

Annual Report 2014/15

Development of the Key Figures

In millions of euros	2010/11	2011/12	2012/13	2013/14 ¹	2014/15
Revenue	10,953.7	12,058.2	11,524.4	11,077.2	11,189.5
EBITDA	1,605.6	1,301.9	1,431.3	1,374.0	1,530.2
EBITDA margin	14.7%	10.8%	12.4%	12.4%	13.7%
EBIT	984.8	704.2	843.1	788.4	886.3
EBIT margin	9.0%	5.8%	7.3%	7.1%	7.9%
Profit before tax (EBT)	781.0	504.4	654.7	640.8	740.9
Profit for the period ²	594.6	413.3	521.9	503.4	594.2
EPS – Earnings per share (euros)	3.04	1.98	2.61	2.59	3.11
Total assets	13,076.4	12,612.1	13,079.3	12,634.9	13,294.9
Cash flows from operating activities	957.6	856.5	1,321.9	934.6	1,119.9
Investments in tangible and intangible assets and interests	422.7	574.6	851.5	936.0	1,177.8
Depreciation	620.8	597.7	588.2	585.6	643.9
Equity	4,691.1	4,836.3	5,075.3	5,261.6	5,102.5
Net financial debt	2,713.1	2,585.7	2,259.2	2,421.4	2,978.1
Net financial debt in % of equity (gearing)	57.8%	53.5%	44.5%	46.0%	58.4%
Return on capital employed (ROCE)	12.4%	8.6%	10.4%	9.3%	10.0%
Market capitalization, end of period	5,585.1	4,255.0	4,128.8	5,501.1	5,878.7
Number of outstanding shares as of March 31	168,581,289	168,749,435	172,358,534	172,420,566	172,420,566
Share price, end of period (euros)	33.13	25.22	23.96	31.91	34.10
Dividend per share (euros)	0.80	0.80	0.90	0.95	1.00 ³
Employees (full-time equivalent), end of period	45,260	46,473	46,351	47,485	47,418

¹ Business year 2013/14 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements under „B. Summary of accounting policies / General information.“

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

³ As proposed to the Annual General Shareholders' Meeting.

Overview of the Key Figures

voestalpine Group

In millions of euros	2013/14 ¹	2014/15	Change in %
Revenue	11,077.2	11,189.5	1.0
EBITDA	1,374.0	1,530.2	11.4
EBITDA margin	12.4%	13.7%	
EBIT	788.4	886.3	12.4
EBIT margin	7.1%	7.9%	
Employees (full-time equivalent)	47,485	47,418	-0.1

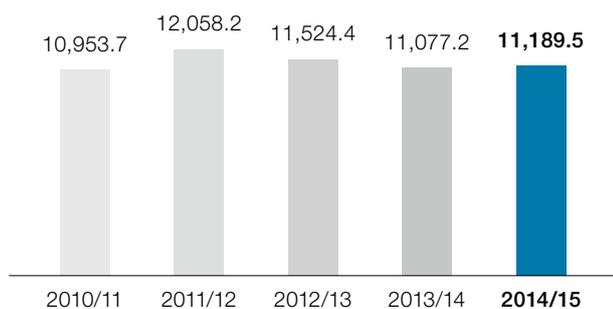
¹ Business year 2013/14 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements under „B. Summary of accounting policies / General information.“

voestalpine Divisions

In millions of euros	Steel	Special Steel	Metal Engineering	Metal Forming
Revenue	3,873.9	2,777.4	2,593.0	2,335.2
EBIT	208.0	253.7	292.1	220.7
EBIT margin	5.4%	9.1%	11.3%	9.5%
Employees (full-time equivalent)	11,103	13,490	11,685	10,328

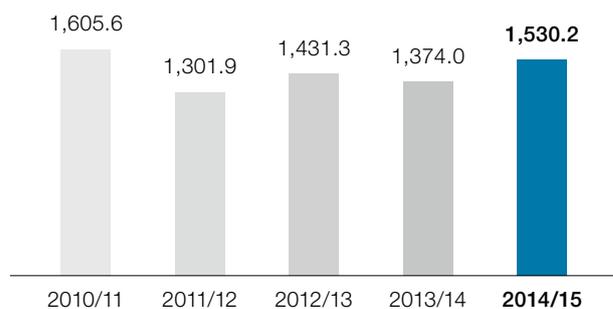
Revenue

In millions of euros



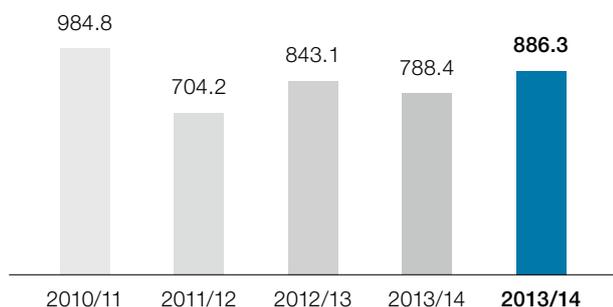
EBITDA

In millions of euros



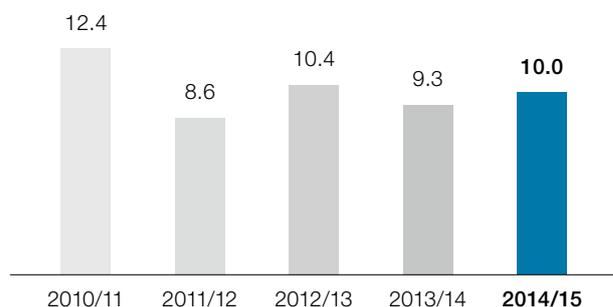
EBIT

In millions of euros



ROCE Return on capital employed

in %



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

Highlights

- Pronounced regional variations in the global economy: after an optimistic start of the year, growth in Europe was ultimately only modest; North America remained strong, with signs of consolidation at a high level toward the year's end; South America and Russia stagnating or in recession; China remaining at a high growth rate despite fears of an economic slowdown.
- Developments in Eastern Europe and the Middle East affected by continued political and military conflict.
- Massive slump in the price of many raw materials, including oil and iron ore, as well as significant shifts in global exchange rate parities.
- Group-wide efficiency and cost optimization program 2014–2016 with a volume of EUR 900 million being implemented; first positive effects realized; portfolio optimization results in non-recurring effects on earnings.
- Financial performance of the Steel Division and Special Steel Division significantly improved; Metal Engineering Division and Metal Forming Division remain at a high level.
- In a year-to-year comparison, Group's revenue rises from EUR 11,077.2 million to EUR 11,189.5 million despite huge deflationary price trends coupled with effects resulting from divestments and closures.
- In a year-to-year comparison, Group's operating result (EBITDA) improved by 11.4%, from EUR 1,374.0 million to EUR 1,530.2 million, profit from operations (EBIT) rose by 12.4%, from EUR 788.4 million to EUR 886.3 million.
- Results affected by positive non-recurring effects from portfolio streamlining (positive non-recurring effect on EBITDA of EUR 61.9 million and on EBIT of EUR 45.2 million).
- Disproportionate increase in profit before tax (from EUR 640.8 to EUR 740.9 million) and profit for the period (from EUR 503.4 to EUR 594.2 million).
- Structure of statement of financial position impacted by special effects resulting from repayment of hybrid capital, exchange rate movements, and an actuarial revaluation of employee benefits: at 58.4%, gearing ratio (net financial debt in percent of equity) as of March 31, 2015 significantly higher than the previous year (46.0%).
- Dividend proposed to the Annual General Shareholders' Meeting: EUR 1.00 per share, increase of EUR 0.05 over the previous year (EUR 0.95 per share).
- Direct reduction plant in Corpus Christi, Texas, USA, already more than half completed.
- Full consolidation of the to date equity consolidated companies CNTT, Chinese New Turnout Technology, China, and voestalpine Tubulars, Austria (both in the Metal Engineering Division) as of the beginning of the business year 2015/16 will have a significant, positive non-recurring effect (estimated at around EUR 90 million) on EBIT for 2015/16.

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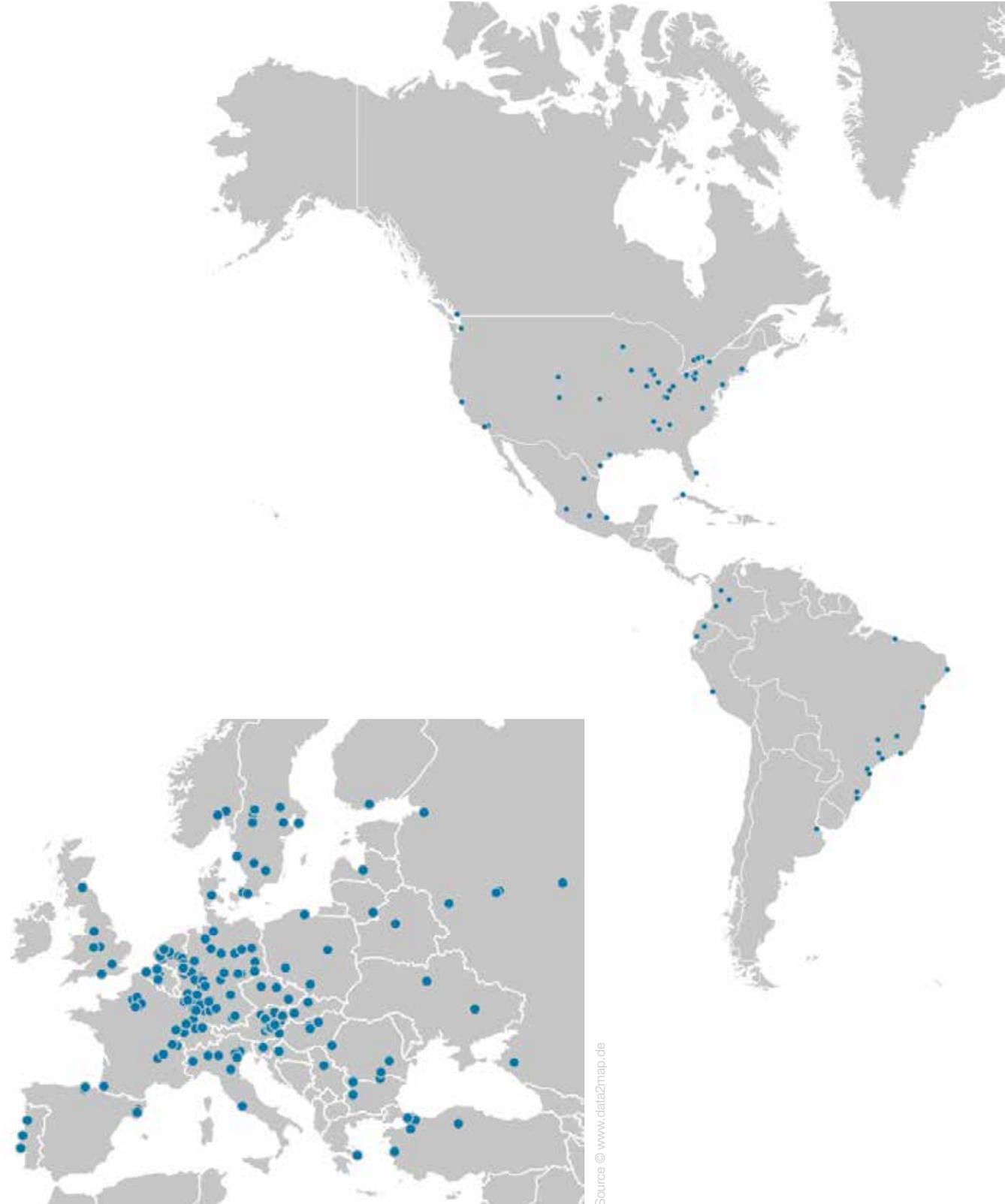
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voestalpine Group – Global presence





Present in more than 50 countries as global leader in the manufacturing, processing, and development of sophisticated steel products, particularly for technology-intensive sectors, such as the automotive, railway, aerospace, and energy industries. In 500 Group companies and locations in more than 50 countries and on all 5 continents. With revenue of EUR 11.2 billion in the business year 2014/15 and an operating result (EBITDA) of EUR 1.5 billion.

Overview of the voestalpine Group

The voestalpine Group is divided into four divisions. Their product portfolios make them leading providers in Europe and worldwide.

Steel Division

Worldwide quality leadership

Global quality leadership in highest quality steel strip and global market leader in heavy plate for the most sophisticated applications as well as casings for large turbines.

34%

of Group revenue

Revenue (in millions of euros)	3,873.9
EBIT (in millions of euros)	208.0
EBIT margin	5.4%
Employees (full-time equivalent)	11,103

The voestalpine Steel Division is a strategic partner for Europe's well-known automobile manufacturers and major automotive suppliers. Additionally, it is one of the largest suppliers to the European consumer goods and white goods industries as well as to the mechanical engineering sector. voestalpine produces heavy plate for the energy sector that is used under extreme conditions in the oil and gas industries, for example, for deep-sea pipelines or in the permafrost regions of the world. Furthermore, the division is a global leader in the casting of large turbine casings.

Special Steel Division

Global leadership

Worldwide leadership in tool steel; leading position in high-speed steel and special forgings.

24%

of Group revenue

Revenue (in millions of euros)	2,777.4
EBIT (in millions of euros)	253.7
EBIT margin	9.1%
Employees (full-time equivalent)	13,490

The voestalpine Special Steel Division is the leading global manufacturer of high performance metals, which have specially developed material properties with regard to high resistance to wear, polishability, and toughness. Customers for these materials are the automotive and consumer goods industries in the segment of tool steel applications as well as the power plant construction industry and the oil and gas industries in the segment of special components. The division is also a leading supplier of forgings for the aviation and power generation industries.

Metal Engineering Division

Global leadership

Worldwide market leader in turnout technology; European market leader in rails and specially treated wire; and leading position in seamless tubes for special applications and high quality welding consumables.

22%

of Group revenue

Revenue (in millions of euros)	2,593.0
EBIT (in millions of euros)	292.1
EBIT margin	11.3%
Employees (full-time equivalent)	11,685

The voestalpine Metal Engineering Division has developed a leading position on the global railway market with its ultra long, head-hardened HSH® rails with a length of up to 120 meters. Furthermore, the division is the largest global provider of highly developed turnout systems as well as track-based monitoring systems for all railway applications. The division also has a leading market position in the specially treated wire segment, for sophisticated seamless tubes for the oil and gas industries worldwide, and high quality welding consumables.

Metal Forming Division

Global leadership

Leading global provider of high-quality metal processing solutions in the segments of special sections, precision strip steel, and special components for the automotive and aviation industries.

20%

of Group revenue

Revenue (in millions of euros)	2,335.2
EBIT (in millions of euros)	220.7
EBIT margin	9,5%
Employees (full-time equivalent)	10,328

The voestalpine Metal Forming Division is a leading global provider of customer-specific special and precision sections as well as solutions for section systems in the construction, cab construction for commercial vehicles, and aviation sectors. The division supplies the automobile industry with both sophisticated body skin pressed parts and highly innovative structural parts and safety components. The division also produces cold-rolled, special, precision thin strips and provides one-stop solutions in the segment of high-bay warehousing systems.

The Supervisory Board of voestalpine AG

Dr. Joachim Lemppenau

Chairman of the Supervisory Board (since July 1, 2004)

Initial appointment: July 7, 1999

Former Chairman of the Management Board of Volksfürsorge Versicherungsgruppe, Hamburg

Dr. Heinrich Schaller

Deputy Chairman of the Supervisory Board (since July 4, 2012)

Initial appointment: July 4, 2012

CEO of Raiffeisenlandesbank Oberösterreich AG, Linz

KR Dr. Franz Gasselsberger, MBA

Member of the Supervisory Board

Initial appointment: July 1, 2004

CEO of Oberbank AG, Linz

Dr. Hans-Peter Hagen

Member of the Supervisory Board

Initial appointment: July 4, 2007

CEO of VIENNA INSURANCE GROUP AG

Wiener Versicherung Gruppe, Vienna

Dr. Josef Krenner (until July 2, 2014)

Member of the Supervisory Board

Initial appointment: July 1, 2004

Head of the Directorate of Finance of the Federal State of Upper Austria, Linz

Dr. Michael Kutschera, MCJ. (NYU)

Member of the Supervisory Board

Initial appointment: July 1, 2004

Attorney at law; partner at Binder Grösswang Rechtsanwälte GmbH, Vienna

Prof. (em) Dr. Helga Nowotny, Ph.D. (as of July 2, 2014)

Member of the Supervisory Board

Initial appointment: July 2, 2014

Former President of the European Research Council

Mag. Dr. Josef Peischer

Member of the Supervisory Board

Initial appointment: July 1, 2004

Former Director of the Chamber of Workers and Employees for Upper Austria, Linz

Dipl.-Ing. Dr. Michael Schwarzkopf

Member of the Supervisory Board

Initial appointment: July 1, 2004

CEO of Plansee Holding AG, Reutte

Appointed by the Works Council:

Josef Gritz

Member of the Supervisory Board

Initial appointment: January 1, 2000

Chairman of the Works Council for Wage Earners of voestalpine Stahl

Donawitz GmbH, Donawitz

Brigitta Rabler

Member of the Supervisory Board

Initial appointment: May 1, 2013

Chairwoman of the Works Council for Salaried Employees of voestalpine AG, Linz

Gerhard Scheidreiter

Member of the Supervisory Board

Initial appointment: January 1, 2012

Chairman of the Works Council for Wage Earners of BÖHLER Edelstahl

GmbH & Co KG, Kapfenberg

Hans-Karl Schaller

Member of the Supervisory Board

Initial appointment: September 1, 2005

Chairman of the Group Works Council of voestalpine AG, Linz

Chairman of the European Works Council of voestalpine AG, Linz

The Management Board of voestalpine AG



from left to right: Robert Ottel, Peter Schwab,
Herbert Eibensteiner, Wolfgang Eder,
Franz Rotter, Franz Kainersdorfer



Dr. Wolfgang Eder

born 1952, Member of the Management Board since 1995, Chairman of the Management Board since 2004, Head of the Steel Division (until Sept. 30, 2014)

Assigned areas of responsibility:

Corporate Development, including Raw Materials Strategy; R&D and Innovation Strategy; Corporate Human Resources, Corporate Communications and Corporate Image; Compliance; Legal Department; M&A; Strategic Environmental Management; Investor Relations; Internal Auditing

Dipl.-Ing. Herbert Eibensteiner

born 1963, Member of the Management Board since 2012, Head of the Metal Forming Division (until Sept. 30, 2014), Head of the Steel Division (since Oct. 1, 2014)

Assigned area of responsibility:

Information Technology

Dipl.-Ing. Dr. Franz Kainersdorfer

born 1967, Member of the Management Board since 2011, Head of the Metal Engineering Division

Assigned areas of responsibility:

Procurement Strategy (until March 31, 2015); Long-term energy supply of the Group (since April 1, 2015)

Mag. Dipl.-Ing. Robert Ottel, MBA

born 1967, Member of the Management Board since 2004, CFO

Assigned areas of responsibility:

Corporate Accounting and Reporting; Controlling including Investment Controlling; Group Treasury; Taxes; Management Information Systems; Risk Management

Dipl.-Ing. Franz Rotter

born 1957, Member of the Management Board since 2011, Head of the Special Steel Division

Assigned areas of responsibility:

Long-term development of new products and markets (until March 31, 2015); Procurement Strategy (since April 1, 2015); Safety and Health (since April 1, 2015)

Dipl.-Ing. Dr. Peter Schwab, MBA

born 1964, Member of the Management Board (since Oct. 1, 2014), Head of the Metal Forming Division

Ladies and Gentlemen:

EUR 1,178 million. This is the sum of voestalpine Group investment in its future during the business year 2014/15 alone—its largest ever annual investment expenditure. The only exception was the year 2007/08, which marked the EUR 4.5 billion acquisition of BÖHLER-UDDEHOLM.

EUR 1,178 million of investment within twelve months, during an economic period in which Europe is still working through the huge aftermath of the financial and economic crisis following Lehman & Co. This is not only a sign of strength in an economically volatile and geopolitically uncertain environment, but also an indicator of confidence in the future, particularly for our customers, our employees, and our stakeholders.

However, in contrast to the past, this is also a clear signal that in the future our economic base will no longer be solely in Europe. Instead, today voestalpine has irrevocably departed from its traditional role as a recognized European partner to important industrial sectors that include the automotive, mechanical engineering, oil and natural gas, and railway construction industries, and is now finally on a path to becoming the leading global player in each of its segments. There is no clearer evidence of this than the shifting regional allocation of financial investments over the past ten years.

