# Letter to Shareholders
# 1st – 3rd Quarter 2014/15

voestalpine
ONE STEP AHEAD.

www.voestalpine.com

# voestalpine Group Key Figures

### Q 1 – Q 3 2013/14 vs. Q 1 – Q 3 2014/15

| In millions of euros | **Q 1–Q 3 2013/14[1]** 04/01–12/31/2013 | **Q 1–Q 3 2014/15** 04/01–12/31/2014 | Change in % |
|---|---|---|---|
| Revenue | 8,268.8 | 8,254.9 | –0.2 |
| EBITDA | 999.6 | 1,087.2 | 8.8 |
| EBITDA margin | 12.1% | 13.2% | |
| EBIT | 569.3 | 627.4 | 10.2 |
| EBIT margin | 6.9% | 7.6% | |
| Profit before tax (EBT) | 444.3 | 530.6 | 19.4 |
| Profit for the period[2] | 349.7 | 442.8 | 26.6 |
| EPS – Earnings per share (euros) | 1.69 | 2.28 | 34.9 |
| Investments in tangible and intangible assets and interests | 657.5 | 747.1 | 13.6 |
| Depreciation | 430.3 | 459.8 | 6.9 |
| Capital employed | 8,597.8 | 9,016.5 | 4.9 |
| Equity | 5,117.4 | 5,013.4 | –2.0 |
| Net financial debt | 2,584.1 | 3,086.6 | 19.4 |
| Net financial debt in % of equity (gearing) | 50.5% | 61.6% | |
| Employees (full-time equivalent) | 46,460 | 46,461 | 0.0 |

[1] Business year 2013/14 retroactively adjusted due to the application of IFRS 11 “Joint Arrangements” and due to the change in the method of disclosure for results of entities consolidated according to the equity method (formerly reported as part of financial result, from April 1, 2014 onward, reported as part of EBIT). Further details are described under “General information/Accounting policies.”
[2] Before deduction of non-controlling interests and interest on hybrid capital.

# Ladies and Gentlemen:

The essence of the report that was repeated by all international news agencies was loud and clear: "China's industry is shrinking for the first time in over two years." They continue: "The reversal ... means a new setback for the Chinese economy, whose growth of 7.4 percent in 2014 was the slowest in 24 years." It really is astonishing that even serious news agencies and distinguished economists compare the growth momentum of China in 1990, a developing country, with that of the China of today, the number two global economic power of 2015 without differentiating the two to any significant extent. Astonishing insofar as China in 1990 had a per capita gross domestic product of just barely USD 314. In contrast, at USD 6,807 in 2013 (reliable data for 2014 is not yet available), the same figure is more than 20 times higher and approximately at the level of EU member states like Bulgaria and Romania. Naturally, China still has quite a way to go before it can join the countries with truly broad-based prosperity, but today, it is without a doubt far beyond the status of an "emerging nation" and well on its way to becoming a developed economy. It would be an illusion to believe that China—despite the rapidly increasing maturity of its economy—could achieve the typical growth rates of (successful) threshold countries of 7 to 10 percent ad infinitum. On the contrary, in the coming years, we will have to gradually accustom ourselves to a slowdown of the momentum (as far as the numbers are concerned). De facto, China is not going to lose its image of being an attractive growth economy because even as its growth rate is dropping, the gross domestic product is constantly expanding. In other words, if one looks at the situation more closely, the reversal that was mentioned earlier is within tolerable limits.

While the anxieties about China's growth prospects are manageable—at least for the time being—Europe will need to devote all of its strength and energy in 2015 to continue the battle to regain economic stability at least at a modest level. Only if this succeeds will it be possible in the following years to return to a path of economic growth. In any case, it is not a simple undertaking, as currently the critical developments significantly overshadow the positive ones. The only assets that are offsetting a broad-based political and social sense of uncertainty as a consequence of terrorist attacks by Islamist extremists, a political upheaval with many question marks in Greece, continuing escalation of the Russia-Ukraine conflict, and the troubling emergence of groups at the fringes of the political system are the successful economic turnaround in Ireland, some progress in Spain and Portugal, a new EU Commission that is trying very hard, and a feisty European Central Bank, which is indirectly boosting employment in Europe by devaluing the euro. In any case, a return to growth and broad-based economic success will only be possible if the process is consistently supported by all EU member states together who eschew their individual national interests to the greatest possible extent for the common good and if Europe's political classes finally comprehend that it is up to them to create the necessary economic framework conditions.

Linz, February 9, 2015

The Management Board

Wolfgang Eder

Herbert Eibensteiner

Franz Kainersdorfer

Robert Ottel

Franz Rotter

Peter Schwab

# Highlights

- Global economic development very inconsistent in 2014
- North America experiences sustained growth pattern; China continues with solid development
- Japan is stagnating, Brazil continues to be weak, and Russia is in recession
- After an optimistic start, economic recovery in Europe once again a non-starter
- Despite difficult economic environment, voestalpine increases earnings and margins
- At EUR 8,254.9 million in the first three quarters of 2014/15, revenue remains practically unchanged compared to previous year (EUR 8,268.8 million)
- EBITDA increases by 8.8% from EUR 999.6 million in the previous year to EUR 1,087.2 million; at EUR 627.4 million, EBIT up by 10.2% vis-à-vis the previous year's figure of EUR 569.3 million
- In the first nine months of 2014/15, earnings positively impacted by non-recurring effects of EUR 66.5 million (EBITDA) and EUR 45.2 million (EBIT)
- Even after adjustment, EBITDA still 2.1% and EBIT 2.3% above previous year's figures
- Above average gain in profit before tax (from EUR 444.3 million to EUR 530.6 million) and profit for the period (from EUR 349.7 million to EUR 442.8 million)
- Compared to March 31, 2014, gearing ratio up to 61.6% (46.0%, retroactively adjusted) because hybrid bond 2007 called as of October 31, 2014
- HBI project in Texas is being implemented on schedule

# Interim Management Report

## Report on the Group's business performance and the economic situation

After a relatively optimistic start, the economic situation in the current business year 2014/15 was marked by an increasingly sober mood from the summer months onward. Of the major global economies, only North America remained firmly on its growth path throughout the course of the year. China is struggling more and more to maintain its economic growth, Brazil continues to be plagued by structural problems, Russia is being increasingly tested by Western sanctions, and in Europe, the recovery anticipated for 2014 had to be postponed by (at least) a year.

Once again, the beginning of the current business year was marked by economic optimism in the European Union, however, by mid-year, it was clear that 2014 would be yet another year when the actual economic momentum would not come close to the high expectations in the early part of the year. In addition to the "old," unsolved structural problems primarily—but not solely—in Southern Europe, the main reason for the disappointing development was a somewhat weaker economic trend in Germany and its neighboring countries during the summer months, caused mainly by political tensions resulting from the Russia-Ukraine conflict. However, the latest signals from the German economy are again pointing to a certain economic revival. For some time, the economic situation in England, Poland, and most recently in Spain as well has been moving in a positive direction, although in the latter country, movement began at an extremely low point. The next months will show whether these incipient developments will—supported by measures to stimulate the economy taken by the new EU Commission and the European Central Bank—create more than a temporary easing of the economic situation.

In contrast to Europe, in North America growth forecasts were raised after the summer months, driven by positive trends from both consumers and investors. In addition to the sustained upward trend of various macroeconomic early indicators, such as the Purchasing Manager Index (PMI), which reached its highest level in several years toward the end of 2014, it is primarily the enormous number of newly created jobs and the resulting dramatic reduction of unemployment, which boost confidence in the economic recovery and which will probably result in an adjustment of the interest rate by the US Federal Reserve in the course of the year.

In China, anxiety about a more broad-based economic slowdown became more pronounced in the course of the current business year. Triggered by a correction in the real estate sector, the early indicator PMI fell below the critical 50-point mark for the first time in some time. The central government reacted to this situation by adopting a more expansive money market policy on one hand and, on the other, by implementing a comprehensive economic stimulus program of around EUR 1.3 trillion, of which the lion's share of around EUR 900 billion will go to infrastructure projects, in order to guarantee annual minimum growth of 7%.

Just how dramatic the economic situation is in Russia is made abundantly clear by the inflation rate, which reached around 9% toward the end of the year and an interest rate in December 2014 of around 17%. The concurrent massive decline of the ruble highlights the magnitude of the recessive development.

While Brazil shifted from a recession to "mere" economic stagnation in the summer of 2014, the deterioration of the price of oil and other raw materials in conjunction with very negligible political reform momentum makes a rapid return to the growth rates of an emerging economy unlikely.

The voestalpine Group continued to hold its ground successfully in this uneven and inconsistent economic environment due to its broad-based positioning and sophisticated portfolio; in a year-to-year comparison, it again recorded stable revenues and improvements in all reporting categories.

In the first three quarters of the current business year, the Steel Division, (up to now still) mainly focused on the European market, faced a differentiated economic scenario insofar as the quite satisfactory level of demand was contrasted with a price environment that continued to be difficult. Despite deflationary framework conditions—falling raw materials and steel prices—the division maintained its revenue at a stable level and considerably higher earnings.
The Special Steel Division profited from its broad-based geographic positioning and substantially grew both revenue and earnings. In the past three quarters, the North American and Asian markets for tool steel and special materials made a particularly significant contribution to the division's performance; viewed overall, after a rather volatile phase during the summer months, conditions on the European market most recently became more favorable.
The Metal Engineering Division once again achieved outstanding results although they did not quite match the previous year's level with its highly profitable railway infrastructure project business. Overall, the railway infrastructure segment is continuing unabated at a high level and the other business segments Wire, Seamless Tube, and Welding Technology are enjoying a stable and positive level of demand.
The earnings of the Metal Forming Division performed unusually well during the business year 2014/15 thus far, due primarily to non-recurring effects resulting from portfolio streamlining. At the operational level, performance of the Automotive Parts and Components business segment continues to experience strong demand. Performance of the Tubes and Sections business segment differed widely depending on region, while the Precision Strip business segment was under increasing pressure from the competition. The Warehouse and Rack Solutions business segment continued its very satisfactory performance.

## Report on the financial key performance indicators of the voestalpine Group

In the first nine months of the current business year, at EUR 8,254.9 million, the revenue of the voestalpine Group remained at a stable level compared to the previous year (EUR 8,268.8 million). Revenue losses suffered by the Metal Engineering Division as a result of the closure of the standard rail production in Duisburg as of the end of the 2013 calendar year was compensated by larger delivery volumes in the Special Steel Division. In a year-to-year comparison, revenue in both the Metal Forming Division and the Steel Division remained constant.
The voestalpine Group's operating result (EBITDA) improved during the first three quarters of 2014/15 by 8.8% compared to the previous year, going from EUR 999.6 million to EUR 1,087.2 million. It should be noted in this context that in the second quarter of 2014/15, non-recurring effects in the amount of EUR 66.5 million were recorded as a result of the sale of the Flamco Group in August 2014, the agreement at the end of September 2014 to sell the automotive companies voestalpine Polynorm Van Niftrik B.V. and voestalpine Polynorm Plastics B.V., and the structural reorganization of pension obligations in individual Metal Forming Division companies located in the Netherlands. Excluding these non-recurring effects, EBITDA rose by 2.1% to EUR 1,020.7 million. The EBITDA margin therefore rose from 12.1% in the previous year to 13.2% in the current year. Excluding non-recurring effects, the EBITDA margin for the current year is still 12.4%. During the same period, profit from operations (EBIT) improved compared to the previous year by 10.2%, going from EUR 569.3 million to EUR 627.4 million. Adjusted by the non-recurring effect of EUR 45.2 million resulting from the aforementioned extraordinary income, EBIT rose by 2.3% to EUR 582.2 million. The adjusted EBIT margin thus increased to 7.1% compared to 6.9% in the previous year. With the exception of the Metal Engineering Division, which nevertheless remained the Group's most profitable division despite the slight decline in the operating result, all other divisions improved their profitability in the first three quarters of 2014/15 in a year-to-year comparison.
Although the voestalpine Group's gross financial debt increased as of December 31, 2014, net interest charges, which had amounted to EUR 125.0 million as of the end of December 2013, fell as of the same reporting date in 2014 by 22.6% to EUR 96.8 million. The increase in gross financial debt resulted primarily from the refinancing of hybrid bond 2007 (volume: EUR 500 million), which was redeemed as of the end of October 2014, by

the issue of corporate bond 2014 (issue on: October 14, 2014, volume: EUR 400 million). While the hybrid bond was recognized in equity, corporate bond 2014 is recognized as part of borrowed capital. As interest rates fell in the past quarters, interest expenditure decreased significantly; as a result, profit before tax rose substantially in a year-to-year comparison by 19.4%, going from EUR 444.3 million to EUR 530.6 million. Even after deduction of the non-recurring effects amounting to EUR 45.2 million, profit before tax in the first three quarters of 2014/15 improved by 9.3% to EUR 485.4 million.

