.9	111.4	15,428.5	17,750.2
	114.2	124.5	192.9	298.6	578.5	732.3	4,947.3	6,124.9
	1,138.7	1,147.1	947.5	889.0	–517.6	–620.9	10,481.2	11,625.3
	158.7	132.4	60.2	28.0	–71.9	–46.4	1,152.6	1,016.0
	–0.4	0.0	0.0	0.0	14.8	7.1	28.7	24.4
	186.8	163.8	114.7	86.6	–66.4	–39.7	1,836.5	1,724.2
	775.9	627.5	1,033.4	930.7	–41.2	334.6	12,601.8	12,846.5
	0.0	0.0	0.0	0.0	28.4	28.8	108.0	129.2
	510.2	393.8	736.8	666.5	1,261.8	1,413.9	8,312.5	8,584.0
	97.5	46.8	77.7	50.9	960.0	14.8	3,877.7	1,018.1
	28.1	31.4	54.5	58.5	5.5	6.9	683.9	708.2
	3,794	3,512	4,144	4,171	443	688	41,490	41,216

In millions of euros

2. Other operating income

	2007/08	2008/09
Gains on disposal of property, plant and equipment	11.1	12.5
Income from reversal of provisions	60.1	58.5
Other operating income	237.1	366.1
	308.3	**437.1**

In millions of euros

3. Other operating expenses

	2007/08	2008/09
Taxes other than income taxes	13.7	18.2
Impairment losses on goodwill	0.0	0.1
Losses on disposal of property, plant and equipment	0.6	1.9
Other operating expenses	310.4	355.3
	324.7	**375.5**

In millions of euros

4. Share of profit of associates

	2007/08	2008/09
Income from associates	28.7	24.4
Expenses from associates	0.0	0.0
	28.7	**24.4**

In millions of euros

Income from associates is primarily attributable to Metalservice s.p.a., VA Intertrading GmbH and Ningxia Kocel Steel Foundry Co. Ltd.

5. Finance income

	2007/08	2008/09
Income from investments	5.0	7.2
Of which from affiliated companies	4.3	3.6
Income from other long-term securities and loans	4.9	4.4
Of which from affiliated companies	0.5	0.0
Other interest and similar income	44.9	61.3
Of which from affiliated companies	0.0	0.1
Income from disposals and remeasurements of investment at fair value	6.4	0.6
	61.2	**73.5**

In millions of euros

6. Finance costs

	2007/08	2008/09
Expenses from investments		
Net loss on remeasurement of investment at fair value	11.1	28.7
Expenses from affiliated companies	0.0	0.0
Other expenses	2.0	0.3
	13.1	**29.0**
Other interest and similar expenses	249.8	356.4
Of which from affiliated companies	1.7	3.1
	262.9	**385.4**

In millions of euros

7. Income tax expense

Taxes on income include income taxes paid and owed as well as deferred taxes.

	2007/08	2008/09
Current tax expense	251.5	147.1
Deferred tax expense	–49.0	–54.9
	202.5	**92.2**

In millions of euros

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

	2007/08		2008/09	
Profit before tax		**979.6**		**728,4**
Income tax using the Austrian corporate tax rate	25.0%	244.9	25.0%	182.1
Difference to foreign tax rates	1.8%	17.8	–1.2%	–8.6
Non-taxable income and expenses	0.7%	6.5	1.5%	11.0
Non-taxable income from participations	–0.7%	–7.2	–1.1%	–7.9
Depreciation of participations and utilization of previously unrecognized losses carried forward	–1.9%	–18.5	–4.6%	–33.3
Taxes from previous periods	–0.2%	–1.5	–1.2%	–9.0
Own shares	–2.8%	–27.5	–3.6%	–26.1
Hybrid bond	–0.8%	–7.7	–2.5%	–18.2
Other permanent differences	–0.4%	–4.3	0.3%	2.2
Effective Group tax rate (%)/income tax expense	**20.7%**	**202.5**	**12.6%**	**92.2**

In millions of euros

8. Discontinued operations

In the fourth quarter of the business year 2007/08, the process to divest the plastic operations of the Polynorm Group was initiated and the decision was made to remove the French company Amstutz Levin & Cie from the Automotive Division's portfolio. The current global economic situation has led to a delay in the disposal of these entities. The option to extend the 12-months period according to IFRS 5.9 has been exercised.

Due to their insignificance, assets and liabilities as well as cash flows from discontinued operations are presented separately only in the notes. The profit for the period from discontinued operations is shown separately in the income statement.

The balance sheet includes assets and liabilities from discontinued operations as follows:

	2007/08	2008/09
Non-current assets	35.3	31.3
Current assets	42.2	32.5
	77.5	**63.8**
Non-current liabilities	6.9	6.1
Current liabilities	55.5	58.0
	62.4	**64.1**

In millions of euros

The consolidated cash flow statement includes cash flows from discontinued operation as follows:

	2007/08	2008/09
Cash flow from operating activities	23.4	–8.0
Cash flow from investing acitivities	–2.0	–2.3
Cash flow from financing activities	–26.1	10.2

In millions of euros

The profit for the period from discontinued operations is derived as follows:

	2007/08	2008/09
Revenue	135.8	105.8
Cost of sales	–127.6	–110.4
Gross profit	**8.2**	**–4.6**
Profit from operations (EBIT)	–30.1	–27.2
Profit before tax (EBT)	–28.7	–28.4
Income tax expense	3.5	3.8
Profit for the period from discontinued operations	**–25.2**	**–24.6**

In millions of euros

The profit for the period from discontinued operations in the amount of EUR –24.6 million (2007/08: EUR –25.2 million) is attributable to the Automotive Division.

The valuation underlying the disposal proceeds was determined on the basis of a company valuation.

The profit for the period from discontinued operations is comprised as follows:

	2007/08	2008/09
Operating activities	–5.9	–14.1
Valuation/disposal	–19.3	–10.5
Profit for the period from discontinued operations	**–25.2**	**–24.6**

In millions of euros

9. Property, plant and equipment

	Land and buildings	Plant and equipment	Fixtures and fittings	Advance payments and plant under construction	Total
Gross carrying amount	1,488.6	5,023.5	540.1	319.9	7,372.1
Accumulated depreciation and impairment	–778.2	–3,534.9	–398.2	0.0	–4,711.3
Carrying amount as of April 1, 2007	**710.4**	**1,488.6**	**141.9**	**319.9**	**2,660.8**
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 March 31, 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**

In millions of euros

The carrying amounts of property, plant and equipment for the periods presented in the consolidated financial statements as of March 31, 2009 have changed as follows:

	Land and buildings	Plant and equipment	Fixtures and fittings	Advance payments and plant under construction	Total
Carrying amount as of April 1, 2007	**710.4**	**1,488.6**	**141.9**	**319.9**	**2,660.8**
Changes through business combinations	352.2	459.1	64.2	194.7	1,070.2
Additions	85.2	276.5	68.0	371.1	800.8
Transfers	26.1	380.8	16.6	–425.7	–2.2
Disposals	–5.4	–13.2	–2.0	–3.5	–24.1
Depreciation	–56.1	–351.9	–57.8	0.0	–465.8
Net exchange differences	–13.1	–17.4	–2.5	–5.0	–38.0
Carrying amount as of March 31, 2008	**1,099.3**	**2,222.5**	**228.4**	**451.5**	**4,001.7**
Changes through business combinations	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	–57.3	–394.3	–65.8	–0.5	–517.9
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**

In millions of euros

As of March 31, 2009, restrictions on the disposal of property, plant and equipment amounted to EUR 34.7 million (March 31, 2008: EUR 33.9 million). Furthermore, as of March 31, 2009, commitments for the acquisition of property, plant and equipment amounted to EUR 388.4 million.

The "Land and buildings" item includes investment property (IAS 40) with a carrying amount of EUR 23.3 million (March 31, 2008: EUR 26.8 million). In the business year 2008/09, investment properties with a carrying amount of EUR 3.5 million were disposed of. They are measured at cost. Depreciation is made in line with the general accounting practices for property, plant and equipment. Based on comparable sales transactions, the market value of these assets is estimated at EUR 24.0 million (March 31, 2008: EUR 33.1 million).

"Land and buildings" and "Plant and equipment" include assets which are used on the basis of finance lease agreements. In the consolidated financial statements these assets are reported as follows:

	2007/08	2008/09
Gross carrying amount	120.7	116.8
Accumulated depreciation and impairment	–43.7	–43.7
Carrying amount	**77.0**	**73.1**

In millions of euros

Minimum finance lease payments are due as follows:

	2007/08	2008/09
Less than one year	12.4	9.7
Between one and five years	42.0	35.6
More than five years	35.8	41.5
	90.2	**86.8**

In millions of euros

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

	Minimum finance lease payments 2008/09	Discounts of finance lease 2008/09	Present value of the minimum finance lease payments 2008/09
Less than one year	9.7	–2.6	7.1
Between one and five years	35.6	–9.4	26.2
More than five years	41.5	–7.3	34.2
	86.8	**–19.3**	**67.5**

In millions of euros

In addition to finance leases, obligations also exist under operating leases for property, plant and equipment that are not reported in the balance sheet. These obligations are due as follows:

	2007/08	2008/09
Less than one year	21.8	26.1
Between one and five years	58.0	73.7
More than five years	52.0	73.1
	131.8	**172.9**

In millions of euros

Payments of EUR 24.5 million (2007/08: EUR 21.4 million) under operating leases have been recognized as an expense.

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

	2007/08	2008/09
Cost of sales	564.9	560.9
Distribution costs	82.9	104.1
Administration expenses	25.0	32.0
Other operating expenses	11.1	11.2
	683.9	**708.2**

In millions of euros

Impairment losses and subsequent reversal

Impairment losses on property, plant and equipment amounting to EUR 7.6 million (March 31, 2008: EUR 0.1 million) were recognized during the reporting period (in accordance with IAS 36).

10. Goodwill

	03/31/2007	03/31/2008	03/31/2009
Gross carrying amount	316.7	1,418.8	1,436.3
Impairment loss	0.0	–15.4	–15.4
Carrying amount	**316.7**	**1,403.4**	1,420.9

In millions of euros

The carrying amounts of goodwill for the periods presented in the consolidated financial statements of March 31, 2009 have changed as follows:

	Goodwill
Carrying amount as of April 1, 2007	**316.7**
Changes through business combinations	1,102.1
Impairment loss	–15.4
Carrying amount as of March 31, 2008	**1,403.4**
Changes through business combinations	11.4
Additions	10.8
Disposals	–7.8
Net exchange differences	3.1
Carrying amount as of March 31, 2009	**1,420.9**

In millions of euros

Impairment tests for cash-generating units containing goodwill

The following divisions have significant carrying amounts of goodwill:

	2007/08	2008/09
Steel Division	154.8	160.2
Special Steel Division	902.3	908.5
Railway Systems Division	170.3	182.6
Automotive Division	118.7	112.4
Profilform Division	57.3	57.2
	1,403.4	**1,420.9**

In millions of euros

Within the divisions all goodwill is allocated to different cash-generating units. With regard to future economic benefits, the goodwill is reviewed for impairment applying the discounted cash flow method. The calculation is performed on the basis of a three year medium-term business plan at 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 values allocated to the significant assumptions are basically consistent with external sources of information. The discounting of cash flows is carried out using a discount rate (WACC) of 8.5% before taxes and a growth rate after the detailed planning period of up to 1%. There was no need for an impairment of the goodwill in the business year 2008/09. Nominal unchanging cash flows after the detailed planning period, i.e. no growth rates, would result in an impairment of approximately EUR 49.1 million.