In the business year 2005/06, 81% of investment expenditure was directed to Austrian sites, with 16% going to other sites within the European Union and only 3% to the rest of the world. By 2009/10 these figures had altered only marginally, to 75% in Austria, 20% to the rest of the EU, and 5% worldwide. However, the Group's new strategic positioning over the past five years has led to unmistakable signs of a paradigm shift: in 2014/15 only around half of investment expenditure was allocated to Austria, 20% to other EU countries, and almost 30% of the funds were already flowing to countries outside of Europe. This trend of favoring international markets will continue to grow over the coming years, especially if—when viewed against the background of increasingly restrictive European industrial policies, which, for whatever reason, are increasingly taking on the appearance of a deliberate strategy of deindustrialization—the cost situation for European production is no longer compatible with a globally competitive market position.

More European regions than ever are ceasing to be competitive in today's global market. Excessive bureaucracy, excruciatingly protracted official approval procedures, employment laws that fail to reflect the economic realities, and demotivating tax rates are the central, but by no means sole, reasons for this development. The fact that both political decision-makers as well as the European public in general are becoming increasingly less cognizant of the importance and significance of industry as the key to our prosperity and main provider of employment should give us further food for thought. And we are not talking about industry alone: it is the long industrial value chains more than anything else, from raw material right through to end product, in all spheres of life, that ensure the secure existence of many service sectors, right through

to trade and commerce. Freight forwarders and logistics companies, plant manufacturers, civil engineers, software developers, installation companies, mechatronics technicians ... how many of them will still be needed if industry leaves? Who will finance research and innovation, universities and research institutions? Who will pay the taxes needed to support the lives of children and the older generation, maintain the health and social system, and be able to afford education and infrastructure, state institutions and politicians?

Why are we in Europe not prepared to learn from the mistakes made by other countries before us, and which we have recognized, rather than insisting on repeating them ourselves? Why can't we learn from Great Britain's erroneous belief dating back to the 1990s that the financial and insurance industries alone could provide an adequate industrial basis, and from the USA's mistaken conviction over the past 20 years that traditional industry could happily be abandoned in favor of the Internet, smartphones, and social media. Both countries are now making every effort to reestablish their positions in the traditional industrial sector, for reasons of stability, employment, prosperity, and to safeguard their futures.

Irrespective of which path Europe finally chooses to follow, we are actively creating the preconditions for voestalpine's future success, covering every imaginable scenario. However, one thing is clear: we will consistently adhere to our strategy of value-adding growth based on leadership in innovation, quality, and technology. And there's something else that won't change either—we'll stay one step ahead!

Linz, May 28, 2015

The Management Board



Wolfgang Eder



Herbert Eibensteiner



Franz Kainersdorfer



Robert Ottel



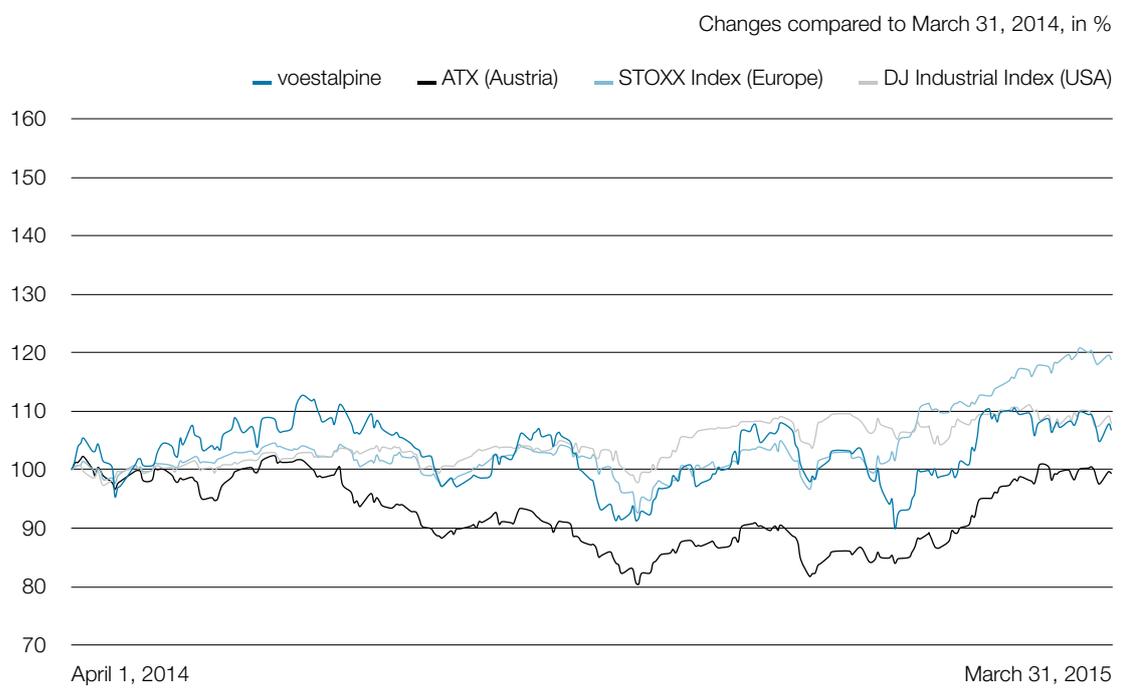
Franz Rotter



Peter Schwab

Investor relations

voestalpine AG vs. the ATX and international indices



Price development of the voestalpine share

The development of the voestalpine share during the entire business year 2014/15 demonstrated a lateral movement. The share price remained within a corridor of +10% almost throughout the entire year and by the end of the business year had ultimately risen by 5% in a year-to-year comparison. In addition to the largely stable earnings situation of the voestalpine Group, political and macroeconomic events once again dictated the development of the prices on the European stock exchanges and thus the performance of the voestalpine share as well. While the European economy stagnated at a low level and showed a slight recovery trend only toward the end of the business year, political developments in Europe did not result in an easing of the situation on the capital markets. Particularly, the conflict in the Ukraine and the resulting sanctions and counter-sanctions had an adverse impact on the mood and subsequently, increasingly on the real economy in Europe as well.

The election result in Greece in January 2015, which made the discussion about just how crisis-proof the euro is front page news, had an adverse impact on the capital market. As opposed to 2011, however, this time there was no panic reaction on the stock markets. Even the term "Grexit,"

which became a buzz word in the media, was more an expression of the general political uncertainty rather than serious speculation about the viability of the common currency.

Despite these negative impacts from the political front, the European stock markets—and with them the voestalpine share—experienced a modest rally in the last quarter of the business year, due on one hand to improved economic forecasts and on the other, to the quantitative easing program amounting EUR 1.140 billion that was resolved by the European Central Bank (ECB). To combat the risk of deflation and recession, bank balance sheets are strengthened by way of bond purchases by the ECB. The intention is to increase loans to the real economy and thus stimulate economic growth overall. After the bursting of the real estate bubble and the resulting recession, this concept enabled the USA to return relatively quickly to a solid growth pattern, although this meant accepting negative debt effects.

Compared to the indices, the voestalpine share left Austria's leading share index in the dust in the past business year, and it was not until the last quarter that it was outperformed by the broad European STOXX Index. In a year-to-year comparison, the voestalpine share was able to keep up with the US stock market, which has already been performing strongly for a number of years.

Bonds

Type of bond	ISIN number	Volume	Interest rate	Share price (March 31, 2015)
Corporate bond 2011–2018	AT0000A0MS58	EUR 500 million	4.75%	109.0
Corporate bond 2012–2018	XS0838764685	EUR 500 million	4.0%	109.0
Hybrid bond 2013	AT0000A0ZHF1	EUR 500 million	7.125% ¹	113.0
Corporate bond 2014–2021	AT0000A19S18	EUR 400 million	2.25%	104.0

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.

Changes during the past business year

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.

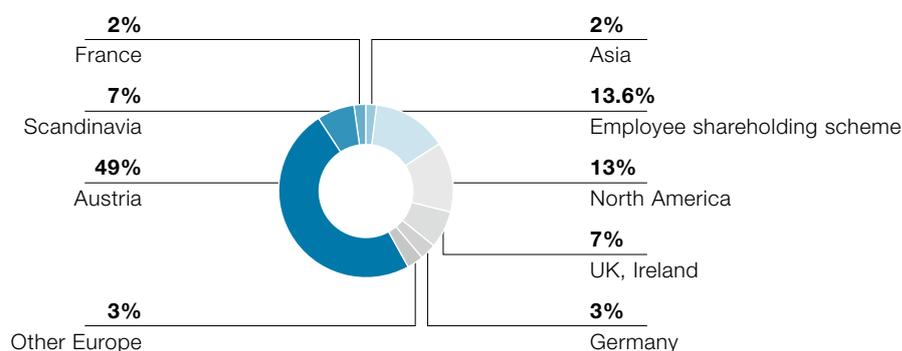
Corporate bond (2014–2021)

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.

Shareholder structure

The (indicative) shareholder structure according to regions as of the end of the business year 2014/15 is as follows:

Shareholder structure



Largest individual shareholders

Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG	< 15%
voestalpine Mitarbeiterbeteiligung Privatstiftung	13.6%
Oberbank AG	7.8%
Norges Bank	< 5%

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
 ■ Barclays, 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 ■ Raiffeisen Centrobank, Vienna ■ Royal Bank of Canada Europe Ltd., London
 ■ 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 March 31, 2015	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 March 2015	EUR 35.98
Share price low April 2014 to March 2015	EUR 28.72
Share price as of March 31, 2015	EUR 34.10
Initial offering price (IPO) October 1995	EUR 5.18
All-time high price (July 12, 2007)	EUR 66.11
Market capitalization as of March 31, 2015*	EUR 5,878,679,197.77

* Based on total number of shares minus repurchased shares.

Business year 2014/15

Earnings per share	EUR 3.11
Dividend per share	EUR 1.00*
Book value per share	EUR 29.22

* As proposed to the Annual General Shareholders' Meeting.

Financial calendar 2015/16

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
Annual Report 2015/16	June 2, 2016
Annual General Shareholders' Meeting	July 6, 2016

Corporate Governance Report

Commitment to the Austrian Corporate Governance Code

The Austrian Corporate Governance Code provides Austrian stock corporations with a framework for managing and monitoring their company. The Code aims to establish a system of management and control of companies and Groups that is accountable and geared to creating sustainable, long-term value. It is designed to increase the degree of transparency for all stakeholders of a company.

The Code is based on the provisions of Austrian stock corporation, stock exchange, and capital market law, the EU recommendations regarding the responsibilities of members of Supervisory Boards and the compensation of company directors as well as the OECD Principles of Corporate Governance. Since 2002, the Code has undergone a number of revisions. The present Corporate Governance Report is based on the most recent amendment of the Code, which was adopted in January 2015. The Code can be accessed by the public at www.corporate-governance.at.

The Code achieves validity when companies voluntarily undertake to adhere to it. The Management Board and the Supervisory Board of voestalpine AG recognized the Corporate Governance Code in 2003 and have also accepted and implemented the amendments introduced since that

date. voestalpine AG has thus committed itself to comply with the most recent version, as amended, of the Austrian Corporate Governance Code.

In addition to the mandatory "L rules," the Company also complies with all of the "C rules" and "R rules" of the Code.¹

External evaluation of compliance with the Corporate Governance Code

The Corporate Governance Code provides for a regular external evaluation of the Company's compliance with the Code. This evaluation was carried out by the Group's auditor during the audit of the 2014/15 financial statements (audit pursuant to Rule 62 of the Corporate Governance Code). The review of compliance with the rules of the Code regarding the audit (Rules 77 to 83) was conducted by the law firm WOLF THEISS Rechtsanwälte GmbH & Co KG. As a result of this evaluation, the auditors have determined that the declaration given by voestalpine AG with regard to compliance with the January 2015 version of the Corporate Governance Code conforms to the actual conditions and/or facts.

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

¹ The Corporate Governance Code contains the following rules: "L rules" (= Legal) are measures prescribed by law; "C rules" (= Comply or Explain) must be justified in the event of non-compliance; "R rules" (= Recommendations) are recommendations.

Composition of the Management Board

<p>■ Dr. Wolfgang Eder Born 1952</p>	<p>Member of the Management Board since 1995; Chairman of the Management Board since 2004; End of the current term of office: March 31, 2019; Member of the Supervisory Board of Oberbank AG, Linz</p>	<p>Head of the Steel Division (until September 2014) <i>Assigned areas of responsibility:</i> Corporate Development, including Raw Materials Strategy; R&D and Innovation Strategy; Corporate Human Resources; Corporate Communications and Corporate Image; Compliance; Legal Depart- ment; M&A; Strategic Environmental Management; Investor Relations; Internal Auditing</p>
<p>■ Dipl.-Ing. Herbert Eibensteiner Born 1963</p>	<p>Member of the Management Board since 2012; End of the current term of office: March 31, 2019</p>	<p>Head of the Metal Forming Division (until September 2014) Head of the Steel Division (since October 2014) <i>Assigned area of responsibility:</i> Information Technology</p>
<p>■ Dipl.-Ing. Dr. Franz Kainersdorfer Born 1967</p>	<p>Member of the Management Board since 2011; End of the current term of office: March 31, 2019; Member of the Supervisory Board of VA Erzberg GmbH</p>	<p>Head of the Metal Engineering Division <i>Assigned areas of responsibility:</i> Procurement Strategy (until March 2015); Long-term energy supply of the Group (since April 2015)</p>
<p>■ Mag. Dipl.-Ing. Robert Ottel, MBA Born 1967</p>	<p>Member of the Management Board since 2004; End of the current term of office: March 31, 2019; Deputy Chairman of the Supervisory Board of APK-Pensionskasse AG, Vienna; Member of the Supervisory Board of Josef Manner & Comp. AG, Vienna; Member of the Supervisory Board of CEESEG AG; Member of the Supervisory Board of Wiener Börse AG</p>	<p>CFO <i>Assigned areas of responsibility:</i> Corporate Accounting and Reporting; Controlling, including Investment Controlling; Group Treasury; Taxes; Management Information Systems; Risk Management</p>
<p>■ Dipl.-Ing. Franz Rotter Born 1957</p>	<p>Member of the Management Board since 2011; End of the current term of office: March 31, 2019</p>	<p>Head of the Special Steel Division <i>Assigned areas of responsibility:</i> Long-term development of new products and markets (until March 2015); Procurement Strategy (since April 2015); Health & Safety (since April 2015)</p>
<p>■ Dipl.-Ing. Dr. Peter Schwab, MBA Born 1964</p>	<p>Member of the Management Board since October 2014; End of the current term of office: March 31, 2019</p>	<p>Head of the Metal Forming Division (since October 2014)</p>

Composition of the Supervisory Board

<p>■ Dr. Joachim Lemppenau Born 1942</p>	<p>Chairman of the Supervisory Board (since July 1, 2004) Initial appointment: July 7, 1999 Former Chairman of the Management Board of Volksfürsorge Versicherungsgruppe, Hamburg</p>
<p>■ Dr. Heinrich Schaller Born 1959</p>	<p>Deputy Chairman of the Supervisory Board Initial appointment: July 4, 2012 CEO of Raiffeisenlandesbank Oberösterreich AG, Linz 2nd Deputy Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna Member of the Supervisory Board of AMAG Austria Metall AG, Braunau-Ranshofen</p>
<p>■ KR Dr. Franz Gasselsberger, MBA Born 1959</p>	<p>Member of the Supervisory Board Initial appointment: July 1, 2004 Managing Director of Oberbank AG, Linz Chairman of the Supervisory Board of Bank für Tirol und Vorarlberg Aktiengesellschaft, Innsbruck Deputy Chairman of the Supervisory Board of BKS Bank AG, Klagenfurt Member of the Supervisory Board of AMAG Austria Metall AG, Braunau-Ranshofen Member of the Supervisory Board of Lenzing AG, Lenzing</p>
<p>■ Dr. Hans-Peter Hagen Born 1959</p>	<p>Member of the Supervisory Board Initial appointment: July 4, 2007 CEO of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, Vienna</p>
<p>■ Dr. Josef Krenner Born 1952</p>	<p>Member of the Supervisory Board (until July 2, 2014) Initial appointment: July 1, 2004 Head of the Directorate of Finance of the Federal State of Upper Austria, Linz Chairman of the Supervisory Board of AMAG Austria Metall AG, Braunau-Ranshofen Member of the Supervisory Board of Lenzing AG, Lenzing</p>
<p>■ Dr. Michael Kutschera, MCJ. (NYU) Born 1957</p>	<p>Member of the Supervisory Board Initial appointment: July 1, 2004 Attorney at law; partner at Binder Grösswang Rechtsanwälte GmbH, Vienna</p>
<p>■ Prof. (em) Dr. Helga Nowotny, Ph.D. Born 1937</p>	<p>Member of the Supervisory Board (since July 2, 2014) Initial appointment: July 2, 2014 Former President of the European Research Council</p>
<p>■ Mag. Dr. Josef Peischer Born 1946</p>	<p>Member of the Supervisory Board Initial appointment: July 1, 2004 Former Director of the Chamber of Workers and Employees for Upper Austria, Linz</p>
<p>■ Dipl.-Ing. Dr. Michael Schwarzkopf Born 1961</p>	<p>Member of the Supervisory Board Initial appointment: July 1, 2004 CEO of Plansee Holding AG, Reutte Member of the Supervisory Board of Mayr-Melnhof Karton AG, Vienna Member of the Board of Directors of Molibdenos y Metales S.A., Santiago, Chile Member of the Board of Directors of Molycorp, Inc., Denver, Colorado/USA</p>

Delegated by the Works Council:

<p>■ Josef Gritz Born 1959</p>	<p>Member of the Supervisory Board Initially delegated: January 1, 2000 Chairman of the Works Council for Wage Earners of voestalpine Stahl Donawitz GmbH & Co KG, Donawitz</p>
<p>■ Brigitta Rabler Born 1959</p>	<p>Member of the Supervisory Board Initially delegated: May 1, 2013 Chairwoman of the Works Council for Salaried Employees of voestalpine AG, Linz</p>
<p>■ Hans-Karl Schaller Born 1960</p>	<p>Member of the Supervisory Board Initially delegated: September 1, 2005 Chairman of the Group Works Council of voestalpine AG, Linz Chairman of the European Works Council of voestalpine AG, Linz</p>
<p>■ Gerhard Scheidreiter Born 1964</p>	<p>Member of the Supervisory Board Initially delegated: January 1, 2012 Chairman of the Works Council for Wage Earners of BÖHLER Edelstahl GmbH & Co KG, Kapfenberg</p>

All Supervisory Board positions held by shareholders' representatives terminate as of the close of the Annual General Meeting of voestalpine AG, which adopts resolutions relative to the business year 2018/19.

One member of the Supervisory Board missed more than one Supervisory Board meeting during the last business year.

Compensation report for Management Board and Supervisory Board

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

Information regarding the independence of the members of the Supervisory Board

All of the members elected to the Supervisory Board by the Annual General Shareholders' Meeting have confirmed that they consider themselves to be independent based on the criteria defined by the Supervisory Board (Corporate Governance Code, Rule 53). The criteria for independence defined by the Supervisory Board may be viewed on the website www.voestalpine.com

and correspond largely to Appendix 1 of the Corporate Governance Code. Furthermore, with the exception of Dr. Heinrich Schaller, who represents the shareholder Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG, and Dr. Peischer, who represents the voestalpine Mitarbeiterbeteiligung Privatstiftung, none of the members elected to the Supervisory Board by the Annual General Shareholders' Meeting are shareholders with an investment of more than 10% or represent the interests of such shareholders (Rule 54).

Committees of the Supervisory Board

The Articles of Incorporation authorize the Supervisory Board to appoint committees from among its ranks and to define their rights and responsibilities. The committees can also be given the right to make decisions. In accordance with the ratio defined in Sec. 110 (1) of the Labor Constitution Act (*Arbeitsverfassungsgesetz, ArbVG*), the employee representatives on the Supervisory Board have the right to nominate members with a seat and a vote for Supervisory Board committees. This does not apply to committees that handle relations between the Company and the members of the Management Board. The following Supervisory Board committees have been established:

General Committee

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

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

Members of the General Committee of the Supervisory Board:

- Dr. Joachim Lemppenau (Chairman)
- Dr. Heinrich Schaller (Deputy Chairman)
- Hans-Karl Schaller

Audit Committee

The Audit Committee is responsible for monitoring the financial reporting process, the work undertaken by the auditor, reviewing and preparing approval of the annual financial statements, the recommendation for the appropriation of earnings, and the Management Report. It is also this committee's responsibility to review the Group's Consolidated Financial Statements and to submit a recommendation for the selection of an auditor and to report to the Supervisory Board in this matter. Furthermore, the Audit Committee is responsible for monitoring the effectiveness of the company-wide internal control system, the internal audit system, and the risk management system.