The fact that profit for the period increased even more than profit before tax is due to the lower tax rate in the current business year. Thus, profit for the period rose by 26.6% from EUR 349.7 million to EUR 442.8 million. Adjusted by the non-recurring effects (EUR 43.4 million), profit for the period in the first three quarters of 2014/15 was EUR 399.4 million, corresponding to an increase compared to the previous year of 14.2%. Earnings per share in the current business year are EUR 2.28, more than one third higher than the figure of EUR 1.69 in the previous year. After deducting the non-recurring effects, earnings per share are EUR 2.03, still an increase of 20.1%.

Equity fell by 2.0%, from EUR 5,117.4 million as of December 31, 2013 to EUR 5,013.4 million as of December 31, 2014. Compared to the reporting date of March 31, 2014 (EUR 5,261.0 million), equity decreased by 4.7%. As previously stated, the reduction in equity is due to the refinancing of hybrid bond 2007, which is recognized in equity, by corporate bond 2014, which is reported as part of borrowed capital. This measure naturally had a impact on net financial debt, which increased in a year-to-year comparison by 19.4% from EUR 2,584.1 million (adjusted retroactively) to EUR 3,086.6 million. The increase corresponds precisely to the volume of the hybrid bond of EUR 500 million. Compared to the reporting date of March 31, 2014 (EUR 2,421.4 million, adjusted retroactively), net financial debt rose by 27.5%. Due to these changes in the Group's financing structure, the gearing ratio (net financial debt in percent of equity) rose in the first nine months of the business year 2014/15 from 46.0% (adjusted retroactively) to 61.6%.

As of December 31, 2014, the voestalpine Group had 46,461 employees (FTE), almost exactly the same figure as in the previous year (46,460 employees, adjusted retroactively).

### Comparison of the quarterly and nine-month figures of the voestalpine Group

| In millions of euros | | | | Q 1 – Q 3 | | |
|---|---|---|---|---|---|---|
| | **Q 1 2014/15** 04/01–06/30/2014 | **Q 2 2014/15** 07/01–09/30/2014 | **Q 3 2014/15** 10/01–12/31/2014 | **2014/15** 04/01–12/31/2014 | **2013/14**[1] 04/01–12/31/2013 | Change in % |
| Revenue | 2,826.7 | 2,734.4 | 2,693.8 | 8,254.9 | 8,268.8 | –0.2 |
| EBITDA | 363.7 | 393.2 | 330.3 | 1,087.2 | 999.6 | 8.8 |
| EBITDA margin | 12.9% | 14.4% | 12.3% | 13.2% | 12.1% | |
| EBIT | 218.4 | 226.3 | 182.7 | 627.4 | 569.3 | 10.2 |
| EBIT margin | 7.7% | 8.3% | 6.8% | 7.6% | 6.9% | |
| Profit before tax | 192.9 | 198.8 | 138.9 | 530.6 | 444.3 | 19.4 |
| Profit for the period[2] | 154.4 | 169.6 | 118.8 | 442.8 | 349.7 | 26.6 |
| Employees (full-time equivalent) | 47,463 | 47,379 | 46,461 | 46,461 | 46,460 | 0.0 |

[1] Business year 2013/14 retroactively adjusted due to the application of IFRS 11 "Joint Arrangements" and due to the change in the method of disclosure for results of entities consolidated according to the equity method (formerly reported as part of financial result, from April 1, 2014 onward, reported as part of EBIT). Further details are described under "General information/Accounting policies."

[2] Before deduction of non-controlling interests and interest on hybrid capital.

## Steel Division

| In millions of euros | Q 1 2014/15 04/01–06/30/2014 | Q 2 2014/15 07/01–09/30/2014 | Q 3 2014/15 10/01–12/31/2014 | Q 1 – Q 3 2014/15 04/01–12/31/2014 | Q 1 – Q 3 2013/14[1] 04/01–12/31/2013 | Change in % |
|---|---|---|---|---|---|---|
| Revenue | 975.0 | 928.5 | 909.2 | 2,812.7 | 2,815.1 | –0.1 |
| EBITDA | 114.1 | 96.9 | 97.2 | 308.2 | 290.6 | 6.1 |
| EBITDA margin | 11.7% | 10.4% | 10.7% | 11.0% | 10.3% | |
| EBIT | 56.8 | 38.3 | 35.5 | 130.6 | 118.6 | 10.1 |
| EBIT margin | 5.8% | 4.1% | 3.9% | 4.6% | 4.2% | |
| Employees (full-time equivalent) | 11,035 | 11,216 | 11,148 | 11,148 | 10,862 | 2.6 |

[1] Business year 2013/14 retroactively adjusted due to the application of IFRS 11 "Joint Arrangements" and due to the change in the method of disclosure for results of entities consolidated according to the equity method (formerly reported as part of financial result, from April 1, 2014 onward, reported as part of EBIT). Further details are described under "General information/Accounting policies".

### Market environment and business development

In 2014, crude steel production in Europe grew by 2% compared to the previous year; growth occurred primarily in the first half of the year, while the second half of the year tended to be dominated by a lateral movement in line with general economic trends. This development was driven by increased demand for steel of around 4%, which, however, was met largely by significantly higher imports, especially from China, so that it did not impact the order books of European steel manufacturers.

Deflationary developments with respect to raw materials, especially falling iron ore and coking coal prices, exerted pressure on the prices for steel on the European markets throughout the business year thus far.

The Steel Division was able to hold its own comparatively well, due primarily to its strategic focus on technologically sophisticated market segments. Because demand in these segments has remained positive, the division was able to fully utilize its production facilities during the entire business year 2014/15 thus far.

Once again, the main driver of this full capacity utilization was the European automobile industry, which was able to grow its sales and production numbers throughout the entire course of the business year. While the premium manufacturers again increased their already very high sales and production numbers, due in part to continuing success in exports, the European markets demonstrated a recovery trend for the first time in quite a while, which led to rising production figures by other automobile manufacturers as well.

As a result of weakened demand in China and the developments in Russia, the mechanical engineering industry in Europe was marked by a high degree of volatility over much of the current business year. A certain stabilization of incoming orders from this market segment only occurred toward the end of the calendar year.

During the business year thus far, the white goods and consumer goods industries had a satisfactory level of demand all in all, including in the last quarter of 2014.

After a very mediocre business year 2013/14, the award of projects in the energy segment increased sharply this year (in particular, for steel plates for pipelines) and remained positive until the fall of 2014. Towards the end of the calendar year, the currently largest European pipeline project "South Stream" was stopped as a result of increasing tensions between the EU and Russia. However, because the level of orders in the heavy plate segment was high, by shifting projects around and moving some projects up, it was possible to largely avoid negative economic and operational effects. However, in the course of the business year 2014/15, a more challenging situation in this market segment should be anticipated, especially against the backdrop of the dramatic decline of oil prices.

### Financial key performance indicators

Despite the decline in the price level, in a year-to-year comparison, revenue has remained stable at EUR 2,812.7 million (previous year: EUR 2,815.1 million); this is mainly due to a slight increase in production and sales volumes.

As far as earnings are concerned, improvements in the product mix and lower costs enabled significant growth. EBITDA rose by 6.1% from EUR 290.6 million in the previous year to EUR 308.2 million, which corresponds to an EBITDA margin of 11.0% compared to 10.3% in the previous year. For the same period, EBIT increased by 10.1% to EUR 130.6 million (previous year: EUR 118.6 million), resulting in an EBIT margin for the first nine months of 2014/15 of 4.6% (previous year: 4.2%).

In comparison to the immediately preceding quarter, production and sales volumes had to be reduced somewhat due to planned shutdowns for repairs during the Christmas season. That and the marginal price declines resulted in revenue of EUR 909.2 million in the third quarter that was 2.1% lower than the figure in the second quarter (EUR 928.5 million).

As far as earnings are concerned, at EUR 97.2 million, EBITDA (10.7% EBITDA margin) in the third quarter of the business year rose slightly (+0.3%) compared to the second quarter (EUR 96.9 million, 10.4% EBITDA margin).

Due to increased depreciation and amortization resulting from the commissioning of new facilities during the year (e.g., coal injection systems), EBIT fell by 7.3% in the third quarter 2014/15 to EUR 35.5 million (3.9% EBIT margin) compared to EUR 38.3 million (4.1% EBIT margin) in the second quarter.

The number of employees (FTE) in the Steel Division as of the end of the third quarter of 2014/15 was 11,148, 2.6% higher than the comparative figure in the previous year (10,862 FTE). Compared to the end of the last business year (11,192 FTE), headcount fell by 0.4%.

## Special Steel Division

| In millions of euros | | | | Q 1 – Q 3 | | |
|---|---|---|---|---|---|---|
| | Q 1 2014/15<br>04/01–06/30/2014 | Q 2 2014/15<br>07/01–09/30/2014 | Q 3 2014/15<br>10/01–12/31/2014 | 2014/15<br>04/01–12/31/2014 | 2013/14<br>04/01–12/31/2013 | Change in % |
| Revenue | 675.9 | 674.5 | 678.5 | 2,028.9 | 1,947.1 | 4.2 |
| EBITDA | 96.1 | 87.3 | 95.8 | 279.2 | 253.8 | 10.0 |
| EBITDA margin | 14.2% | 12.9% | 14.1% | 13.8% | 13.0% | |
| EBIT | 61.3 | 53.0 | 62.0 | 176.3 | 154.5 | 14.1 |
| EBIT margin | 9.1% | 7.9% | 9.1% | 8.7% | 7.9% | |
| Employees (full-time equivalent) | 12,958 | 13,086 | 13,334 | 13,334 | 12,884 | 3.5 |

### Market environment and business development

The economic environment of the Special Steel Division in the first nine months of the business year 2014/15 improved slightly compared to the previous year. This is due primarily to a revitalization of incoming orders, in particular for special materials for oil and natural gas exploration, but also because of an expansion of the market position for tool steel by consistently focusing on the division's core business. However, due to the currently very low oil prices, a weakening of demand in the oil and natural gas sector must be expected because investment activity will be reduced.

Regionally, the division's development has presented a differentiated picture. In Europe, there is still no sign of a broad-based recovery. Nevertheless, the automobile and consumer goods customer segments have been stable at a solid level, even in the current environment. Demand from the energy engineering industry (power plants) remains cautious and the fundamental mood in the general mechanical engineering industry is subdued so that there have been no positive impulses thus far from Germany, voestalpine's core market. Most recently, the market environment in Spain and Great Britain improved slightly.

Economic development in North America continued to be at an attractive level in the current business year as well, and the market in the USA experienced a significant growth spurt. Additionally, the weakened euro vis-à-vis the US dollar improved the division's competitive position in the USA. New automobile plants have been opened in Mexico by European premium manufacturers so that the importance of these markets continues to grow for the tool steel segment as well.

Cautious economic sentiment in Brazil continues unabated. The low oil price has had a negative impact on the national oil company Petrobras, particularly because oil well sites in the Atlantic, which are expensive to develop, are not cost-effective at the current oil price. In Asia (China, Japan, Turkey), the Special Steel Division profited from sustained, dynamic economic development. Due to the limited volume of business, the direct impact of Russia's conflict with the Ukraine is minimal.

The development in the High Performance Metals business segment was affected by low customer inventories. This was an important reason why the sale of premium products in the tool steel and high-speed steel segments was substantially increased during the first three quarters of 2014/15. A solid level of orders from the automobile and consumer goods industries also contributed significantly to the high capacity utilization of production facilities in this business segment. Demand for special materials for oil and natural gas exploration and for the aviation sector was also at a positive level. Framework conditions for open die forging products for the energy engineering industry continue to be difficult.

In the Value-Added Services business segment, expansion of services continued on schedule during recent months. Expansion continued in Taiwan with the opening of a second location in Asia for the coating of tool steel and special materials. In order to meet growing demand for heat treated and mechanically processed tool steel by the automobile industry in Mexico, the Special Steel Division also opened a new service center in Northern Mexico. With these strategic investments, the Value-Added Services business segment enhanced its already strong position as a premium service provider for toolmaking worldwide.

### Financial key performance indicators

Revenue of the Special Steel Division went up in the first three quarters of 2014/15 compared to the same period of the previous year by 4.2%, going from EUR 1,947.1 million to EUR 2,028.9 million. While the price level remained largely constant, delivery volumes were considerably increased, which resulted in a positive development of the division's earnings situation. Consequently, at EUR 279.2 million, the operating result (EBITDA) in the first three quarters of 2014/15 was 10.0% above last year's figure of EUR 253.8 million. Therefore, the division's EBITDA margin was 13.8% in the third quarter of the business year 2014/15, a noticeable increase compared to the previous year (13.0%). The development of profit from operations (EBIT) is similar, with a boost by 14.1% from EUR 154.5 million (margin of 7.9%) to EUR 176.3 million (margin of 8.7%).

In a direct comparison of the second and third quarters of 2014/15, revenue rose by 0.6% from EUR 674.5 million to EUR 678.5 million. Despite substantial seasonal effects in December 2014, the division achieved this stable performance as a result of good sales in the USA and China, combined with a slightly higher price level. Against the backdrop of a price increase at the end of the second quarter of 2014/15, both the operating result (EBITDA) and profit from operations (EBIT) improved. While EBITDA went up by 9.7% from EUR 87.3 million to EUR 95.8 million, EBIT even rose by 17.0% from EUR 53.0 million to EUR 62.0 million. Therefore, in a comparison with the immediately preceding quarter, the EBITDA margin went up from 12.9% to 14.1% and the EBIT margin went from 7.9% to 9.1%.