11. Other intangible assets

	Other intangible assets (IFRS 3 and others)		
	Patents and trademarks	**Advance payments**	**Total**
Gross carrying amount	302.5	2.7	305.2
Accumulated amortization and impairment	–201.9	0.0	–201.9
Carrying amount as of April 1, 2007	**100.6**	**2.7**	**103.3**
Gross carrying amount	1,244.2	2.3	1,246.5
Accumulated amortization and impairment	–477.9	–0.2	–478.1
Carrying amount as of March 31, 2008	**766.3**	**2.1**	**768.4**
Gross carrying amount	1,260.3	4.7	1,265.0
Accumulated amortization and impairment	–668.3	0.0	–668.3
Carrying amount as of March 31, 2009	**592.0**	**4.7**	**596.7**

In millions of euros

The carrying amounts of other intangible assets for the periods presented in the consolidated financial statements of March 31, 2009 changed as follows:

	Other intangible assets (IFRS 3 and others)		
	Patents and trademarks	Advance payments	Total
Carrying amount as of April 1, 2007	**100.6**	**2.7**	**103.3**
Changes through business combinations	870.9	0.0	870.9
Additions	27.2	2.3	29.5
Transfers	4.7	–2.9	1.8
Disposals	–2.0	0.0	–2.0
Amortization	–230.7	0.0	–230.7
Net exchange differences	–4.4	0.0	–4.4
Carrying amount as of March 31, 2008	**766.3**	**2.1**	**768.4**
Changes through business combinations	7.9	0.0	7.9
Additions	17.1	3.7	20.8
Transfers	1.7	–0.5	1.2
Disposals	0.0	–0.6	–0.6
Amortization	–203.5	0.0	–203.5
Net exchange differences	2.5	0.0	2.5
Carrying amount as of March 31, 2009	**592.0**	**4.7**	**596.7**

In millions of euros

12. Investments in associates and other financial assets

	Affiliated companies	Invest-ments in associates	Other invest-ments	Securities	Loans granted	Advance payments	Total
Gross carrying amount	8.2	88.5	24.9	61.8	8.4	0.0	191.8
Accumulated depreciation	–1.7	–2.5	–16.5	–3.2	–0.7	0.0	–24.6
Carrying amount as of April 1, 2007	**6.5**	**86.0**	**8.4**	**58.6**	**7.7**	**0.0**	**167.2**
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 March 31, 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**

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, 2007	**6.5**	**86.0**	**8.4**	**58.6**	**7.7**	**0.0**	**167.2**
Changes through business combinations	8.8	0.1	3.7	20.1	1.7	0.0	34.4
Additions	7.6	24.7	7.3	28.1	6.4	2.3	76.4
Transfers	–2.8	8.8	–7.6	–2.4	–0.3	0.0	–4.3
Disposals	–1.4	–11.6	–2.4	–43.4	–1.0	0.0	–59.8
Depreciation	–0.5	0.0	0.0	–2.3	–0.1	0.0	–2.9
Revaluation	0.0	0.0	0.0	1.9	0.1	0.0	2.0
Net exchange differences	0.0	0.0	0.0	0.0	–1.3	0.0	–1.3
Carrying amount as of March 31, 2008	**18.2**	**108.0**	**9.4**	**60.6**	**13.2**	**2.3**	**211.7**
Changes through business combinations	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**

In millions of euros

Loans granted are comprised as follows:

	03/31/2007	03/31/2008	03/31/2009
Loans to affiliated companies	0.2	1.4	1.3
Loans to associates	0.0	0.0	0.0
Loans to other investments	0.0	0.0	0.0
Other loans	7.5	10.0	9.5
Other receivables from financing	0.0	1.8	0.5
	7.7	**13.2**	**11.3**

In millions of euros

The other current investments include shares in the V54 investment fund of EUR 193.3 million (March 31, 2008: EUR 217.0 million) and other securities of EUR 24.7 million (March 31, 2008: EUR 30.7 million).

Current and non-current securities of EUR 111.4 million (March 31, 2008: EUR 7.3 million) are pledged for investment loans granted by the European Investment Bank.

13. Deferred taxes

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

Timing differences between tax values and values in the consolidated financial statements are attributable to the following:

	Assets		Equity and liabilities	
	03/31/2008	03/31/2009	03/31/2008	03/31/2009
Non-current assets	93.8	140.8	272.7	346.8
Current assets	63.2	105.6	152.4	216.0
Non-current provisions and liabilities	321.0	376.4	70.0	69.6
Current provisions and liabilities	36.8	119.2	88.8	86.4
	514.8	**742.0**	**583.9**	**718.8**
Consolidation				
Intercompany profit elimination	124.9	109.8	0.0	0.0
Revalued assets	0.0	0.0	899.7	614.7
Other	55.2	31.5	22.0	29.3
	694.9	**883.3**	**1,505.6**	**1,362.8**
Corporate tax rate	25.0%	25.0%	25.0%	25.0%
Deferred taxes	173.7	220.8	376.4	340.7
Acquisition-related tax credit	234.9	216.8	0.0	0.0
Netting of deferred taxes to the same tax authority	–15.4	–28.6	–15.4	–28.6
Net deferred taxes	**393.2**	**409.0**	**361.0**	**312.1**

In millions of euros

The tax credit from the acquisition of BÖHLER-UDDEHOLM will be released over the life 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 6.0 million (March 31, 2008: EUR 0.8 million) for items recognized directly in equity were also recognized in equity with no effect on profit or loss during the reporting period.

As of March 31, 2009, the total of unused tax losses for which no deferred tax asset has been recognized amounts to approximately EUR 64.0 million.

14. Inventories

	2007/08	2008/09
Raw materials and supplies	993.5	1,007.3
Work in progress	757.3	608.7
Finished goods	973.7	1,012.0
Merchandise	239.7	257.7
As yet unbillable services	21.4	11.5
Advance payments	25.5	12.5
	3,011.1	**2,909.7**

In millions of euros

Value adjustments to the lower net realizable value amounting to EUR 148.9 million (March 31, 2008: EUR 39.2 million) are contained in the consolidated financial statements. Inventories of EUR 3.8 million (March 31, 2008: EUR 4.2 million) are pledged as security for liabilities. EUR 6,573.4 million (March 31, 2008: EUR 5,767.9 million) has been recognized as cost of materials.

15. Trade and other receivables

	03/31/2008	Of which over one year	03/31/2009	Of which over one year
Trade receivables	1,754.6	4.7	1,321.0	5.1
Receivables from affiliated companies	31.5	0.0	13.2	0.2
Receivables from other investments	43.8	0.0	52.7	0.0
Other receivables and other assets	402.9	12.4	398.6	9.9
	2,232.8	**17.1**	**1,785.5**	**15.2**

In millions of euros

The trade receivables include the following receivables from construction contracts:

	03/31/2008	03/31/2009
Aggregate amount of costs incurred	120.1	128.9
Aggregate amount of accrued profits	13.5	15.5
Aggregate amount of accrued losses	–2.5	–1.4
Gross receivables from construction contracts	**131.1**	**143.0**
Amount of advances received	–85.6	–96.6
Receivables from construction contracts	**45.5**	**46.4**

In millions of euros

16. Cash and cash equivalents

	2007/08	2008/09
Cash on hand, cash at banks, checks	331.9	857.7

In millions of euros

17. Equity

Share capital

Under § 4 (6) of the Articles of Incorporation, the Management Board is 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 issued in July 2005 exercise their conversion rights (contingent capital increase).

The Management Board has exercised this authority in the business year 2008/09 to increase the share capital of voestalpine AG as from November 28, 2008 by 0.1% through the issue of 159,999 ordinary no-par value bearer shares to creditors of the convertible bond issued in July 2005. During the reporting period, voestalpine settled obligations due to conversion of convertible bonds with a nominal value of EUR 3.0 million through the capital increase and of EUR 47.0 million by the use of repurchased own shares.

Under § 4 (2) a) of the Articles of Incorporation, the Management Board is authorized to increase the share capital of the Company by issuing up to 31,680,000 ordinary no-par value bearer shares until June 30, 2010 against cash contributions or contributions in kind, in the latter case in particular against contributions of equity interests, companies, businesses or business units, while excluding the subscription rights of shareholders in full or in part. The Management Board is also authorized under § 4 (2) b) of the Articles of Incorporation to increase the share capital of the Company until June 30, 2010 by a further amount of up to EUR 28,778,442.33 by issuing up to 15,840,000 ordinary no-par value bearer shares to employees, executive officers and members of the Management Board of the Company under an employee stock ownership plan or stock option plan while excluding the pre-emptive rights of shareholders.

On February 25, 2009, the Management Board exercised its authority according to § 4 (2) b) of the Articles of Incorporation and increased the share capital of voestalpine AG by approximately 2.0% through the issue of 3,300,000 ordinary no-par value bearer shares to employees of voestalpine AG and affiliated companies of voestalpine AG under the voestalpine employee stock ownership plan. The Supervisory Board has approved this capital increase on March 16, 2009. This capital increase was entered in the commercial register on March 27, 2009.

As of March 31, 2009, the share capital therefore amounts to EUR 305,042,462.76 (March 31, 2008: EUR 298,756,264.42) divided into 167,899,032 ordinary no-par value shares (March 31, 2008: 164,439,033).

During the Annual General Meeting of July 2, 2008, the Management Board was authorized, until December 31, 2010, to repurchase own shares representing up to 10% of the 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 has not exercised this authority during the reporting period.

Capital reserves include the share premium (reduced by the equity capital funding costs), the equity component of the convertible bond, profit/loss from the sale of own shares and share-based compensation.

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 higher but variable interest rate (3-month Euribor plus 5.05%).

As the hybrid bond satisfies the IAS 32 criteria for equity, the proceeds of the bond issue are accounted for as part of equity. Accordingly, coupon payments are also presented as a part of appropriated net income.

Own shares

	Own shares thsd. pcs.	**Carrying amount** thsd. euros	**Share capital** %	**Share capital** thsd. euros
Balance as of April 1, 2008	**5,203**	**272,304**	**3.10**	**9,453**
Additions	0	0	0.00	0
Disposals	–4,308	–225,449	–2.57	–7,827
Balance as of March 31, 2009	**895**	**46,855**	**0.53**	**1,626**

Minority interest

The minority interest as of March 31, 2009 results primarily from minority interests in the VAE Group, Railpro B.V. and the Danube Equity companies.

18. Pensions and other employee obligations

	2007/08	2008/09
Provisions for severance payments	447.8	444.3
Provisions for pensions	278.9	298.4
Provisions for long-service bonuses	112.6	111.9
	839.3	**854.6**

In millions of euros

Provisions for severance payments

	2007/08	2008/09
Present value of defined benefit obligation (DBO) as of April 1, 2008	**359.8**	**447.8**
Service costs for the period	11.7	10.6
Interest costs for the period	20.0	22.9
Changes through business combinations	87.2	0.0
Severance payments	–25.8	–32.4
Actuarial gains (–)/losses (+)	–5.1	–4.6
Present value of defined benefit obligation (DBO) as of March 31, 2009	**447.8**	**444.3**

In millions of euros

	03/31/2005	03/31/2006	03/31/2007	03/31/2008	03/31/2009
Actuarial gains (+)/losses (–) due to parameter changes in %	–3.6%	–11.1%	–3.0%	2.7%	3.5%

Provisions for pensions

	2007/08	2008/09
Present value of defined benefit obligation (DBO) as of April 1, 2008	**381.4**	**616.8**
Service costs for the period	9.6	9.6
Interest costs for the period	27.4	29.3
Changes through business combinations	268.3	0.5
Pension payments	–36.9	–35.2
Net exchange differences	–9.5	–4.8
Actuarial gains (–)/losses (+)	–23.5	–20.8
Present value of defined benefit obligation (DBO) as of March 31, 2009	**616.8**	**595.4**
Plan assets as of March 31, 2009	–337.9	–297.0
Provisions for pensions as of March 31, 2009	**278.9**	**298.4**

In millions of euros

	2007/08	2008/09
Plan assets as of April 1, 2008	**270.0**	**337.9**
Expected return for the period	19.5	20.4
Actuarial gains (+)/losses (–)	–16.5	–54.4
Net exchange differences	–8.6	0.6
Changes through business combinations	80.4	0.0
Employer contributions	24.1	15.8
Pension payments	–31.0	–23.3
Plan assets as of March 31, 2009	**337.9**	**297.0**

In millions of euros

	03/31/2005	03/31/2006	03/31/2007	03/31/2008	03/31/2009
Present value of defined benefit obligation (DBO)	311.4	377.0	381.4	616.8	595.4
Plan assets	–212.9	–253.7	–270.0	–337.9	–297.0
	98.5	**123.3**	**111.4**	**278.9**	**298.4**
Actuarial gains (+)/losses (–) due to parameter changes in %	0.0%	–12.4%	1.1%	1.3%	7.4%

In millions of euros

The calculation of the provisions for pensions was based on an expected interest rate of 6% on plan assets. The actual interest rate was –10%.

Provisions for long-service bonuses

	2007/08	2008/09
Present value of defined benefit obligation (DBO) as of April 1, 2008	**94.9**	**112.6**
Service costs for the period	5.4	5.2
Interest costs for the period	5.0	5.4
Changes through business combinations	17.6	0.0
Long-service bonus payments	–7.1	–10.2
Actuarial gains (–)/losses (+)	–3.2	–1.1
Present value of defined benefit obligation (DBO) as of March 31, 2009	**112.6**	**111.9**

In millions of euros

19. Provisions

	Balance as of 04/01/2008	Changes through business com-binations	Net exchange differences	Use	Reversal	Addition	Balance as of 03/31/2009
Non-current provisions							
Other personnel expenses	21.5	0.0	–0.2	–2.6	–0.6	2.3	20.4
Warranties	15.0	0.0	–0.7	–1.9	–1.5	3.6	14.5
Other non-current provisions	32.5	0.0	0.0	–1.2	–9.1	1.2	23.4
	69.0	**0.0**	**–0.9**	**–5.7**	**–11.2**	**7.1**	**58.3**
Current provisions							
Vacations	122.4	0.0	–1.8	–85.7	–1.9	68.3	101.3
Other personnel expenses	90.6	0.0	–0.3	–86.5	–3.0	141.0	141.8
Warranties	51.0	0.1	–0.1	–9.6	–19.1	20.3	42.6
Anticipated losses	14.3	0.0	0.1	–11.8	0.2	10.4	13.2
Other current provisions	124.8	0.6	–0.3	–78.5	–23.8	75.0	97.8
	403.1	**0.7**	**–2.4**	**–272.1**	**–47.6**	**315.0**	**396.7**
	472.1	**0.7**	**–3.3**	**–277.8**	**–58.8**	**322.1**	**455.0**

In millions of euros

The provisions for personnel expenses mainly include premiums and bonuses. Provisions for warranties as well as anticipated losses apply to the current operating activities. The other provisions mainly concern provisions for distribution allowances, process, legal and consulting costs as well as obligations for environmental protection.