Members of the Audit Committee of the Supervisory Board:

- Dr. Joachim Lemppenau (Chairman)
- Dr. Heinrich Schaller (Deputy Chairman)

- KR Dr. Franz Gasselsberger, MBA (Financial expert)
- Dr. Hans-Peter Hagen
- Hans-Karl Schaller
- Josef Gritz

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

During the business year 2014/15, the Supervisory Board fulfilled its responsibilities under the law and the Articles of Incorporation, holding six plenary sessions, three meetings of the Audit Committee, and two meetings of the General Committee. In addition to ongoing reports on the Group's current economic and financial situation, the meetings of the Supervisory Board dealt in particular with matters involving long-term supply of raw materials, innovation, IT, and procurement. The Audit Committee dealt with the review and preparation of the approval of the Company's consolidated financial statements and the individual financial statements, preparation of the recommendation for the appointment of an auditor as well as topics relative to the internal control system, the risk management system, and Internal Auditing. In its function as the Compensation Committee, the General Committee also dealt with questions relative to compensation of the members of the Management Board, and in its function as the Nomination Committee, it dealt with the preparation of changes in the composition of the Management Board. Moreover, a focal point of its activity was the preparation of the recommendation for the appointment of the members of the Supervisory Board at the Annual General Meeting on July 2, 2014.

In the last meeting of the business year, the Supervisory Board carried out the self-evaluation stipulated under Rule 36 of the Corporate Governance Code and, utilizing a list of questions, dealt with the general cooperation between Management Board and Supervisory Board, quality and scope of the documents made available to the Supervisory Board as well as organizational questions.

Measures to advance women on the Management Board, the Supervisory Board, and other leadership positions

In the business year 2014/15, the percentage of female executives was at about 11%, thus increasing slightly compared to the previous year (10.6%). Since the business year 2013/14, a woman has been in a divisional management position; and since the last election in July 2014, two women have been on the Supervisory Board of voestalpine AG.

Within the scope of internal leadership development efforts, great importance is being placed on continuing to expand the percentage of female participants. Therefore, voestalpine is making every effort to ensure that women are represented at each level of the Leadership Development Program. In the business year 2014/15, of the total of 199 participants, 18% were women. This means that percentage of women has risen since the previous year (15.5%) and is higher than the average in the Group.

The percentage of women in the voestalpine Group overall in the business year 2014/15 was 13.3%. This percentage is still low compared to other sectors of the economy, and this has industry-specific, historical, and cultural reasons. In the consciousness of the public, the image of a steel and industrial goods company is still the

image of heavy industry and, therefore, broad-based recruitment of female employees is a challenging undertaking.

None of the Group companies have explicit "female quotas." Rather, the voestalpine Group is striving to implement appropriate measures in order to increase the percentage of women in the Group at all levels. This includes a number of activities, some of which are country-specific, such as participation in Girls' Day, advancement of women in technical professions, and/or increased hiring of female graduates of technical schools and universities. Furthermore, establishment and expansion of in-house child care facilities and collaborations with external facilities is being accelerated. As a result of these efforts, women are now employed in top leadership positions in traditionally male-dominated, technical areas of the Company (e.g., hot-dip galvanizing plants, wire production facilities) and are in executive positions, primarily in the financial, legal, and human resources departments, in a number of Group companies. For example, the area "Legal and Compliance" in three of the four divisions is headed by women.

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

Linz, May 18, 2015

The Management Board



Wolfgang Eder



Herbert Eibensteiner



Franz Kainersdorfer



Robert Ottel



Franz Rotter



Peter Schwab

Compliance

Since its IPO in 1995, the voestalpine Group has continued to expand its compliance activities in order to protect the company against financial damages and prevent damage to its reputation. Initially, within the scope of the IPO, the focus was on capital market compliance, with additional compliance issues being added subsequently.

In the business year 2011/12, a new, comprehensive compliance management system was established in the voestalpine Group, and compliance efforts were undertaken on a very broad Group-wide basis. In addition to a Group compliance officer, a compliance officer was appointed for each division of the Group. The Group compliance officer reports directly to the Chairman of the Management Board and is independent and not bound by directives. The divisional compliance officers report to the Group compliance officer and to the respective heads of the divisions.

Code of Conduct

The Code of Conduct of voestalpine AG provides the basis for morally, ethically, and legally sound conduct by the management and by all employees of the Group. The Code of Conduct is directed not only to the management and the employees, but also to customers, suppliers, and other business partners.

In the event of a violation of statutory provisions, internal guidelines, regulations, or provisions of the voestalpine Code of Conduct, employees will be subject to disciplinary measures. Furthermore, violations can have consequences under criminal and/or civil law, e.g., recourse claims and claims for compensatory damages.

Compliance guidelines

Additions to the provisions of the Code of Conduct were made in Group guidelines where they were defined more closely:

■ Antitrust law

This guideline describes the prohibition of agreements restricting competition, provides rules for dealings and interaction with and in associations, professional associations, or other industry organizations, and defines concrete rules of conduct for employees of the voestalpine Group.

■ Business conduct

This guideline regulates, for example, conduct relative to gifts, invitations, and other benefits, donations, sponsoring, ancillary activities, and the private purchase of goods and services by employees of customers and suppliers.

■ Guideline regarding dealings with business intermediaries/brokers and consultants

This guideline defines the procedure to be complied with prior to contracting or engaging sales representatives, other sales consultants, consultants, or lobbyists. An objective analysis of the prospective business partner's business environment and scope of activities prior to establishing business relations is required, in order to ensure that the business partner can comply with all applicable laws and the voestalpine Code of Conduct.

The Code of Conduct and the compliance guidelines apply across the entire Group and are available in 14 languages.

Whistleblowing system

In January 2012, a web-based whistleblower system was launched. Reports of compliance violations should primarily be made openly, that is, providing the whistleblower's name. This system, however, provides the additional possibility of reporting misconduct anonymously and communicating with whistleblowers while enabling them to maintain their absolute anonymity. This system will enable systematic use of internal information to effectively uncover compliance risks within the company early on.

Prevention

Preventive measures are the first line of defense of a compliance management system. In this context, comprehensive training programs were carried out in the business year 2012/13 in all of the Group's divisions. In order to achieve a training effect that is as broad-based as possible, e-learning systems are being increasingly used in addition to face-to-face training. For example, within the scope of a single web-based e-learning course, more than 4,500 of the Group's employees received training specifically on antitrust law and more than 18,000 employees received training on the Code of Conduct; both courses included a final test.

After the training initiative 2012/13, the focus in the business year 2013/14 and in year under review was, on one hand, to give new employees a better understanding of compliance, particularly through e-learning courses and, on the other, to carry out face-to-face training sessions that were oriented toward specific target groups, such as general compliance training within the scope of executive training programs and specific training programs for employees in Sales and Purchasing. Additionally, compliance issues are brought to the attention of voestalpine employees on a regular basis by way of regular communications, particularly through employee magazines, poster campaigns, or at Group and divisional events.

- Information about the subject of compliance is also available at the voestalpine AG website and employees have access to information on the Group intranet.

Report of the Management Board

Management Report 2014/15

This Consolidated Management Report refers to the Consolidated Financial Statement, which was prepared in accordance with the International Financial Reporting Standards (IFRS) as mandated by Section 245a of the Austrian Commercial Code (*UGB*). We have made use of the provision under Sec. 267 (4) of the Austrian Commercial Code, which permits the consolidation of the Management Report and the Group Management Report.

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

The global economic landscape in the business year 2014/15 was largely characterized by a continuation of the trend seen in previous periods. While the economy in North America remained on a path of stable growth, despite a great deal of optimism in the early part of the year, Europe ultimately experienced a volatile trend that was once again very cautious in its overall perspective. Of the most important emerging markets, China continued to be the sole reliable growth region. Due to the Ukraine conflict, Russia slipped into recession. Brazil's quarterly reports alternated between recession and stagnation as a result of homegrown problems. And in India, efforts by the new government to reignite the economy began to make themselves felt but did not culminate in any really notable results.

The most significant supraregional developments in the past business year were the considerable shift in the global rate of exchange maze with a US dollar that kept getting stronger and a weakening of the yen, the yuan, and the euro on one hand and on the other, massive pressure on many raw materials prices, particularly iron ore and oil. While this development abetted undesirable deflationary trends on one hand, on the other, it was

precisely the low oil price that raised expectations of a positive global impact on consumption that would stimulate economic growth.

Europe

Europe started the business year 2014/15 with a solid wind in its sails economically speaking. In addition to improving private consumption in a number of countries, the early part of the year saw the first noticeable positive signs in a long time in the construction industry, which, however, flattened out somewhat even before the first half of the year was over. Over the summer, the European economy cooled substantially, not least due to the escalation in the Ukraine with the subsequent tensions between Russia and the West. The fall saw a phase of increased economic volatility that evolved into a moderate revival of growth toward the end of the 2014 calendar year. The positive development was driven to a large extent by private consumption, while investment activity in Europe—like the entire business year 2014/15 overall—remained weak. This was the direct result of a continued high level of sovereign debt in a number of nations and exports that continued to be subdued as a result of sluggish development in many former emerging markets. Toward the end of the calendar year, the European Central Bank announced an expanded quantitative easing program to purchase bonds

in order to counter the risk of increasing deflationary tendencies due to an overlong phase of low inflation. The measure to stimulate the economy had a direct positive impact on the economic situation. Together with euro that is weakening vis-à-vis the other important global currencies, notably the US dollar, and thus making it easier for exports, in the past few months, Europe has been experiencing an economic trend that—for the first time in quite a while—is showing increasing and broad-based momentum. Only Greece has not been able to match this recovery that has become noticeable in the countries along Europe's southern periphery; Spain and Portugal are increasingly reporting positive growth trends, and the situation in Italy has stabilized and the country is no longer in a recession.

In this environment, the business trend in Europe for voestalpine has been quite satisfactory, albeit it was quite volatile at various points of the year. While the automobile industry, the Group's most important segment, improved its already very good level (with positive effects on all four divisions), the situation in the European construction industry, which had improved at the beginning of the year, waned increasingly as the year progressed. In contrast, in the area of transportation infrastructure, the European railway market has demonstrated growing momentum, but large portions of the energy sector have experienced a massive economic slump in the wake of the sanctions resulting from the escalation of the Russian-Ukrainian conflict and the rapidly deteriorating oil price. The mechanical engineering sector has been mostly weak, although there were some signs of recovery toward the end of 2014, while the white goods and consumer goods industries have shown a mostly unremarkable trend throughout the year.

North America

The development in North America has been mostly exactly the opposite to the situation in

Europe. A positive growth trend remained largely stable over the course of the past business year; only toward the beginning of the 2015 calendar year did the economy cool somewhat, but this represented more of a stabilization at a high level than any kind of downturn.

As the year progressed, economic forecasts were revised upward multiple times, the leading macroeconomic indicators achieved record levels, and the unemployment rate continued to decline. In this environment, the Fed (Federal Reserve) announced that it was considering ending its low interest policies. However, toward the end of the 2014 calendar year, this line of thought became more and more cautious and open to more interpretation. The reason for this are the slightly less favorable growth expectations due to the relative strength of the US dollar vis-à-vis the euro and other currencies since the early part of 2015, which made it increasingly difficult for US exports.

The somewhat subdued economic development in the USA since the beginning of 2015 is presumably also the result of somewhat lower public sector spending on one hand and harsh weather conditions, especially the unusually tough winter in many parts of the country, on the other. Furthermore, the sharp global fall of the oil price has seriously undermined investments associated with exploration activities in states with intensive oil and natural gas production.

Overall, however, the slightly slower economic growth in the first calendar quarter of 2015 should be seen as a temporary phase of consolidation rather than an economic trend reversal, and the expectation is that the summer months will see a return to the growth path of the past several years.

Economic development in Canada has generally been considerably weaker, however, the country has been largely spared from the negative effects of the financial and economic crisis in recent years. On the other hand, the Mexican economy

has been making even more progress than the US economy. This is being driven by policies that have been ever more liberal in the last few years, making Mexico a real hot spot on the investment map of many industrial sectors.

For voestalpine, this environment in North America has meant excellent demand for automotive components right off the bat from the Metal Forming Division's newly erected plant in Cartersville, Georgia, and solid development in the Special Steel Division's tool steel and high-speed steel segments, which is also being driven by the automotive sector as well as the consumer goods industry.

The development in the railway infrastructure market (Metal Engineering Division) continues to be favorable; the same applies to the aviation industry, where demand for components manufactured by the Special Steel and Metal Forming Divisions remains strong.

Diminishing oil and natural gas exploration activity is currently the one weak point of the US economy. Toward the end of the business year, this had an adverse impact on the seamless tube business of the Metal Engineering Division.

Brazil / South America

The crisis-ridden economic situation in Brazil with high inflation and high interest rates continued in the business year 2014/15. In addition to internal problems, the global deflationary development with regard to raw materials prices is contributing to the difficult situation of the largest economy in South America. Even though as of the end of the 2014 calendar year, Brazil is technically no longer in a recession and rudimentary growth of 0.3% compared to the same quarter of the previous year was reported, an improvement of the economic development cannot be expected in the short term as—instead of changing structural framework conditions—the country's reaction has been to wall itself off from the global market by way of import duties. Overall,

however, growth rates of only 1 to 2% are expected for Brazil in 2015 and 2016, figures that are clearly too low for an emerging economy and that do not do justice to the country's enormous economic potential.

In this environment, voestalpine faced challenging framework conditions in practically all market segments; however, by orienting itself even more strongly toward exports and by undertaking massive efficiency improvement measures, earnings were largely kept at a stable level.

The economic development of the other South American countries has been critical almost without exception for some time, resulting in cautious investment activity.

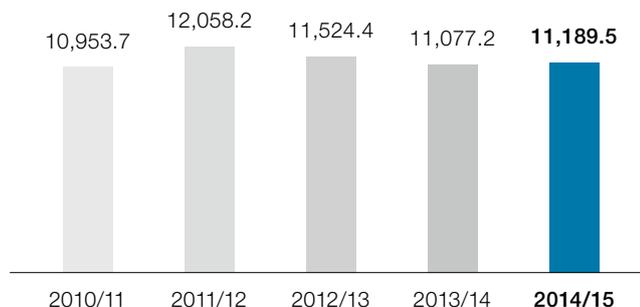
China / Asia

Although leading macroeconomic indicators such as the Chinese PMI (Purchasing Manager Index) fell under 50 points during the past year, fueling fears about imminent weaknesses in the largest Asian economy, China was nevertheless again able to achieve economic growth of around 7% in 2014—not least because of intervention by the central government, which primarily consisted of a more expansive money market policy and new stimulus programs. Nevertheless, in the early part of 2015, imports fell, and industrial development in January and February 2015 was surprisingly subdued. Uncertainty has also surrounded the real estate market, with property prices falling and new construction diminishing. While the country itself has very little debt, fears relating to hidden credit bubbles emerging from the shadow banking industry are stoking economic uncertainty.

When assessing the current situation, however, it should not be overlooked that in recent years, China usually started the year with weak growth and then recovered. For 2015, macroeconomists are therefore anticipating economic growth in the neighborhood of 6% to 7%, with expectations tending toward the higher figure. The fact that

Revenue of the voestalpine Group

In millions of euros



many industries continue to develop quite positively is one of the reasons for this forecast. In 2014, China replaced the USA as the largest automobile market worldwide. Sales of products manufactured in the newly built voestalpine plants for automobile components (Metal Forming Division) are therefore going well and sales to the automotive sector in China by the Special Steel Division (tool steel and high-speed steel) show a solid level of demand. Investments in expansion in the railway infrastructure sector also remained at a high level, so that—despite the generally rather cautious mood—the region continues to develop very positively for the voestalpine Group.

In 2014, the economic development of the countries of Southeast Asia was for the most part dynamic. Japan, however, lagged considerably behind the original growth expectations despite its export-friendly currency policies. voestalpine activities in this region are primarily undertaken by the Special Steel Division. Even in a global comparison, these activities are characterized by very strong growth.

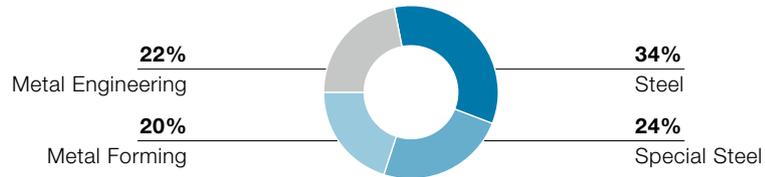
Due to its new government, India is expected to increase its economic momentum in the coming years, although 2014 was still very much characterized by the transition between the old and new governments. Should the generally positive expectations for the Indian market be fulfilled, it will have significant future potential for the voestalpine Group.

Business performance of the divisions

The Steel Division with its clear market focus on Europe experienced a good level of demand for high-quality steel products, at the same time however, it also faced falling prices due to the deflationary development of raw materials prices. Nevertheless, it was possible to more than compensate this development through volume increases on one hand and on the other, by way of the first positive effects of the cost optimization and efficiency improvement measures that had been decided upon in 2014. Thus, the business year 2014/15 showed clearly improved earnings compared to the previous year, even though the

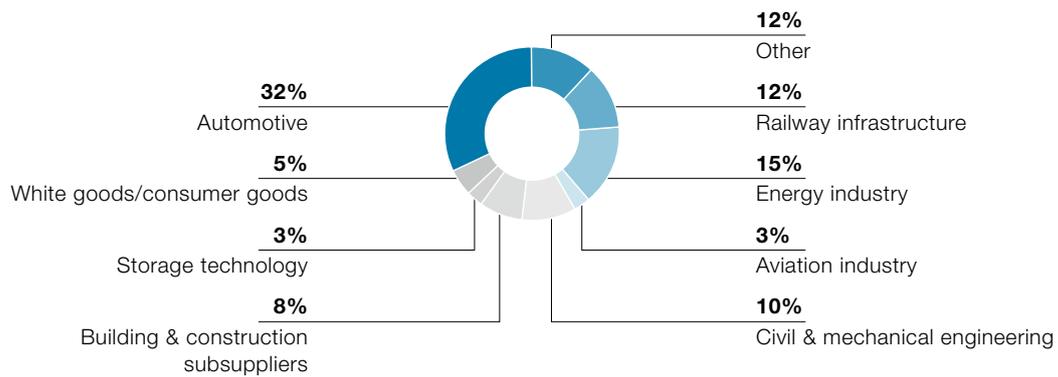
Revenue by divisions

As percentage of total divisional revenue
Business year 2014/15



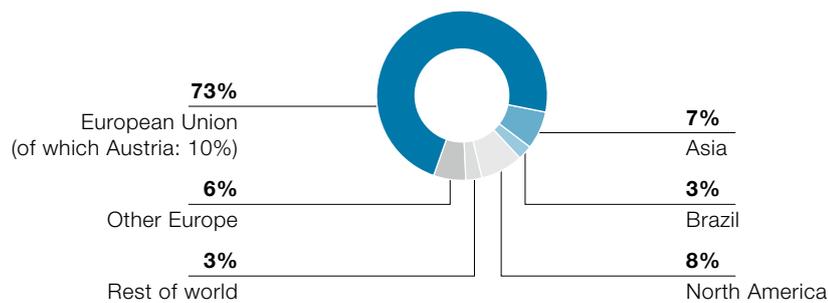
Revenue by industries

As percentage of Group revenue
Business year 2014/15



Revenue by regions

As percentage of Group revenue
Business year 2014/15



level of earnings is still far removed from pre-crisis figures.

Due to its global presence, the Special Steel Division profited from the positive economic environment in North America and Asia, where demand for high quality tool steel and special materials across most industry segments was at a solid level. Toward the end of the business year, the market recovered somewhat in Europe as well, so that the business year 2014/15 was ultimately quite positive overall for the Special Steel Division as far as earnings are concerned compared to previous years.

The Metal Engineering Division was once again able to continue its outstanding performance in recent years in the business year 2014/15 as well, driven primarily by strong demand from the railway infrastructure sector in North America, Europe, and Asia. This development was supported and sustained by comparable earnings in the Wire, Seamless Tube, and Welding Consumables business segments.

In the automobile component segment, the development of the Metal Forming Division continued to be characterized by very good demand in Europe, but also at the newly constructed sites in North America, Asia, and South Africa. Activities in the Special Section and Precision Strip business segments found a satisfactory global market environment overall, so that, overall, the still young division enjoyed a sustained solid performance in the business year 2014/15.