The number of employees (FTE) in the Special Steel Division as of the end of the third quarter of 2014/15, was 13,334, a gain of 3.5% compared to the same quarter of 2013/14 (12,884 FTE); the increase compared to the figure at the end of the last business year (12,885 FTE) was also 3.5%.

## Metal Engineering Division

| In millions of euros | | | | Q 1 – Q 3 | | |
|---|---|---|---|---|---|---|
| | Q 1 2014/15<br>04/01–<br>06/30/2014 | Q 2 2014/15<br>07/01–<br>09/30/2014 | Q 3 2014/15<br>10/01–<br>12/31/2014 | 2014/15<br>04/01–<br>12/31/2014 | 2013/14[1]<br>04/01–<br>12/31/2013 | Change<br>in % |
| Revenue | 679.3 | 650.5 | 630.5 | 1,960.3 | 2,053.4 | –4.5 |
| EBITDA | 106.7 | 97.0 | 92.2 | 295.9 | 322.6 | –8.3 |
| EBITDA margin | 15.7% | 14.9% | 14.6% | 15.1% | 15.7% | |
| EBIT | 79.6 | 69.4 | 65.0 | 214.0 | 238.4 | –10.2 |
| EBIT margin | 11.7% | 10.7% | 10.3% | 10.9% | 11.6% | |
| Employees (full-time equivalent) | 11,250 | 11,351 | 11,284 | 11,284 | 11,135 | 1.3 |

[1] Business year 2013/14 retroactively adjusted due to the application of IFRS 11 "Joint Arrangements" and due to the change in the method of disclosure for results of entities consolidated according to the equity method (formerly reported as part of financial result, from April 1, 2014 onward, reported as part of EBIT). Further details are described under "General information/Accounting policies".

### Market environment and business development

Demand in the downstream sectors of the Metal Engineering Division remained at its customary high level and characterized the first nine months of 2014/15. Based on this very good demand situation, capacity at the division's steel base in Donawitz, Austria, was fully utilized.

In the first three quarters of 2014/15, the Rail Technology business segment faced changing framework conditions. After years of below average investment in European railway infrastructure, both as far as new projects and maintenance are concerned, 2014/15 saw a broadly based increase in demand in Europe, while at the same time, the international markets, which had been booming in the recent past, weakened. The revitalization of the European markets ensures ongoing high capacity utilization of rail production, although, most recently, it was not possible to maintain the high price level of previous years. As a result of the continuing positive order situation, rail production in the coming business year will be expanded from a three-shift to a four-shift operation for the first time.

The global positioning of the Turnout Systems business segment and the sophisticated, technical system solutions it provides ensure the segment's excellent performance. Once again, its global orientation has proven to be invaluable in the current business year, as the business segment profited particularly from the dynamic development in North America. However, Europe, Asia, and India also contributed positive impulses. While mining projects declined, the mass transit sector saw an increase in orders due to the recent acquisition of the Bathurst Rail Fabrication Center (see the "Acquisition" section), market leadership in the turnout segment in Australia continued to be expanded.

In the first three quarters of 2014/15, the Wire Technology business segment profited from the solid situation of the automobile industry and the resulting demand for both drawn wire and rolled

wire. In contrast, demand in the oil and natural gas sectors declined in the course of the year. However, as the sentiment in the European automobile industry, the most important customer of the Wire Technology business segment, continues to be positive, a continuation of the stable development can be anticipated for the coming quarters.
Despite a rapid deterioration of the oil price in the past months, the solid level of orders in the Seamless Tube business segment has guaranteed almost full capacity utilization of production thus far. The dramatic decrease in oil exploration activities due to the current oversupply of oil is, however, expected to have an impact on capacity utilization in the production of seamless tubes in the business year 2015/16.
The Welding Technology business segment has been facing diminished demand in Germany, primarily due to weakening in demand in the mechanical and plant engineering sectors, resulting in part from the sharp drop in exports to Russia. While the trend on the Brazilian market in the welding consumables segment was weaker, market conditions in this segment trended stronger in North America, India, and Southeast Asia.

### Financial key performance indicators

In the first three quarters of 2014/15, the Metal Engineering Division's financial key performance indicators continued to be at a very satisfactory level, even though revenue and earnings did not quite attain the figures of the previous year. In the first three quarters of the current business year, revenue decreased by 4.5% from EUR 2,053.4 million to EUR 1,960.3 million. A primary cause of this downtrend is the closure of the standard rail production in Duisburg as of the end of the 2013 calendar year. In contrast, revenue generated by the Turnout Systems business segment increased substantially due to investment in expansion. As far as earnings are concerned, performance was mostly in parallel with revenue. At EUR 295.9 million, the operating result (EBITDA) for the first nine months of 2014/15 was 8.3% lower than the comparative figure of EUR 322.6 million in the previous year. The main factor for this decrease is the slightly weaker earning power of the Rail Technology and Welding Technology business segments. Accordingly, the EBITDA margin fell from 15.7% to 15.1%, which still puts it at an excellent level. Profit from operations (EBIT) was not able to match the previous business year's exceptional figures, with EBIT dropping by 10.2% from EUR 238.4 million to EUR 214.0 million, resulting in an EBIT margin of 10.9% (previous year: 11.6%).
A comparison of the third quarter of 2014/15 with the immediately preceding quarter shows a smaller decrease in terms of both revenue and earnings. Revenue fell by 3.1% from EUR 650.5 million to EUR 630.5 million; the main reason for the decline were the reduced deliveries of rails due to seasonal factors. Development of EBITDA—like the division's performance throughout the year thus far—was marked mainly by somewhat lower earnings contributions by the Rail Technology and Welding Technology business segments. EBITDA went down by 4.9% from EUR 97.0 million in the second quarter of 2014/15 to EUR 92.2 million in the quarter under review. This results in an EBITDA margin of 14.6% compared to 14.9% in the immediately preceding quarter. EBIT declined by a similar range; at EUR 65.0 million (margin of 10.3%) in the third quarter of 2014/15, it is 6.3% below the figure of EUR 69.4 million (margin of 10.7%) in the second quarter.
As of December 31, 2014, the Metal Engineering Division had 11,284 employees (FTE), an increase of 1.3% compared to the same date in the previous business year and 0.6% more than as of the end of the business year 2013/14 (11,217).

## Metal Forming Division

| In millions of euros | | | | Q 1 – Q 3 | | |
|---|---|---|---|---|---|---|
| | Q 1 2014/15<br>04/01–06/30/2014 | Q 2 2014/15<br>07/01–09/30/2014 | Q 3 2014/15<br>10/01–12/31/2014 | 2014/15<br>04/01–12/31/2014 | 2013/14<br>04/01–12/31/2013 | Change in % |
| Revenue | 601.9 | 578.9 | 561.6 | 1,742.4 | 1,740.1 | 0.1 |
| EBITDA | 68.9 | 129.9 | 60.5 | 259.3 | 194.4 | 33.4 |
| EBITDA margin | 11.5% | 22.4% | 10.8% | 14.9% | 11.2% | |
| EBIT | 44.8 | 85.3 | 37.5 | 167.6 | 126.8 | 32.2 |
| EBIT margin | 7.4% | 14.7% | 6.7% | 9.6% | 7.3% | |
| Employees (full-time equivalent) | 11,423 | 10,921 | 9,885 | 9,885 | 10,780 | –8.3 |

### Market environment and business development

The performance of individual business segments of the Metal Forming Division during the first three quarters of 2014/15 was inconsistent, but it largely reflected the trend expected at the beginning of the business year. The Automotive Body Parts business segment profited from continuing strong demand in the premium segment and from the ongoing uptrend in the European compact and sub-compact car segments. Manufacturers in the high-end segment even increased their outstanding production and sales figures of recent years still further, and exports remained at a very high level, despite the pronounced decline of demand in Russia. Furthermore, the rapidly growing local production of leading quality suppliers in the USA and China saw a positive development.

The Tubes & Sections business segment faced a downturn in demand compared to the previous year, which, however, differed widely depending on region and industry. For example, with the exception of Great Britain, the European market overall showed little momentum as far as demand is concerned. The recession in Russia, a result of sanctions, also led to a slowdown in exports from Europe. Overseas, the difficult situation in Brazil continued to worsen; in the USA, however, positive market conditions persisted. In China, activities are currently focused on developing sales channels for special sections. Of the most important customer segments, most recently, market conditions for agricultural machinery have deteriorated and sales figures in the truck sector have fallen. Demand for special tubes and sections continues to be robust due to the high production figures of the aircraft industry and ongoing strong momentum in the automobile sector.

The Precision Strip business segment has been facing increasing pressure from the competition during 2014/15 thus far. In addition to Asian competitors, who are profiting from a change in the rates of exchange, European manufacturers have also escalated price pressure. The Warehouse & Rack Solutions business segment is still robust and has a very sound order situation.

As previously reported in the Letter to Shareholders for the first half of 2014/15, this business year has seen significant streamlining of the Metal Forming Division's portfolio. As a result of the sale of the Flamco Group, which specializes in heating and drinking water installations, and of voestalpine Polynorm Van Niftrik B.V. and voestalpine Polynorm Plastics, both manufacturers of plastic components for the automotive market, the division has increasingly focused on its core business. In addition to this streamlining of the portfolio, in the second quarter of 2014/15, individual assets that do not form a part of the division's core business were revaluated (this is not associated with the portfolio streamlining), and there was a structural reorganization of pension obligations in the divisional companies located in the Netherlands. As a result of all these measures, there was a positive non-recurring effect on EBITDA of EUR 66.5 million and on EBIT of EUR 45.2 million.

### Financial key performance indicators

In the first nine months of the current business year, the Metal Forming Division experienced a development that was stable overall; however, the performance of the individual business segments differed as far as profits were concerned. At EUR 1,742.4 million, revenue has remained at precisely the same level as in the previous year (EUR 1,740.1 million), despite deconsolidation of the Flamco Group in the second quarter of 2014/15 and of the plastics business in the third quarter of 2014/15. This loss in revenue was mainly compensated by the Automotive Body Parts business segment—due to the positive performance of the automobile market in Europe and start-up of activities overseas—and the Warehouse & Rack Solutions business segment. In contrast, delivery volumes in the Tubes & Sections business segment have declined slightly as a result of the more challenging market conditions. The non-recurring effects described in the previous section had a positive impact on the earnings of the Metal Forming Division. In a year-to-year comparison, the operating result (EBITDA) rose by one third from EUR 194.4 million to EUR 259.3 million. Without taking the non-recurring effects into account, at EUR 192.8 million, EBITDA in the current business year is 0.8% lower than the figure for the first three quarters of 2013/14 (EUR 194.4 million); this means a largely stable EBITDA margin of 11.1% (previous year: 11.2%). Profit from operations (EBIT) also rose by around one third from EUR 126.8 million to EUR 167.6 million. Adjusted for the non-recurring effect, at EUR 122.4 million, EBIT is 3.5% weaker compared to the previous year. Based on the adjusted earnings, the EBIT margin of 7.0% is slightly lower than in the previous year (7.3%).

In a comparison of the third quarter with the immediately preceding quarter, the division's revenue shows a slight decrease, due, on one hand, to the deconsolidation of the Flamco and the plastics Groups and, on the other, the result of slightly declining sales volumes of tubes and sections. As a result, the revenue in the third quarter of 2014/15 is EUR 561.6 million, 3.0% below the figure of the immediately preceding quarter (EUR 578.9 million). The non-recurring effects in the second quarter also impact the comparison of the second and third quarters. Thus, the decrease in the operating result (EBITDA) from EUR 129.9 million to EUR 60.5 million amounts to 53.4%; corrected by the non-recurring earnings contributions, compared to EBITDA of EUR 63.4 million in the second quarter, the adjusted figure corresponds to a reduction of 4.6%. Accordingly, the EBITDA margin also fell, going from 11.0% to 10.8%. At a minus of 56.0% (from EUR 85.3 million to EUR 37.5 million), profit from operations (EBIT) decreased by a similar range as the operating result. Without the non-recurring effects, in the second quarter, EBIT was at EUR 40.1 million; this means that the adjusted decline is only 6.5%. While the EBIT margin was at 6.9% in the immediately preceding quarter, in the third quarter, it fell slightly to 6.7%.

As of the end of the third quarter of 2014/15, the number of employees (FTE) in the Metal Forming Division was 9,885 or 8.3% below last year's figure. Compared to the figure at the end of the last business year (11,416 FTE), headcount fell by 13.4%. The decline in the number of employees is primarily due to the divestments that were reported above.

## Business transactions with associated companies or parties

Information regarding business transactions with associated companies and parties is available in the Notes.