20. Financial liabilities

	Up to one year		Over one year	
	03/31/2008	03/31/2009	03/31/2008	03/31/2009
Bank loans and bonds	2,919.5	1,309.4	1,200.9	3,438.8
Liabilities from finance leases	6.4	7.1	60.5	60.4
Liabilities from affiliated companies	21.1	17.2	0.0	0.0
Liabilities from other investments	68.0	46.0	0.0	0.0
Other payables and liabilities	16.7	65.3	1.5	1.4
	3,031.7	**1,445.0**	**1,262.9**	**3,500.6**

In millions of euros

On July 21, 2005, convertible bonds with a nominal value of EUR 250 million and a term of 5 years have been issued. The interest rate amounts to 1.5%.

The proceeds from the issue of the convertible bonds is divided into a liability and 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%.

The liability component is calculated as follows as of March 31, 2009:

Liability component as of April 1, 2007	**205.7**
Conversion	–137.5
Interest accrued	–0.6
Liability component as of March 31, 2008	**67.6**
Conversion	–46.6
Interest accrued	–0.1
Liability component as of March 31, 2009	**20.9**

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

	03/31/2008	03/31/2009
Prepayments received on orders	70.4	82.5
Trade payables	1,291.9	842.6
Liabilities from bills payable	203.4	414.8
Liabilities from affiliated companies	9.2	8.9
Liabilities from other investments	4.9	5.1
Other payables and other liabilities	567.0	545.5
	2,146.8	**1,899.4**

In millions of euros

22. Contingent liabilities

	03/31/2008	03/31/2009
Obligations from bills payable	0.2	1.6
Guarantees	4.8	4.6
Other contingent liabilities	1.3	0.0
	6.3	**6.2**

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, a convertible bond and trade payables. The prime 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 mainly include 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 its business activities and maximize 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 loans receivables, securities, cash and cash equivalents. Equity includes minority interests in Group companies, the equity component of the convertible bond and the hybrid capital.

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 rules 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, when reasonable, hedge financial risks. Our willingness to accept risk is relatively low. Risks posing a threat to the continued existence of the Company must be hedged; in other respects the strategy aims at reducing fluctuations in cash flow 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 potential 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 Monte Carlo simulation.

Liquidity risk–Financing

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.

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.

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 downturns due to the economy.

Due to the increased liquidity risk as a consequence of the crisis, voestalpine AG has a higher-than-average liquidity reserve in the form of securities and current investments. As of March 31, 2009, freely disposable securities amounted to EUR 106.6 million and current investments to EUR 857.7 million.

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. Thus, during the business year 2008/09 three emissions amounting to a total of EUR 1.23 billion were issued on the capital market.

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

Liabilities

	Due within one year		Due between one and five years		Due after more than five years	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Bonds	0.3	0.0	67.8	753.2	–	–
Bank loans	2,919.2	1,309.4	1,055.9	2,627.3	77.2	58.3
Trade payables	1,291.5	839.3	0.4	3.3	–	–
Liabilities from finance leases	6.4	7.1	39.5	26.2	21.0	34.2
Other financial liabilities	16.7	65.3	1.5	1.4	–	–
Total liabilities	**4,234.1**	**2,221.1**	**1,165.1**	**3,411.4**	**98.2**	**92.5**

In millions of euros

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

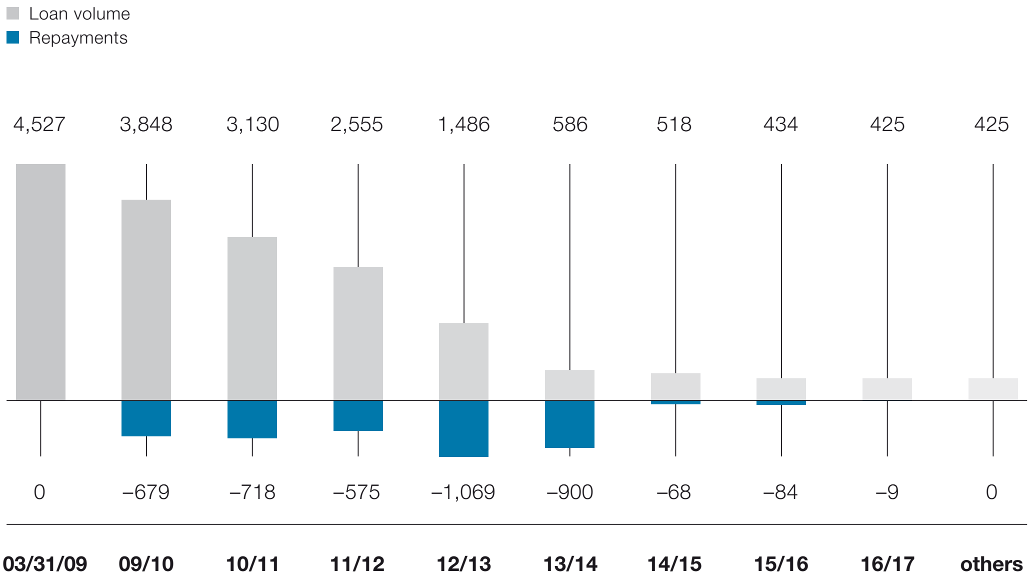
	Due within one year		Due between one and five years		Due after more than five years	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Interest on bonds	–	54.7	3.2	130.6	–	–
Interest on bank loans	33.5	126.0	73.0	254.5	4.4	2.9
Interest on trade payables	–	–	–	–	–	–
Interest on liabilities from finance leases	2.7	2.6	10.1	9.4	10.2	7.3
Interest on other financial liabilities	–	–	–	–	–	–
Total interest charges	**36.2**	**183.3**	**86.3**	394.5	**14.6**	**10.2**

In millions of euros

The maturity structure of the loan portfolio has the following repayment profile for the next several years. The bridge financing for the acquisition of BÖHLER-UDDEHOLM has been entirely refinanced over a longer term in the business year 2008/09, with some loans redeemed in annual installments.

Loan portfolio maturity structure[1]

In millions of euros



[1] Contains EUR 377.0 million of revolving export credits

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 overdue receivables for which no valuation allowance had been formed existed as of the balance sheet date:

	2007/08	2008/09
Less than 30 days past due	212.8	191.9
More than 31 and less than 60 days past due	54.0	66.6
More than 61 and less than 90 days past due	22.5	21.2
More than 91 and less than 120 days past due	11.5	12.0
More than 121 days past due	31.8	31.8
Total	**332.5**	**323.5**

In millions of euros

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

	2007/08	2008/09
Opening balance as of April 1, 2008	**28.8**	**52.4**
Additions	19.5	21.4
Net exchange differences	1.0	1.0
Changes through business combinations	19.0	0.9
Reversal	–7.5	–21.0
Use	–8.3	–6.2
Closing balance as of March 31, 2009	**52.4**	**48.5**

In millions of euros

As the main part of receivables is 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 balance sheet.

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	65	78	59	7	27
Money market investments excl. account credit balances	0	147	494	0	10
Derivates[1]	0	14	42	0	0

[1] Only positive market value

In millions of euros

Currency risk

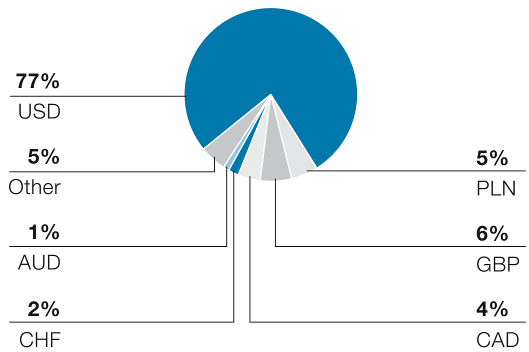
The biggest currency position in the Group arises from raw materials purchases in USD and to a lesser degree from exports to the "non-euro area."

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 payment flows over the next 12 months. Longer-term hedging occurs only for contracted projects. The hedging ratio is between 50% and 100%. The further the cash flow is in the future, the lower the hedging ratio. There is no indirect currency risk.

The net requirement for USD was USD 1,082.3 million in the business year 2008/09. The repeated increase over the previous year (USD 665.0 million) was due to the increase in the quantity and price of raw materials purchased in the first half-year. The Polish zloty is the second largest foreign currency position in the Group because some of the invoicing for raw materials purchases changed over to PLN. The remaining foreign currency exposure, resulting primarily from exports to the "non-euro area," is significantly lower than the USD risk.

Foreign currency portfolio 2008/09 (net)

In USD and PLN, the outflows predominate; in all other currencies receipts predominate.



Based on the Value-at-Risk calculation, as of March 31, 2009, the risks for all open positions for the upcoming business year are as follows:

Undiversified	USD	PLN	ZAR	NOK	CAD	CHF	GBP	Other
Position	–97.10	–31.30	32.36	7.99	8.37	10.09	3.92	3.90
var (95%/y.)	37.06	15.81	13.58	2.11	1.92	1.61	1.21	0.90

In millions of euros

Taking into account the correlation between the different currencies, the resulting portfolio risk is EUR 35.8 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. 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 asset side, so that a 1% increase in the money market rate increases the interest expense by EUR 21.5 million.

The weighted average interest rate for asset positions is 1.23% with a duration of 0.52 years (including money market investments) and 3.98% for liability positions with a duration of 0.96 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	1,118	1.23%	0.52	0.87	–5.15	–10.04
Liabilities	–4,763	3.98%	0.96	4.01	57.24	31.57
Net	–3,644				52.09	21.54

[1] In millions of euros
[2] Excluding revolving export credits of EUR 377.0 million

The present value risk determined using the Value-at-Risk calculation for March 31, 2009 is equal to EUR 10.2 million (2007/08: EUR 4.7 million) for positions on the asset side given a 1% change in the interest rate and EUR 123.2 million (2007/08: EUR 33.8 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 113.0 million (2007/08: EUR 29.1 million).

The asset positions include EUR 252.9 million (previous year: EUR 286.5 million) of investments in the V47 and V54 funds of funds. 96.2% of the fund assets are invested in bonds and money market securities in euro 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 89.2 million	with a modified duration of 0.38
Sub-fund V102	EUR 84.9 million	with a modified duration of 2.36
Sub-fund V103	EUR 63.2 million	with a modified duration of 5.79
Special funds	EUR 13.3 million	(only included in V54)

The funds of funds include EUR 9.9 million in equities (3.8% of fund assets), which are divided among two global equities funds with different investment approaches.

Due to the negative effects of the financial market crisis in the last business year, losses in the funds of funds for the business year have been recorded for both the bond and equity portions:

Umbrella funds	**Performance**
V47	–4.43%
V54	–3.19%

Securities are assessed at fair value; net losses amounting to EUR 24.1 million (2007/08: net profit EUR 0.2 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, 2009:

	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)	580.8	21.4	10.6	100% < 1 year
Derivatives	2,054.1	–27.5	–20.6	100% <= 5 years
Commodity swaps	101.7	–32.3	0.0	100% < 2 years
Total	**2,736.6**	**–38.4**	**–10.0**	

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).

voestalpine Group uses hedge accounting for a significant portion of its derivative financial instruments. Profits and losses are recognized directly in equity. When the underlying transaction is recognized, the accumulated profits or losses that were recognized directly in equity in previous periods are initially recognized in the amount of the underlying assets and then in profit or loss.

In the business year 2008/09, hedge accounting according to IAS 39 was used for hedging foreign currency payment flows, interest bearing receivables and liabilities, and raw materials purchase agreements. The interest rate and currency hedges are cash flow hedges, while the raw material hedges were classified as fair value hedges.

Net profit of foreign currency and interest rate derivatives (cash flow hedges) amounting to EUR 58.4 million are recognized through profit and loss during the reporting period. Losses for raw material hedges, which are classified as fair value hedges, amounting to EUR 30.0 million are recognized through profit and loss. Profits for the corresponding underlying transactions amounting to EUR 11.0 million are also recognized through profit and loss. From the equity reserve for foreign exchange hedges EUR 19.8 million negative fair values were withdrawn during the reporting period and recognized through profit and loss; fair values amounting to EUR 10.6 million were conveyed to the reserve. The equity reserve for interest hedges was decreased by EUR 17.8 million following variations in the fair values of hedges.