Report on the financial key performance indicators of the voestalpine Group

Revenue and operating result

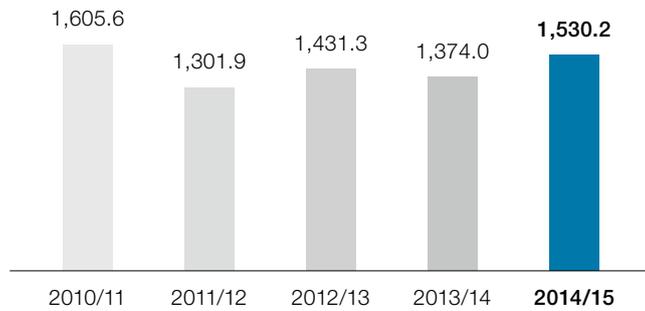
In 2014/15, despite the weakening of the market price level in a number of business units due to the decline of raw materials prices, the voestalpine Group's revenue rose slightly in a year-to-year comparison, going up by 1.0% from EUR 11,077.2 million to EUR 11,189.5 million. At 5.7%, the Special Steel Division, which was least affected by the decline of raw materials

prices, reported the largest revenue gain, while the Steel Division's revenue increase was comparatively moderate at 1.7%. In contrast, the Metal Engineering Division and the Metal Forming Division both recorded a slight decrease in revenue. While the Metal Engineering Division's decline in revenue is due to the closure of the standard rail production in Duisburg as of the end of the 2013 calendar year, the reason for the decrease in the Metal Forming Division is the divestment of the Flamco Group and of the Plastics operations during the year under review (see Chapter "Acquisitions/Divestments").

All four divisions were able to increase their operating result (EBITDA) in the business year 2014/15. In the Steel Division and the Special Steel Division, the gain was due to an increase in delivery volumes as well as the first positive effects from the cost optimization and efficiency improvement programs. While in the Steel Division the boost in volume is largely due to the (temporarily) stronger energy segment, in the Special Steel Division, the reason lies in higher demand for tool steel and special materials, particularly from Asia and North America. In the Metal Engineering Division, the weakening of the Welding Consumables business segment was compensated by an expansion of activities in the Turnout Systems business segment. In the Metal Forming Division, the rise in EBITDA is the result of non-recurring effects totaling EUR 61.9 million from the sale of the Flamco Group in August 2014, the agreement to sell the automotive companies voestalpine Polynorm Van Niftrik B.V. and voestalpine Polynorm Plastics B.V. at the end of September 2014, and a structural reorganization of pension obligations in several Dutch companies belonging to the division. It should be mentioned here that the loss of earnings contributions from the divested companies is not taken into account in the non-recurring effects. Against this backdrop, the voestalpine Group's EBITDA rose by 11.4% from EUR 1,374.0 million to EUR 1,530.2 million. Adjusted by the non-recurring earnings contributions, EBITDA in the business year 2014/15 amounted to EUR 1,468.3 million, which equals an adjusted increase of 6.9%.

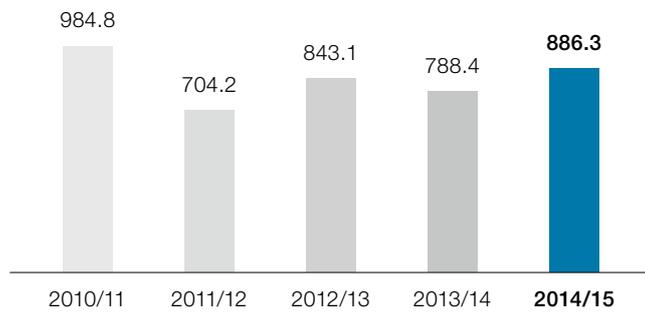
EBITDA

In millions of euros



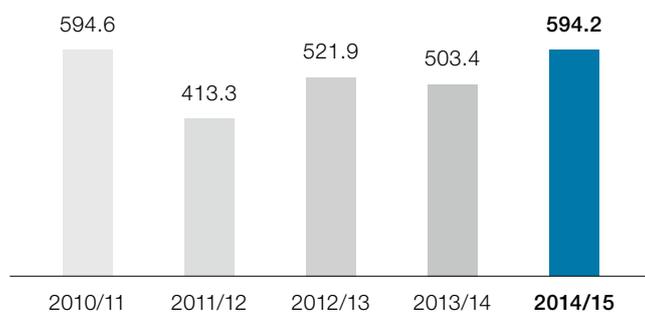
EBIT

In millions of euros



Profit for the period

In millions of euros



At 12.4%, profit from operations (EBIT) went up by a similar range in terms of percentages as the operating result; in absolute terms, EBIT rose from EUR 788.4 million to EUR 886.3 million. This includes a non-recurring earnings contribution of EUR 45.2 million due to the described one-time effects and is reduced by impairment losses on individual assets that do not form part of the core business. Thus, adjusted EBIT rose by 6.7% to EUR 841.1 million.

Profit before tax and profit for the period

The improvement by 15.6% in the profit before tax, which went from EUR 640.8 million in the business year 2013/14 to EUR 740.9 million in the year under review, was even more significant than in the operational sector. Adjusted by the non-recurring effect of EUR 45.2 million, profit before tax shows a gain of 8.6% to EUR 695.7 million. Despite a higher gross financial debt due to refinancing hybrid bond 2007 (volume EUR 500.0 million), which was redeemed as of the end of October 2014, the net interest charges were reduced year-over-year by 1.5% from EUR 147.6 million to EUR 145.4 million. The bond was refinanced through a corporate bond, which was issued in mid-October 2014 with a volume of EUR 400.0 million. While hybrid bond 2007 was recognized in equity, corporate bond 2014 is recognized as part of borrowed capital. Besides higher finance income, the primary reason for the lower interest charges was the declining interest rate in the past business year. Profit for the period as of March 31, 2015 comes to EUR 594.2 million (previous year: EUR 503.4 million), an increase of 18.0%. After deducting the non-recurring effects (EUR 42.4 million), there is a plus of 9.6%, bringing this figure to EUR 551.8 million. The income tax rate, which fell from 21.4% to 19.8% had a positive impact on this reporting category because, among other reasons, there were no taxes on earnings for most of the non-recurring effects.

Proposed dividend

Subject to the approval of the Annual General Shareholders' Meeting of voestalpine AG, which

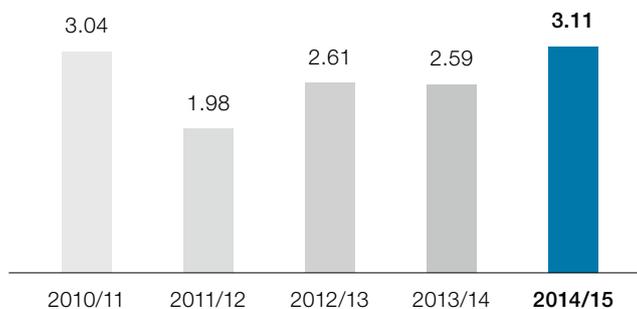
will take place on July 1, 2015, a dividend of EUR 1.00 per share will be paid to shareholders, an increase of 5.3% compared to the business year 2013/14 (dividend of EUR 0.95 per share). With regard to the earnings per share of EUR 3.11, this means a distribution ratio of 32.2%. Assuming an average share price of the voestalpine share in the business year 2014/15 of EUR 32.86, the dividend yield is 3.0%, the same as in the previous year.

Gearing ratio

In a year-over-year comparison, the equity of the voestalpine Group declined by 3.0% from EUR 5,261.6 million as of March 31, 2014 to EUR 5,102.5 million as of March 31, 2015, although at EUR 594.2 million, the profit for the period experienced a positive trend. In contrast, however, net financial debt rose during the same period by 23.0% from EUR 2,421.4 million to EUR 2,978.1 million; as a result, the gearing ratio went up from 46.0% to 58.4%. On the one hand, this development was triggered by a change in the financing structure due to the previously mentioned refinancing of hybrid bond 2007, which is recognized in equity, by corporate bond 2014, which is reported as part of borrowed capital; consequently, equity fell by EUR 500.0 million and, at the same time, net debt rose accordingly. On the other hand, ultimately, items that did not affect income in the consolidated statement of comprehensive income in the business year 2014/15 had a significant impact on equity. While foreign currency translation boosted equity by EUR 142.2 million (previous year: EUR -111.4 million), equity declined by EUR 186.6 million (previous year: EUR -28.2 million) due to actuarial losses. The positive effect in respect to foreign currency translation is primarily the result of an increase in assets and debt of US subsidiaries because of the appreciation of the US dollar vis-à-vis the euro, the Group's reporting currency, as of March 31, 2015 in a year-to-year comparison. The actuarial losses are the result of the change in the discount rate with regard to pensions and other employee obligations. In this context, it is remarkable that despite the Group's

EPS – Earnings per share

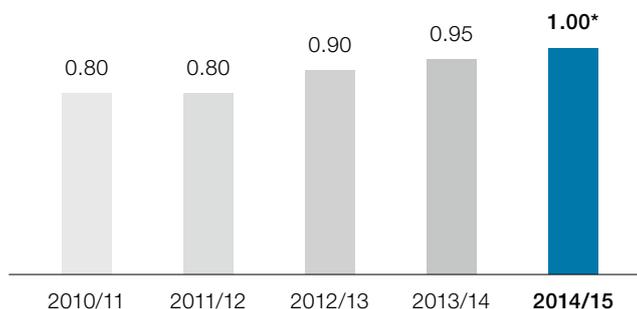
In euros



Dividend per share

In euros

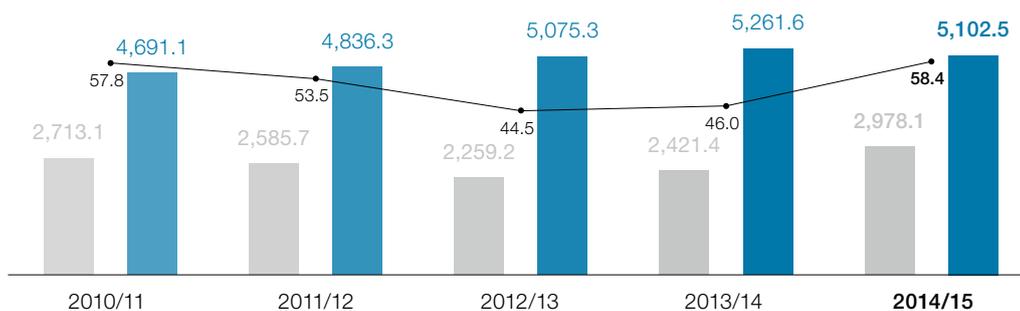
* As proposed to the Annual General Shareholders' Meeting.



Net financial debt – Equity – Gearing ratio

In millions of euros

■ Net financial debt
 ■ Equity
 — Gearing (in %)



considerably expanded investment activities in the reporting year, the gearing ratio would have improved even more if it had not been for the change in the equity/debt ratio as a consequence of hybrid bond 2007 being called.

Cash flow

Cash flow from operating activities rose significantly by 19.8% from EUR 934.6 million in the business year 2013/14 to EUR 1,119.9 million in the year under review. Besides the higher profit for the period, the cash outflow related to net working capital was substantially lower compared

to the same period in the previous year. The outflow of financial resources, however, rose significantly as a result of increased investment activities, so that the cash flow from investing activities went from EUR –782.7 million to EUR –928.0 million. The Group's financing measures in the business year 2014/15 resulted in a cash flow of EUR –289.6 million (previous year: EUR –695.6 million). In addition to dividend payments, servicing of the hybrid capital was primarily the reason for a decrease in funds, while the largest item under cash inflows results from the issue of corporate bond 2014.

Quarterly development of the voestalpine Group

					BY		Change in %
	1 st quarter 2014/15	2 nd quarter 2014/15	3 rd quarter 2014/15	4 th quarter 2014/15	2014/15	2013/14 ¹	
Revenue	2,826.7	2,734.4	2,693.8	2,934.6	11,189.5	11,077.2	1.0
EBITDA	363.7	393.2	330.3	443.0	1,530.2	1,374.0	11.4
EBITDA margin	12.9%	14.4%	12.3%	15.1%	13.7%	12.4%	
EBIT	218.4	226.3	182.7	258.9	886.3	788.4	12.4
EBIT margin	7.7%	8.3%	6.8%	8.8%	7.9%	7.1%	
Profit before tax (EBT)	192.9	198.8	138.9	210.3	740.9	640.8	15.6
Profit for the period ²	158.9	173.5	120.9	140.9	594.2	503.4	18.0
Employees (full-time equivalent)	47,463	47,379	46,461	47,418	47,418	47,485	–0.1

¹ Business year 2013/14 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements under „B. Summary of accounting policies / General information.“

² Before deduction of non-controlling interests. In the first three quarters of BY 2014/15 the tax effects on hybrid capital interest and on costs associated with issuing hybrid capital were recognized directly in equity in accordance with IAS 8.

Significant events in the course of the year

Changes in the composition of the Management Board of voestalpine AG

At its meeting on June 3, 2014, the Supervisory Board of voestalpine AG resolved to expand the Management Board from five to six members effective October 1, 2014. This will ensure the consistent and continuing strategic development of the Group and reflect the accelerated expansion of its global activities. As part of this expansion, changes were also made in the management of two of the four divisions: Dipl.-Ing. Dr. Peter Schwab, who was head of R&D at voestalpine for twelve years, advanced to become a member of the Management Board of voestalpine AG, where he took over the management of the Metal Forming Division from Dipl.-Ing. Herbert Eibensteiner, who took over the management of the Steel Division. Dr. Wolfgang Eder, who had been heading the Steel Division since 1999 in addition to his role as CEO, is now concentrating solely on the central areas of responsibility since October 2014 and can therefore devote his time increasingly to the future growth and continued internationalization of the Group. Furthermore, some of the areas of responsibility were redistributed among the individual members of the Management Board.

Efficiency and cost optimization program 2014–2016

In the spring of 2014, the Management Board resolved the implementation of a Group-wide cost optimization and efficiency improvement program aimed to save EUR 900 million over the course of the business years 2014/15, 2015/16, and 2016/17.

Due to the diverse challenges and structures of the individual divisions, from the very beginning, the program was characterized by specific focal points, ranging from hard cost-cutting, efficiency improvement, and personnel adjustment to optimization in the energy and raw materials segments, improved exploitation of Group-wide synergies and through to restructuring of sites whose performance is inadequate.

In the past business year, the targets were broken down to the individual operating units, potential was sounded out, projects were defined, and implementation was begun. After this introductory phase and a successful start of project implementation, the first concrete successes are becoming evident. For example, based on a completely new organizational structure, within the next two years the Steel Division will be able to save significant overhead costs. At the energy efficiency end of the spectrum, for instance, the already completed, successful start-up of the coal injection systems in all three blast furnaces at the Linz site will make a substantial contribution to cost optimization as soon as the current business year so that an increase in earnings can be expected. In the Special Steel Division, the comprehensive restructuring of the Wetzlar, Germany, site was again stepped up and in Villares, Brazil, efficiency improvement programs were put in place as a reaction to the difficult market situation and they are already showing their effectiveness. The organization at both sites was also significantly streamlined. Furthermore, by implementing a division-wide efficiency improvement project, the use of energy at all major sites was reduced.

In the Metal Engineering Division, North American sites in the turnout sector were combined, resulting in significantly improved performance. At the same time, at the steel end of the Metal Engineering Division, a new burden optimization

program was implemented, which will enable blast furnaces to be relined in the future without significant negative effects on the division's sales volume.

In the Metal Forming Division, the focus of optimization measures in the past business year was on the successful sale of the Plastics operations and the Flamco Group as part of its portfolio streamlining.

According to indicative rough calculations, even in the start-up phase of the program, it was possible to achieve initial savings that were recognized in income beyond the positive effects on earnings resulting from divestment measures in the Metal Forming Division. However, it must be pointed out again that past experience with such programs shows that over time, the achieved earnings improvements are subject to an ongoing erosion process. The reason for this is ongoing cost inflation on one hand—for example in the personnel, energy, and environmental sectors—and on the other, the fact that customers expect ongoing increases in productivity that can be incorporated into price mechanisms.

Corporate Responsibility Report

The first Group-wide Corporate Responsibility Report of voestalpine AG was published in the fall of 2014. The report that complied with the requirements under "GRI G3," provides comprehensive information about the status quo and current developments within the Group with regard to sustainability. Concurrently with the report, the Corporate Responsibility pages went live online.

- The exact link is:
<http://www.voestalpine.com/group/en/group/corporate-responsibility>

Corporate Governance Report

The Corporate Governance Report for the business year 2014/15 was published on the voestalpine AG website under the heading "Investors."

- The exact link is:
<http://www.voestalpine.com/group/en/investors/corporate-governance>

Significant events after the final reporting date

Capital increase to expand the employee shareholding scheme

The capital increase that was resolved by the Management Board on March 9, 2015 and approved by the Supervisory Board on March 26, 2015 of 2.5 million no-par value shares was recorded in the Commercial Register on April 25, 2015 and is therefore effective as of this date. As of April 25, 2015, the share capital of the Company amounts to EUR 317,851,287.79 and is divided into 174,949,163 shares. Each share carries the right to one vote.

Changes in the scope of consolidation

In early April 2015, control was obtained of the previously jointly controlled companies voestalpine Tubulars GmbH & Co KG and CNNT Chinese New Turnout Technologies Co., Ltd.; these companies will therefore be fully consolidated beginning with the business year 2015/16. For detailed information about these changes, please refer to the Notes, Chapter F. Acquisitions after the reporting date.

Investments

In the past business year, the voestalpine Group invested a total of EUR 1,177.8 million, an increase of 25.8% compared to the same period in the previous year, which saw investment expenditure at EUR 936.0 million. Expenditure in the individual divisions was as follows: Steel Division at EUR 570.6 million (2013/14: EUR 447.4 million), Special Steel Division at EUR 159.3 million (2013/14: EUR 181.8 million), Metal Engineering Division at EUR 269.0 million (2013/14: EUR 164.2 million), and Metal Forming Division at EUR 169.8 million (2013/14: EUR 130.6 million). Of the total amount of EUR 1,177.8 million, 96.5% (EUR 1,136.8 million) were attributable to investments and 3.5% (EUR 41.0 million) to acquisitions.

The Steel Division's investment projects extended along the entire value chain, from the metallurgical sector to rolling mills, in order to continue to enhance its pioneering role in technology in Europe on one hand and to bolster efficiency and cost structure on the other. The largest current project as far as volume is concerned is the construction of the direct reduction plant in Corpus Christi, Texas, USA, which will be the largest and most modern plant of its kind. Construction began in June 2014 immediately after the successful completion of the environmental impact assessment and once all the necessary official permits had been obtained. The port facilities have now almost been completed and construction of the main plant, the 137-meter-high reduction tower, is expected to be finished at the end of the 2015 calendar year. Then supply of the Austrian steel sites Linz and Donawitz as well as a number of external customers with high-quality pre-material for steel production (hot briquetted iron/sponge iron) can begin. Another step to optimize the use of reducing agents was completed toward the end

of the business year 2014/15; coal injection systems were installed in all three blast furnaces in Linz. In the steelworks segment, construction of continuous casting plant 8 and secondary metallurgy system 4 (commissioning scheduled for the fall of 2015) was contracted and work was begun; these projects are important in the quest to continue to improve the product mix. In the past business year, the most important projects in the rolling mill segment were the modernization of the pickling-tandem line in cold-rolling mill 2 and of hot-dip galvanizing plant 2 as well as construction of a new heavy plate rolling stand (commissioning scheduled for the fall of 2015).

In the past business year, the Special Steel Division also expanded its leading role with regard to technology and quality in its product segments by undertaking a large number of investments, in the areas of both production and sales. For example, at the site in Hagfors, Sweden, another electro-slag remelting facility was acquired for the production of high-quality tool steel. At Villares Metals S.A., Brazil, considerable new investments were made in the wire production, while at Böhler Edelstahl GmbH & Co KG at the site in Kapfenberg, Austria, new facilities for the processing of bright steel were commissioned. As part of the consistent implementation of voestalpine's value-added strategy, new centers for the high-tech coating (PVD coating) of tools based on the technology developed by the German Eifeler Group, which was acquired in 2013, were built in the sales sector in Shanghai, China, and in Taiwan. The past business year also saw significant expansion of heat treatment of tool steel at a number of sites; this is a step that is upstream of the coating segment. The new service center near Istanbul, Turkey, which is situated in direct proximity to a number of existing customers, not only sells special steel but also has a hardening

facility for tool steel. In the fourth quarter of 2014/15, the Special Steel Division opened its third site in Mexico, a sales company in Puebla, which will primarily meet the demands of the automotive industry that continues to grow.

In the business year 2014/15, the Metal Engineering Division optimized the liquid phase by modernizing a ladle furnace and renovating both converters at the Donawitz, Austria, site, thus creating important prerequisites to be able to supply its own processing sectors with high-quality pre-material in the future as well. As part of its effort to differentiate itself even more from the competition as far as quality is concerned, the Wire business segment is building a completely new, state-of-the-art wire rod mill (including a walking beam furnace) at the same site in order to be able to provide its customers with even better service than before in the segment of rolled cold heading and bearing wire. The facility will begin production in the early part of the 2016 calendar year. The Rail business segment in this division will also be getting a new walking beam furnace in order to enable it to implement the production of new rail grades in a technologically optimal way.