## Investments

In order to be able to fulfill the pioneering role in technology, which it has established in recent years, even more comprehensively in the future and to sustain its commitment to extremely sophisticated products, investment in the voestalpine Group in the first three quarters of 2014/15 was again increased compared to the same period in the previous year, going from EUR 657.5 million to EUR 747.1 million, an uptick of 13.6%. Relatively speaking, the Metal Engineering Division saw the greatest boost in investment at 65.6%; however, this figure also includes the acquisitions undertaken by the division in the third quarter of 2014/15 (see also the "Acquisitions" section). At EUR 349.7 million, investments by the Steel Division in the first nine months of 2014/15 were only slightly higher than in the previous year (EUR 343.7 million). Besides necessary replacement of legacy equipment, investments by this division were focused on cost, product, and technology optimization measures. Current priority projects are the construction of a direct reduction plant in Texas (completion scheduled for late 2015/early 2016), installation of coal injection systems on all three blast furnaces in Linz (in the completion stage), construction of secondary metallurgy system 4 (commissioning slated for the fall of 2015), construction of a new heavy plate rolling mill (commissioning slated for the fall of 2015) as well as construction of continuous casting facility 8 (construction recently contracted).
Investment in the Special Steel Division in the first three quarters of 2014/15 amounted to a total of EUR 99.1 million, a decline of 8.8% compared to the previous year's figure of EUR 108.7 million. The main focus of investment activity was on the Value-Added Services segment. As of the beginning of the current business year, a coating service center was established in Shanghai, China, and a coating facility in Taiwan began operations as of the beginning of the third quarter. Significant expansion has also been undertaken in strategic markets in the tool steel hardening segment, which is upstream of the coating segment. For example, the new sales center near Istanbul, Turkey, is now a one-stop provider of both sophisticated tool steel and high quality heat and surface treatment processes and in mid-January 2015, a sales company that also provides pre-processing facilities was opened in Puebla, Mexico.
In the first three quarters of 2014/15, investment, including acquisitions, in the Metal Engineering Division was at EUR 165.1 million, around two thirds higher than last year's figure of EUR 99.7 million. The division's strategically most significant project is the construction of a new wire rod mill (including a walking beam furnace) in Donawitz, Austria. which has extremely sophisticated technology. To enable continuing technological improvement of innovative rail grades, the Rail business segment is also erecting a new walking beam furnace.
In the first nine months of the business year 2014/15, the Metal Forming Division invested a total of EUR 126.9 million, an increase of 28.2% compared to the previous year's level (EUR 99.0 million). Investments, which were part of the comprehensive expansion and internationalization strategy, were focused primarily on the press-hardened steel segment ("phs-ultraform"), which is based on new technology. In the third quarter, two new "phs" lines in Schmölln and Schwäbisch Gmünd, Germany, are being put into operation; they will complement production sites belonging to the Automotive Body Parts business segment in the USA, South Africa, and China. In addition, at the beginning of the current business year, production of special sections for construction and agricultural machinery started up in Suzhou, China.

## Acquisitions

In the course of the business year 2014/15 thus far, the Metal Engineering Division made two acquisitions, one in the Wire business segment and the other in the Turnout Systems business segment. The Italian manufacturer of special wire Trafilerie Industriali S.p.A., which is headquartered in Nervesa della Battaglia (Treviso), was acquired in the third quarter. The company specializes in the production of drawn wire. It has 80 employees and in 2013, it generated annual revenue of EUR 43.8 million with an annual production of around 50,000 tons. For voestalpine, this acquisition means an additional enhancement of the product portfolio in the segment of drawn wire for the automotive industry and another customer-specific extension of the value chain in the premium quality segment; it also strengthens voestalpine's market position in Italy. The business segment Turnout Systems further expanded its leading market position in Australia in the third quarter by acquiring the Australian company Bathurst Rail Fabrication Center (BRFC). This specialist for high-quality welded rails, turnouts, and track components has a staff of around 60 employees and generated annual revenue of around EUR 34 million last year. With its turnout and rail welding plant, BRFC is the key railway competence center for Sydney Trains, which operates a major part of the railway network in the Australian state of New South Wales. With this acquisition, the Turnout Systems business segment has expanded its local presence in Australia considerably; paired with the voestalpine Group's expertise, this creates the potential for future mass transit projects in Australia as well as in the important heavy-haul sector. The acquisition is set to close in the early part of the business year 2015/16.

## Employees

As of the reporting date December 31, 2014, the voestalpine Group had 46,461 employees (FTE, full time equivalent) worldwide; the number of employees remained practically unchanged compared to the previous year's reporting date (46,460).
The number of temporary staff was 3,993 persons, an increase of 5.1% compared to the third quarter of the business year 2013/14 (3,798).
As of the reporting date December 31, 2014, 1,666 apprentices were being trained Group-wide, 3.7% or 59 young people more than as of December 31, 2013 (1,607).

## Research and development

The current focus of the Research & Development sector at voestalpine is on accelerating the process of synergistically combining the expertise that is internationally available within the Group in order to develop new process and product solutions that are tailored to specific customer needs and requirements. The long-term objective is to develop innovative complete solutions in the individual sectors with the goal of generating optimum customer benefit while reducing life cycle costs, and to achieve the best performance possible along all the value chains.

One of the measures taken in this respect was a cross-divisional project that critically examined the chain from tool steel to tool user. As the Group has all of the expertise necessary, for example, production of tool steel, heat treatment, and coating, and also not only manufactures tools but uses them as well, an intensive collaborative process resulted in significantly improved productivity and, at the same time, considerable cost savings.
A completely different research project was recently put into actual practice under the name "Möllerradar" (batch radar). With the help of this measuring equipment, topography and temperature distribution on the batch surface are mapped on a blast furnace at the Linz site during production in real time. This enables optimized process management, which in turn results in decreased consumption of reducing agents in the blast furnace process.
The topic of this year's eighth annual R&D Synergy Platform, which took place in early October 2014 in Kapfenberg, Styria, was "Tools/dies and tool/die materials," in other words, tools and forming tools and the materials necessary for the process. The conference provided the roughly 100 attendees from various Group companies with an excellent overview into this technically very sophisticated niche segment through lectures by experts from all the divisions as well as additional input and fresh aspects from lectures by external speakers.

## Environment

**Energy and climate policy 2030 in the European Union**

It currently appears that the European Union wants to retain its quantitative "2030 objectives," after which point in time it plans to introduce mechanisms to continue to increase the $CO_2$ price. This would result in yet another massive disadvantage of the energy-intensive manufacturing industries not only vis-à-vis the energy sector but especially vis-à-vis overseas competitors. The next step in the spring of 2015 will be the vote on the proposal for a "market stability reserve for emissions trading," which will provide the first indications about the further development and which will in all likelihood result in a revision of the Emissions Trading Directive. Concurrently, discussions will continue at the European level regarding how emissions trading will be organized in the long term, including the basic technological criteria.

### Global level

After the Lima Climate Change Conference in December 2014, the UN Climate Change Conference will meet in Paris in late 2015 to decide on a follow-up agreement to the Kyoto Protocol that will expire in 2020. As a preliminary step, there are plans to define national reduction commitments in the coming months. The scope and, in particular, the degree of comparability and transparency of the reduction of greenhouse gases in the individual nations and regions will be a major indicator for the seriousness of global climate protection efforts.

In particular the ambitions of those nations, which have not ratified the Kyoto Protocol thus far (e.g., USA), and of the emerging economies, which have joined the treaty but have nevertheless increased their emissions, notably China and India, are of crucial importance for the industry in the European Union.

From the vantage point of the voestalpine Group, which operates globally, preference should be given to a climate protection agreement based on uniform principles that is mandatory worldwide as opposed to varying regional solutions.

## Outlook

In the development of the global economic trends, the beginning of 2015 does not bring much that is new: continuing strong economic data from the USA and a stable development in China are contrasted by a stagnating economy in Brazil and Japan. Under the current political and economic circumstances, Russia will continue to face a significant recession for some time to come. The noticeable atmosphere of renewal resulting from the change in the political landscape in India should provide opportunities for increased growth in 2015.

And Europe? After the economically disappointing second half of 2014, the EU Commission and the European Central Bank have recently proposed ambitious packages of measures, on one hand at the investment end (investment package amounting to EUR 315 billion) and, on the other, in the area of quantitative easing (government bond-buying program amounting to EUR 1,140 billion), thus taking clear aim at a revitalization of the economy. However, it is still up in the air to what extent it, together with more investments in infrastructure in a number of countries, as well as the first signs of progress in Spain and Portugal will enable a return to at least modest growth during the course of the year. What will be crucial is less the future development in Greece, which is of secondary importance economically measured against Europe as a whole, but rather the development in France and Italy and the course that the Russia-Ukraine conflict will take.

Supporting factors for a recovery in Europe could be the continued strong economic activity in the automobile industry, a certain uptrend in the mechanical engineering sector, and the expected revival in the construction and construction supply industries resulting from accelerated implementation of infrastructure projects—the latter being already visible in the railway infrastructure sector. The decline of the oil price and the associated postponement of exploration and pipeline projects brings pressure on the corresponding industry segments; however, on the other side of the coin, it results in significant benefits for the consumers with corresponding positive effects on their buying habits.

A positive effect for an economic recovery in Europe is also the significantly lower rate of exchange of the euro, especially vis-à-vis the US dollar, as this improves the export possibilities for European companies.

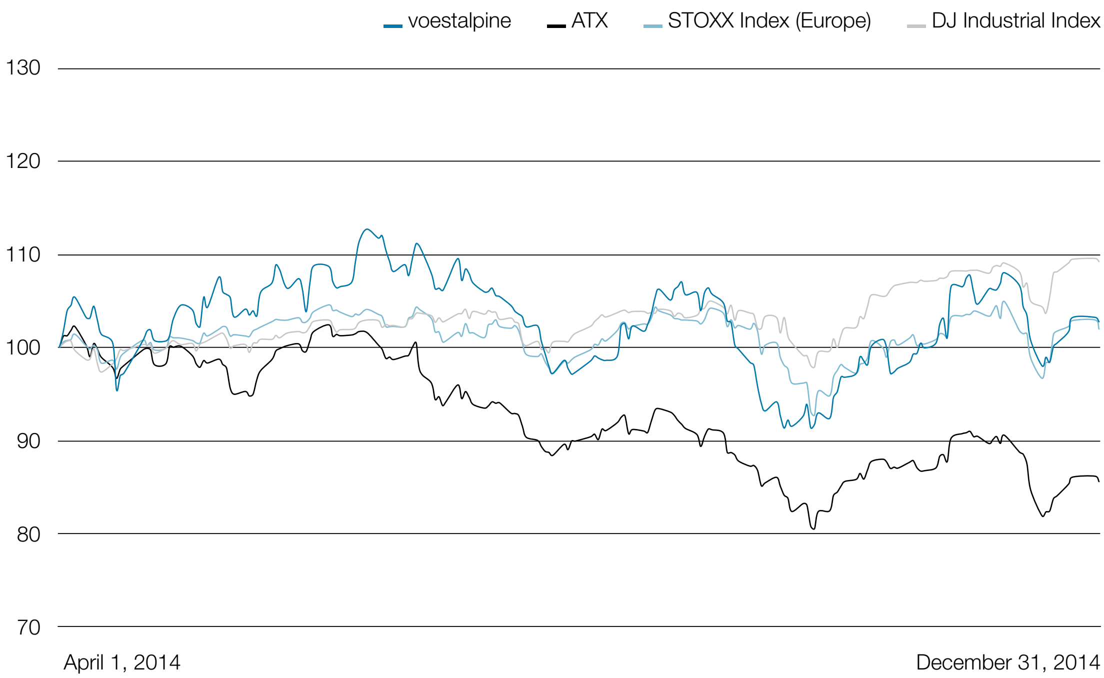
Despite this proliferation of positive economic signals, it would be premature to assume that this equals a beginning recovery in Europe; the political and economic uncertainties are still too great. But there is at least the chance that in the course of the second half of 2015 Europe will see at least a slight economic recovery.

Against this backdrop and assuming stable capacity utilization in all of the most important business segments, the outlook for the voestalpine Group is unchanged. For the business year 2014/15, the Group can expect an operating result (EBITDA) and profit from operations (EBIT) that are slightly above the level of the past business year (even without taking positive non-recurring effects in consideration).

# Investor relations

**voestalpine AG vs. the ATX and international indices**

Changes compared to March 31, 2014 in %




## Price development of the voestalpine share

Stock price movements on the international stock markets in the business year 2014/15 were more greatly impacted by (geo)political developments and decisions by the central banks than by the individual performance of corporations—due in some measure to the fact that economic trends differed widely around the globe. Apart from individual stock exchange indexes that broke records (e.g., Dow Jones, DAX), the inconsistent environment resulted in index movements and stock performance that were often volatile. The voestalpine share also reflected this tendency, although it ultimately at least remained at a constant level in the less attractive environment of the Vienna Stock Exchange (ATX) during the first nine months of the business year. As of the end of the third quarter of 2014/15, the price of the voestalpine share was at EUR 32.80, slightly higher than its price at the beginning of the business year (EUR 31.91).