Categories of financial instruments

Classes	Financial assets measured at (amortized) cost	Financial assets measured at fair value			
Categories	**Loans and receivables**	**Financial assets available-for-sale**	**Financial assets measured at fair value through profit and loss**		
			Derivatives	**Designated at fair value**	**Total**
Assets 2007/08					
Other financial assets – non-current	43.1	1.7	–	58.9	103.7
Trade and other receivables	2,224.4	–	8.4	–	2,232.8
Other financial assets – current	–	21.9	–	225.8	247.7
Cash and cash equivalents	331.9	–	–	–	331.9
Carrying amount	**2,599.4**	**23.6**	**8.4**	**284.7**	**2,916.1**
Fair value	**2,599.4**	**23.6**	**8.4**	**284.7**	**2,916.1**
Assets 2008/09					
Other financial assets – non-current	84.5	3.2	–	53.8	141.5
Trade and other receivables	1,756.6	–	28.9	–	1,785.5
Other financial assets – current	–	19.1	–	199.0	218.1
Cash and cash equivalents	857.7	–	–	–	857.7
Carrying amount	**2,698.8**	**22.3**	**28.9**	**252.8**	**3,002.8**
Fair value	**2,698.8**	**22.3**	**28.9**	**252.8**	**3,002.8**

In millions of euros

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**	**Total**
Liabilities 2007/08			
Financial liabilities – non-current	1,262.9	–	1,262.9
Financial liabilities – current	3,031.7	–	3,031.7
Trade and other payables	2,060.1	86.7	2,146.8
Carrying amount	**6,354.7**	**86.7**	**6,441.4**
Fair value	**6,454.6**	**86.7**	**6,541.3**
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**

In millions of euros

24. Consolidated cash flow statement

The consolidated cash flow statement was prepared using the indirect method. Cash and cash equivalents include cash on hand, cash at banks and checks. The effects of any changes in consolidation range were eliminated and reported in the cash flow from investing activities.

	2007/08	2008/09
Interest received	44.8	61.3
Interest paid	208.5	308.3
Taxes paid	286.3	240.5

In millions of euros

Adjustments

	2007/08	2008/09
Depreciation, amortization and impairment	709.4	726.8
Result from sale of assets	–13.4	–10.8
Changes in pensions and other employee obligations, non-current provisions and deferred taxes	–54.9	–76.6
Non-cash share of profit of associates	5.0	–11.6
	646.1	**627.8**

In millions of euros

Cash flows from operating activities include dividend income of EUR 20.6 million from associates and other holdings.

The conversion of convertible bonds amounting to EUR 46.6 million increased the equity. But there was no effect of the conversion on the cash flow statement.

Cash flows from changes in the consolidation range include EUR 1.1 million from the disposal of entities that were fully consolidated in the previous year, as well as a repayment amounting to EUR 2.9 million of a purchase price paid in the previous year.

25. Related parties, corporate bodies and employees

Business transactions between the Group and non-consolidated subsidiaries and equity-consolidated entities are dealt with at arm's length terms and are included in the following items of the consolidated financial statements:

	2007/08	2008/09
Revenue	394.5	371.0
Material expenses	156.4	149.7
Other operating expenses	43.4	42.4
	03/31/2008	**03/31/2009**
Trade and other receivables	38.1	29.2
Financial liabilities/trade and other payables	35.2	20.5
Contingent liabilities	0.1	0.0

In millions of euros

In the business year 2008/09, 649 temporary employees (2007/08: 818) from a company reported under other investments were employed to cover short-term personnel shortages.

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

Management Board

A target agreement must be concluded with the Executive Committee of the Supervisory Board before a bonus can be awarded. 70% of the possible bonus are based on quantitative targets, and 30% on qualitative targets. The target amounts for the quantitative targets are the profit from operating activities (EBIT) and return on capital employed (ROCE). Specific target amounts are set periodically by the Executive Committee of the Supervisory Board in consultation with the Management Board. The qualitative targets consist of two to four individual targets, relating primarily to the areas of strategy, cost management and organization. The bonus is limited to 150% of the annual gross salary for members of the Management Board and to 200% of the annual gross salary for the Chairman of the Management Board.

The size of the contractually approved company pension depends on the length of service. The size of the annual pension equals 1.2% of the last annual gross salary for each year of service, with a maximum pension benefit of 40% of the last annual gross salary (without bonuses).

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.

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

	2007/08	2008/09
Fixed compensation	2.9	3.2
Variable compensation	5.7	4.7
	8.6	**7.9**

In millions of euros

No advances or loans were granted to the members of the Management Board of voestalpine AG.

Supervisory Board

Under § 15 of the Articles of Incorporation, the members of the Supervisory Board of voestalpine AG therefore receive as compensation 0.1% of the net income for the year as shown in the approved consolidated financial statements. 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 10,000 for all other members of the Supervisory Board. Compensation is limited to a multiple of four times the indicated amounts. The attendance honorarium equals EUR 500 per Supervisory Board meeting.

The annual compensation of members of the Supervisory Board is conclusively regulated by the Articles of Incorporation. An annual general meeting resolution is not necessary.

The compensation of the Supervisory Board and other Supervisory Board expenses totaled EUR 0.5 million (2007/08: EUR 0.5 million) in the business year 2008/09. No advances or loans were granted to members of the Supervisory Board of voestalpine AG.

As legal counsel to voestalpine AG, the law firm Binder Grösswang Rechtsanwälte, where Dr. Michael Kutschera is operating as partner, performed in the reporting period 2008/09 legal advisory services on the transactions to finance the acquisition of BÖHLER-UDDEHOLM AG, on the minority shareholder squeeze-out procedure related to BÖHLER-UDDEHOLM AG, on the issuance of a corporate bond as well as on general questions in connection with financing of the voestalpine Group and on several special questions regarding company law. Fees for these matters are invoiced at the general hourly rates of the law firm of Binder Grösswang Rechtsanwälte applicable at the time. Total net fees of EUR 418,138.37 were incurred for services provided by the law firm of Binder Grösswang Rechtsanwälte.

Employee information

Total personnel expenses are comprised as follows:

	2007/08	2008/09
Wages	819.7	890.8
Salaries	703.4	795.4
Expenses for severance payments	17.1	20.0
Expenses for pensions	19.3	25.9
Expenses for statutory benefits and payroll-based contributions	356.2	396.8
Other social security expenses	44.7	45.0
	1,960.4	**2,173.9**

In millions of euros

Total number of employees

	Balance sheet date		Average	
	03/31/2008	03/31/2009	2007/08	2008/09
Laborers	26,350	25,754	25,632	26,458
Salaried employees	15,140	15,462	14,849	15,491
Apprentices	1,411	1,503	1,451	1,574
	42,901	**42,719**	**41,932**	**43,523**

26. Share-based payments

Stock option plan

A resolution approving a stock option plan was adopted in the business year 2006/07. The vesting period ended on June 30, 2008. Members of the Management Board (with the exception of the new member of the Management Board 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.

The market value of the options at the time of grant is EUR 5.26 per option and is allocated linearly over 22 months until the end of the vesting period. An expense of EUR 3.0 million is reported in the consolidated financial statements for 2008/09. The following parameters were used for valuing 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 means of a 7% discount.

In the business year 2008/09, executives exercised 297,465 options with an average price of EUR 48.7. The Management Board of voestalpine AG has not exercised any option. Executives leaving the Group have renounced 57,000 options. The number of outstanding options therefore amounts to 3,855,330 pieces at the end of the reporting period. None of the two exercise requirements has been met at the end of the reporting period.

27. Events after the balance sheet date

No significant events after the balance sheet date have been noted.

28. Earnings per share

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

	2007/08	2008/09
Profit attributable to equity holders of the parent	**718,227**	**529,844**
Issued ordinary shares (average)	162,929,275	164,780,699
Effect of own shares held (average)	–4,461,144	–2,186,710
Weighted average number of outstanding ordinary shares	**158,468,131**	**162,593,989**
Basic (undiluted) earnings per share (euros)	**4.53**	**3.26**
Profit from continuing operations attributable to equity holders of the parent	743,382	554,490
Basic (undiluted) earnings per share (continuing operations) (euros)	**4.69**	**3.41**

In thousands of euros

The undiluted earnings per share for the discontinued operations amount to EUR –0.15 (2007/08: EUR –0.16).

Diluted earnings per share are calculated as follows:

	2007/08	2008/09
Profit attributable to equity holders of the parent	718,227	529,844
Interest charged for convertible bonds (net)	2,691	623
Base for diluted earnings per share	**720,918**	**530,467**
Weighted average number of outstanding ordinary shares	158,468,131	162,593,989
Weighted average potential shares of convertible bonds	5,178,134	1,150,440
Weighted average number of ordinary shares for diluted earnings per share	**163,646,265**	**163,744,429**
Diluted earnings per share (euros)	**4.41**	**3.24**
Profit from continuing operations attributable to equity holders of the parent	746,073	555,113
Diluted earnings per share (continuing operations) (euros)	**4.56**	**3.39**

In thousands of euros

The diluted earnings per share for the discontinued operations amount to EUR –0.15 (2007/08: EUR –0.15).

29. 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, 2009. These financial statements show net retained profits of EUR 178.0 million. The Management Board proposes a dividend of EUR 1.05 per share (2007/08: EUR 2.10).

30. Management Board statement in accordance with § 82 (4) line 3 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, 2009

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 financial year from April 1, 2008 to March 31, 2009. These consolidated financial statements comprise the balance sheet as at March 31, 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended March 31, 2009, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements and group accounting

Management is responsible for the group accounting as well as for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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 the nature and scope of a financial statement 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 in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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. Based on the results of our audit in our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the group as of March 31, 2009, and of its financial performance and its cash flows for the financial year from April 1, 2008 to March 31, 2009 in accordance with International Reporting Standards as adopted by the EU.

Statement on the management report

Laws and regulations require us to perform audit procedures whether the consolidated management report is consistent with the consolidated financial statements and whether the other disclosures made in the consolidated management report do not give rise to misconception of the position of the group. Furthermore our opinion needs to include a statement on whether the consolidated management report is in accordance with the consolidated financial statements and whether the disclosures according to § 243a of the Austrian Companies Code (UGB) have been made.

In our opinion, the consolidated management report for the group is consistent with the consolidated financial statements. The disclosures according to § 243a of the Austrian Companies Code (UGB) have been made.

Vienna, May 18, 2009

Grant Thornton
Wirtschaftsprüfungs- und Steuerberatungs-GmbH

Univ. Doz. Dr. Walter Platzer

Mag. Josef Töglhofer

Auditors and Tax Consultants

Disclosure, publication and/or reproduction in a form that deviates from the certified version of our appended certificate and that deviates from the requirements under the law within the meaning of § 281 (2) of the Austrian Companies Code (UGB) is not permitted. If such a disclosure, publication and/or reproduction refers to our audit, our prior consent in writing is required.

voestalpine AG

Investments

Steel Division

	Domicile of the company	Interest held	Parent company
voestalpine Stahl GmbH	AUT	100.000%	voestalpine AG
Breuckmann GmbH	DEU	100.000%	vatron gmbh
Importkohle Gesellschaft m.b.H.	AUT	66.000%	voestalpine Rohstoffbeschaffungs GmbH
Importkohle Gesellschaft m.b.H.	AUT	1.000%	Böhler Edelstahl GmbH & Co KG
Logistik Service GmbH	AUT	100.000%	voestalpine Stahl GmbH
vatron gmbh	AUT	66.500%	voestalpine Stahl GmbH
vatron gmbh	AUT	5.000%	voestalpine Bahnsysteme GmbH & Co KG
voestalpine Anarbeitung GmbH	AUT	100.000%	voestalpine Stahl GmbH
voestalpine Eurostahl GmbH	AUT	100.000%	voestalpine Stahl GmbH
voestalpine Giesserei Linz GmbH	AUT	100.000%	voestalpine Stahl GmbH
voestalpine Giesserei Traisen GmbH	AUT	100.000%	voestalpine Giesserei Linz GmbH
voestalpine Grobblech GmbH	AUT	100.000%	voestalpine Stahl GmbH
voestalpine Personalberatung GmbH	AUT	100.000%	voestalpine Stahl GmbH
voestalpine Rohstoffbeschaffungs GmbH	AUT	75.100%	voestalpine Stahl GmbH
voestalpine Rohstoffbeschaffungs GmbH	AUT	24.900%	voestalpine Stahl Donawitz GmbH & Co KG
voestalpine Stahl Service Center GmbH	AUT	100.000%	voestalpine Stahl GmbH
voestalpine Steel Service Center Polska Sp. z o.o.	POL	100.000%	voestalpine Stahl Service Center GmbH
COGNOR Stahlhandel GmbH[2]	AUT	25.100%	voestalpine Stahl GmbH
GEORG FISCHER FITTINGS GmbH[2]	AUT	49.000%	voestalpine Stahl GmbH
Herzog Coilex GmbH[2]	DEU	25.100%	voestalpine Stahl Service Center GmbH
Industrie-Logistik-Linz GmbH & Co KG[2]	AUT	37.000%	voestalpine Stahl GmbH
Jiaxing NYC Industrial Co. Ltd[2]	CHN	49.000%	voestalpine Giesserei Linz GmbH
Kühne + Nagel Euroshipping GmbH[2]	DEU	49.000%	Logistik Service GmbH
METALSERVICE S.P.A.[2]	ITA	40.000%	voestalpine Stahl Service Center GmbH
Ningxia Kocel Steel Foundry Co. Ltd.[2]	CHN	49.000%	voestalpine Giesserei Linz GmbH
Scholz Austria GmbH[2]	AUT	28.250%	voestalpine Stahl GmbH
Scholz Austria GmbH[2]	AUT	5.160%	voestalpine Stahl Donawitz GmbH & Co KG
Scholz Austria GmbH[2]	AUT	3.712%	Böhler Edelstahl GmbH & Co KG
Wuppermann Austria Gesellschaft m.b.H.[2]	AUT	30.000%	voestalpine Stahl GmbH
„Sport-Kultur-Aktiv" registrierte Genossenschaft mit beschränkter Haftung in Liquidation[1]	AUT	99.598%	voestalpine Stahl GmbH
Austrian Center of Competence in Mechatronics GmbH[1]	AUT	33.333%	vatron gmbh
B-Zone Projektentwicklungs- und -vermarktungsgesellschaft mbH[1]	AUT	100.000%	voestalpine Stahl GmbH