In the Automotive Body Parts business segment, the Metal Forming Division invested in the construction of new "phs" lines at the sites in Schmöln and Schwäbisch Gmünd, Germany, in order to provide its automotive customers even more comprehensively with components made of press-hardening ultra high-strength steel based on new technology. Furthermore, as of the beginning of the business year under review, additional new production sites for sophisticated body-in-white components went live; they are situated in the proximity of famed automobile manufacturers in the USA, South Africa, and China. The sites in the USA and China will con-

tinue to be upgraded and expanded as far as technology is concerned in the coming years. With the new "phs" facilities in Germany that were powered up in the third quarter, there are now six such facilities in operation as of the end of the business year. In the Tubes & Sections business segment, the run-up phase began at a new plant in Suzhou, China, at the beginning of the business year; it specializes in the production of special sections for the construction machinery and agricultural machinery industries.

Acquisitions / Divestments

There were three acquisitions in the business year 2014/15: by the Wire business segment of the Metal Engineering Division, by the Turnout Systems business segment, and by the Rail Technology business segment.

The third quarter saw the 100% takeover of the leading Italian manufacturer of special wire Trafilerie Industriali S.p.A. The company, which is headquartered in Nervesa della Battaglia, Italy, specializes in the production of drawn wire. It has 80 employees and in 2013, it generated revenue of EUR 43.8 million with a production volume of around 50,000 tons of special wire. With this acquisition, voestalpine Wire Technology GmbH is expanding its product range of both drawn and blank wire, is broadening the value chain in the premium quality segment for the automotive industry even further, and is also strengthening its market position in Italy.

The fourth quarter of the business year saw the takeover of the Australian company Bathurst Rail Fabrication Centre (BRFC) in Bathurst, which enables the Turnout Systems business segment to expand its already leading market position down under. The specialist for high quality, welded rails, turnouts, and track components has around 47 employees; in the most recent business year, the company generated an annual revenue of around EUR 34 million. By acquiring BRFC, which is one of the five largest railway system providers in Australia, the Turnout Systems business segment has expanded its Australian product and customer portfolio relative to the passenger and mass transit sectors and, at the same time, it is enhancing its position in the heavy-haul sector that is particularly important.

As far as divestments are concerned, the business year 2014/15 saw a significant streamlining of the Metal Forming Division's portfolio. The first divestment took place in the second quarter with the sale of the Flamco Group to the Dutch industrial company Aalberts Industries N.V. The main reason for the sale was the lack of synergies within the Metal Forming Division; a secondary reason was the Flamco Group's increasing deviation from the voestalpine Group's strategic core business. The Flamco Group develops and produces high-quality components for heating and drinking water installations and sells them worldwide. It has just over 700 employees and most recently, it generated annual revenue of around EUR 125 million.

In the third quarter, the Metal Forming Division sold two companies in the Automotive Body Parts business segment, namely, voestalpine Polynorm Van Niftrik B.V. and voestalpine Polynorm Plastics B.V. (jointly "voestalpine Plastics Solutions"). This sale was also part of the division's strategic portfolio streamlining. The primary reason for the sale to the Austrian Polytec Group was the fact that the activities of voestalpine Plastics Solutions no longer represented a core segment of the strategy that the Group is consistently implementing. The two Dutch Group companies, which have around 700 employees, jointly generated revenue of around EUR 120 million in the business year 2013/14. They supply their customers, especially European OEMs, with underbody paneling, acoustic, and exterior components made of plastics.

Employees

As of March 31, 2015, the voestalpine Group had 43,164 employees (excl. apprentices and temporary employees). This corresponds to a decrease of 106 persons (−0.2%) compared to the headcount on March 31, 2014. In addition, there are 1,407 apprentices and 3,879 leased employees, which adds up to a total of 47,418 FTEs (full-time equivalents). This represents an overall decline in headcount compared to the previous year of 0.1% (−67 FTEs).

The number of temporary employees rose in a year-to-year comparison by 4.1% or 151 employees.

Due to the increasing internationalization of the company in recent years, 52.4% of voestalpine's core employees (22,639 persons) are now employed at international Group sites, i.e., outside of Austria in Europe and overseas.

As of the end of the business year, the voestalpine Group was training 1,407 apprentices (64.6% of whom were being trained at Austrian companies and 35.4% at international sites). At plus two, the number of apprentices remained practically unchanged compared to the previous year.

Employee shareholding scheme

Currently, all employees in Austria and Group employees in Great Britain, Germany, the Netherlands, Poland, Belgium, the Czech Republic, and Italy are integrated into the employee shareholding scheme, which has been gradually expanded ever since its launch in 2001. The circle of employees from international Group companies participating in this model was again widened in the business year 2014/15. Concurrently, the stake of the Austrian Group employees was increased by around 1.2% within the scope of the collective bargaining negotiations in the fall of 2014, which

will become effective as of the beginning of the business year 2015/16.

As of March 31, 2015, a total of 23,600 employees have a stake in voestalpine AG through the voestalpine Mitarbeiterbeteiligung Privatstiftung; they hold about 21.6 million shares, which represent 12.5% of the company's share capital (previous year: 13.0%) due to the general bundling of voting rights. Thus, the Mitarbeiterstiftung is one of the largest core shareholders of voestalpine AG. About 1.9 million "private shares" owned by current and former employees (this corresponds to an additional 1.1% of the voting shares) are also managed by the voestalpine Mitarbeiterbeteiligung Privatstiftung. Thus, as of March 31, 2015, 13.6% of voestalpine AG's share capital (previous year: 14.0%) is owned by employees.

The Stahlstiftung (Steel Foundation) in Austria

The Stahlstiftung, which was established in 1987, provides former employees of voestalpine from almost all of the Austrian Group companies as well as employees from a number of companies outside the Group with the opportunity to take up to four years to complete training and continuing education courses to upgrade their skills or to start a new career path. This institution significantly mitigates the social consequences of lay-offs and the participants receive the best possible assistance in their search for a new job. In the business year 2014/15, more than 83% of the participants who were looking for work were able to find a new job with the help of the Stahlstiftung despite the difficult situation on the labor market. As of the end of the business year, a total of 427 persons were being assisted by the Stahlstiftung, of whom 62.1% were participants from companies

not belonging to the voestalpine Group. The total number of Stahlstiftung active members in the business year 2014/15 was 730, 6.0% below the previous year's figure (777 persons).

Focus of HR activities

Fairs

The voestalpine Group was represented at a number of career fairs in the past business year. The focus was on recruiting graduates of technical and scientific programs. voestalpine teams from technology fields and HR introduced the Group not only at the International Student's Day of Metallurgy in Clausthal, Germany, but also at national student fairs throughout Austria and Germany as an attractive employer for entry-level employees. For the first time, voestalpine had a presence at Chinese Talent Days in Cologne, a German-Chinese career fair, and at the Georgia Tech Career Fair in Atlanta, Georgia, in the USA.

At the same time, the international roll-out of the Group's uniform job application management system continued. Besides Group companies in Austria and Germany, now those in Sweden, the Netherlands, the USA, and Canada are also using this system.

Apprentices and young skilled workers

In 2014, voestalpine received a gold medal and the award "Best of Europe" (the best of all participants) at "EuroSkills," the largest European skills competition, which took place in Lille, France, on behalf of Oliver Anibas, a young skilled worker trained in Linz. By winning at the Austrian state championships, three young skilled workers qualified for the "WorldSkills 2015" competition in Sao Paulo, Brazil.

These successes confirm the high quality of the training in the voestalpine Group. The company invests about EUR 70,000 into the comprehensive and very practice-oriented training per apprentice.

The voestalpine online channels (apprentice website, Facebook, and Instagram) are being used increasingly by the young apprentices.

On November 4, 2014, 340 apprentices from Austria and Germany met at the Group's main site in Linz for the second voestalpine Group Apprentice Day; in addition to being able to meet and network with their colleagues, the apprentices also had the opportunity to direct questions to the Management Board during a panel discussion.

Development of executives

In the business year 2014/15, 199 participants from 24 countries took part in the "value:program," the Group-wide management training and development program. Almost half of the participants were from international Group companies.

Raw materials

At the beginning of the business year 2014/15, expectations were that the price trend for iron ore would be recessive, but the experts assumed that the price for one ton of fine ore (CFR China) would level off at about USD 100. In reality, the downward spiral of the price for iron ore continued throughout the entire business year 2014/15 and de facto fell within one year from just over USD 110 USD by around half to USD 60 as of the end of March 2015. While in the two previous years the trend had been reversed in the summer or early fall with prices moving back up, this did not occur in this case. The reasons for the marked decline are numerous and range from massive expansion in the size of existing mines—actually smaller than originally planned due to the lower growth forecasts for steel production in China—to the significantly reduced cost basis of many mining companies. The lower production costs (based on the US dollar) are largely due to lower transport and energy-specific mining costs resulting from the collapse of the oil price, but also because of the weakening of the currencies in Brazil and Australia—the countries that produce around half of the global iron ore supply—vis-à-vis the US dollar.

In contrast, the price trend for coking coal was largely stable during the entire business year 2014/15. On the average, the price on the spot market (FOB Australia) stayed around USD 110 for a ton of coking coal and did not fall below USD 100 until the end of the business year. In contrast to iron ore, the price decline of coking coal began as early as the beginning of the 2011 calendar year and continued until the end of the business year 2013/14. Thus, the price of coking coal fell by more than two thirds within four years. The reasons for this development are, on one hand, additional supply of coal, especially from Mongolia, which is used primarily by Chinese steel manufacturers and, on the other, the fact that, viewed globally, there have not been any major production losses since the flooding in Australia in early 2011.

Procurement costs for coke have declined by a similar range as those for coking coal in recent years; at the beginning of the business year 2014/15, they were at around USD 200 (FOB China) per ton. During the business year 2014/15, they ranged between USD 175 and 200; as of the end of March 2015, they had slipped slightly below this range to around USD 165. In the past few years, the price differential between the base product coking coal and coke had already fallen to around USD 100, but in this business year, the added value for refining coke has again dropped considerably.

The fact that the price curve for scrap does not necessarily follow the price of iron ore was demonstrated particularly in the first half of the business year 2014/15. While the price for the iron ore used in the blast furnaces continued to drop during this period of time, fluctuations in the price for scrap were barely noticeable. The downward trend did not begin until the second half of the business year, resulting in a price of around USD 300 per ton (CFR Turkey) as of the end of March 2015.

Although the past business year saw increasing political tensions in those countries that supply not insignificant amounts of raw materials to voestalpine, there were never any bottlenecks in the supply of ore, coal, coke, or scrap. But it was obvious once again that the Group's long-term raw materials strategy that relies on a diversified and broad basis of supply sources in order to avoid dependence on individual suppliers or supplier countries is just as important as ever. Fundamental problems with regard to the general availability of raw materials are not anticipated for the business year 2015/16.

Research and development

In the business year 2014/15, research and development expenditure by the voestalpine Group was slightly reduced by 1.3% to EUR 126.7 million compared to the previous business year (EUR 128.4 million). In a year-over-year comparison, the research ratio (proportion of R&D expenditures in relation to revenue) decreased from 1.2% to 1.1%; the R&D coefficient (funds measured in terms of value creation) went down from 2.9% to 2.8%.

These investments in the company's future found wide recognition among voestalpine's international peers. They are also being rewarded. For example, voestalpine was recently awarded the Austrian National Prize for Innovation 2015 by the Federal Minister for Science, Research and Economy for the new ultra high-tensile strength steel phs-ultraform. As a result of pressure on the automobile industry to drive lightweight construction forward and the desire for increased safety, use of press-hardened components in body-in-white production has risen enormously. These parts are used in the automobile industry for safety-relevant structural components and body components used for the passenger compartment as well as in areas that are susceptible to corrosion. With the development of the "direct process" for the forming process of press-hardened steel, simple components can now be manufactured very cost-effectively. The first such facility is currently being built.

In the long term, research and development at voestalpine is oriented toward generating innovative complete solutions with the goal of achieving both maximum benefit for the customer and reduced life cycle costs.

Within the scope of the Group project "KW50+," know-how and process development for the production of components made of new materials for

low-carbon steam power plants are being advanced across multiple divisions. In this context, a new highly temperature-resistant casting material has already been successfully introduced on the market, and the welding process qualification has also already been completed. The pilot production of components made of nickel-based alloys as well as development of processes for seam welding of dissimilar metals (nickel-based alloys with steel) have been successful.

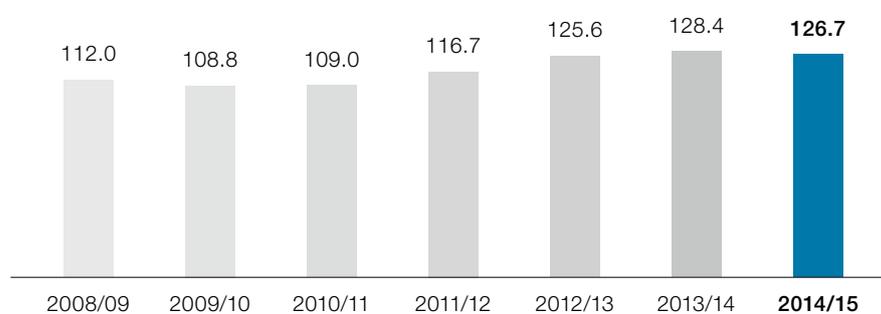
In another Group project, the value chain from tool steel to tool user was critically examined. As the Group has all of the expertise necessary for such an analysis, such as production of tool steel, heat treatment, and coating, but also has tool manufacturers and tool users in the Group, new fundamental insights can be gained that result in significantly improved productivity. The topic "Tools/dies and tool/die materials," in other words, tools and forming tools and the materials necessary for the process, was the title of this year's eighth annual R&D Synergy Platform, which was organized by the Group in Kapfenberg, Styria. Lectures by experts from all the divisions provided an excellent overview of the Group's position; lectures by external speakers brought additional input and fresh aspects.

In accordance with its decentralized R&D strategies, the Special Steel Division is conducting research at production sites in Austria, Germany, Sweden, and Brazil; the focal points are further development of high-performance tool steel and the development of special materials for the oil and natural gas industries, energy production, and the aviation industry. In addition to pure materials development, the current R&D portfolio in this sector also comprises the development of processing technologies and new products for the

Research expenses for the voestalpine Group

In millions of euros

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



aviation industry as well as new projects concerning the hard coating of tools, including the coating facilities needed for these processes.

Another research project in the Steel Division was put into actual practice under the name "Möllerradar" (batch radar) and the measuring equipment was installed on a blast furnace at the Linz site. It maps the topography of and the temperature distribution on the batch surface during production in real time; this enables optimized process management, which in turn results in reduced consumption of reducing agents in the blast furnace process.

DOBAIN®, the tear-resistant bainitic brand of rail steel, a trend-setting product by the Metal Engineering Division, continues to be tested throughout Europe on various test tracks. Due to its outstanding cold resistance, it offers additional

safety when used at extremely low temperatures. The newly developed type of rail steel for the tram segment with superior welding and wear properties has found acceptance on the market and is proving to be highly effective.

voestalpine is participating in numerous research projects and is cooperating with various competence centers. Under "HORIZON 2020," the new EU Framework Program for Innovation and Research, voestalpine is participating in the "SPIRE" and S2R programs. "SPIRE" stands for "Sustainable Process Industry through Resource and Energy Efficiency" and is an initiative of energy-intensive industries whose common goal is to develop new, cross-sector energy and resource-efficient solutions. S2R (Shift to Rail) has the objective of increasingly shifting transport volume to railroads; both voestalpine Schienen GmbH and the Turnout Systems business segment are

participating in this project as part of VVAC (Virtual Vehicle Austria Consortium) with new and improved products.

In the Austrian COMET research program, for example, voestalpine is involved with ten different competence centers and projects on various priority issues. The collaboration with competence centers significantly supports voestalpine research and development, as it is possible to implement research results in practical applications on an ongoing basis. Within the scope of the third tender of the Austrian Research Funding Program, voestalpine is a key participant at two competence centers, CEST (Center of Competence in Electrochemical Surface Technology)

and K1-MET (Competence Center for Excellent Technologies in Advanced Metallurgical and Environmental Process Development). The term for the projects is eight years in both cases (with a "stop-or-go" evaluation in the fourth year).

An endowed professorship to be set up in Austria on the topic of "Steel, a high-performance material," which was suggested by voestalpine, was put out to tender by the Austrian Federal Ministry for Transport, Innovation and Technology as a measure to support areas of knowledge that are important for Austria as a location for innovation. The winning bid was made by the Leoben University of Mining and Metallurgy with its idea of a professorship for "Steel design."

Environment

Environmental expenditures

The environmental expenditures of the voestalpine Group in the business year 2014/15 amounted to EUR 43 million, an increase of around 90% compared to the previous business year (EUR 23 million). Ongoing operating expenses for environmental systems came to EUR 222 million¹, a rise of 2% (EUR 218 million) compared to the previous year's figure.

Environmental projects in the past business year

The focus of environmental projects in the past business year was on the areas of air purification, water management, energy efficiency, noise reduction, and waste and recycling management. In the following are some examples that represent the large number of measures that were implemented:

In the Steel Division at the Linz site, a new fabric filter system in the indoor dedusting system of the sintering plant was able to significantly reduce diffuse emissions; the new slab scarfing machine in the steelworks had a similarly positive effect by enabling an optimization in capturing diffuse dust emissions by way of higher suction power.

In the Metal Forming Division at voestalpine Precision Strip GmbH at the Böhlerwerk site in Austria grinding dust is no longer disposed of but is pressed into briquettes using a grinding dust press; these briquettes can be recycled as they have a high iron content. In the Special Steel

Division, a new dust extraction system in the steelworks area of Buderus Edelstahl GmbH in Wetzlar, Germany, was put into operation, which enables both significantly reduced emissions and lower specific energy requirements. At Uddeholms AB in Hagfors, Sweden, gas (LNG) was substituted for heavy oil, resulting in substantial energy savings and an enormous reduction of NO_x, SO_x, and CO₂. In the Metal Engineering Division at voestalpine Böhler Welding in Kapfenberg, Austria, a new extraction system was installed to enable more efficient cleaning of dust-laden air from wire production; during the winter, filtered exhaust air is routed back into the production hall as an additional source of heat.

Environmental management

In the last business year, implementation of additional environmental management systems began. These systems include the energy management system based on EN ISO 50001 at voestalpine Böhler Welding Group GmbH Düsseldorf, Germany, and the ISO 14001 certification of voestalpine Sadeff N.V. in Hooglede, Belgium. As had been the case in previous years, in 2014/15 various Group companies in a number of countries were honored with awards recognizing their environmental management measures. voestalpine VAE GmbH, voestalpine Weichensysteme GmbH, and voestalpine SIGNALING Zeltweg GmbH, all in Zeltweg, Austria, received the European EMAS Award 2014 for "eco-innovations (products and services)," "environmental measures," and "international health, safety, environ-

¹ Basis: Austrian Group locations as it is here that the greatest portion of the Group's environmentally sensitive emissions accrue.

ment & energy-related (HSEE) standards" at 40 production sites worldwide. Villares Metals S.A in Sumaré, Brazil, received the CIP Award 2014/15 in the "Environment" category for the project "Increasing treated water storage for industrial reuse." voestalpine Roll Forming Corporation in Shelbyville, Kentucky was awarded the "Certificate of Environmental Recognition from Closed Loop Recycling." voestalpine Tubulars GmbH & Co KG, Kindberg, Austria, received the ÖKOPROFIT Club Award as well as an award for competence in climate protection (energy efficiency) within the scope of the Austrian klima:aktiv initiative.

Current environmental policy topics

The most important current topic in terms of environmental policy is preparation of the EU position for the 21st UN Climate Change Conference in Paris in December 2015, the goal of which is to achieve a binding global climate protection treaty for the period after 2020.

In the spring of 2015, the European Environment Agency presented its most recent report on the state of the environment, and its conclusions are being discussed. Another current area of focus is the energy sector, where the current Latvian presidency of the European Council is endeavoring to create a concept for the proposed European energy union.

Climate and energy policy

After the European Council summit in October 2014, for the energy-intensive industries, it is important that the prospective decisions by the heads of state and government of the EU member states be defined as quickly as possible so that there is certainty concerning the regulatory framework that will make reliable planning for industrial capital investments possible.