## Bonds

| Type of bond | ISIN number | Volume | Interest rate | Share price (12/31/2014) |
|---|---|---|---|---|
| Corporate bond 2011–2018 | AT0000A0MS58 | EUR 500 million | 4.75% | 110.0 |
| Corporate bond 2012–2018 | XS0838764685 | EUR 500 million | 4.0% | 109.0 |
| Hybrid bond 2013 | AT0000A0ZHF1 | EUR 500 million | 7.125%[1] | 115.5 |
| Corporate bond 2014–2021 | AT0000A19S18 | EUR 500 million | 2.25% | 104.5 |

[1] Interest rate: 7.125% p.a. from issue date to October 31, 2014 (excl.); 6% p.a. from October 31, 2014 to October 31, 2019; five-year swap rate (from October 31, 2019) + 4.93% p.a. from October 31, 2019 to October 31, 2024; then three-month EURIBOR +4.93% p.a. + step-up of 1% p.a. from October 31, 2024.

## Current changes

### Hybrid bond 2007

On September 9, 2014, the Management Board of voestalpine AG adopted a resolution to call the entire issue of hybrid bond 2007 (ISIN AT0000A069T7, issued by voestalpine AG in 2007, in accordance with Section 4 (2)(i) of the terms of the bond as of October 31, 2014 (first possible call date). The original volume of the hybrid bond 2007 of EUR 1 billion was reduced due to an exchange of this bond with a hybrid bond (ISIN AT0000A0ZHF1) that was newly issued in 2014 and is currently EUR 500 million.

### Corporate bond (2014–2021)

In October 2014, voestalpine AG successfully placed a corporate bond with a volume of EUR 400 million and a coupon rate of 2.25% on the capital market. The quality of the order book was excellent, with orders in the magnitude of EUR 800 million and about 160 different investors. Issue of the bond (ISIN AT0000A19S18) and the start of official trading was on October 14, 2014.

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

- Alpha Value, Paris
- Baader Bank AG, Munich
- Bank of America/Merrill Lynch, London
- Citigroup, London
- Commerzbank, Frankfurt
- Credit Suisse, London
- Deutsche Bank, London
- Erste Bank, Vienna
- Exane BNP Paribas, Paris
- Goldman Sachs, London
- HSBC, London
- Jefferies, London
- JP Morgan, London
- Kepler Cheuvreux, Frankfurt
- Macquarie, London
- MainFirst, Frankfurt
- Morgan Stanley, London
- Raiffeisen Centrobank, Vienna
- Redburn, London
- Société Générale, Paris
- Steubing, Frankfurt
- UBS, London

## Share information

| | |
|---|---|
| Share capital | EUR 313,309,235.65 divided into 172,449,163 no-par value shares |
| Shares in proprietary possession as of December 31, 2014 | 28,597 shares |
| Class of shares | Ordinary bearer shares |
| Stock identification number | 93750 (Vienna Stock Exchange) |
| ISIN | AT0000937503 |
| Reuters | VOES.VI |
| Bloomberg | VOE AV |

| **Prices (as of end of day)** | |
|---|---|
| Share price high April 2014 to December 2014 | EUR 35.98 |
| Share price low April 2014 to December 2014 | EUR 29.15 |
| Share price as of December 31, 2014 | EUR 32.80 |
| Initial offering price (IPO) October 1995 | EUR 5.18 |
| All-time high price (July 12, 2007) | EUR 66.11 |
| Market capitalization as of December 31, 2014* | EUR 5,654,532,461.97 |

* Based on total number of shares minus repurchased shares.

| **Business year 2013/14** | |
|---|---|
| Earnings per share | EUR 2.60 |
| Dividend per share | EUR 0.95 |
| Book value per share | EUR 30.14 |

| **Financial calendar 2015/16** | |
|---|---|
| Annual Report 2014/15 | June 3, 2015 |
| Annual General Shareholders' Meeting | July 1, 2015 |
| Ex-dividend date | July 6, 2015 |
| Dividend payment date | July 13, 2015 |
| Letter to shareholders for the first quarter of 2015/16 | August 5, 2015 |
| Letter to shareholders for the second quarter of 2015/16 | November 11, 2015 |
| Letter to shareholders for the third quarter of 2015/16 | February 10, 2016 |

**voestalpine AG**

# Financial data 12/31/2014

In accordance with International Financial Reporting Standards (IFRS)

## Consolidated statement of financial position

### Assets

| | 03/31/2014[1] | 12/31/2014 |
|---|---|---|
| **A. Non-current assets** | | |
| Property, plant and equipment | 4,741.9 | 5,017.6 |
| Goodwill | 1,472.3 | 1,471.2 |
| Other intangible assets | 336.2 | 339.2 |
| Investments in associates | 214.7 | 209.3 |
| Other financial assets | 90.6 | 81.9 |
| Deferred tax assets | 312.3 | 299.2 |
| | **7,168.0** | **7,418.4** |
| **B. Current assets** | | |
| Inventories | 2,883.7 | 3,007.2 |
| Trade and other receivables | 1,620.4 | 1,459.9 |
| Other financial assets | 429.8 | 409.9 |
| Cash and cash equivalents | 532.4 | 421.0 |
| | **5,466.3** | **5,298.0** |
| **Total assets** | **12,634.3** | **12,716.4** |

[1] Business year 2013/14 retroactively adjusted due to the application of IFRS 11 "Joint Arrangements" and due to the change in the method of disclosure for results of entities consolidated according to the equity method (formerly reported as part of financial result, from April 1, 2014 onward, reported as part of EBIT). Further details are described under "General information/Accounting policies."

In millions of euros

## Equity and liabilities

| | 03/31/2014[1] | 12/31/2014 |
|---|---|---|
| **A. Equity** | | |
| Share capital | 313.3 | 313.3 |
| Capital reserves | 470.8 | 471.0 |
| Hybrid capital | 993.2 | 497.2 |
| Retained earnings and other reserves | 3,418.8 | 3,682.2 |
| **Equity attributable to equity holders of the parent** | **5,196.1** | **4,963.7** |
| Non-controlling interests | 64.9 | 49.7 |
| | **5,261.0** | **5,013.4** |
| **B. Non-current liabilities** | | |
| Pensions and other employee obligations | 1,015.3 | 984.8 |
| Provisions | 99.2 | 82.6 |
| Deferred tax liabilities | 187.4 | 213.0 |
| Financial liabilities | 2,596.8 | 3,095.4 |
| | **3,898.7** | **4,375.8** |
| **C. Current liabilities** | | |
| Provisions | 497.9 | 471.2 |
| Tax liabilities | 58.3 | 50.8 |
| Financial liabilities | 831.8 | 871.8 |
| Trade and other payables | 2,086.6 | 1,933.4 |
| | **3,474.6** | **3,327.2** |
| **Total equity and liabilities** | **12,634.3** | **12,716.4** |

[1] Business year 2013/14 retroactively adjusted due to the application of IFRS 11 "Joint Arrangements" and due to the change in the method of disclosure for results of entities consolidated according to the equity method (formerly reported as part of financial result, from April 1, 2014 onward, reported as part of EBIT). Further details are described under "General information/Accounting policies."

In millions of euros

## Consolidated statement of cash flows

| | 04/01–12/31/2013[1] | 04/01–12/31/2014 |
|---|---|---|
| **Operating activities** | | |
| Profit for the period | 349.7 | 442.8 |
| Adjustments | 479.5 | 399.8 |
| **Changes in working capital** | | |
| Changes in inventories | –225.5 | –142.0 |
| Changes in receivables and liabilities | 51.4 | 48.5 |
| Changes in provisions | –127.1 | –24.1 |
| | **–301.2** | **–117.6** |
| **Cash flows from operating activities** | **528.0** | **725.0** |
| **Investing activities** | | |
| Additions of other intangible assets, property, plant and equipment | –637.6 | –764.7 |
| Income from disposals of assets | 22.8 | 32.1 |
| Cash flows from the acquisition of control of subsidiaries | –19.7 | –34.8 |
| Cash flows from the loss of control of subsidiaries | 0.5 | 120.2 |
| Additions/divestments of other financial assets | 77.3 | 19.2 |
| **Cash flows from investing activities** | **–556.7** | **–628.0** |
| **Financing activities** | | |
| Dividends paid | –212.8 | –230.0 |
| Dividends paid non-controlling interests | –8.5 | –16.3 |
| Disposal of own shares | 1.6 | – |
| Change of non-controlling interests | –6.7 | –9.7 |
| Redemption hybrid bond | – | –500.0 |
| Change in non-current financial liabilities | 88.1 | 498.8 |
| Change in current financial liabilities | –546.7 | 37.6 |
| **Cash flows from financing activities** | **–685.0** | **–219.6** |
| **Net decrease/increase in cash and cash equivalents** | **–713.7** | **–122.6** |
| Cash and cash equivalents, beginning of year | 1,092.6 | 532.4 |
| Net exchange differences | –15.9 | 11.2 |
| **Cash and cash equivalents, end of year** | **363.0** | **421.0** |

[1] Business year 2013/14 retroactively adjusted due to the application of IFRS 11 “Joint Arrangements” and due to the change in the method of disclosure for results of entities consolidated according to the equity method (formerly reported as part of financial result, from April 1, 2014 onward, reported as part of EBIT). Further details are described under “General information/Accounting policies.”

In millions of euros

## Consolidated income statement

| | 04/01–12/31/2013[1] | 04/01–12/31/2014 | 10/01–12/31/2013[1] | 10/01–12/31/2014 |
|---|---|---|---|---|
| Revenue | 8,268.8 | 8,254.9 | 2,625.4 | 2,693.8 |
| Cost of sales | –6,620.2 | –6,591.7 | –2,126.9 | –2,149.5 |
| **Gross profit** | **1,648.6** | **1,663.2** | **498.5** | **544.3** |
| | | | | |
| Other operating income | 228.5 | 303.0 | 95.8 | 87.9 |
| Distribution costs | –711.3 | –732.9 | –233.8 | –245.7 |
| Administrative expenses | –443.8 | –442.4 | –148.0 | –144.9 |
| Other operating expenses | –190.9 | –206.1 | –53.1 | –72.3 |
| Share of profit of associates | 38.2 | 42.6 | 13.6 | 13.4 |
| **Profit from operations (EBIT)** | **569.3** | **627.4** | **173.0** | **182.7** |
| | | | | |
| Share of profit of associates | 0.0 | 0.0 | 0.0 | 0.0 |
| Finance income | 25.4 | 41.6 | 7.3 | 7.2 |
| Finance costs | –150.4 | –138.4 | –48.1 | –51.0 |
| **Profit before tax (EBT)** | **444.3** | **530.6** | **132.2** | **138.9** |
| | | | | |
| Tax expense | –94.6 | –87.8 | –20.9 | –20.1 |
| **Profit for the period** | **349.7** | **442.8** | **111.3** | **118.8** |
| | | | | |
| Attributable to: | | | | |
| Equity holders of the parent | 292.2 | 393.7 | 93.2 | 109.1 |
| Non-controlling interests | 3.8 | 7.2 | 0.4 | 1.6 |
| Share planned for hybrid capital owners | 53.7 | 41.9 | 17.7 | 8.1 |
| | | | | |
| **Diluted and basic earnings per share (euros)** | **1.69** | **2.28** | **0.54** | **0.63** |

[1] Business year 2013/14 retroactively adjusted due to the application of IFRS 11 "Joint Arrangements" and due to the change in the method of disclosure for results of entities consolidated according to the equity method (formerly reported as part of financial result, from April 1, 2014 onward, reported as part of EBIT). Further details are described under "General information/Accounting policies."

In millions of euros

## Consolidated statement of comprehensive income

| | 04/01–12/31/2013[1] | 04/01–12/31/2014 | 10/01–12/31/2013[1] | 10/01–12/31/2014 |
|---|---|---|---|---|
| **Profit for the period** | **349.7** | **442.8** | **111.3** | **118.8** |
| **Items of other comprehensive income that will be reclassified to profit or loss** | | | | |
| Hedge accounting | 0.7 | 9.9 | 2.2 | 4.2 |
| Currency translation | –113.6 | 47.9 | –34.3 | 0.1 |
| Share of result of associates | –0.4 | 6.5 | –1.4 | 0.6 |
| **Subtotal of items of other comprehensive income that will be reclassified to profit or loss** | **–113.3** | **64.3** | **–33.5** | **4.9** |
| **Other comprehensive income for the period, net of income tax** | **–113.3** | **64.3** | **–33.5** | **4.9** |
| **Total comprehensive income for the period** | **236.4** | **507.1** | **77.8** | **123.7** |
| Attributable to: | | | | |
| Equity holders of the parent | 181.7 | 456.8 | 60.4 | 113.9 |
| Non-controlling interests | 1.0 | 8.4 | –0.3 | 1.7 |
| Share planned for hybrid capital owners | 53.7 | 41.9 | 17.7 | 8.1 |
| **Total comprehensive income for the period** | **236.4** | **507.1** | **77.8** | **123.7** |

[1] Business year 2013/14 retroactively adjusted due to the application of IFRS 11 "Joint Arrangements" and due to the change in the method of disclosure for results of entities consolidated according to the equity method (formerly reported as part of financial result, from April 1, 2014 onward, reported as part of EBIT). Further details are described under "General information/Accounting policies."