	Domicile of the company	Interest held	Parent company
Cargo Service GmbH[1]	AUT	100.000%	Logistik Service GmbH
Caseli GmbH[1]	AUT	100.000%	voestalpine Stahl GmbH
Energie AG Oberösterreich[1]	AUT	2.063%	voestalpine Stahl GmbH
GWL Gebäude- Wohnungs- und Liegenschafts-Verwaltungsgesellschaft m.b.H.[1]	AUT	76.000%	voestalpine Stahl GmbH
Hot Vision Research GmbH[1]	AUT	100.000%	vatron gmbh
Industrie-Logistik-Linz Geschäftsführungs-GmbH[1]	AUT	37.000%	voestalpine Stahl GmbH
Kontext Druckerei GmbH[1]	AUT	64.800%	voestalpine Stahl GmbH
Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.[1]	AUT	33.333%	voestalpine Stahl GmbH
Stahlservice Rauschenberger Verwaltungs-GmbH[1]	DEU	100.000%	voestalpine Stahl GmbH
VA OMV Personalholding GmbH[1]	AUT	50.000%	voestalpine Personalberatung GmbH
vivo Mitarbeiter-Service GmbH[1]	AUT	100.000%	voestalpine Stahl GmbH
voestalpine Belgium NV/SA[1]	BEL	100.000%	voestalpine Eurostahl GmbH
voestalpine CR, s.r.o.[1]	CZE	100.000%	voestalpine Eurostahl GmbH
voestalpine d.o.o.[1]	HRV	100.000%	voestalpine Eurostahl GmbH
voestalpine d.o.o.[1]	SRB	100.000%	voestalpine Eurostahl GmbH
voestalpine d.o.o.[1]	SVN	100.000%	voestalpine Eurostahl GmbH
voestalpine Danmark ApS.[1]	DNK	100.000%	voestalpine Eurostahl GmbH
voestalpine Deutschland GmbH[1]	DEU	100.000%	voestalpine Eurostahl GmbH
voestalpine France SAS[1]	FRA	100.000%	voestalpine Eurostahl GmbH
voestalpine Hungaria Kft.[1]	HUN	99.000%	voestalpine Eurostahl GmbH
voestalpine Hungaria Kft.[1]	HUN	1.000%	Donauländische Baugesellschaft m.b.H.
voestalpine Italia S.r. l.[1]	ITA	100.000%	voestalpine Eurostahl GmbH
voestalpine Nederland B.V.[1]	NLD	100.000%	voestalpine Eurostahl GmbH
voestalpine Polska Sp.z o.o.[1]	POL	100.000%	voestalpine Eurostahl GmbH
voestalpine Romania S.R.L[1]	ROU	100.000%	voestalpine Eurostahl GmbH
voestalpine Scandinavia AB[1]	SWE	100.000%	voestalpine Eurostahl GmbH
voestalpine Schweiz GmbH[1]	CHE	100.000%	voestalpine Eurostahl GmbH
voestalpine Slovakia s.r.o.[1]	SVK	100.000%	voestalpine Eurostahl GmbH
voestalpine Steel Service Center Romania SRL[1]	ROU	100.000%	voestalpine Stahl Service Center GmbH
voestalpine UK LTD[1]	GBR	100.000%	voestalpine Eurostahl GmbH
voestalpine USA Corp.[1]	USA	100.000%	voestalpine Eurostahl GmbH
Werksgärtnerei Gesellschaft m.b.H.[1]	AUT	100.000%	voestalpine Stahl GmbH

[1] No consolidation [2] Equity method, for all other companies: full consolidation

Special Steel Division

	Domicile of the company	Interest held	Parent company
Böhler-Uddeholm Aktiengesellschaft	AUT	100.000%	voestalpine AG
Aceros Boehler del Ecuador S.A.	ECU	1.753%	BOHLER-UDDEHOLM Colombia S.A.
Aceros Boehler del Ecuador S.A.	ECU	98.247%	Böhler-Uddeholm Aktiengesellschaft
Aceros Boehler del Peru S.A.	PER	2.500%	Böhler Edelstahl GmbH & Co KG
Aceros Boehler del Peru S.A.	PER	95.000%	Böhler-Uddeholm Aktiengesellschaft
Aceros Boehler del Peru S.A.	PER	2.500%	Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.
Aceros Boehler Uddeholm S.A.	ARG	94.378%	Böhler-Uddeholm Aktiengesellschaft
Aceros Boehler Uddeholm S.A.	ARG	5.622%	Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.
Aceros Bohler Uddeholm, S.A. de C.V.	MEX	100.000%	Uddeholms Aktiebolag
Acos Bohler Uddeholm do Brasil Ltda.	BRA	99.996%	Böhler-Uddeholm Aktiengesellschaft
Acos Bohler Uddeholm do Brasil Ltda.	BRA	0.004%	Gebrüder Böhler & Co. AG
Aktiebolaget Finansa	SWE	100.000%	Uddeholm Tooling Aktiebolag
Aktiebolaget Uddeholmsagenturen	SWE	100.000%	Uddeholm Tooling Aktiebolag
ASSAB Steels (China) Ltd.	CHN	100.000%	ASSAB Steels (HK) Ltd.
ASSAB Steels (HK) Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.
ASSAB Steels (Korea) Co., Ltd.	KOR	85.000%	ASSAB Pacific Pte.Ltd.
ASSAB Steels (Malaysia) Co., Ltd.	MYS	95.000%	ASSAB Pacific Pte.Ltd.
ASSAB Steels (Taiwan) Ltd.	TWN	82.500%	ASSAB Pacific Pte.Ltd.
ASSAB Steels (Thailand) Ltd.	THA	95.000%	ASSAB Pacific Pte.Ltd.
ASSAB Steels Singapore (Pte) Ltd.	SGP	90.000%	ASSAB Pacific Pte.Ltd.
ASSAB Technology (Malaysia) Sdn Bhd	MYS	100.000%	ASSAB Steels (Malaysia) Co., Ltd.
ASSAB Tooling (Beijing) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.
ASSAB Tooling (Dong Guan) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.
ASSAB Tooling (Qing Dao) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.

	Domicile of the company	Interest held	Parent company
ASSAB Tooling (Xiamen) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.
ASSAB Tooling Technology (Chongqing) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.
ASSAB Tooling Technology (Ningbo) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.
ASSAB Tooling Technology (Shanghai) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.
ASSAB CELIK VE ISIL ISLEM SANAYI VE TICARET ANONIM SIRKETI	TUR	69.891%	ASSAB International Aktiebolag
ASSAB CELIK VE ISIL ISLEM SANAYI VE TICARET ANONIM SIRKETI	TUR	0.036%	Böhler Grundstücks GmbH & Co KG
ASSAB CELIK VE ISIL ISLEM SANAYI VE TICARET ANONIM SIRKETI	TUR	0.036%	BÖHLER-UDDEHOLM Immobilien GmbH
ASSAB CELIK VE ISIL ISLEM SANAYI VE TICARET ANONIM SIRKETI	TUR	0.036%	Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.
ASSAB CELIK VE ISIL ISLEM SANAYI VE TICARET ANONIM SIRKETI	TUR	30.000%	Uddeholms Aktiebolag
ASSAB International Aktiebolag	SWE	100.000%	Uddeholms Aktiebolag
ASSAB Pacific Pte.Ltd.	SGP	100.000%	Uddeholms Aktiebolag
ASSAB SRIPAD Steels Limited	IND	70.000%	ASSAB International Aktiebolag
Associated Swedish Steels Aktiebolag	SWE	100.000%	Uddeholm Tooling Aktiebolag
Associated Swedish Steels Phils., Inc.	PHL	84.970%	ASSAB Pacific Pte.Ltd.
Avesta Welding LLC	USA	100.000%	Bohler Welding Group USA Inc.
Böhler Aktiengesellschaft	DEU	100.000%	Böhler-Uddeholm Aktiengesellschaft
BÖHLER Bleche GmbH	AUT	100.000%	Böhler-Uddeholm Aktiengesellschaft
BÖHLER Bleche GmbH & Co KG	AUT	100.000%	Böhler-Uddeholm Aktiengesellschaft
Böhler Bleche Multilayer GmbH	DEU	100.000%	BÖHLER Bleche GmbH & Co KG
Böhler Edelstahl GmbH	AUT	100.000%	Böhler-Uddeholm Aktiengesellschaft
Böhler Edelstahl GmbH & Co KG	AUT	100.000%	Böhler-Uddeholm Aktiengesellschaft
Böhler Grundstücks Beteiligungs GmbH	DEU	100.000%	Böhler Aktiengesellschaft

	Domicile of the company	Interest held	Parent company
Böhler Grundstücks GmbH & Co KG[4]	DEU	100.000%	Böhler Schweißtechnik GmbH
Böhler International GmbH	AUT	100.000%	Böhler-Uddeholm Aktiengesellschaft
Böhler Kereskedelmi Kft.	HUN	100.000%	Böhler-Uddeholm Aktiengesellschaft
Böhler Lastechniek Groep Nederland B.V.	NLD	100.000%	Hilarius Holding B.V.
Böhler Schmiedetechnik GmbH	AUT	100.000%	Böhler-Uddeholm Aktiengesellschaft
Böhler Schmiedetechnik GmbH & Co KG	AUT	99.999%	Böhler-Uddeholm Aktiengesellschaft
Böhler Schmiedetechnik GmbH & Co KG	AUT	0.001%	Böhler Schmiedetechnik GmbH
Böhler Schweißtechnik Austria GmbH	AUT	100.000%	Böhler Welding Holding GmbH
Böhler Schweißtechnik Deutschland GmbH	DEU	100.000%	Böhler Welding Holding GmbH
Böhler Schweißtechnik GmbH	DEU	100.000%	Böhler Aktiengesellschaft
Böhler Soldaduras S.A. de C.V.	MEX	99.990%	Böhler Welding Holding GmbH
Böhler Soldaduras S.A. de C.V.	MEX	0.010%	Böhler Welding Group GmbH
Böhler Tecnica de Soldagem Ltda.	BRA	100.000%	Böhler Welding Holding GmbH
Bohler Uddeholm (Australia) Pty Ltd.	AUS	100.000%	Böhler-Uddeholm Aktiengesellschaft
Bohler Uddeholm Africa (Pty) Ltd.	ZAF	100.000%	Böhler-Uddeholm Aktiengesellschaft
Böhler Uddeholm CZ s.r.o.	CZE	100.000%	Böhler-Uddeholm Aktiengesellschaft
Böhler Uddeholm Deutschland GmbH	DEU	100.000%	Böhler-Uddeholm Holding GmbH
Böhler Uddeholm Härtereitechnik GmbH	DEU	100.000%	Böhler-Uddeholm Aktiengesellschaft
Bohler Uddeholm Polska s.p.z.o.o	POL	100.000%	Böhler-Uddeholm Aktiengesellschaft
Böhler Uddeholm Precision Steel AB	SWE	100.000%	Uddeholms Aktiebolag
Böhler Uddeholm Precision Strip AB	SWE	100.000%	Uddeholms Aktiebolag
Bohler Uddeholm Romania s.r.l.	ROU	99.907%	Böhler International GmbH
Bohler Uddeholm Romania s.r.l.	ROU	0.093%	Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.
Böhler Uddeholm Saw Steel AB	SWE	100.000%	Uddeholms Aktiebolag
Böhler Uddeholm Service Center AB	SWE	100.000%	Uddeholms Aktiebolag

[4] These consolidated financial statements represent an exemption for Böhler Grundstücks GmbH & Co KG according to Art. 264b of the German Commercial Code. For all other companies: full consolidation.