The European Council has resolved a binding target value for a reduction of the EU's CO₂ emissions of -40% based on the emissions level in 1990. This future "2030 climate target" was determined as a part of a political framework that comprises the aspects of greenhouse gases, renewable energy, and energy efficiency. At the present time, it appears that the EU—regardless of any global treaties—plans on adhering to these quantitative "2030 targets" and on introducing mechanisms that increase the CO₂ price (currently around EUR 7/ton of CO₂) to a targeted magnitude of EUR 20 to EUR 40/ton. This would result in yet another blatant disadvantage for the energy-intensive manufacturing industries not only vis-à-vis the energy sector but especially vis-à-vis overseas competitors and thus contradict the declarations of intent by the Council stating the desire to ensure the competitiveness of these industries in Europe in the long term.

These plans overlook the fact that the result of a high CO₂ price is not necessarily to bolster investment in low-carbon production technologies because carbon pricing can usually only be avoided to a limited degree even through expensive, more emission-friendly alternative technologies, as it does not just apply to coal or oil, but it also applies to other energy sources such as natural gas and electricity, albeit indirectly by way of being "passed on" to industry.

In order to permanently prevent carbon leakage under the EU Trading Scheme (ETS) for European industry and thus create certainty regarding investments/capital expenditures, it is absolutely necessary—in accordance with the conclusions of the European Council—to separate the energy industry and the manufacturing industry with regard to their cost burden from carbon pricing. In this context, the primary issue is to ensure a 100% allocation of free certificates for the most efficient plants based on technically possible benchmark figures and actual production levels. If this is not the case, the future of energy-intensive industry in Europe is a priori called into question.

Current status of the negotiations on the “Energy Climate Package 2030”

Currently, the introduction of a “market stability reserve” (MSR) to the system of European emissions trading is being discussed. The goal is to transfer CO₂ certificates from the trading system to a so-called “reserve” in order to push the CO₂ price higher. After the environmental committee of the European Parliament defined its position in February 2015, recently, agreement was also

reached at the working level of the Council. This agreement stipulates that the MSR will be implemented from 2019 on, that so-called backloaded allowances will be directly transferred to the MSR, and that unallocated certificates will be considered separately by the Commission when the ETS Directive is revised. Further informal talks between Council, European Parliament, and Commission began on March 30, 2015. These negotiations have particular importance for the steel industry because in this context the topic of carbon leakage will also be discussed.

Environmental expenditures¹

In millions of euros
Based on Austrian locations

■ Environmental investments
■ Operating environmental expenses



¹ Basis: Austrian Group locations as it is here that the greatest portion of the Group's environmentally sensitive emissions accrue.

Report on company risk exposure

Since the business year 2000/01, the voestalpine Group has had a comprehensive risk management system in place that was established based on a general, Group-wide policy; in the meantime, it has been updated and expanded on an ongoing basis.

Risk management, as it has been understood and practiced in the voestalpine Group, serves to ensure both the continued long-term existence of the Group and an increase in its value, thus representing a key factor in its success.

In accordance with the Austrian Company Law Amendment Act of 2008 (*Unternehmensrechts-Änderungsgesetz*) and the associated increased importance of an internal control system (ICS) and a risk management system, an Audit Committee has been set up at voestalpine AG, which addresses questions related to risk management and the internal control system (ICS) on an ongoing basis as well as the monitoring thereof. Both the risk management and the internal control systems are integral components of the existing management systems within the voestalpine Group. The Internal Audit department independently monitors operational and business processes and the ICS and has full discretion when reporting and assessing audit results.

The systematic risk management process is an integral part of the business processes within the Group; it serves to recognize potential risks early on and initiate appropriate action to avert them. Risk management covers both the strategic and the operational levels and is therefore a major element in the sustainable success of the Group.

Strategic risk management serves to evaluate and safeguard strategic planning for the future. Strategies are reviewed to ensure conformity with the Group's system of objectives in order to ensure value-adding growth by way of an optimum allocation of resources.

Operational risk management is based on a revolving procedure ("identify and analyze, assess, manage, document, and monitor") that is run at least once a year uniformly across the entire Group. The evaluation of identified risks is implemented using an evaluation matrix comprising nine fields that assesses possible losses and the probability of occurrence. The main risks being documented are operational, environmental, market, procurement, technological, financial, and IT risks. This process is aided by a special web-based IT system.

The preventive measures for the main risk areas presented in last year's Annual Report are still valid:

■ Availability of raw materials

In order to ensure the supply of the required quantity and quality of raw materials and energy, the voestalpine Group has for some years maintained a diversified procurement strategy that minimizes the risks. Long-term relationships with suppliers, the expansion of the Group's supplier portfolio, and the development of its self-sufficiency are the core elements of this strategy that is becoming increasingly important in view of the trend toward higher volatility on the raw materials markets (for more details, please refer to the "Raw Materials" chapter of this Annual Report).

■ **Guidelines for hedging raw materials price risk**

Management of raw materials price risk determines the effects that fluctuations on the raw materials market have on EBIT. Based on the acquired information and taking the individual distinctive characteristics of each raw material into consideration, price risks for the raw materials are hedged by executing delivery contracts containing fixed price agreements or by utilizing derivative financial instruments. An internal guideline defines objectives, principles, and responsibilities, in addition to methodology, processes, and decision-making processes, for how raw materials risks are handled.

■ **CO₂ issues**

Risks associated with CO₂ are covered separately in the "Environment" chapter of this Annual Report.

■ **Failure of IT systems**

At the majority of the Group's sites, business and production processes that are largely based on complex IT systems are serviced by voestalpine group-IT GmbH, a company that specializes in IT and that is wholly owned by the Group holding company voestalpine AG. Due to the importance of IT security and in order to minimize possible IT breakdown and security risks, minimum security standards for IT have been developed, and compliance with these standards is reviewed annually by way of an audit. In order to reduce the risk of unauthorized access to IT systems and applications even further, additional periodic penetration tests are carried out. In the past business year, an online campaign was conducted to

raise employees' awareness with regard to issues relating to IT security.

■ **Failure of production facilities**

In order to minimize the risk of breakdowns of critical facilities, ongoing targeted and comprehensive investments have been made in the technical optimization of sensitive units. Consistent preventive maintenance, risk-oriented storage of spare parts, and comprehensive employee training are additional measures that are being taken.

■ **Knowledge management**

In order to sustainably secure knowledge and especially to prevent the loss of know-how; sophisticated projects have already been initiated, and they are consistently maintained. Available knowledge is permanently documented on an ongoing basis, while new findings from key projects as well as lessons learned as the result of unplanned events are incorporated accordingly. Detailed process documentation, especially in IT-supported areas, also contributes to secure knowledge management.

■ **Risks in the financial sector**

Financial risk management is organized centrally with respect to policy-making powers, strategy determination, and target definition. The existing rules and regulations include targets, principles, tasks, and responsibilities for both the Group Treasury and the financial department of each Group company. Financial risks are continuously monitored, quantified and—where this is feasible—hedged. The strategy aims to reduce fluctuations in cash flow and income. Market risks are largely secured through the use of derivative

financial instruments that are used exclusively in connection with an underlying transaction.

Financing risks are hedged using the following measures:

■ **Liquidity risk**

Liquidity risks generally consist of a company being potentially unable to raise the funds necessary to meet its financial obligations. Existing liquidity reserves enable the company to meet its obligations within the prescribed period. The primary instrument for managing liquidity risk is a precise financial plan drawn up quarterly on a revolving basis. Required financing and bank credit lines are determined by the central Group Treasury based on the consolidated operating results.

■ **Credit risk**

Credit risk refers to financial losses that may occur through non-fulfillment of contractual obligations by individual business partners. The credit risk of the underlying transactions is minimized to the greatest degree possible through credit insurance and bankable securities (guarantees, letters of credit). The default risk for the Group's own remaining risk is kept manageable by way of monitoring and close contact with customers—and based on prior experience during the crises in recent years—is considered to be low. A high percentage of delivery transactions is covered by credit insurance. As of March 31, 2015, 78% of voestalpine's trade receivables were covered by credit insurance. Counterparty credit risk in financial contracts is managed by way of daily monitoring of ratings and any changes in the CDS levels (credit default swap) of the Group's counterparties.

■ **Currency risk**

The Group implements hedges centrally by means of derivative hedging instruments through the Group Treasury. voestalpine AG hedges budgeted (net) foreign currency payment flows for the next twelve months. Longer-term hedging is only carried out for contracted projects. The hedging ratios are between 50% and 100% of the budgeted payment flows for the next twelve months.

■ **Interest rate risk**

voestalpine AG conducts the interest rate risk assessment centrally for the entire Group. This assessment specifically manages cash flow risk (the risk that interest expenses or interest income will undergo an adverse change). As of the reporting date of March 31, 2015, an increase of the interest rate by 1% will result in an increase of the net interest expense amounting to EUR 2.95 million in the next business year. This is, however, an assessment of risk potential on the reporting date, and it can be subject to significant fluctuations over time. As voestalpine AG maintains a liquidity reserve to ensure availability of liquidity, it has interest-bearing investments. In order to avoid interest rate risk stemming from these investments, interest rate exposure on the asset side, expressed by way of the modified duration, is coupled with interest rate exposure on the liability side (asset-liability management).

■ **Price risk**

voestalpine AG also assesses price risk, primarily using scenario analyses to quantify interest and currency risk.

■ Uncertainties stemming from legislation

Goodwill amortization under Austrian tax law

With its decision of January 30, 2014, the Higher Administrative Court (*Verwaltungsgerichtshof*) directed a request for a preliminary ruling to the ECJ (Higher Administrative Court 30/1/2014, EU 2014/0001-1 (2013/15/0186)). Among other issues, this request contained the question of whether, when acquiring a domestic equity interest, goodwill amortization constitutes State aid within the framework of group taxation in Austria as defined by Art. 107 (1) of the Treaty on the Functioning of the European Union [TFEU]. The result of the ECJ preliminary ruling proceeding is still open. If goodwill amortization qualifies as "State aid," a reversal could become necessary for a period of up to ten years from the date of granting of State aid. A reversal of the prior tax abatement effect amounting to EUR 194 million and a reversal of deferred tax assets amounting to EUR 108.4 million depends on the result of the preliminary ruling proceeding. At this time, the risk of a reversal is viewed as unlikely.

Energy tax rebate in Austria

With regard to the Austrian energy tax rebate, the Federal Tax Court (*Bundesfinanzgericht*) has submitted a request for a preliminary ruling to the ECJ (Federal Tax Court 10/31/2014, RE/5100001/2014). As a result of the amendment of the Energy Tax Rebate Act (*Energieabgabenvergütungsgesetz*) with the Budget Accompanying Act 2011 (*Budgetbegleitgesetz*), which applies to periods after December 31, 2010, the energy tax rebate was restricted to manufacturing companies. The questions submitted concern the violation of obligations under the General Block

Exemption Regulation (*Allgemeine Gruppenfreistellungsverordnung, AGVO*), absent environmental protection measures in the rebate regulation, and the absent temporal restriction of the exemption. If the energy tax rebate is qualified as "State aid," a reversal could become necessary for periods after December 31, 2010. At this time, the risk of a reversal is viewed as unlikely.

Economic and financial crisis

Based on the knowledge gained as a result of the recent economic and financial crisis and its effect on the voestalpine Group, additional—primarily corporate—measures were taken during the past several years to minimize risk exposure, and these measures were consistently implemented in the past business year and will continue to be implemented in the coming years. These measures are in particular targeted at

- Minimizing the negative effects that a recessionary economic trend would have on the Company by means of relevant planning precautions ("scenario planning")
- Maintaining high product quality with concurrent continual increases in efficiency and ongoing cost optimization
- Having sufficient financial liquidity available even in the event of constricted financial markets, and
- Securing in-house expertise even more efficiently than before with a view to continuing the long-term expansion of the Group's quality and technology leadership

Concrete measures to eliminate or minimize the risks previously identified within the voestalpine Group have been developed and implemented.

These measures are aimed at reducing potential losses and/or minimizing the likelihood of losses occurring.

It can be stated that, from today's perspective, the voestalpine Group is exposed to limited, manageable risks that do not threaten the continuation of the Group as a going concern. There is no indication of any risks that endanger the future survival of the Group.

Report on the key features of the Group's internal control and risk management systems with regard to accounting procedures

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

It is the responsibility of the Management Board to establish a suitable internal control and risk management system for accounting procedures pursuant to Sec. 82 of the Austrian Stock Corporation Act [*Aktiengesetz, AktG*]. Therefore, the Management Board has adopted guidelines that are binding for the entire Group.

In line with the decentralized structure of the voestalpine Group, the local management of each

Group company is obligated to establish and refine an internal control and risk management system for accounting procedures that meets the requirements of that individual company and ensures compliance with existing Group-wide guidelines and regulations.

The entire process, from procurement to payment, is subject to strict Group guidelines that are designed to avoid the risks associated with the business processes. These Group guidelines set forth measures and rules for avoiding risk, such as, the separation of functions, signature authority rules, and signatory powers for authorizing payments that apply only collectively and are limited to only a few persons (four-eyes principle).

In this context, control measures for IT security constitute a cornerstone of the internal control system. Issuing IT authorizations restrictively supports the separation of sensitive activities. Accounting in the respective Group companies is largely performed using SAP software. The reliability of these SAP systems is being guaranteed by automated business process controls that are built into the system as well as by other methods. Furthermore, reports about critical authorizations and authorization conflicts will be generated automatically.

In preparing the consolidated financial statements, the data for fully consolidated entities is transferred to the unified Group consolidation and reporting system.

The unified Group accounting policies for recording, posting, and recognition of commercial transactions are regulated in the voestalpine consolidated financial statements handbook and are binding for all Group companies concerned.

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

The form in which the Group reports its accounting processes is summarized in the controlling handbook of voestalpine AG.

The accounting and controlling departments of the individual Group companies submit monthly reports with key performance indicators (KPIs) to their own Management Boards and managing directors, and, after approval, to Corporate Accounting & Reporting to be aggregated, consolidated, and reported to the Group Management Board. Quarterly reports include additional information, such as detailed target-performance comparisons, and follow a similar process. Quarterly reports are submitted to the Supervisory or Advisory Board of each Group company and a consolidated report is submitted to the Supervisory Board of voestalpine AG.

As with operational risks, accounting procedures are also subject to risk management. Potential accounting risks are regularly surveyed and avoidance measures implemented. The focus is placed on those risks that are regarded as fundamental to the activities of that company.

Compliance with the internal control system and its quality is monitored on an ongoing basis in the form of audits at the Group company level. The Internal Audit department works closely with the responsible Management Board members and managing directors. The Internal Audit department reports directly to the CEO and submits

reports periodically to the Management Board of voestalpine AG and, subsequently, to the Audit Committee of the Supervisory Board.

The control systems of each company division are also subject to audit procedures by the auditor within the scope of preparation of the annual financial statements to the extent that these control systems are relevant to the preparation of the Group's consolidated financial statements and to a true and fair view of the Group's financial position.

Disclosures on capital, share, voting, and control rights and associated obligations

As of March 31, 2015, the share capital of voestalpine AG amounted to EUR 313,309,235.65 and is divided into 172,449,163 no-par value bearer shares. There are no restrictions on voting rights (1 share = 1 vote). voestalpine AG is unaware of any agreements among its shareholders or between its shareholders and third parties that restrict voting rights or the transfer of shares.

Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG, Linz, as well as the voestalpine Mitarbeiterbeteiligung Privatstiftung (a private foundation for the Company's employee shareholding scheme), Linz, each hold more than 10% (and less than 15%) of the Company's share capital. Oberbank AG, Linz, holds more than 5% (and less than 10%) and Norges Bank (Norwegian Central Bank) holds more than 4% (and less than 5%) of the Company's share capital.

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

With regard to the Management Board's powers that are not derived directly from applicable statutes, such as the purchase of the Company's own shares, authorized or contingent capital, reference is made to item 17 (Equity) of the notes to the consolidated financial statements 2014/15.

The hybrid bond issued in March 2013 with a volume of EUR 500.0 million, EUR 500.0 million fixed-interest securities 2011–2018, EUR 500.0 million fixed-interest securities 2012–2018, EUR 400.0 million fixed-interest securities 2014–2021, the promissory note loan that was issued in the fall of 2008 and partly extended in November 2012 and in October 2014 in the amount of currently EUR 46.5 million, the promissory note loan that was issued in May 2012 and partly extended and/or increased in October 2014 in the amount of EUR 435.5 million, the promissory note loan that was issued in July 2014 in the amount of EUR 221.0 million and USD 100.0 million, and the syndicated loan executed in March 2015 in the amount of EUR 900.0 million (used for general corporate purposes and to refinance syndicated loan 2011; of which EUR 600.0 million as a revolving credit facility to ensure liquidity), the EUR 250.0 million loan granted by the European Investment Bank and bilateral loan agreements amount to approximately EUR 336.0 million contain so-called change-of-control clauses. With the exception of the hybrid bonds, according to the terms of these financing agreements, the bondholders or the lending banks have the right to demand redemption of their bonds or repayment of their loans if control of the company changes. Under the terms and conditions of the hybrid bond issue, the fixed interest rate (interest rate during the fixed-interest periods) and/or the margin (interest rate during the variable interest periods) go up by 5% 61 days after a change in control occurs. voestalpine AG has the right to call and redeem the bonds no later than 60 days after a change in control. According to the terms and conditions of the aforementioned bond and financing agreements, control by voestalpine AG changes when a controlling interest within the meaning of the Austrian Takeover Act (*Übernahmegesetz*) is acquired by another party.

The company has no compensation agreements with the members of the Management Board, Supervisory Board, or employees in the event of a public takeover bid.

Outlook

Looking back at the past business year 2014/15, it must be stated that the expectations at the beginning of the year, namely, a transition of the global economic trend from its crisis mode, which has now lasted for five years, to a broad-based upwards trend have once again not been fulfilled. Apart from the USA and Mexico, a few countries in Southeast Asia, and individual European countries, reality ultimately fell far short of the original hopeful predictions, just as it had in previous years.

Basically, the assessment of the development from voestalpine's perspective exactly one year ago came quite close to the truth. "Despite this improved economic environment, it would be premature to speak of a broad-based global trend reversal. However, it might be possible to create those prerequisites in 2014 to enable a more significant upward trend of the global economy than has been the case in recent years."

Even with everything that has occurred in the past year—the decline of the oil price, significant shifts in the rates of exchange of major currencies, continuing escalation of the Russia-Ukraine conflict, and the spread of strife in a number of Middle Eastern countries—all of which does not exactly promote a reduction of economic tensions at the international level—the overall economic trend should at least continue to stabilize in 2015. For the first time in a number of years, a positive contribution by Europe can be anticipated, as the stabilization of the budgets in several EU—particularly Southern European—member states and fiscal stimulus measures by the EU Commission and the European Central Bank are resulting in economic revitalization effects. The anticipated growth of the Indian economy should fur-

thermore bring a positive momentum to the global economy as well. In North America, the economic situation in Mexico in particular continues to be encouraging. In the USA, however, the strong upward trend of the past two years is expected to lose some of its momentum in the course of the year. The situation in China is characterized by the challenging transition from an economy that is dominated by state investment and intervention to a consumption-driven economy. Nevertheless, China should again achieve growth of around 7% in 2015, albeit increasingly in more sophisticated economic segments than in the past as it shifts away from commodity capitalism. In most of the economies in Southeast Asia, the development in 2015 should continue to be positive. In Brazil, on the other hand, the situation is critical and there is reason to fear that it will take longer than the next six—or even twelve—months to find solutions to its home-made problems. It is difficult to predict the future of the Russia-Ukraine conflict. However, regardless of how it develops, the global economic effects of this conflict will continue to be more or less moderate.

The most important customer industries are sending very different signals for the second half of 2015 with regard to indications of future demand. Continuing very strong global development—most recently including Europe as well—in the automotive industry is contrasted by the energy sector that is marked by considerable uncertainty. However, the sharp decline of prices of raw materials in the past months, especially of oil, has shifted to a phase of consolidation so that this should mean a certain market stability for the rest of 2015. The situation in the alternative energy sector is largely stable and continues to have a

favorable outlook. However, the conventional energy production sector has fewer and fewer future prospects as a result of the energy transition or energy paradigm shift so that it is definitively facing massive structural changes—not just in Europe. The situation of the construction and construction supply industries is currently characterized by differences that vary sharply from region to region. While this industrial sector is expected to continue to recover in Europe—assisted by both national and EU-wide incentive programs—the last uptrend seems to have already peaked not only in China, but in the USA as well, and the classic signs of a bubble are again increasing. The development of the consumer goods, white goods, and electrical industries is largely unremarkable, while the mechanical engineering sector has shown growing momentum in recent months, especially in Germany, after going through a mostly weaker phase in the past year. The aviation sector continues to be fueled by strong demand in 2015, and the development in the railway infrastructure sector also remains solid, driven primarily by a broad-based revival of demand in Europe, a market in North America that continues to be strong, and a railway infrastructure sector in China that is still expanding.