In millions of euros

## Consolidated statement of changes in equity

| | Q 1 – Q 3 2013/14 | | | Q 1 – Q 3 2014/15 | | |
|---|---|---|---|---|---|---|
| | Group | Non-controlling interests | Total | Group | Non-controlling interests | Total |
| **Equity as of April 1** | **5,007.9** | **67.3** | **5,075.2** | **5,196.1** | **64.9** | **5,261.0** |
| Total comprehensive income for the period | 235.4 | 1.0 | 236.4 | 498.7 | 8.4 | 507.1 |
| Dividends to shareholders | –155.2 | –8.6 | –163.8 | –163.8 | –8.3 | –172.1 |
| Hybrid capital | – | – | – | –500.0 | – | –500.0 |
| Own shares acquired/ disposed | 1.6 | – | 1.6 | – | – | – |
| Dividends to hybrid capital owners | –42.8 | – | –42.8 | –66.2 | – | –66.2 |
| Other changes | 2.6 | 8.2 | 10.8 | –1.1 | –15.3 | –16.4 |
| **Equity as of December 31** | **5,049.5** | **67.9** | **5,117.4** | **4,963.7** | **49.7** | **5,013.4** |

In millions of euros

voestalpine AG

# Notes

## General information/ accounting policies

These interim consolidated financial statements of voestalpine AG as of December 31, 2014 for the first three quarters of the business year 2014/15 were prepared in accordance with IAS 34 – Interim Financial Reporting. The accounting policies are unchanged from the annual consolidated financial statements for the business year 2013/14 with the following exceptions:

**New and revised Standards adopted for the first time in the business year 2014/15**

| Standard | Content | Effective date[1] |
|---|---|---|
| IFRS 10 | Consolidated Financial Statements | January 1, 2014 |
| IFRS 11 | Joint Arrangements | January 1, 2014 |
| IFRS 12 | Disclosure of Interests in Other Entities | January 1, 2014 |
| IAS 27, new version | Separate Financial Statements | January 1, 2014 |
| IAS 28, new version | Investments in Associates and Joint Ventures | January 1, 2014 |
| IAS 32, amendments | Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities | January 1, 2014 |
| IAS 36, amendments | Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets | January 1, 2014 |
| IAS 39, amendments | Novation of Derivatives and Continuation of Hedge Accounting | January 1, 2014 |
| Various standards, amendments | Amendments to IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements, and IFRS 12, Disclosure of Interests in Other Entities – Transition Guidance | January 1, 2014 |
| Various standards, amendments | Amendments to IFRS 10, Consolidated Financial Statements, IFRS 12, Disclosure of Interests in Other Entities, and IAS 27, Separate Financial Statements – Investment Entities | January 1, 2014 |

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

IFRS 10 comprehensively redefines the concept of control. This is intended to create a uniform basis for defining the consolidated group. This standard replaces the provisions of the previous IAS 27 "Consolidated and Separate Financial Statements" for consolidated financial statements.

IFRS 11 governs the accounting of entities that jointly control an arrangement that is classified either as a joint venture or a joint operation. This standard replaces IAS 31 "Interests in Joint Ventures" and eliminates the possibility of proportionate consolidation of joint ventures, whereby these are to be included in the consolidated group in the future using equity method accounting. IAS 28 now includes the provisions for associates and joint ventures that are measured based on the equity method under IFRS 11. Starting with the business year 2014/15, the results of entities consolidated according to the equity method are reported under EBIT in the (interim) consolidated financial statements. Amended disclosure in EBIT reflects the operational nature of investments accounted for using the equity method. voestalpine Tubulars GmbH and voestalpine Tubulars GmbH & Co KG were proportionately consolidated up to March 31, 2014, and, beginning with the business year 2014/15, the equity method is being applied. The currently ten associates, which were already previously accounted for using the equity method, are also recognized in EBIT.

IFRS 12 includes the disclosure requirements for subsidiaries, joint arrangements, associates, and unconsolidated structured entities, which will result in additional disclosures in the consolidated annual financial statements of voestalpine AG.

Changes to IFRS 10, IFRS 11, and IFRS 12 were published in June 2012 in order to clarify the content and scope of certain guidelines regarding their first-time application.

Changes to IFRS 10, IFRS 12, and IAS 27 were published in October 2012 in order to create an exception for qualified investment entities from the regulation requiring consolidation of subsidiaries.

The amendments to IAS 32 clarify the requirements for offsetting financial instruments in the statement of financial position; as a result, new provisions governing disclosures have been added to IFRS 7.

The changes to IAS 36 represent a correction of disclosure requirements regarding the recoverable amount for non-financial assets that were changed to a greater extent than intended in connection with IFRS 13.

Due to the change to IAS 39, the novation of a hedging instrument to a central counterparty as a result of statutory requirements does not result in a dissolution of a hedge relationship under certain conditions.

In order to reflect the adjustments due to the application of IFRS 11 and the change in the method of disclosure for results of entities consolidated according to the equity method (formerly reported as part of the financial result; from April 1, 2014 onward, reported as part of EBIT), the relevant line items were retroactively adjusted for the opening statement of financial position as of April 1, 2013, for the consolidated statement of financial position as of March 31, 2014, for the consolidated statement of comprehensive income for the first three quarters and the third quarter of the business year 2013/14 as well as for the consolidated statement of cash flows for the first three quarters of the business year 2013/14:

### Change in the consolidated statement of financial position

| 04/01/2013 | Values as originally reported | Adjustment | Values retroactively adjusted |
|---|---|---|---|
| **Total assets** | **13,079.3** | **13.0** | **13,092.3** |
| thereof Property, plant and equipment | 4,580.6 | –26.8 | 4,553.8 |
| thereof Other intangible assets | 320.9 | –0.6 | 320.3 |
| thereof Investments in associates | 156.4 | 77.6 | 234.0 |
| thereof Other financial assets non-current | 109.2 | –0.5 | 108.7 |
| thereof Deferred tax assets | 343.6 | –1.4 | 342.2 |
| thereof Inventories | 2,876.9 | –37.4 | 2,839.5 |
| thereof Trade and other receivables | 1,655.5 | 2.2 | 1,657.7 |
| thereof Cash and cash equivalents | 1,092.7 | –0.1 | 1,092.6 |
| **Total equity and liabilities** | **13,079.3** | **13.0** | **13,092.3** |
| thereof Pensions and other employee obligations | 1,004.6 | –12.9 | 991.7 |
| thereof Financial liabilities non-current | 2,558.8 | –0.2 | 2,558.6 |
| thereof Provisions current | 612.2 | –6.5 | 605.7 |
| thereof Financial liabilities current | 1,324.6 | 47.1 | 1,371.8 |
| thereof Trade and other payables | 2,139.7 | –14.5 | 2,125.2 |

In millions of euros

## Change in the consolidated statement of financial position

| 03/31/2014 | Values as originally reported | Adjustment | Values retroactively adjusted |
|---|---|---|---|
| **Total assets** | **12,637.5** | **–3.2** | **12,634.3** |
| thereof Property, plant and equipment | 4,772.0 | –30.1 | 4,741.9 |
| thereof Other intangible assets | 336.7 | –0.5 | 336.2 |
| thereof Investments in associates | 133.4 | 81.3 | 214.7 |
| thereof Other financial assets non-current | 91.0 | –0.4 | 90.6 |
| thereof Deferred tax assets | 313.5 | –1.2 | 312.3 |
| thereof Inventories | 2,937.2 | –53.5 | 2,883.7 |
| thereof Trade and other receivables | 1,619.1 | 1.3 | 1,620.4 |
| thereof Cash and cash equivalents | 532.5 | –0.1 | 532.4 |
| **Total equity and liabilities** | **12,637.5** | **–3.2** | **12,634.3** |
| thereof Pensions and other employee obligations | 1,028.9 | –13.6 | 1,015.3 |
| thereof Financial liabilities non-current | 2,596.9 | –0.1 | 2,596.8 |
| thereof Provisions current | 504.7 | –6.8 | 497.9 |
| thereof Financial liabilities current | 806.2 | 25.6 | 831.8 |
| thereof Trade and other payables | 2,094.9 | –8.3 | 2,086.6 |

In millions of euros

### Change in the consolidated income statement

| 04/01 – 12/31/2013 | Values as originally reported | Adjustment | Values retroactively adjusted |
|---|---|---|---|
| Revenue | 8,384.1 | –115.3 | 8,268.8 |
| Cost of sales | –6,676.6 | 56.4 | –6,620.2 |
| **Gross profit** | **1,707.5** | **–58.9** | **1,648.6** |
| | | | |
| Other operating income | 229.5 | –1.0 | 228.5 |
| Distribution costs | –729.2 | 17.9 | –711.3 |
| Administrative expenses | –446.0 | 2.2 | –443.8 |
| Other operating expenses | –188.8 | –2.1 | –190.9 |
| Share of profit of associates | 0.0 | 38.2 | 38.2 |
| **EBIT** | **573.0** | **–3.7** | **569.3** |
| | | | |
| Share of profit of associates | 9.1 | –9.1 | 0.0 |
| Finance income | 25.3 | 0.1 | 25.4 |
| Finance costs | –150.9 | 0.5 | –150.4 |
| **Profit before tax (EBT)** | **456.5** | **–12.2** | **444.3** |
| | | | |
| Income tax expense | –104.9 | 10.3 | –94.6 |
| **Profit for the period** | **351.6** | **–1.9** | **349.7** |

In millions of euros

### Change in the consolidated statement of comprehensive income

| 04/01 – 12/31/2013 | Values as originally reported | Adjustment | Values retroactively adjusted |
|---|---|---|---|
| **Profit for the period** | **351.6** | **–1.9** | **349.7** |
| **Items of other comprehensive income that will be subsequently reclassified to profit or loss** | | | |
| Hedge accounting | 0.7 | 0.0 | 0.7 |
| Currency translation | –113.6 | 0.0 | –113.6 |
| Share of result of associates | –2.3 | 1.9 | –0.4 |
| **Subtotal of items of other comprehensive income that will be subsequently reclassified to profit or loss** | **–115.2** | **1.9** | **–113.3** |
| **Other comprehensive income for the period, net of income tax** | **–115.2** | **1.9** | **–113.3** |
| **Total comprehensive income for the period** | **236.4** | **0.0** | **236.4** |

In millions of euros

Change in the consolidated income statement

| 10/01 – 12/31/2013 | Values as originally reported | Adjustment | Values retroactively adjusted |
|---|---|---|---|
| Revenue | 2,660.5 | –35.1 | 2,625.4 |
| Cost of sales | –2,141.9 | 15.0 | –2,126.9 |
| **Gross profit** | **518.6** | **–20.1** | **498.5** |
| | | | |
| Other operating income | 96.3 | –0.5 | 95.8 |
| Distribution costs | –240.9 | 7.1 | –233.8 |
| Administrative expenses | –148.7 | 0.7 | –148.0 |
| Other operating expenses | –52.8 | –0.3 | –53.1 |
| Share of profit of associates | 0.0 | 13.6 | 13.6 |
| **EBIT** | **172.5** | **0.5** | **173.0** |
| | | | |
| Share of profit of associates | 4.7 | –4.7 | 0.0 |
| Finance income | 7.3 | 0.0 | 7.3 |
| Finance costs | –48.4 | 0.3 | –48.1 |
| **Profit before tax (EBT)** | **136.1** | **–3.9** | **132.2** |
| | | | |
| Income tax expense | –24.5 | 3.6 | –20.9 |
| **Profit for the period** | **111.6** | **–0.3** | **111.3** |

In millions of euros

Change in the consolidated statement of comprehensive income

| 10/01 – 12/31/2013 | Values as originally reported | Adjustment | Values retroactively adjusted |
|---|---|---|---|
| **Profit for the period** | **111.6** | **–0.3** | **111.3** |
| **Items of other comprehensive income that will be subsequently reclassified to profit or loss** | | | |
| Hedge accounting | 2.2 | 0.0 | 2.2 |
| Currency translation | –34.3 | 0.0 | –34.3 |
| Share of result of associates | –1.7 | 0.3 | –1.4 |
| **Subtotal of items of other comprehensive income that will be subsequently reclassified to profit or loss** | **–33.8** | **0.3** | **–33.5** |
| **Other comprehensive income for the period, net of income tax** | **–33.8** | **0.3** | **–33.5** |
| **Total comprehensive income for the period** | **77.8** | **0.0** | **77.8** |

In millions of euros

Change in the consolidated statement of cash flows

| 04/01 – 12/31/2013 | Values as originally reported | Adjustment | Values retroactively adjusted |
|---|---|---|---|
| **Operating activities** | | | |
| Profit for the period | 351.6 | –1.9 | 349.7 |
| Adjustments | 471.9 | 7.6 | 479.5 |
| Changes in working capital | –314.6 | 13.4 | –301.2 |
| | | | |
| **Cash flows from operating activities** | **508.9** | **19.1** | **528.0** |
| **Cash flows from investing activities** | **–563.4** | **6.7** | **–556.7** |
| **Cash flows from financing activities** | **–659.2** | **–25.8** | **–685.0** |
| | | | |
| **Net decrease/increase in cash and cash equivalents** | **–713.7** | **0.0** | **–713.7** |
| Cash and cash equivalents, beginning of period | 1,092.7 | –0.1 | 1,092.6 |
| Net exchange differences | –15.9 | 0.0 | –15.9 |
| **Cash and cash equivalents, end of period** | **363.1** | **–0.1** | **363.0** |

In millions of euros

With the exception of the described effects of IFRS 11, there were no material effects of the new and revised standards on voestalpine AG's interim consolidated financial statements.