	Domicile of the company	Interest held	Parent company
Böhler Verwaltungs GmbH	DEU	100.000%	Böhler Aktiengesellschaft
Böhler Wärmebehandlung GmbH	AUT	51.000%	Böhler-Uddeholm Aktiengesellschaft
Bohler Welding Group Canada Ltd.	CAN	100.000%	Böhler Welding Holding GmbH
Böhler Welding Group GmbH	AUT	100.000%	Böhler Welding Holding GmbH
Böhler Welding Group Greece S.A.	GRC	100.000%	Böhler Welding Holding GmbH
Bohler Welding Group India Private Limited	IND	99.998%	Böhler Welding Holding GmbH
Bohler Welding Group India Private Limited	IND	0.002%	Böhler Welding Group GmbH
BOHLER WELDING GROUP ITALIA s.p.a.	ITA	100.000%	Böhler Welding Holding GmbH
Bohler Welding Group Middle East FZE	ARE	100.000%	Böhler Welding Holding GmbH
Böhler Welding Group Nordic AB	SWE	100.000%	Böhler Schweißtechnik Austria GmbH
Böhler Welding Group Nordic Sales AB	SWE	100.000%	Böhler Welding Group Nordic AB
Böhler Welding Group Norway AS	NOR	100.000%	Böhler Welding Holding GmbH
Böhler Welding Group Schweiz AG	CHE	100.000%	Böhler Welding Holding GmbH
Bohler Welding Group UK Ltd	GBR	100.000%	Böhler Welding Holding GmbH
Bohler Welding Group USA Inc.	USA	100.000%	Böhler Welding Holding GmbH
Böhler Welding Holding GmbH	DEU	94.500%	Böhler-Uddeholm Aktiengesellschaft
Böhler Welding Holding GmbH	DEU	5.500%	Böhler Uddeholm Härtereitechnik GmbH
Böhler Welding Technololgy (China) Co. Ltd.	CHN	100.000%	Böhler Welding Holding GmbH
Böhler Welding Trading (Shanghai) Co. Ltd.	CHN	100.000%	Böhler Welding Holding GmbH
Böhler Ybbstal GmbH	AUT	100.000%	Böhler Ybbstalwerke GmbH
Böhler Ybbstalwerke GmbH	AUT	100.000%	Böhler-Uddeholm Aktiengesellschaft
Böhlerstahl Vertriebsgesellschaft m.b.H.	AUT	100.000%	Böhler-Uddeholm Aktiengesellschaft
Bohler-Uddeholm (UK) Ltd.	GBR	100.000%	Bohler-Uddeholm Holdings (UK) Ltd.
Böhler-Uddeholm B.V.	NLD	100.000%	Böhler-Uddeholm Aktiengesellschaft
Böhler-Uddeholm Bearbeitungs GmbH	DEU	100.000%	Böhler-Uddeholm Holding GmbH
BOHLER-UDDEHOLM Colombia S.A.	COL	0.189%	BÖHLER Bleche GmbH & Co KG

	Domicile of the company	Interest held	Parent company
BOHLER-UDDEHOLM Colombia S.A.	COL	0.189%	Böhler Edelstahl GmbH & Co KG
BOHLER-UDDEHOLM Colombia S.A.	COL	90.390%	Böhler-Uddeholm Aktiengesellschaft
BOHLER-UDDEHOLM Colombia S.A.	COL	9.232%	Böhler Ybbstalwerke GmbH
Bohler-Uddeholm Corporation	USA	100.000%	Uddeholms Aktiebolag
Böhler-Uddeholm France S.A.S.	FRA	100.000%	Böhler-Uddeholm Aktiengesellschaft
Böhler-Uddeholm Holding GmbH	DEU	100.000%	Böhler Aktiengesellschaft
Bohler-Uddeholm Holdings (UK) Ltd.	GBR	100.000%	Böhler-Uddeholm Aktiengesellschaft
Böhler-Uddeholm Iberica S.A.	ESP	100.000%	Böhler-Uddeholm Aktiengesellschaft
Böhler-Uddeholm Italia S.p.A.	ITA	99.250%	Böhler-Uddeholm Aktiengesellschaft
Böhler-Uddeholm Italia S.p.A.	ITA	0.750%	Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.
Böhler-Uddeholm Ltd.	CAN	100.000%	Uddeholms Aktiebolag
Böhler-Uddeholm Precision Strip GmbH & Co KG	AUT	100.000%	Böhler-Uddeholm Aktiengesellschaft
Böhler-Uddeholm Precision Strip GmbH	AUT	100.000%	Böhler-Uddeholm Aktiengesellschaft
Bohler-Uddeholm Services, LLC	USA	100.000%	Bohler-Uddeholm Corporation
Böhler-Uddeholm SLOVAKIA, s.r.o.	SVK	100.000%	Böhler-Uddeholm Aktiengesellschaft
Bohler-Uddeholm Specialty Metals, Inc.	USA	100.000%	Bohler-Uddeholm Corporation
Bohler-Uddeholm Strip Steel, LLC	USA	100.000%	Bohler-Uddeholm Corporation
Böhler-Ybbstal Profil GmbH	AUT	100.000%	Böhler-Uddeholm Aktiengesellschaft
BTF S.p.A.	ITA	100.000%	Böhler Welding Holding GmbH
BU Beteiligungs-und Vermögensverwaltung GmbH	AUT	100.000%	Böhler Edelstahl GmbH
BU Precision Strip Trading (Suzhou) Co., Ltd	CHN	100.000%	Böhler-Uddeholm Precision Strip GmbH & Co KG
Buderus Edelstahl Band GmbH	DEU	100.000%	Böhler-Uddeholm Aktiengesellschaft
Buderus Edelstahl GmbH	DEU	100.000%	Böhler-Uddeholm Aktiengesellschaft
Buderus Edelstahl Schmiedetechnik GmbH	DEU	100.000%	Böhler-Uddeholm Aktiengesellschaft

	Domicile of the company	Interest held	Parent company
Buderus Edelstahl Zerspanungstechnik GmbH	DEU	100.000%	Buderus Edelstahl GmbH
Compania de Industria y Comercio, S.A. de C.V.	MEX	0.001%	Böhler-Uddeholm Precision Strip GmbH
Compania de Industria y Comercio, S.A. de C.V.	MEX	99.999%	Martin Miller GmbH
D.I.N. Acciai S.p.A.	ITA	0.043%	Böhler-Uddeholm Aktiengesellschaft
D.I.N. Acciai S.p.A.	ITA	99.957%	Böhler-Uddeholm Italia S.p.A.
DAN Spray A/S	DNK	100.000%	Uddeholm Tooling Aktiebolag
Densam Industrial Co. Ltd.	TWN	51.000%	ASSAB Pacific Pte.Ltd.
Densam Industrial Co. Ltd.	TWN	49.000%	ASSAB Steels (Taiwan) Ltd.
Deville Rectification S.A.S.	FRA	100.000%	Buderus Edelstahl GmbH
EDRO Engineering, Inc.	USA	100.000%	Bohler-Uddeholm Corporation
EDRO Specialty Steels GmbH	DEU	75.000%	EDRO Specialty Steels, Inc.
EDRO Specialty Steels, Inc.	USA	80.000%	Bohler-Uddeholm Corporation
ENPAR Sonderwerkstoffe GmbH	DEU	85.000%	Böhler Aktiengesellschaft
Eschmann Stahl GmbH & Co KG[4]	DEU	51.000%	Böhler-Uddeholm Holding GmbH
Eschmann Stahl GmbH & Co KG[4]	DEU	49.000%	Böhler-Uddeholm Aktiengesellschaft
Eschmann Stal S.p.z.o.o.	POL	100.000%	Eschmann Stahl GmbH & Co KG
Eschmann Textura Internacional – Transformacao de Ferramentas LDA	PRT	99.000%	Eschmann Textures International GmbH
Eschmann Textura Internacional – Transformacao de Ferramentas LDA	PRT	1.000%	Eschmann Stahl GmbH & Co KG
Eschmann Textures India Private Limited	IND	70.000%	Eschmann Textures International GmbH
Eschmann Textures International GmbH	DEU	100.000%	Eschmann Stahl GmbH & Co KG
Eschmann Vermögensverwaltung GmbH	DEU	100.000%	Böhler-Uddeholm Aktiengesellschaft
Eschmann-Stahl Portugal-Acos Finos e Transformacao de Ferramentas, Lda	PRT	80.800%	Eschmann Stahl GmbH & Co KG
Eschmann-Stahl Portugal-Acos Finos e Transformacao de Ferramentas, Lda	PRT	17.500%	Eschmann Textures International GmbH

[4] These consolidated financial statements represent an exemption for Eschmann Stahl GmbH & Co KG according to Art. 264b of the German Commercial Code. For all other companies: full consolidation.

	Domicile of the company	Interest held	Parent company
Flotek (International) Ltd.	GBR	100.000%	Gravutex Textures (UK) Ltd
Fontargen Gesellschaft mit beschränkter Haftung	DEU	100.000%	Böhler Welding Holding GmbH
Gebrüder Böhler & Co. AG	CHE	99.833%	Böhler-Uddeholm Aktiengesellschaft
GMV Eschmann International SAS	FRA	100.000%	Eschmann Stahl GmbH & Co KG
Grabados Eschmann International S.L.	ESP	100.000%	Eschmann Stahl GmbH & Co KG
Gravutex Eschmann International Ltd.	GBR	94.500%	Gravutex Textures (UK) Ltd
Gravutex Eschmann International Ltd.	GBR	0.500%	Eschmann Textures International GmbH
Gravutex Textures (UK) Ltd	GBR	100.000%	Eschmann Stahl GmbH & Co KG
Groupe Bohler Soudage France S.A.S.	FRA	100.000%	Böhler Schweißtechnik Austria GmbH
Grupo Bohler Soldadura Espana S.A.	ESP	100.000%	Böhler Welding Holding GmbH
Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.	AUT	100.000%	Böhler Edelstahl GmbH & Co KG
Helmold LLC	USA	100.000%	Böhler-Uddeholm Precision Strip GmbH & Co KG
Hilarius Haarlem Holland B.V.	NLD	100.000%	Hilarius Haarlem Holland Beheer B.V.
Hilarius Haarlem Holland Beheer B.V.	NLD	100.000%	Hilarius Holding B.V.
Hilarius Holding B.V.	NLD	100.000%	Böhler Welding Holding GmbH
IS Intersteel Stahlhandel GmbH	DEU	100.000%	Böhler Aktiengesellschaft
Jing Ying Industrial Co. Ltd.	TWN	100.000%	Densam Industrial Co. Ltd.
Kestra Schweißtechnik GmbH	DEU	100.000%	Böhler Welding Holding GmbH
LEED Steel LLC	USA	100.000%	Bohler-Uddeholm Corporation
Martin Miller GmbH	AUT	100.000%	Böhler-Uddeholm Precision Strip GmbH & Co KG
Nordmark-Klarälvens Järnvägsaktiebolag	SWE	100.000%	Uddeholm Tooling Aktiebolag
OOO Böhler Uddeholm	RUS	100.000%	Böhler-Uddeholm Aktiengesellschaft
OOO Böhler Welding Group Russia	RUS	100.000%	Böhler Welding Holding GmbH
Oy Uddeholm Ab	FIN	100.000%	Uddeholm Tooling Aktiebolag

	Domicile of the company	Interest held	Parent company
PT Assab Steels Indonesia	IDN	99.900%	ASSAB Pacific Pte.Ltd.
PT Assab Steels Indonesia	IDN	0.100%	ASSAB Steels Singapore (Pte) Ltd.
PT Avesta Welding Products	IDN	95.000%	Böhler Welding Group Nordic AB
PT Avesta Welding Products	IDN	5.000%	Böhler Schweißtechnik Austria GmbH
Sacma Acciai Speciali S.p.A.	ITA	0.040%	Böhler-Uddeholm Aktiengesellschaft
Sacma Acciai Speciali S.p.A.	ITA	99.960%	Böhler-Uddeholm Italia S.p.A.
Schoeller-Bleckmann (UK) Ltd.	GBR	100.000%	Bohler-Uddeholm (UK) Ltd.
Servitroquel – Notting, S.A., Unipersonal	ESP	100.000%	Böhler-Uddeholm Precision Strip GmbH & Co KG
Soudokay S.A.	BEL	100.000%	Böhler Welding Holding GmbH
Soudometal S.A.	BEL	100.000%	Böhler Welding Holding GmbH
Summerville Steel LLC	USA	100.000%	Bohler-Uddeholm Corporation
Uddeholm A/S	DNK	100.000%	Uddeholm Tooling Aktiebolag
Uddeholm AS	NOR	100.000%	Uddeholm Tooling Aktiebolag
Uddeholm Eiendom AS	NOR	100.000%	Uddeholm Tooling Aktiebolag
Uddeholm Granmelt Aktiebolag	SWE	100.000%	Uddeholm Tooling Aktiebolag
Uddeholm K.K.	JPN	100.000%	ASSAB Pacific Pte.Ltd.
Uddeholm Machining Aktiebolag	SWE	100.000%	Uddeholm Tooling Aktiebolag
Uddeholm Svenska Aktiebolag	SWE	100.000%	Uddeholm Tooling Aktiebolag
Uddeholm Trading Aktiebolag	SWE	100.000%	Uddeholm Tooling Aktiebolag
Uddeholm Tooling Aktiebolag	SWE	100.000%	Uddeholms Aktiebolag
Uddeholms Aktiebolag	SWE	100.000%	Böhler-Uddeholm Aktiengesellschaft
Uddeholms Forskningsaktiebolag	SWE	100.000%	Uddeholm Tooling Aktiebolag
Villares Metals International B.V.	NLD	100.000%	Villares Metals S.A.
Villares Metals S.A.	BRA	100.000%	Böhler-Uddeholm Aktiengesellschaft
Villares Metals Suomi Oy	FIN	100.000%	Villares Metals International B.V.