Against this economic backdrop, it is expected that both the Steel and Special Steel Divisions of the voestalpine Group will see full capacity utilization and stable or somewhat rising prices due to their focus on high quality, sophisticated steel grades based on state-of-the-art technology, and

the cost-cutting and efficiency improvement programs that have been implemented. From today's vantage point, this development should continue beyond the first half of the business year as long as the situation in the current political trouble spots does not escalate and new hotspots do not materialize. It should be possible for both divisions to largely compensate the difficult situation in the oil and natural gas sector, both with regard to demand and price, by way of other projects. The Metal Engineering Division's activities relating to oil field pipes will probably be more severely impacted by this situation in the next months because, as of the beginning of the new business year, significant contractual agreements with the US joint venture partner are being fundamentally revised and there will be a shift from at equity consolidation to full consolidation. The impact of this weakening in the oil and natural gas sector on the division's earnings should remain quite manageable as the traditionally high degree of stability of its other business segments, both with regard to volumes and prices, is not expected to change in the new business year. The Metal Forming Division, which does business primarily with the automotive industry, should profit from the continuing strong development of this sector in the course of the year, especially because the numerous plants being put into operation at new, international locations will provide additional support and security as a result of the favorable economic situation.

Against this backdrop, in the business year 2015/16, the voestalpine Group should be able to

not only defend the leading position it has acquired in the past years in technology and quality as well as efficiency and earnings vis-à-vis its competitors but expand it. The new investments undertaken in recent years at a number of sites in all divisions that are now beginning to bear fruit and the continued consistent implementation of the EUR 900-million program to optimize earnings will do their part to support this development. Furthermore, the uncompromising implementation of the downstream strategy, which has been pursued by the Group for 15 years, is leading

toward the definitive departure from the classic earnings mechanisms of the steel industry in favor of both higher and more stable margins in sophisticated industrial sectors. Based on the current economic situation, it can be anticipated that in the business year 2015/16, the voestalpine Group will record further improvement compared to the business year just ended in both operating result (EBITDA) and profit from operations (EBIT), before any non-recurring effects and changes in the scope of consolidation.

Linz, May 22, 2015

The Management Board



Wolfgang Eder



Herbert Eibensteiner



Franz Kainersdorfer



Robert Ottel



Franz Rotter



Peter Schwab

Steel Division

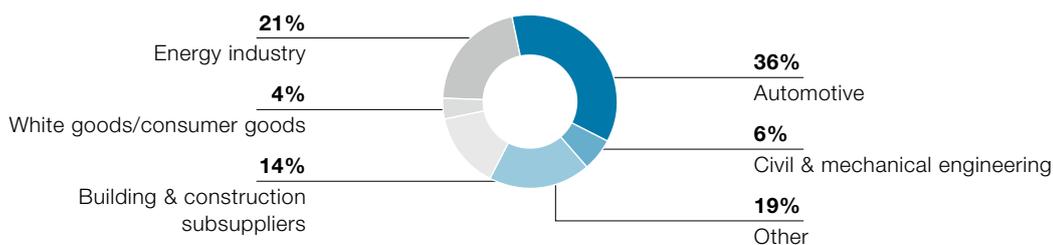
Key figures of the Steel Division

In millions of euros	2013/14 ¹	2014/15	Change in %
Revenue	3,809.7	3,873.9	1.7
EBITDA	402.0	450.3	12.0
EBITDA margin	10.6%	11.6%	
EBIT	169.1	208.0	23.0
EBIT margin	4.4%	5.4%	
Employees (full-time equivalent)	11,192	11,103	-0.8

¹ Business year 2013/14 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements under „B. Summary of accounting policies / General information.“

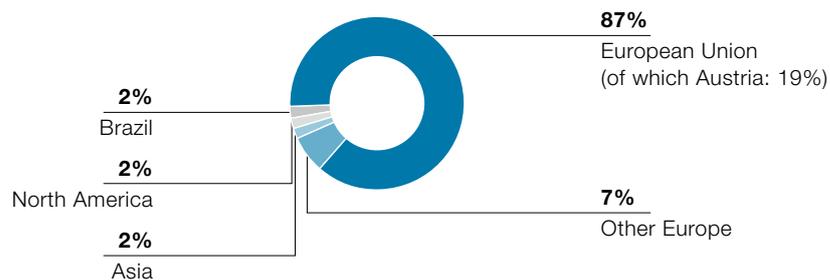
Customers of the Steel Division

As percentage of divisional revenue
Business year 2014/15



Markets of the Steel Division

As percentage of divisional revenue
Business year 2014/15



Market environment and business development

At 1,665 billion tons, global crude steel production in the 2014 calendar year again reached an all-time high, although the increase of 1.0% was very modest in comparison to previous years because crude steel production in China, which is responsible for about half of all production worldwide, stagnated at the previous year's level in the 2014 calendar year after years of extremely high growth rates. In comparison, after two years of declining numbers, production in the European Union in 2014 rose by 2.2% to 169.3 million tons, although this is still far below the pre-crisis level. In the EU, all of the growth took place in the first half of the year, while the second half saw production rates go down again. In contrast to the overall positive development of demand, steel prices softened significantly in the course of the business year, driven by the falling prices for ore that plunged by around 50%.

The automotive industry, the most important customer segment for the Steel Division, was once again the driver for the outstanding capacity utilization of all production facilities throughout the entire business year 2014/15. Particularly the manufacturers of premium vehicles profited from brisk demand in North America and Asia; China has now become the most important market for this segment. In addition, the European market has experienced a revival in the past twelve months, resulting in growing production and sales figures for manufacturers of small and mid-size cars. More recently, the Steel Division has increasingly supplied high quality steel grades to manufacturers of premium brands located in North America and China, not just in Europe.

In the past business year, the mechanical engineering industry faced a volatile business environment due especially to the collapse of exports to Russia, but also weaker demand from China.

Toward the end of the 2014 calendar year, it was able, however, to return to a trajectory of growth, in part as the result of an improvement of its global competitive position in the wake of a weaker European currency. Manufacturers of industrial and commercial vehicles are increasingly adopting a global presence, and due to its excellent market position relative to high-strength and wear-and-tear-resistant steel products, the Steel Division is often an important component in their expansion strategy.

After reviving somewhat in the early part of the 2014 calendar year, the expected recovery of the construction industry did not occur over the course of the year. The white goods industry is facing a market in Europe that is largely saturated so that its order activity is more or less unremarkable. The electrical industry, on the other hand, continues to face a rather challenging competitive environment, not least due to the fact that electromobility is establishing itself only very tentatively.

At the beginning of the 2014 calendar year, the energy sector, which is especially important for the heavy plate business segment, ensured solid capacity utilization due to the award of the Russian South Stream I gas pipeline and subsequently other international pipeline projects, e.g., in Brazil, Africa, and India. Additional orders came in as a result of attractive contracts for clad special plates for pipes. Toward the end of 2014, however, the suspension of follow-up South Stream projects and the sharp decline of the oil price, led to a marked trend reversal and a broad-based slump in demand from the pipeline segment. Existing orders ensured solid capacity utilization of the heavy plate production into the spring of 2015, but international competition for new projects is fierce so that currently, production of strip products is being increasingly substituted for heavy plate as far as this is technically possible.

Financial key performance indicators

Despite the continuing difficult competitive situation in the European steel industry, the Steel Division was able to considerably improve its key figures in the business year 2014/15. Although the recessive price trend for iron ore, the most important raw material for the steel industry, continued throughout the entire business year, thus resulting in permanent price pressure from customers, the division's revenue nevertheless improved in comparison to the business year 2013/14 by 1.7% going from EUR 3,809.7 million to EUR 3,873.9 million in the reporting period. This is due to a record delivery volume of 5.3 million tons, driven by a solid level of demand from the automotive industry and a temporarily stronger energy segment. As far as earnings are concerned, the improvements were much more significant. Increases in EBITDA and EBIT are primarily the result of an increase in volume, made possible mainly by an optimized plant operation mode in the rolling mill sector and severe cost management. Against this backdrop, the operating result (EBITDA) rose by 12.0% from EUR 402.0 million to EUR 450.3 million. Accordingly, the EBITDA

margin went up from 10.6% to 11.6%. Profit from operations (EBIT) even gained 23.0%, rising from EUR 169.1 million to EUR 208.0 million. The EBIT margin therefore increased in the business year 2014/15 to 5.4% (previous year: 4.4%).

A comparison of the fourth quarter 2014/15 to the immediately preceding quarter shows an increase in revenue by 16.7% from EUR 909.2 million to EUR 1,061.2 million despite lower prices; this is due to a substantial increase in delivery volumes. In addition to these positive effects of the gratifying increase in volume, the solid earnings figures in the fourth quarter show the first visible effects of the ongoing efficiency and cost optimization program. Against this background, EBITDA in the fourth quarter was at EUR 142.1 million compared to EUR 97.2 million in the immediately preceding quarter, a boost of 46.2%. Accordingly, the EBITDA margin improved from 10.7% to 13.4%. At EUR 77.4 million (margin: 7.3%) compared to EUR 35.5 million (margin: 3.9%) in the immediately preceding third quarter.

As of March 31, 2015, the Steel Division had 11,103 employees (FTE), in comparison to the figure on the reporting date in the previous year (11,192 employees); this corresponds to a slight decrease of 0.8%.

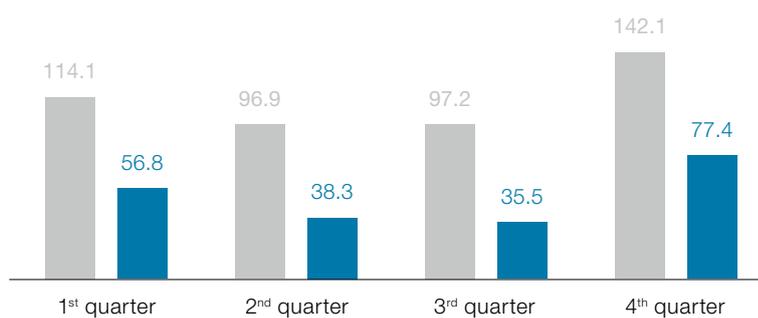
Quarterly development of the Steel Division

In millions of euros	1 st quarter 2014/15	2 nd quarter 2014/15	3 rd quarter 2014/15	4 th quarter 2014/15	BY 2014/15
Revenue	975.0	928.5	909.2	1,061.2	3,873.9
EBITDA	114.1	96.9	97.2	142.1	450.3
EBITDA margin	11.7%	10.4%	10.7%	13.4%	11.6%
EBIT	56.8	38.3	35.5	77.4	208.0
EBIT margin	5.8%	4.1%	3.9%	7.3%	5.4%
Employees (full-time equivalent)	11,035	11,216	11,148	11,103	11,103

Quarterly development of the Steel Division

In millions of euros
Business year 2014/15

■ EBITDA
■ EBIT



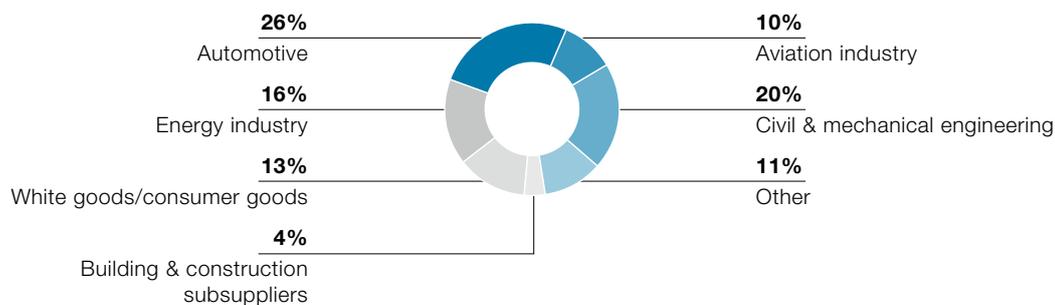
Special Steel Division

Key figures of the Special Steel Division

In millions of euros	2013/14	2014/15	Change in %
Revenue	2,627.9	2,777.4	5.7
EBITDA	358.5	407.0	13.5
EBITDA margin	13.6%	14.7%	
EBIT	224.4	253.7	13.1
EBIT margin	8.5%	9.1%	
Employees (full-time equivalent)	12,885	13,490	4.7

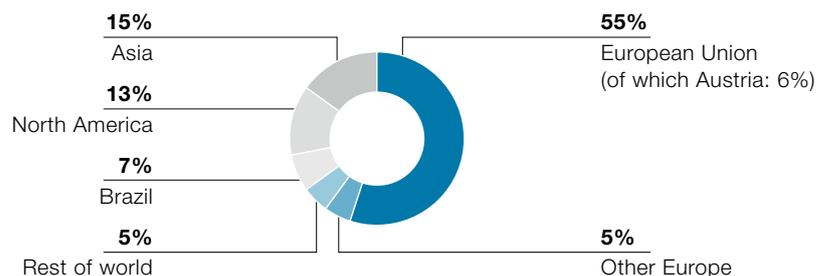
Customers of the Special Steel Division

As percentage of divisional revenue
Business year 2014/15



Markets of the Special Steel Division

As percentage of divisional revenue
Business year 2014/15



Market environment and business development

Overall, the market environment in most industrial segments in the Special Steel Division's core markets improved in the business year 2014/15 compared to the previous year. The performance in the tool steel and high-speed steel segments, with their primary focus on the automotive and consumer goods markets, was far above average. This trend was driven not just by sustained growth in China, Southeast Asia, and North America, but also by the largely stable environment in Germany and the first signs of a recovery in Southern Europe.

In the first three quarters of 2014/15, the oil and natural gas sectors had a significant increase in incoming orders. Since the last quarter of the past business year, however, there has been a substantial reduction in demand as a result of the plunge of the oil price and the associated massive restructuring efforts within the industry. However, by expanding its portfolio, both with regard to the product and the value-added components, the division was able to at least partially compensate this development. In contrast, the aviation sector demonstrated a very positive development throughout the entire year. The market trend was generally positive and a focused improvement of internal processes together with an expansion of the product range enabled this sector to continue its organic growth of recent years.

Demand in the energy engineering industry (power plants) remained subdued and is not expected to improve in the foreseeable future. The mechanical engineering market is also rather restrained. With regard to both of these market segments, it must be clearly differentiated between the situation in Europe and the situation in China, India, and the USA. While there is no real change on the horizon in Europe, on the overseas markets, there are definitely signs pointing to an improvement.

Geographically, the increase in orders coming in for the Special Steel Division in the business year 2014/15 was driven mainly by Asia—particularly China—North America, and a relatively stable market in Germany. Brazil, the economic core country in South America, has maneuvered itself into a crisis-ridden situation largely through its own fault. The division was successful in ensuring a performance there in the business year 2014/15 that was still clearly positive only by way of its focus on exports and by extremely lean management.

In the business year under review, the High Performance Metals (production) business segment enjoyed full capacity utilization in all major production segments; the only exception were those production segments that were impacted by the difficult market situation in the energy engineering industry. In order to durably improve the situation at the site in Wetzlar, Germany, which has been impacted the most by this situation, a re-engineering project that will implement both structural and operational measures has been initiated. A similar change process is already showing positive results at the main site for forging technology in Austria. Besides a significant improvement of the cost situation, the transformation toward producing aerospace products—the target is a revenue share of more than 90%—has already been largely completed.

In the Value-Added Services business segment, the global expansion of logistical and technological services was continued as planned. In addition to the roll-out of the new Eifeler coating technology in the USA and China, the start-up of the new heat treatment units in Düsseldorf was a milestone in the process of enhancing its position as a premium service provider in Germany. In the oil and natural gas segment, the successful start of Böhler Pacific Singapore was a clear signal that the Special Steel Division is pursuing a leading position on the market in Southeast Asia.

Financial key performance indicators

The Special Steel Division's upward trend is reflected very clearly in the key figures. In addition to a slightly improved market environment, restructuring and cost programs at a number of sites as well as the continued expansion of the Value-Added Services business segment were crucial for this development. The division's revenue rose by 5.7%, going from EUR 2,627.9 million in the previous year to EUR 2,774.4 million in the year under review. As the price level remained largely constant, the increase in delivery volumes was primarily responsible for this gain. In addition to this positive development with regard to volumes, it was especially cost savings that drove this considerable improvement. Against this backdrop, the operating result (EBITDA) rose by 13.5% from EUR 358.5 million to EUR 407.0 million. This brings the EBITDA margin in the business year 2014/15 up to 14.7%, substantially higher than the previous year's figure of 13.6%. Due to value adjustments in the wake of restructuring measures at one of the main production sites in the fourth quarter of 2014/15, the increase in the absolute profit from operations (EBIT) figure was somewhat lower; percentage-wise, however, the

figure changed analogously to EBITDA. In a year-over-year comparison, the previous year's EBIT of EUR 224.4 million rose by 13.1% to EUR 253.7 million in the year under review. Therefore, in the same time period, the EBIT margin rose from 8.5% to 9.1%.

The direct comparison of the third and fourth quarters of 2014/15 also showed a clear increase; this was not solely due to the fact that there had been negative seasonal effects in the third quarter, but this was also a confirmation of the upward trend in the fourth quarter. Overall, revenue increased in the fourth quarter compared to the immediately preceding quarter by 10.3% going from EUR 678.5 million to EUR 748.5 million. EBITDA even rose by a third from EUR 95.8 million to EUR 127.8 million; as a result, the margin increased very markedly from 14.1% to 17.1%. With a gain of 24.8% from EUR 62.0 million (margin: 9.1%) to EUR 77.4 million (margin: 10.3%), the EBIT margin in the fourth quarter rose to a two-digit figure for the first time in quite a while despite the previously mentioned value adjustments in the final quarter in the wake of restructuring measures. As of March 31, 2015, the Special Steel Division had 13,490 employees (FTE), an increase of 4.7% compared to the same reporting date in the past business year (12,885 FTE).

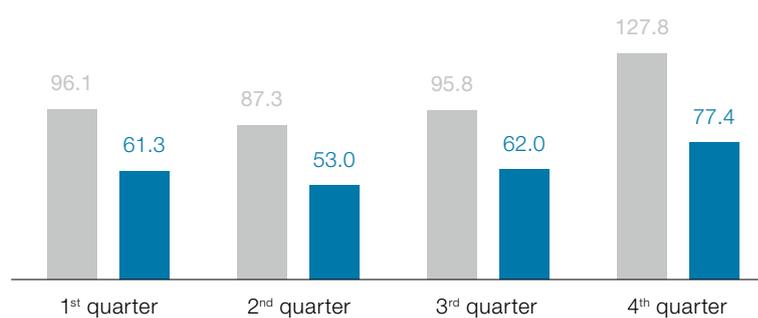
Quarterly development of the Special Steel Division

In millions of euros	1 st quarter 2014/15	2 nd quarter 2014/15	3 rd quarter 2014/15	4 th quarter 2014/15	BY 2014/15
Revenue	675.9	674.5	678.5	748.5	2,777.4
EBITDA	96.1	87.3	95.8	127.8	407.0
EBITDA margin	14.2%	12.9%	14.1%	17.1%	14.7%
EBIT	61.3	53.0	62.0	77.4	253.7
EBIT margin	9.1%	7.9%	9.1%	10.3%	9.1%
Employees (full-time equivalent)	12,958	13,086	13,334	13,490	13,490

Quarterly development of the Special Steel Division

In millions of euros
Business year 2014/15

■ EBITDA
■ EBIT



Metal Engineering Division

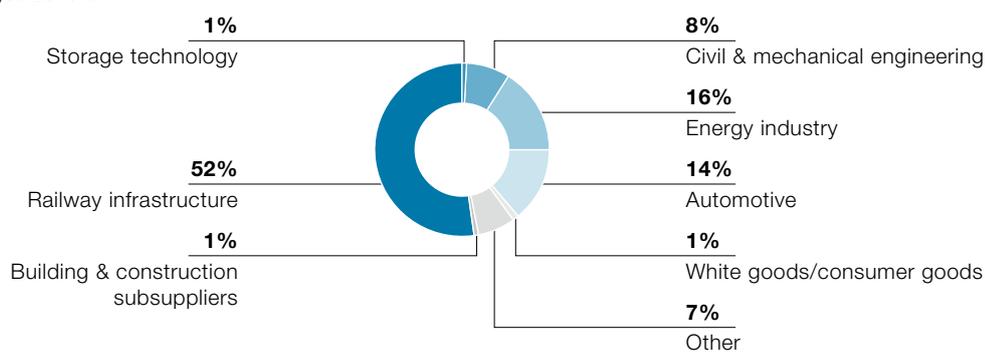
Key figures of the Metal Engineering Division

In millions of euros	2013/14 ¹	2014/15	Change in %
Revenue	2,673.2	2,593.0	-3.0
EBITDA	418.3	419.8	0.4
EBITDA margin	15.6%	16.2%	
EBIT	304.9	292.1	-4.2
EBIT margin	11.4%	11.3%	
Employees (full-time equivalent)	11,217	11,685	4.2

¹ Business year 2013/14 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements under „B. Summary of accounting policies / General information.“

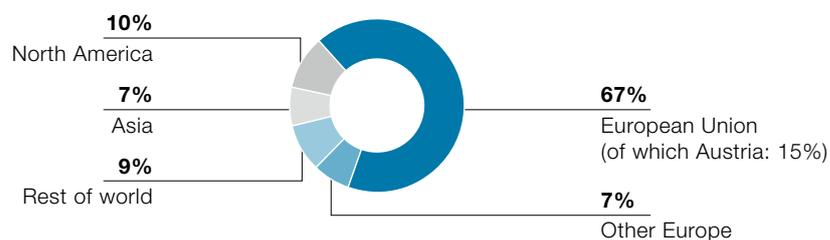
Customers of the Metal Engineering Division

As percentage of divisional revenue
Business year 2014/15



Markets of the Metal Engineering Division

As percentage of divisional revenue
Business year 2014/15



Market environment and business development

The performance of the Metal Engineering Division in 2014/15 was at a very good and constant level, thus seamlessly continuing the successful previous years. A major pillar of the division was once again the railway infrastructure sector, where demand in Europe in the year under review increased considerably after years when only minor investment to maintain infrastructure had been made. Both the Turnout Systems and the Rail Technology business segments profited from this development, with the Rail Technology business segment shifting more of its business activity to the European continent now that a number of major international projects had been successfully completed. Particularly the good order level for head-hardened premium rails, which has already ensured full capacity utilization for practically the entire 2015 calendar year, enables the production facilities to transition from three-shift to four-shift operations for the entire business year. Outside of Europe, demand was driven by infrastructure projects in the heavy-haul transport sector, especially in South Africa and Australia.