Further information on the other principles of preparation is provided in the consolidated financial statements as of March 31, 2014, on which these interim consolidated financial statements are based.

The interim consolidated financial statements are presented in millions of euros (the functional currency of the parent company). The use of automated calculation systems may result in rounding differences.

Unless otherwise stated, comparative information relates to the first three quarters of the business year 2013/14 (reporting date: December 31, 2013).

The present interim consolidated financial statements have not been audited or reviewed by auditors.

## Scope of consolidated financial statements/acquisitions

The changes made in the scope of consolidated financial statements during the reporting period were as follows:

| | Full consolidation | Proportionate consolidation | Equity method |
|---|---|---|---|
| **As of April 1, 2014 as originally reported** | **295** | **2** | **11** |
| Adjustment under IFRS 11 | | –2 | 2 |
| **As of April 1, 2014 retroactively adjusted** | **295** | **0** | **13** |
| Acquisitions | 1 | | |
| Change in consolidation method | | | |
| Additions | 7 | | |
| Disposals | –1 | | |
| Reorganizations | –6 | | |
| Divestments or disposals | –21 | | –1 |
| **As of December 31, 2014** | **275** | **0** | **12** |
| Of which foreign companies | 216 | 0 | 5 |

The following entities were deconsolidated during the first three quarters of the business year 2014/15:

| Name of entity |
|---|
| **Full consolidation in the business year 2013/14** |
| Eschmann-Stahl Portugal-Acos Finos e Transformacao de Ferramentas, Unipessoal Lda. – em Liquidacao |
| voestalpine Treasury Holding GmbH |
| Flamco GmbH |
| Flamco s.a.r.l. |
| Flamco Flexcon B.V. |
| Flamco Flexcon Ltd. |
| Flamco STAG Behälterbau GmbH |
| Flamco Heating Accessories (Changshu) Co., Ltd. |
| Flamco AG |
| Flamco STAG GmbH |
| Flamco B.V. |
| Flamco Ltd. |
| Flamco Holding B.V. |
| Flamco Kft. |
| Flamco IMZ B.V. |
| Flamco Sp. z o.o. |
| W E M E F A  Horst Christopeit Gesellschaft mit beschränkter Haftung |
| ASSAB Technology (Malaysia) Sdn Bhd |
| Eifeler France S.a.r.l. |
| voestalpine Polynorm Van Niftrik B.V. |
| voestalpine Polynorm Plastics B.V. |
| voestalpine Rotec France S.A. |
| **Reorganization** |
| VA OMV Personalholding GmbH |
| Advanced Railway Systems GmbH |
| E B C Eifeler Beschichtungs - Center GmbH |
| Eifeler Nord Coating GmbH Entwicklungscenter für Dünnschichttechnologien |
| Eifeler Süd-Coating GmbH |
| voestalpine Straßensicherheit GmbH |
| **Proportionate consolidation in the business year 2013/14**[1] |
| voestalpine Tubulars GmbH |
| voestalpine Tubulars GmbH & Co KG |
| **Equity method in the business year 2013/14** |
| Herzog Coilex GmbH |

[1] Already retroactively adjusted due to the application of IFRS 11.

On July 4, 2014, the voestalpine Group agreed with the Dutch industrial group Aalberts Industries N.V. that it would sell all of its shares in the Flamco Group (part of the operating segment Metal Forming Division), headquartered in Bunschoten (NL). In the voestalpine consolidated financial statements, the Flamco Group is recorded as Heating & Installation Components, an independent entity, and it was deconsolidated in the second quarter of 2014/15. The sale closed as of August 13, 2014. The decisive factor behind the divestment was Flamco's increasingly strong divergence from the strategic core business of voestalpine (lack of synergies within the Metal Forming Division and significant differences in its customer portfolio compared to the other division companies). The Flamco Group has been part of the voestalpine Group for over a decade, and it develops, produces, and markets branded quality components for HVAC systems worldwide. Flamco has production facilities in the Netherlands, Germany, UK, and China. With almost 700 employees worldwide, most recently, the company generated annual revenues of around EUR 125 million.

The disposal had the following effect on the interim consolidated financial statements:

| | **Recognized values** |
|---|---|
| Non-current assets | 33.3 |
| Current assets | 51.2 |
| Non-current provisions and liabilities | –5.6 |
| Current provisions and liabilities | –21.9 |
| **Net assets** | **57.0** |
| | |
| Consideration received | 115.0 |
| Cash and cash equivalents disposed of | –4.5 |
| **Net cash inflow** | **110.5** |

In millions of euros

On September 30, 2014, the voestalpine Group agreed with the Austrian POLYTEC Group that it would sell all of its shares in voestalpine Polynorm Van Niftrik B.V and voestalpine Polynorm Plastics B.V. (together voestalpine Plastics Solutions). The sale closed as of November 26, 2014. These two entities are part of the operating segment Metal Forming Division, and they were deconsolidated in the third quarter of 2014/15. The decisive factor behind this sale is the company's rapidly increasing strategic divergence from voestalpine's core business. Last year, the Plastics Solutions business segment generated revenue of around EUR 120 million at the two Dutch sites Putte and Roosendaal and employed a staff of almost 700 persons. Its products include underfloor paneling components, acoustic and exterior components for commercial vehicles as well as non-automotive products. The major customers are primarily European OEMs (original equipment manufacturers). In the future, these fields of application, including hybrid components, will be covered by strategic partnerships with global manufacturers.

The disposal had the following effect on the interim consolidated financial statements:

| | **Recognized values** |
|---|---|
| Non-current assets | 7.8 |
| Current assets | 41.6 |
| Non-current provisions and liabilities | –6.9 |
| Current provisions and liabilities | –23.7 |
| **Net assets** | **18.8** |
| | |
| Consideration received | 17.2 |
| Cash and cash equivalents disposed of | –7.6 |
| **Net cash inflow** | **9.6** |

In millions of euros

The following entities were included in the interim consolidated financial statements for the first time during the first three quarters of the business year 2014/15:

| Name of entity | Interest in % |
|---|---|
| **Full consolidation** | |
| voestalpine Böhler Welding UTP Maintenance GmbH | 100.000% |
| voestalpine Böhler Welding Trading Asia Pacific Singapore | 100.000% |
| voestalpine Automotive Bodyparts Shenyang Co., Ltd. | 100.000% |
| voestalpine Rail Center Königsborn GmbH | 100.000% |
| voestalpine Wire Austria GmbH | 100.000% |
| voestalpine Railway Systems (Thailand) Co., Ltd. | 99,950% |
| voestalpine Böhler Welding Northeast Asia Ltd. | 100,000% |
| voestalpine Trafilerie Industriali S.p.A. | 100,000% |
| **Equity method**[1] | |
| voestalpine Tubulars GmbH | 50.000% |
| voestalpine Tubulars GmbH & Co KG | 49.985% |

[1] Already retroactively adjusted due to the application of IFRS 11.

Additions to the scope of consolidated financial statements of fully consolidated entities include one acquisition, six newly established companies and one spin-off. voestalpine Tubulars GmbH and voestalpine Tubulars GmbH & Co KG were proportionately consolidated up to March 31, 2014, and, beginning with the business year 2014/15, the equity method is being applied.

In accordance with IFRS 3, the acquired companies are included in the interim consolidated financial statements at the fair value carried forward 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, assets and liabilities shall be considered provisional due to time constraints and due to uncertainty in their valuation.

The increase of majority interests is treated as a transaction between owners. The difference between the costs of acquisition for the additional shares and the pro-rated carrying value of the non-controlling interests is recognized directly in equity. During the first three quarters of the business year 2014/15, EUR 9.7 million (2013/14: EUR 6.2 million) was paid for the acquisition of non-controlling interests or provisions were formed for the payment thereof. Non-controlling interests amounting to EUR 7.0 million (2013/14: EUR 4.1 million) were derecognized, and the remaining amount of EUR 2.7 million (2013/14: EUR 2.1 million) was recognized directly in equity.

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

Outstanding put options, which are offset against equity, had a fair value of EUR 0.6 million (March 31, 2014: EUR 5.7 million) as of December 31, 2014.

voestalpine Wire Technology GmbH, a company in the Metal Engineering Division of the voestalpine Group, has acquired 100% of Italian company Trafilerie Industriali S.p.A., a specialist in the production of drawn wire. It has a staff of around 80 employees and generated annual revenue of EUR 43.8 million in 2013. In acquiring Trafilerie Industriali S.p.A., voestalpine Wire Technology GmbH is gaining a leading Italian manufacturer of wire, which produces around 50,000 tons annually, thereby extending its own portfolio of drawn and blank wire. In the future, the company will be operating under the name voestalpine Trafilerie Industriali S.p.A.

The acquisition had the following effect on the interim consolidated financial statements:

| | Recognized values |
|---|---|
| Non-current assets | 23.3 |
| Current assets | 6.0 |
| Non-current provisions and liabilities | –2.6 |
| Current provisions and liabilities | –0.1 |
| **Net assets** | **26.6** |
| | |
| Goodwill/badwill | 8.6 |
| **Costs of acquisition** | **35.2** |
| | |
| Cash and cash equivalents acquired | –0.4 |
| **Net cash outflow** | **34.8** |

In millions of euros

With regard to the aforementioned acquisition, it can be assumed that tax deductions can be claimed for portions of the recognized goodwill insofar as they are deductible for corporate income tax purposes under current law. This has not yet been determined. However, the amounts are immaterial and negligible for the voestalpine interim consolidated financial statements.

## Notes on the consolidated statement of financial position

In the first three quarters of the business year 2014/15, investments amounting to EUR 747.1 million exceeded depreciation totaling EUR 459.8 million. This essentially led to an increase of the non-current assets from EUR 7,168.0 million to EUR 7,418.4 million—despite the disposal of assets. Despite disposal of inventories as a result of the aforementioned deconsolidations, inventories increased, primarily as a result of higher stock quantities and positive currency translation differences compared to March 31, 2014 of EUR 123.5 million.

As of December 31, 2014, voestalpine AG's share capital amounted to EUR 313,309,235.65 (March 31, 2014: EUR 313,309,235.65) and is divided into 172,449,163 shares (March 31, 2014: 172,449,163). The Company held 28,597 of its own shares as of the reporting date. In the first three quarters of the business year 2014/15, the Company neither bought nor sold any of its own shares.

Effective October 16, 2007, voestalpine AG issued a hybrid bond subordinated to all other creditors with a total issue volume of EUR 1 billion. The bond has an indefinite term and a 7.125% coupon rate. The Company may defer coupon payments if no dividends are being paid. As the hybrid bond satisfies the IAS 32 criteria for equity, the proceeds from the bond issues are recognized as part of equity. Accordingly, coupon payments are also reported as part of appropriation of profit. In the fourth quarter of the business year 2012/13, voestalpine AG issued a new subordinated bond with an indefinite term (hybrid bond 2013) with a volume of EUR 500 million following an invitation extended to the holders of the hybrid bond to exchange their existing investment for a new hybrid bond on a 1:1 basis. As a result of this exchange, the outstanding nominal value of the hybrid bond 2007 is therefore EUR 500 million. The nominal value of both the hybrid bond 2007 and the hybrid bond 2013 again totals EUR 1 billion. On September 9, 2014, the Management Board of voestalpine AG adopted a resolution to call the entire issue of hybrid bond 2007 (issued by voestalpine AG in 2007) effective on the first possible call date for this bond, namely October 31, 2014 (redemption date). The interest payments for the hybrid bond 2007 from September 10, 2014 on will be recognized in the consolidated statement of comprehensive income. The hybrid bond 2013 is not affected by this call of hybrid bond 2007. A total of EUR 71.3 million were paid out on October 31, 2014 for interest on the hybrid bond 2007 and the hybrid bond 2013. The hybrid bond 2007 was fully redeemed as of October 31, 2014.

Profit for the period amounting to EUR 442.8 million has contributed to the increase in equity. For the business year 2013/14, a dividend per share of EUR 0.95 was decided upon at the Annual General Meeting on July 2, 2014. Therefore, voestalpine AG distributed dividends amounting to EUR 163.8 million to its shareholders during the current business year. Interest for the hybrid bond 2007 and the hybrid bond 2013 amounting to EUR 66.2 million was also deducted from equity in the form of a dividend. The previously described redemption of the hybrid bond 2007 (EUR 500 million) reduces equity accordingly.

voestalpine AG successfully placed a EUR 400 million corporate bond on the capital market. The bond is intended to partially refinance the hybrid bond 2007, which the company called on September 9, 2014, effective October 31, 2014, and for general funding purposes. The bond has a term of seven years and a coupon rate of 2.25%.