	Domicile of the company	Interest held	Parent company
BÖHLER-UDDEHOLM Immobilien GmbH[2]	AUT	100.000%	Böhler-Uddeholm Aktiengesellschaft
Aceros Boehler Bolivia S.A.[1]	BOL	98.000%	Aceros Boehler del Peru S.A.
Aceros Boehler Bolivia S.A.[1]	BOL	1.000%	Böhler-Uddeholm Aktiengesellschaft
Aceros Boehler Bolivia S.A.[1]	BOL	1.000%	Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.
Bohlasia Steels Sdn. Bhd.[1]	MYS	53.333%	Böhler International GmbH
Bohler High Performance Metals Private Limited[1]	IND	100.000%	Böhler International GmbH
Böhler-Uddeholm (UK) Pension Trustees Ltd.[1]	GBR	100.000%	Bohler-Uddeholm Holdings (UK) Ltd.
Böhler-Uddeholm Solidaritätsfonds Privatstiftung[1]	AUT	100.000%	Böhler Edelstahl GmbH & Co KG
Böhler-Uddeholm Toplinska Obrada d.o.o.[1]	HRV	85.000%	Böhler International GmbH
Böhler-Uddeholm Ukraine LLC[1]	UKR	100.000%	Böhler-Uddeholm Aktiengesellschaft
Böhler-Uddeholm Wärmebehandlung GmbH[1]	DEU	100.000%	Böhler Uddeholm Deutschland GmbH
Böhler-Uddeholm Zagreb d.o.o.[1]	HRV	83.400%	Böhler International GmbH
DEGECANDOR Grundstücksverwaltungs-gesellschaft mbH & Co Immobilien-Vermietungs KG[1]	DEU	95.000%	Böhler Aktiengesellschaft
Edelstahlwerke Buderus Nederland B.V.[1]	NLD	100.000%	Buderus Edelstahl GmbH
EDRO Limited[1]	CHN	100.000%	EDRO Specialty Steels, Inc.
Eschmann Beteiligungsgesellschaft mbH[1]	DEU	50.977%	Böhler-Uddeholm Holding GmbH
Eschmann Beteiligungsgesellschaft mbH[1]	DEU	49.023%	Eschmann Vermögensverwaltung GmbH
Euracier[1]	FRA	20.000%	Martin Miller GmbH
Grundstück-Verwaltungsgesellschaft Gewerbehof Sendling mbH & Co. KG[1]	DEU	58.124%	Böhler Aktiengesellschaft
Grundstück-Verwaltungsgesellschaft Gewerbehof Sendling mbH & Co. KG[1]	DEU	4.792%	Böhler Schweißtechnik GmbH
Hotel Böhlerstern Gesellschaft m.b.H.[1]	AUT	99.000%	Böhler Edelstahl GmbH & Co KG
Hotel Böhlerstern Gesellschaft m.b.H.[1]	AUT	1.000%	Böhler Schmiedetechnik GmbH & Co KG
Industriegleiskonsortium Birgi[1]	CHE	24.958%	Gebrüder Böhler & Co. AG
Inter Stal Centrum Property Holding Sp.z.o.o.[1]	POL	100.000%	Bohler Uddeholm Polska s.p.z.o.o
Martin Miller Blansko, spol.s.r.o. (in Liquidation)[1]	CZE	100.000%	Martin Miller GmbH
Martin Miller North America Inc.[1]	USA	100.000%	Martin Miller GmbH
Munkfors Värmeverk Aktiebolag[1]	SWE	40.000%	Böhler Uddeholm Precision Strip AB
Osaühing Uddeholm Tooling Eesti[1]	EST	100.000%	Uddeholm Tooling Aktiebolag
Uddeholm Tooling Latvia, SIA[1]	LVA	100.000%	Uddeholm Tooling Aktiebolag
VK Italia S.p.A.[1]	ITA	20.000%	Böhler-Uddeholm Italia S.p.A.

Railway Systems Division

	Domicile of the company	Interest held	Parent company
voestalpine Bahnsysteme GmbH & Co KG	AUT	100.000%	voestalpine AG
Advanced Railway Systems GmbH	AUT	100.000%	VAE Eisenbahnsysteme GmbH
BWG Services Verwaltungs GmbH	DEU	100.000%	voestalpine BWG GmbH & Co. KG
CONTEC GmbH Transportation Systems	DEU	62.376%	VAE Eisenbahnsysteme GmbH
Control and Display Systems Limited	GBR	60.003%	VAE Eisenbahnsysteme GmbH
Digvijay Steels Private Limited	IND	50.100%	VAE GmbH
HBW Light Rail B.V.	NLD	51.400%	voestalpine BWG GmbH & Co. KG
JEZ Sistemas Ferroviarios S.L.	ESP	50.000%	VAE GmbH
Materiel Ferroviaire d'Arberats SASU	FRA	100.000%	JEZ Sistemas Ferroviarios S.L.
Nortrak-Damy, Cambios de Via, S.A.P.I. de C.V.	MEX	51.007%	VAE Nortrak North America Incorporation
Rahee Track Technologies (Pvt) Ltd	IND	51.000%	VAE GmbH
SST Signal & System Technik GmbH	DEU	80.000%	VAE Eisenbahnsysteme GmbH
TENS Spolka z.o.o.	POL	80.000%	VAE Eisenbahnsysteme GmbH
TSF-A GmbH	AUT	50.100%	VAE Eisenbahnsysteme GmbH
TSTG Schienen Technik GmbH & Co KG[4]	DEU	100.000%	voestalpine Bahnsysteme Beteiligungsverwaltung Deutschland GmbH
TSTG Schienen Technik Verwaltungs GmbH	DEU	100.000%	voestalpine Bahnsysteme Beteiligungsverwaltung Deutschland GmbH
VAE Africa (Pty) Ltd.	ZAF	100.000%	VAE GmbH
VAE APCAROM SA	ROU	91.813%	VAE GmbH
VAE Brasil Produtos Ferroviários Ltda.	BRA	59.000%	VAE GmbH
VAE Eisenbahnsysteme GmbH	AUT	100.000%	VAE GmbH
VAE Geschäftsführung (Deutschland) GmbH	DEU	100.000%	VAE GmbH
VAE GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG
VAE Holding (Deutschland) GmbH	DEU	100.000%	VAE GmbH
VAE Italia S.r.l.	ITA	100.000%	VAE GmbH
VAE Legetecha UAB	LTU	66.000%	VAE GmbH
VAE NORTRAK LTD.	CAN	100.000%	VAE Nortrak North America Incorporation
VAE Nortrak North America Incorporation	USA	100.000%	VAE GmbH

[1] No consolidation [2] Equity method [4] These consolidated financial statements represent an exemption for TSTG Schienen Technik GmbH & Co KG according to Art. 264b of the German Commercial Code. For all other companies: full consolidation.

	Domicile of the company	Interest held	Parent company
VAE Perway (Pty) Ltd.	ZAF	69.000%	VAE Africa (Pty) Ltd.
VAE Polska Sp.z.o.o.	POL	100.000%	VAE GmbH
VAE Railway Systems Pty.Ltd.	AUS	100.000%	VAE GmbH
VAE Riga SIA	LVA	100.000%	VAE GmbH
VAE Sofia OOD	BGR	51.000%	VAE GmbH
VAE UK Ltd.	GBR	100.000%	VAE GmbH
VAE VKN Industries Private Limited	IND	6.000%	JEZ Sistemas Ferroviarios S.L.
VAE VKN Industries Private Limited	IND	51.000%	VAE GmbH
VAMAV Vasúti Berendezések Kft.	HUN	50.000%	VAE GmbH
voestalpine Austria Draht GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG
voestalpine Bahnsysteme Beteiligungsverwaltung Deutschland GmbH	DEU	100.000%	voestalpine Bahnsysteme GmbH & Co KG
voestalpine Bahnsysteme Vermögensverwaltungs GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG
voestalpine BWG GmbH & Co. KG[4]	DEU	99.997%	VAE Holding (Deutschland) GmbH
voestalpine BWG GmbH & Co. KG[4]	DEU	0.003%	VAE Geschäftsführung (Deutschland) GmbH
voestalpine Draht Finsterwalde GmbH	DEU	100.000%	voestalpine Austria Draht GmbH
voestalpine Klöckner Bahntechnik GmbH	DEU	100.000%	voestalpine Bahnsysteme Beteiligungsverwaltung Deutschland GmbH
voestalpine Rail Center Duisburg GmbH	DEU	75.171%	voestalpine Bahnsysteme Beteiligungsverwaltung Deutschland GmbH
voestalpine Railpro B.V.	NLD	70.000%	voestalpine Bahnsysteme GmbH & Co KG
voestalpine Schienen GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG
voestalpine Stahl Donawitz GmbH & Co KG	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG
voestalpine Stahl Donawitz Immobilien GmbH	AUT	100.000%	voestalpine Bahnsysteme Vermögensverwaltungs GmbH

	Domicile of the company	Interest held	Parent company
voestalpine WBN B.V.	NLD	100.000%	VAE GmbH
WBG Weichenwerk Brandenburg GmbH	DEU	100.000%	voestalpine BWG GmbH & Co. KG
Weichenwerk Wörth GmbH	AUT	70.000%	VAE Eisenbahnsysteme GmbH
voestalpine Tubulars GmbH[3]	AUT	50.000%	voestalpine Bahnsysteme Vermögensverwaltungs GmbH
voestalpine Tubulars GmbH & Co KG[3]	AUT	49.985%	voestalpine Bahnsysteme Vermögensverwaltungs GmbH
voestalpine Tubulars GmbH & Co KG[3]	AUT	0.010%	voestalpine Tubulars GmbH
Burbiola S.A.[1]	ESP	50.000%	JEZ Sistemas Ferroviarios S.L.
Chinese New Turnout Technologies Co. Ltd.[2]	CHN	29.070%	VAE GmbH
Chinese New Turnout Technologies Co. Ltd.[2]	CHN	20.930%	voestalpine BWG GmbH & Co. KG
Rene Prinsen Spoorwegmaterialen B.V.[2]	NLD	100.000%	voestalpine Railpro B.V.
Draht & Stahl GmbH[1]	DEU	30.930%	voestalpine Draht Finsterwalde GmbH
Draht + Stahl – Polska spolka z.o.o.[1]	POL	100.000%	voestalpine Draht Finsterwalde GmbH
gibSoft GmbH[1]	DEU	75.000%	SST Signal & System Technik GmbH
Liegenschaftsverwaltungs GmbH[1]	AUT	100.000%	voestalpine Bahnsysteme Vermögensverwaltungs GmbH
KW PenzVAEE GmbH[1]	AUT	49.000%	VAE Eisenbahnsysteme GmbH
VAE Murom LLC[1]	RUS	50.000%	VAE GmbH
voestalpine Bahnsysteme GmbH[1]	AUT	100.000%	voestalpine AG
voestalpine Stahl Donawitz GmbH[1]	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG
VOEST-ALPINE TUBULAR CORP.[1]	USA	100.000%	voestalpine Tubulars GmbH
voestalpine Tubulars Middle East FZE[1]	ARE	100.000%	voestalpine Tubulars GmbH
voestalpine VAE TS d.o.o. Nis[1]	SRB	70.000%	VAE GmbH

[1] No consolidation [2] Equity method [3] Proportionate consolidation [4] These consolidated financial statements represent an exemption for voestalpine BWG GmbH & Co. KG according to Art. 264b of the German Commercial Code. For all other companies: full consolidation.

Profilform Division

	Domicile of the company	Interest held	Parent company
voestalpine Profilform GmbH	AUT	100.000%	voestalpine AG
Global Rollforming Corporation	USA	100.000%	voestalpine Profilform GmbH
Meincol Distribuidora de Acos S.A.	BRA	75.000%	voestalpine Profilform GmbH
Metsec plc	GBR	100.000%	VOEST-ALPINE KREMS U.K. plc
Nedcon Bohemia s.r.o.	CZE	100.000%	Nedcon Groep N.V.
Nedcon France S.A.S	FRA	100.000%	Nedcon Groep N.V.
Nedcon Groep N.V.	NLD	100.000%	voestalpine Profilform GmbH
Nedcon Lagertechnik GmbH	DEU	100.000%	Nedcon Groep N.V.
Nedcon Magazijninrichting B.V.	NLD	100.000%	Nedcon Groep N.V.
Nedcon N.V.	BEL	100.000%	Nedcon Groep N.V.
Nedcon USA Inc.	USA	100.000%	Nedcon Groep N.V.
Roll Forming Corporation	USA	100.000%	Global Rollforming Corporation
SADEF N.V.	BEL	100.000%	voestalpine Profilform GmbH
Sharon Custom Metal Forming Inc.	USA	100.000%	Global Rollforming Corporation
Société Automatique de Profilage (SAP)	FRA	100.000%	voestalpine Profilform GmbH
Société Profilafroid	FRA	100.000%	voestalpine Profilform GmbH
Stratford Joists Limited	GBR	100.000%	Metsec plc
voestalpine Krems Finaltechnik GmbH	AUT	100.000%	voestalpine Profilform GmbH
voestalpine Krems GmbH	AUT	100.000%	voestalpine Profilform GmbH
VOEST-ALPINE KREMS U.K. plc	GBR	100.000%	voestalpine Profilform GmbH
voestalpine Präzisionsprofil GmbH	DEU	10.000%	voestalpine Profilform GmbH
voestalpine Präzisionsprofil GmbH	DEU	90.000%	voestalpine Profilform Beteiligung GmbH
voestalpine Profilform Beteiligung GmbH	AUT	100.000%	voestalpine Profilform GmbH
voestalpine PROFILFORM s.r.o.	CZE	100.000%	voestalpine Profilform GmbH
ZAO voestalpine Arkada Profil	RUS	100.000%	voestalpine Profilform Beteiligung GmbH
Gemeinnützige Donau-Ennstaler Siedlungs-Aktiengesellschaft[1]	AUT	33.333%	voestalpine Krems GmbH
Metal Sections Limited[1]	GBR	100.000%	Metsec plc
Nedcon Logistica Iberia S.A.[1]	ESP	100.000%	Nedcon Groep N.V.
Nedcon Raktártechnikai Kft.[1]	HUN	100.000%	Nedcon Groep N.V.
OOO Arkada Yug[1]	RUS	100.000%	ZAO voestalpine Arkada Profil
SADEF FRANCE S.A.R.L.[1]	FRA	90.000%	SADEF N.V.
SADEF FRANCE S.A.R.L.[1]	FRA	10.000%	voestalpine Krems GmbH
voestalpine Arkada Zapad IP[1]	BLR	100.000%	ZAO voestalpine Arkada Profil

Automotive Division

	Domicile of the company	Interest held	Parent company
voestalpine Automotive GmbH	AUT	100.000%	voestalpine AG
Amstutz Levin & Cie	FRA	99.998%	Coriolis
Coriolis	FRA	99.999%	Stamptec France SAS
Dancke RO S.R.L.	ROU	100.000%	voestalpine Dancke GmbH&Co.KG
Flamco AG	CHE	100.000%	Flamco Holding B.V.
Flamco BV	NLD	100.000%	Flamco Holding B.V.
Flamco Flexcon B.V.	NLD	100.000%	Flamco Holding B.V.
Flamco Flexcon Ltd.	GBR	100.000%	Flamco Holding B.V.
Flamco Flexcon Sarl	FRA	100.000%	Flamco Holding B.V.
Flamco Heating Accessories (Changshu) Co., Ltd.	CHN	100.000%	Flamco Holding B.V.
Flamco Holding B.V.	NLD	100.000%	voestalpine Polynorm N.V.
Flamco IMZ B.V.	NLD	100.000%	Flamco BV
Flamco Pipe Support B.V.	NLD	100.000%	Flamco BV
Flamco Polska Sp. z o.o.	POL	100.000%	Flamco Holding B.V.
Flamco STAG Behälterbau GmbH	DEU	94.000%	Flamco Holding B.V.
Flamco STAG Behälterbau GmbH	DEU	6.000%	Polynorm GmbH
Flamco STAG GmbH	DEU	100.000%	Flamco STAG Behälterbau GmbH
Flamco UK Ltd.	GBR	100.000%	Flamco Flexcon Ltd.
Flamco WEMEFA GmbH	DEU	100.000%	Flamco STAG Behälterbau GmbH
Kadow und Riese Laser- und Umformtechnik GmbH	DEU	100.000%	voestalpine Hügel Holding GmbH
Polynorm Automotive Holding USA Inc.	USA	100.000%	voestalpine Polynorm N.V.
Polynorm GmbH	DEU	100.000%	voestalpine Polynorm N.V.
Polynorm Immobilien GmbH & Co. KG[4]	DEU	100.000%	voestalpine Polynorm N.V.
Stamptec France SAS	FRA	100.000%	Stamptec Holding GmbH
Stamptec Holding GmbH	DEU	100.000%	voestalpine Automotive GmbH
voestalpine Automotive Netherlands Holding B.V.	NLD	100.000%	voestalpine Automotive GmbH
voestalpine Dancke GmbH&Co KG[4]	DEU	100.000%	voestalpine Automotive GmbH
voestalpine Dancke Werkzeugbau GmbH&Co KG[4]	DEU	100.000%	voestalpine Automotive GmbH
voestalpine Elmsteel Group Limited	GBR	100.000%	voestalpine Rotec GmbH
voestalpine Elmsteel Polska Sp. z.o.o	POL	99.999%	voestalpine Elmsteel Group Limited
voestalpine Elmsteel Polska Sp. z.o.o	POL	0.001%	voestalpine Automotive GmbH

[1] No consolidation [4] These consolidated financial statements represent an exemption for Polynorm Immobilien GmbH & Co. KG, voestalpine Dancke GmbH&Co KG and voestalpine Dancke Werkzeugbau GmbH&Co KG according to Art. 264b of the German Commercial Code. For all other companies: full consolidation.

	Domicile of the company	Interest held	Parent company
voestalpine Elmsteel Romania SRL	ROU	99.500%	voestalpine Elmsteel Group Limited
voestalpine Elmsteel Romania SRL	ROU	0.500%	voestalpine Automotive GmbH
voestalpine Europlatinen GmbH	AUT	100.000%	voestalpine Automotive GmbH
voestalpine Euroweld S.r.l.	ITA	92.000%	voestalpine Europlatinen GmbH
voestalpine Gutbrod GmbH[5]	DEU	100.000%	Stamptec Holding GmbH
voestalpine Gutbrod Schmölln GmbH[5]	DEU	100.000%	voestalpine Gutbrod GmbH
voestalpine HTI Beteiligungs GmbH	AUT	100.000%	voestalpine Rotec GmbH
voestalpine Hügel GmbH & Co KG[4]	DEU	100.000%	voestalpine Hügel Holding GmbH
voestalpine Hügel Holding GmbH	DEU	100.000%	Stamptec Holding GmbH
voestalpine Hügel Verwaltungsgesellschaft mbH	DEU	100.000%	voestalpine Hügel Holding GmbH
voestalpine Polynorm B.V.	NLD	100.000%	voestalpine Polynorm N.V.
voestalpine Polynorm Grau GmbH & Co. KG[4]	DEU	100.000%	Polynorm GmbH
voestalpine Polynorm Inc.	USA	100.000%	Polynorm Automotive Holding USA Inc.
voestalpine Polynorm N.V.	NLD	100.000%	voestalpine Automotive Netherlands Holding B.V.
voestalpine Polynorm Plastics B.V.	NLD	100.000%	voestalpine Polynorm N.V.
voestalpine Polynorm Plastics Limited	GBR	100.000%	voestalpine Polynorm N.V.
voestalpine Polynorm van Niftrik B.V.	NLD	100.000%	voestalpine Polynorm N.V.
voestalpine Rotec AB	SWE	100.000%	voestalpine Rotec GmbH
voestalpine Rotec France S.A.	FRA	100.000%	voestalpine Rotec GmbH
voestalpine Rotec GmbH	AUT	100.000%	voestalpine Automotive GmbH
voestalpine Rotec GmbH & Co KG[4]	DEU	99.000%	voestalpine HTI Beteiligungs GmbH
voestalpine Rotec GmbH & Co KG[4]	DEU	1.000%	voestalpine Rotec GmbH
voestalpine ROTEC Iberica S.A.	ESP	100.000%	voestalpine Rotec GmbH
voestalpine Rotec Incorporated	USA	100.000%	voestalpine Elmsteel Group Limited
voestalpine Rotec Limited	GBR	100.000%	voestalpine Elmsteel Group Limited
voestalpine Rotec Vertriebs GmbH	DEU	100.000%	voestalpine Rotec GmbH
voestalpine Vollmer GmbH & Co KG[4]	DEU	99.667%	voestalpine Vollmer Holding GmbH
voestalpine Vollmer GmbH & Co KG[4]	DEU	0.333%	voestalpine Automotive GmbH
voestalpine Vollmer Holding GmbH	AUT	100.000%	voestalpine Automotive GmbH
voestalpine Vollmer Pfaffenhofen GmbH & Co KG[4]	DEU	99.933%	voestalpine Vollmer Holding GmbH
voestalpine Vollmer Pfaffenhofen GmbH & Co KG[4]	DEU	0.067%	voestalpine Automotive GmbH
Wemefa Horst Christopeit GmbH	DEU	100.000%	Flamco STAG Behälterbau GmbH
DS-Beteiligungs-GmbH[1]	DEU	100.000%	voestalpine Dancke GmbH&Co.KG
DW-Beteiligungs-GmbH[1]	DEU	100.000%	voestalpine Dancke Werkzeugbau GmbH&Co
Entwicklungsgesellschaft Gügling Ost GmbH & Co. KG[1]	DEU	6.000%	Polynorm GmbH
Entwicklungsgesellschaft Gügling Verwaltungs GmbH[1]	DEU	100.000%	Polynorm GmbH
Polynorm Immobilien Beteiligungs GmbH[1]	DEU	100.000%	voestalpine Polynorm N.V.
voestalpine Polynorm Beteiligungsgesellschaft m.b.H.[1]	DEU	100.000%	voestalpine Polynorm Grau GmbH & Co. KG

Other companies

	Domicile of the company	Interest held	Parent company
Danube Beteiligungs Invest MF-AG	AUT	100.000%	Danube Equity Invest AG
Danube Equity Invest AG	AUT	71.373%	voestalpine AG
Danube Equity Invest Management GmbH	AUT	100.000%	voestalpine AG
voestalpine Dienstleistungs- und Finanzierungs GmbH	DEU	100.000%	voestalpine Treasury Holding GmbH
voestalpine Finanzierungs GmbH	AUT	100.000%	voestalpine Treasury Holding GmbH
voestalpine group IT GmbH	AUT	58.776%	voestalpine AG
voestalpine group IT GmbH	AUT	41.224%	Böhler-Uddeholm Aktiengesellschaft
voestalpine group-IT GmbH	DEU	100.000%	voestalpine group IT GmbH
voestalpine group-IT AB	SWE	100.000%	voestalpine group IT GmbH
voestalpine group-IT Tecnologia da Informacao Ltda.	BRA	100.000%	voestalpine group IT GmbH
voestalpine Treasury Holding GmbH	AUT	100.000%	voestalpine AG
APK-Pensionskasse Aktiengesellschaft[2]	AUT	19.110%	voestalpine AG
APK-Pensionskasse Aktiengesellschaft[2]	AUT	7.233%	Böhler-Uddeholm Aktiengesellschaft
APK-Pensionskasse Aktiengesellschaft[2]	AUT	0.406%	BÖHLER Bleche GmbH & Co KG
APK-Pensionskasse Aktiengesellschaft[2]	AUT	1.459%	Böhler Edelstahl GmbH & Co KG
APK-Pensionskasse Aktiengesellschaft[2]	AUT	0.013%	Böhler International GmbH
APK-Pensionskasse Aktiengesellschaft[2]	AUT	0.219%	Böhler Schmiedetechnik GmbH & Co KG
APK-Pensionskasse Aktiengesellschaft[2]	AUT	0.145%	Böhler Schweißtechnik Austria GmbH
APK-Pensionskasse Aktiengesellschaft[2]	AUT	0.217%	Böhler Ybbstalwerke GmbH
APK-Pensionskasse Aktiengesellschaft[2]	AUT	0.062%	Böhlerstahl Vertriebsgesellschaft m.b.H.
APK-Pensionskasse Aktiengesellschaft[2]	AUT	0.222%	Böhler-Uddeholm Precision Strip GmbH & Co KG
APK-Pensionskasse Aktiengesellschaft[2]	AUT	0.105%	Böhler-Ybbstal Profil GmbH
DBG Vermögensverwaltungs GmbH[1]	AUT	100.000%	voestalpine AG
DBG Management GmbH[1]	AUT	100.000%	voestalpine AG
Donauländische Baugesellschaft m.b.H.[1]	AUT	100.000%	voestalpine AG
Intesy Business & IT Solutions Pty Ltd[1]	AUS	100.000%	voestalpine group IT GmbH
IVM Industrieversicherungsmakler GmbH[1]	AUT	50.000%	voestalpine AG
IVM Industrieversicherungsmakler GmbH[1]	AUT	50.000%	Böhler-Uddeholm Aktiengesellschaft
VA Intertrading Aktiengesellschaft[2]	AUT	38.500%	voestalpine AG
voestalpine Finanzierungs Holding GmbH[1]	AUT	100.000%	voestalpine AG

[1] No consolidation [2] Equity method [4] These consolidated financial statements represent an exemption for voestalpine Hügel GmbH & Co KG, voestalpine Polynorm Grau GmbH & Co. KG, voestalpine Rotec GmbH & Co KG, voestalpine Vollmer GmbH & Co KG and voestalpine Vollmer Pfaffenhofen GmbH & Co KG according to Art. 264b of the German Commercial Code. [5] These consolidated financial statements represent an exemption for voestalpine Gutbrod GmbH and voestalpine Gutbrod Schmölln GmbH according to Art. 264 para. 3 of the German Commercial Code. For all other companies: full consolidation.

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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 standard market continuous 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 Statement.

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 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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