## Notes on the consolidated income statement

Revenue for the period from April 1 to December 31, 2014, in the amount of EUR 8,254.9 million decreased by 0.2% compared to the same period of the preceding year (EUR 8,268.8 million). In the first three quarters of the business year 2014/15, EBIT reached EUR 627.4 million compared to EUR 569.3 million for the first nine months of the business year 2013/14. EBIT equaled EUR 182.7 million for the third quarter of 2014/15, compared to EUR 173.0 million for the third quarter of 2013/14.

In the current business year 2014/15, the proceeds from deconsolidation of the Flamco Group in the amount of EUR 58.0 million, a write-down to the net fair value and other negative one-time effects as part of the deconsolidation of voestalpine Plastics Solutions amounting to a total of EUR 18.3 million and impairment losses on individual assets outside the European Union amounting to EUR 7.3 million were recognized under profit and loss. Furthermore, plan curtailments and settlements of defined benefit pension plans in the Netherlands resulted in non-recurring proceeds amounting to EUR 14.4 million. All of the aforementioned non-recurring effects pertain to the operating segment Metal Forming Division.

After consideration of the financial result and taxes, profit for the period amounted to EUR 442.8 million compared to EUR 349.7 million for the first three quarters of the preceding year.

Diluted and basic (undiluted) earnings per share are calculated as follows:

| | 04/01 – 12/31/2013 | 04/01 – 12/31/2014 |
|---|---|---|
| Profit attributable to equity holders of the parent (in millions of euros) | 292.2 | 393.7 |
| Weighted average number of issued ordinary shares (millions) | 172.4 | 172.4 |
| **Diluted and basic (undiluted) earnings per share (euros)** | **1.69** | **2.28** |

## Operating segments

The following tables contain information on the operating segments of the voestalpine Group for the first three quarters of the business year 2014/15 and business year 2013/14, respectively:

### 1st – 3rd quarter of 2014/15

| | Steel Division 04/01–12/31/2014 | Special Steel Division 04/01–12/31/2014 |
|---|---|---|
| Segment revenue | 2,812.7 | 2,028.9 |
| of which revenue with third parties | 2,591.8 | 1,990.3 |
| of which revenue with other segments | 220.9 | 38.6 |
| EBITDA | 308.2 | 279.2 |
| EBIT | 130.6 | 176.3 |
| EBIT margin | 4.6% | 8.7% |
| Segment assets | 4,134.7 | 3,887.0 |
| Employees (full-time equivalent) | 11,148 | 13,334 |

### 1st – 3rd quarter of 2013/14

| | Steel Division 04/01–12/31/2013 | Special Steel Division 04/01–12/31/2013 |
|---|---|---|
| Segment revenue | 2,815.1 | 1,947.1 |
| of which revenue with third parties | 2,604.0 | 1,909.5 |
| of which revenue with other segments | 211.1 | 37.6 |
| EBITDA | 290.6 | 253.8 |
| EBIT | 118.6 | 154.5 |
| EBIT margin | 4.2% | 7.9% |
| Segment assets | 3,822.1 | 3,798.5 |
| Employees (full-time equivalent) | 10,862 | 12,884 |

| | Metal Engineering Division 04/01–12/31/2014 | Metal Forming Division 04/01–12/31/2014 | Other 04/01–12/31/2014 | Reconciliation 04/01–12/31/2014 | Total Group 04/01–12/31/2014 |
|---|---|---|---|---|---|
| | 1,960.3 | 1,742.4 | 896.2 | –1,185.6 | 8,254.9 |
| | 1,940.7 | 1,717.4 | 14.7 | 0.0 | 8,254.9 |
| | 19.6 | 25.0 | 881.5 | –1,185.6 | 0.0 |
| | 295.9 | 259.3 | –61.6 | 6.2 | 1,087.2 |
| | 214.0 | 167.6 | –67.3 | 6.2 | 627.4 |
| | 10.9% | 9.6% | | | 7.6% |
| | 2,567.2 | 1,941.0 | 9,947.5 | –9,761.0 | 12,716.4 |
| | 11,284 | 9,885 | 810 | 0 | 46,461 |

In millions of euros

| | Metal Engineering Division 04/01–12/31/2013 | Metal Forming Division 04/01–12/31/2013 | Other 04/01–12/31/2013 | Reconciliation 04/01–12/31/2013 | Total Group 04/01–12/31/2013 |
|---|---|---|---|---|---|
| | 2,053.4 | 1,740.1 | 1,138.5 | –1,425.4 | 8,268.8 |
| | 2,031.6 | 1,717.4 | 6.3 | 0.0 | 8,268.8 |
| | 21.8 | 22.7 | 1,132.2 | –1,425.4 | 0.0 |
| | 322.6 | 194.4 | –56.5 | –5.3 | 999.6 |
| | 238.4 | 126.8 | –63.7 | –5.3 | 569.3 |
| | 11.6% | 7.3% | | | 6.9% |
| | 2,516.2 | 1,937.3 | 9,429.4 | –9,189.3 | 12,314.2 |
| | 11,135 | 10,780 | 799 | 0 | 46,460 |

In millions of euros

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

EBITDA

| | 04/01 – 12/31/2013 | 04/01 – 12/31/2014 |
|---|---|---|
| Net exchange differences incl. result from valuation of derivatives | –5.3 | 5.9 |
| Consolidation | 0.0 | 0.3 |
| Other | 0.0 | 0.0 |
| **EBITDA – Total reconciliation** | **–5.3** | **6.2** |

In millions of euros

EBIT

| | 04/01 – 12/31/2013 | 04/01 – 12/31/2014 |
|---|---|---|
| Net exchange differences incl. result from valuation of derivatives | –5.3 | 5.9 |
| Consolidation | 0.0 | 0.3 |
| Other | 0.0 | 0.0 |
| **EBIT – Total reconciliation** | **–5.3** | **6.2** |

In millions of euros

All other key figures contain solely the effects of consolidation.

## Notes on the consolidated statement of cash flows

Cash flow before capital changes in the amount of EUR 842.6 million increased compared to the first three quarters of the business year 2013/14 (EUR 829.2 million). Taking the change in working capital into consideration, cash flows from operating activities amounted to EUR 725.0 million in comparison to EUR 528.0 million in the first three quarters of the preceding year; this represents an improvement of about 37%. After the deduction of EUR 628.0 million in cash flows from investing activities and taking into account cash flows from financing activities amounting to EUR –219.6 million (mainly borrowings and dividends as well as redemption of the hybrid bond 2007), the resulting change in cash and cash equivalents (without net exchange differences) amounts to EUR –122.6 million.

## Notes on financial instruments

The following table compares the carrying amounts to the fair values for each class of financial assets and liabilities:

| | 12/31/2013 | | 12/31/2014 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| **Assets** | | | | |
| Financial assets measured at amortized cost | 1,834.9 | 1,834.9 | 1,858.4 | 1,858.4 |
| Financial assets measured at fair value | 495.5 | 495.5 | 514.3 | 514.3 |
| | **2,330.4** | **2,330.4** | **2,372.7** | **2,372.7** |
| **Liabilities** | | | | |
| Financial liabilities measured at amortized cost | 5,375.7 | 5,470.8 | 5,884.0 | 5,956.1 |
| Financial liabilities measured at fair value | 21.7 | 21.7 | 23.0 | 23.0 |
| | **5,397.4** | **5,492.5** | **5,907.0** | **5,979.1** |

In millions of euros

The carrying amount of the financial assets represents a reasonable approximation of fair value.

The liabilities measured at amortized cost, whose fair value is stated, fall under Level 2. Valuation is performed according to the mark-to-market method, whereby the input parameters for the calculation of the market values are the foreign exchange rates, interest rates, and credit spreads observable on the market. Based on the input parameters, fair values are calculated by discounting estimated future cash flows at typical market interest rates.

The table below analyzes financial assets and financial liabilities that are measured at fair value on a recurring basis. These measurements are based on a fair value hierarchy that categorizes the inputs for the valuation methods used to measure fair value into three levels. The three levels are defined as follows:

Inputs

| | |
|---|---|
| **Level 1** | Comprises quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. |
| **Level 2** | Comprises inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. |
| **Level 3** | Comprises unobservable inputs for the asset or liability. |

Level of the fair value hierarchy for recurring fair value measurements

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **12/31/2013** | | | | |
| **Financial assets** | | | | |
| Financial assets measured at fair value through profit or loss | | | | |
| Held for trading (derivatives) | | 14.3 | | 14.3 |
| Fair value option (securities) | 422.0 | | | 422.0 |
| Other | | | 59.2 | 59.2 |
| | **422.0** | **14.3** | **59.2** | **495.5** |
| **Financial liabilities** | | | | |
| Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives) | | 21.7 | | 21.7 |
| | **0.0** | **21.7** | **0.0** | **21.7** |
| **12/31/2014** | | | | |
| **Financial assets** | | | | |
| Financial assets measured at fair value through profit or loss | | | | |
| Held for trading (derivatives) | | 41.1 | | 41.1 |
| Fair value option (securities) | 414.5 | | | 414.5 |
| Other | | | 58.7 | 58.7 |
| | **414.5** | **41.1** | **58.7** | **514.3** |
| **Financial liabilities** | | | | |
| Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives) | | 23.0 | | 23.0 |
| | **0.0** | **23.0** | **0.0** | **23.0** |

In millions of euros

The derivative transactions (Level 2) are marked to market by determining the value that would be realized if the hedging position were closed out (liquidation method). The observable currency exchange rates and raw materials prices as well as the interest rates are the input for the calculation of fair values. Fair values are calculated based on the inputs by discounting expected future cash flows at typical market interest rates.

There were no transfers between Level 1 and Level 2, nor any reclassifications into or out of Level 3, during the reporting period. The reconciliation of Level 3 financial assets measured at fair value from the opening balance to the closing balance is represented as follows:

**Level 3 – Financial assets measured at fair value through profit or loss**

| | 04/01–12/31/2013 | 04/01–12/31/2014 |
|---|---|---|
| **Opening balance** | **63.4** | **59.0** |
| Total of gains/losses recognized in the income statement: | | |
| Finance costs/Finance income | –2.9 | –4.0 |
| Total of gains/losses recognized in the other comprehensive income: | | |
| Currency translation | 0.0 | 0.0 |
| Additions | 0.3 | 0.8 |
| Transfers | 0.0 | 2.9 |
| Disposals | –1.6 | 0.0 |
| **Closing balance** | **59.2** | **58.7** |

In millions of euros

Level 3 contains other investments that are measured at fair value in accordance with IAS 39. As the fair value cannot be reliably determined for all other investments, amortized costs serve as an approximation. The costs (in the current reporting period as well as in the previous year) either correspond to the fair value, or the deviations are immaterial and negligible. The underlying fair value calculation provided for the purpose of comparison is based on valuation methods that are market value- or net present value-oriented, with carrying amount multiples of comparable listed entities and any available budget plans serving as input factors.

Significant sensitivities in the determination of fair values can result from changes in the underlying market data of comparable entities and the input factors used to determine net present value (in particular discount rates, long-term forecasts, plan data, etc.).

## Seasonality and cyclicality

We refer to the relevant explanations in the Interim Management Report.

## Business transactions with associated companies or parties

Business transactions in the form of deliveries and services are carried out with associated Group companies within the scope of operational activities. These business transactions are implemented exclusively based on normal market terms.

There were no changes in transactions with associated companies and persons as set forth in the last annual financial report, which significantly affected the Company's financial situation or its net operating profit during the first nine months of the current business year.

## Antitrust proceedings relative to railway superstructure material

As of December 31, 2014, the provisions recognized in the annual financial statements 2013/14 in the amount of EUR 76.4 million for the antitrust proceedings and associated actions and costs as well as for the closure of TSTG Schienen Technik GmbH & Co KG have been reduced to EUR 57.1 million due to the use of these provisions.

## Provisions and contingent liabilities

Please note that we are invoking the safeguard clause in accordance with IAS 37.92, according to which detailed information about provisions and contingent liabilities is not provided if this could seriously and adversely impact the Company's interests.

## Events after the Reporting Period

No significant events have occurred after the reporting period.

**Imprint**
**Owner and media proprietor:** voestalpine AG, voestalpine Strasse 1, 4020 Linz
**Senior editor and editorial staff:** voestalpine AG, Corporate Communications
T. +43/50304/15-2090, F. +43/50304/55-8981, presse@voestalpine.com, www.voestalpine.com
**Design and implementation:** gugler* brand, St. Pölten

**voestalpine AG**
voestalpine Strasse 1
4020 Linz, Austria
T. +43/50304/15-0
F. +43/50304/55+Ext.
www.voestalpine.com

voestalpine
ONE STEP AHEAD.