The Turnout Systems business segment can look back on the most successful business year in its history, which is solid proof for its outstanding competitive position internationally. The development in the business year 2014/15 was driven by a revival of the European market and, concurrently, continuing strong demand from overseas markets in North America, Australia, and Asia; particularly dynamic project activity in China and the upward economic trend in India should be highlighted. With the acquisition of the Australian company Bathurst Rail Fabrication Centre in the third quarter of 2014/15 (see Chapter "Acquisitions"), the Turnout Systems business segment expanded its leading position in Australia, which is a particularly important market for heavy-haul transport.

The Wire Technology business segment, which manufactures quality wire particularly for the automotive supply industry, utilized the solid automobile market and can thus report a very satisfactory performance for the year under review. The drawn wire segment, which is partially dependent on the oil and natural gas industries, faced a softening of demand during the business year due to the falling oil price. Greater customer diversification and an enhancement of the product portfolio in the drawn wire segment were the reasons for the acquisition of the Italian company Trafileries Industriali S.p.A. in the third quarter of 2014/15 (see Chapter "Acquisitions"); this acquisition was intended to increasingly counter potential weakening of individual customer segments.

Despite the massive drop in the oil price beginning in the fall of 2014, the Seamless Tube business segment was able to have 100% capacity utilization in its facilities throughout the entire business year 2014/15. Due to the low oil price, the number of drilling locations in the USA was halved within just a few months, while the price decline has thus far shown hardly any effect on the oil production volume in the Middle East. Overall, the number of incoming orders again declined in the fourth quarter of 2014/15: this will make it necessary to adjust capacity in the seamless tube plant in Kindberg, Austria, in 2015/16. In the business year 2014/15, the Welding Technology business segment faced weak demand in Europe, particularly from the mechanical engineering and plant engineering sectors. The economic environment in Brazil continued to be difficult, while the development in China, Southeast Asia, India, and North America was considerably more robust. An overall positive development for the business year 2015/16 can be anticipated due to the improving industrial performance in Germany and the implementation of the cost and efficiency optimization programs in the business segment.

Financial key performance indicators

At EUR 2,593.0 million, the revenue of the Metal Engineering Division in the business year 2014/15 was 3.0% lower than the previous year's figure of EUR 2,673.2 million with two factors playing a crucial role in this development. Against the background of a deflationary environment with regard to raw materials, the price level in the processing segments softened on one hand, and on the other, rail deliveries by the division were significantly reduced due to the closure of the standard rail production in Duisburg as of the end of the 2013 calendar year. In contrast, the Turnout Systems business segment expanded its business and made a positive contribution to revenue. The Wire Technology business segment increased its delivery volumes substantially due to the new acquisition Trafilieri Industriali S.p.A., which was newly consolidated in the third quarter, and to the very good economic environment in the automotive industry.

At EUR 419.8 million, the division's operating result (EBITDA) was slightly higher than last year's figure (EUR 418.3 million). Due to the lower revenue basis, the EBITDA margin rose from 15.6% to 16.2%. With regard to profit from operations (EBIT), in the business year 2014/15, the ambitious goals articulated in the previous business year could not be achieved fully due to impairment losses in the Wire Technology business segment; nevertheless, the key figures are still at a very good level. The decline was quite

moderate with a minus of 4.2%, which amounts to a decrease from EUR 304.9 million to EUR 292.1 million. The EBIT margin fell negligibly from 11.4% to 11.3%.

A comparison of the fourth quarter of 2014/15 with the immediately preceding quarter shows that revenue was stable, with earnings increasing markedly. While revenue in the Wire Technology and Welding Technology business segments improved in the fourth quarter, it slipped slightly in the Turnout Systems business segment, albeit from a high level. In the fourth quarter, revenue was at EUR 632.7 million, practically at the same level as in the immediately preceding quarter (EUR 630.5 million). EBITDA rose by almost a third from EUR 92.2 million to EUR 123.9 million due to the substantial upward trend in the Welding Technology business segment in the fourth quarter, but also because of the excellent performance of all other business segments as well. Accordingly, the operating margin (EBITDA margin) increased significantly from 14.6% in the third quarter to 19.6% in the fourth quarter. As a result of impairment losses in the Wire Technology business segment in the last quarter, at 20.2% going from EUR 65.0 million to EUR 78.1 million, the increase in EBIT was somewhat more moderate than the rise in EBITDA. The EBIT margin rose clearly from 10.3% to 12.3%.

As of March 31, 2015, the Metal Engineering Division had 11,685 employees (FTE); the number rose by 4.2%, partly due to acquisitions, compared to the same reporting date in the previous year (11,217 employees).

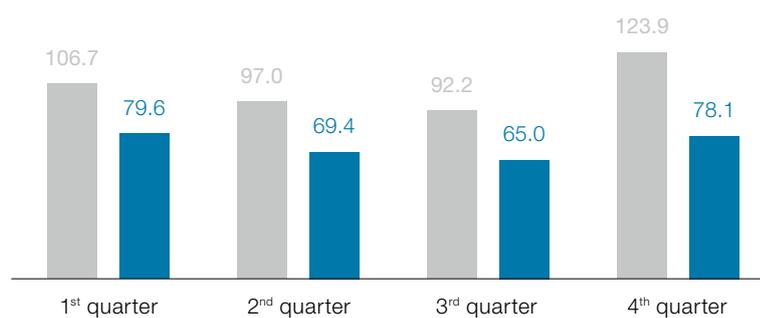
Quarterly development of the Metal Engineering Division

In millions of euros	1 st quarter 2014/15	2 nd quarter 2014/15	3 rd quarter 2014/15	4 th quarter 2014/15	BY 2014/15
Revenue	679.3	650.5	630.5	632.7	2,593.0
EBITDA	106.7	97.0	92.2	123.9	419.8
EBITDA margin	15.7%	14.9%	14.6%	19.6%	16.2%
EBIT	79.6	69.4	65.0	78.1	292.1
EBIT margin	11.7%	10.7%	10.3%	12.3%	11.3%
Employees (full-time equivalent)	11,250	11,351	11,284	11,685	11,685

Quarterly development of the Metal Engineering Division

In millions of euros
Business year 2014/15

■ EBITDA
■ EBIT



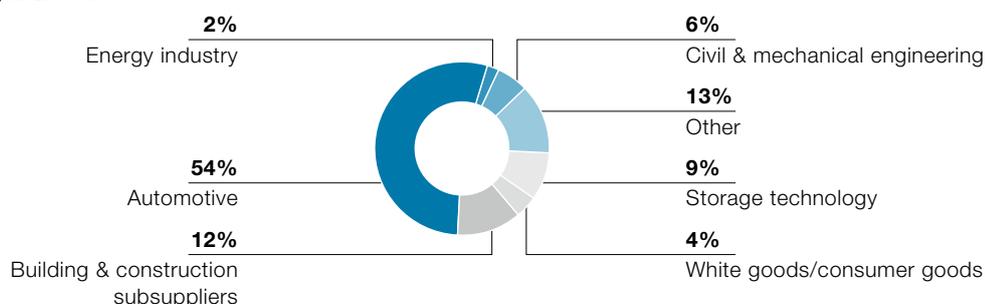
Metal Forming Division

Key figures of the Metal Forming Division

In millions of euros	2013/14	2014/15	Change in %
Revenue	2,356.9	2,335.2	-0.9
EBITDA	276.4	331.3	19.9
EBITDA margin	11.7%	14.2%	
EBIT	182.3	220.7	21.1
EBIT margin	7.7%	9.5%	
Employees (full-time equivalent)	11,416	10,328	-9.5

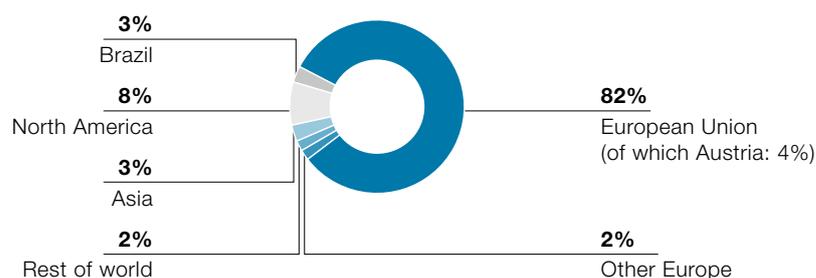
Customers of the Metal Forming Division

As percentage of divisional revenue
Business year 2014/15



Markets of the Metal Forming Division

As percentage of divisional revenue
Business year 2014/15



Market environment and business development

In the business year 2014/15, the development of the Metal Forming Division was inconsistent, both with regard to the most important sales regions and the customer segments. The division's overall operating performance, i.e., without taking non-recurring effects due to divestments into account, was ultimately slightly above the previous year's level.

In the Automotive Body Parts business segment, the export-driven order situation of the premium automobile manufacturers in Europe ensured excellent, stable demand. Additionally, since the beginning of the business year 2014/15, leading automobile manufacturers, including at newly constructed plants at international locations in the USA, China, and South Africa, have been supplied with safety-relevant, pre-assembled modules. The recovery in the compact and sub-compact car sectors in Europe, which had begun in the second half of the business year 2013/14, continued in 2014/15; the rising production and sales figures in these sectors are currently contributing to a stable and high level of capacity utilization in the entire Automotive Body Parts business segment.

The economic climate in the Tubes & Sections business segment was characterized by a volatile and very challenging market environment with considerable regional differences in the business year 2014/15. The European core markets were adversely impacted by the conflict between the Ukraine and Russia and resulting export restrictions. Demand in Europe remained below average overall, with the exception of passive safety components for the automobile industry as well as support elements for the construction industry. The noticeable uptrend in construction activity in the EU in the early part of the business year flattened out quickly and new momentum did not materialize in this sector until the fourth quarter of the business year. In the truck segment, higher

truck sales in advance of the introduction of the Euro 6 environmental standard had occurred in the business year 2013/14, so that there was a significant decline in incoming orders. Outside of Europe, the Tubes & Sections business segment profited from a robust environment especially in the USA, while Brazil was generally plagued by recessive tendencies due to state over-regulation. The agricultural machinery segment was characterized by a broad-based—and practically global—reticence to make investments, which was caused by the decline in the prices for food staples. Toward the end of the business year, the solar industry sector saw a certain recovery trend due to the introduction and/or increase in government subsidies.

The Precision Strip business segment, whose production is focused on Europe, but whose sales are global, reported a good business year 2014/15 overall; despite flat demand in Europe and over-capacity in China, there were positive signals from the US market. However, the change in the rates of exchange and a build-up of capacity in the Far East, which has been ongoing for quite some time, resulted in more fierce competition with Asian competitors.

The market dynamic in the first half of the business year 2014/15 in the Warehouse & Rack Solutions business segment subsequently flattened slightly, however, it is still at a solid level so that this business segment, which has been developing very successfully, is going into the new business year with a solid level of demand and a stable order situation.

In the course of the business year 2014/15, the Metal Forming Division significantly streamlined its 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. Additionally, the Swedish company Rotec AB was

divested in the fourth quarter of 2014/15; this company focused purely on retail sales of precision pipes and pipes made of special steel. In addition to this streamlining of the portfolio, in the course of the year, individual assets that do not form a part of the division's core business were revaluated, 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 61.9 million and on EBIT of EUR 45.2 million. These figures do not take into account the operating result of the divested companies that no longer applies.

Financial key performance indicators

The overall steady development of the Metal Forming Division is also reflected in the comparison of the financial key performance indicators of the business year 2014/15 with those of the previous year. Despite the divestments and the associated deconsolidations of the Flamco Group in the second quarter, the plastics companies in the third quarter, and Rotec AB in the fourth quarter, revenue was practically unchanged at EUR 2,335.2 million (previous year: EUR 2,356.9 million). The divestment-related loss in revenue was compensated primarily by an expansion of activities by the Automotive Body Parts business segment, both in Europe and in the USA, China, and South Africa. While the Warehouse & Rack Solutions and Precision Strip business segments reported slight increases in revenue, the revenue generated by the Tubes & Sections business segment was somewhat below that of the previous year. In terms of earnings, performance

was clearly positive, not least due to the non-recurring effects described in the Chapter "Acquisitions / Divestments." The operating result (EBITDA) improved by 19.9% from EUR 276.4 million to EUR 331.3 million. Excluding the non-recurring effects, there is a decline of 2.5% to EUR 269.4 million. Thus, the EBITDA margin in the business year 2014/15 is 14.2% (adjusted 11.5%) compared to 11.7% in the previous year. Percentage-wise in a similar range as the operating result, profit from operations (EBIT) rose by 21.1% from EUR 182.3 million (margin: 7.7%) to EUR 220.7 million (margin: 9.5%). Without taking the non-recurring effects into account, EBIT was reduced by 3.7% to EUR 175.5 million, with the EBIT margin at 7.5%.

A comparison of the fourth quarter with the immediately preceding quarter shows a revenue increase of 5.6% from EUR 561.6 million to EUR 592.8 million, due primarily to a slight upward trend in the Tubes & Sections business segment. With regard to the earnings trend, both EBITDA and EBIT showed a clear improvement in the fourth quarter compared to the immediately preceding quarter. The rise in EBITDA by 19.0% from EUR 60.5 million (margin: 10.8%) to EUR 72.0 million (margin: 12.1%) is largely due to the more attractive market environment in the Tubes & Sections business segment. EBIT improved accordingly, going up by 41.6% from EUR 37.5 million to EUR 53.1 million. This resulted in an increase of the EBIT margin from 6.7% to 9.0% comparing the third and fourth quarters.

As of the end of the business year 2014/15, the number of employees (FTE) in the Metal Forming Division was 10,328 or 9.5% below last year's figure (11,416 employees). The reduction in headcount is the result of divestments in the business year under review.

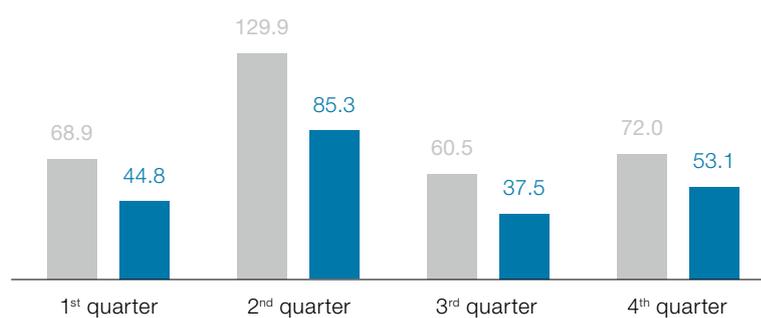
Quarterly development of the Metal Forming Division

In millions of euros	1 st quarter 2014/15	2 nd quarter 2014/15	3 rd quarter 2014/15	4 th quarter 2014/15	BY 2014/15
Revenue	601.9	578.9	561.6	592.8	2,335.2
EBITDA	68.9	129.9	60.5	72.0	331.3
EBITDA margin	11.5%	22.4%	10.8%	12.1%	14.2%
EBIT	44.8	85.3	37.5	53.1	220.7
EBIT margin	7.4%	14.7%	6.7%	9.0%	9.5%
Employees (full-time equivalent)	11,423	10,921	9,885	10,328	10,328

Quarterly development of the Metal Forming Division

In millions of euros
Business year 2014/15

■ EBITDA
■ EBIT



voestalpine AG

Consolidated Financial Statements 2014/15

Consolidated Financial Statements

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Report of the Supervisory Board on the business year 2014/15

During the business year 2014/15, the Supervisory Board fulfilled its responsibilities under the law and the Articles of Incorporation, holding six plenary sessions, three meetings of the Audit Committee, and two meetings of the General Committee. The Management Board provided comprehensive information both orally and in written form regarding the state of business and the situation of the company.

The Annual Financial Statements and the Group's Consolidated Financial Statements as of March 31, 2015 were audited by Grant Thornton Unitreu GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, which was engaged as mandated by Section 270 of the Austrian Commercial Code (*Unternehmensgesetzbuch, UGB*). The audits did not give rise to any objections and showed that the Annual Financial Statements and the Consolidated Financial Statements, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as mandated by Section 245a of the Austrian Commercial Code, conform to the statutory regulations. The auditor issued an unqualified audit opinion both for the Annual Financial Statements and the Consolidated Financial Statements and confirmed that the Management Report is consistent with the Annual Financial Statements and the Consolidated Management Report is consistent with the Consolidated Financial Statements.

After they had been considered by the Audit Committee, on June 2, 2015, the Supervisory Board reviewed and approved the Annual Financial Statement as of March 31, 2015. The Annual Financial Statements are herewith deemed adopted pursuant to Section 96 (4) of the Austrian Stock Corporation Act (*Aktiengesetz*). Furthermore, after they had been considered by the Audit Committee, the Supervisory Board acknowledged and approved the Management Report as well as the Consolidated Financial Statements together with the Consolidated Management Report and the Corporate Governance Report.

The Corporate Governance Report was also audited by Grant Thornton Unitreu GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, within the scope of the annual external review of voestalpine AG's compliance with the C and R rules of the Corporate Governance Code, and it was determined that the report is in agreement with actual circumstances and the rules have been complied with. Compliance with the C rules of the Code pertaining to the auditor (Rules 77 to 83) was reviewed by the law firm WOLF THEISS Rechtsanwälte GmbH & Co KG. This review also confirmed compliance with the rules.

It has been established that the business year 2014/15 has ended with a net profit of EUR 175,000,000.00; it is being recommended that a dividend of EUR 1.00 per dividend-bearing share be paid to the shareholders and that the remaining amount be carried forward.

The Supervisory Board



Dr. Joachim Lemppenau
(Chairman)

Linz, June 2, 2015

voestalpine AG

Consolidated statement of financial position

 for the year ended March 31, 2015

Assets

	Notes	04/01/2013 ¹	03/31/2014 ¹	03/31/2015
A. Non-current assets				
Property, plant and equipment	9	4,553,777	4,741,829	5,328,422
Goodwill	10	1,470,165	1,472,259	1,472,881
Other intangible assets	11	320,294	336,221	345,284
Investments in entities consolidated according to the equity method	12	233,982	214,732	219,093
Other financial assets	12	108,718	90,667	77,652
Deferred tax assets	13	342,212	312,335	328,895
		7,029,148	7,168,043	7,772,227
B. Current assets				
Inventories	14	2,839,481	2,883,693	2,977,451
Trade and other receivables	15	1,658,445	1,621,021	1,667,888
Other financial assets	12	473,329	429,718	412,826
Cash and cash equivalents	16	1,092,567	532,406	464,505
		6,063,822	5,466,838	5,522,670
Total assets		13,092,970	12,634,881	13,294,897

¹ Business year 2013/14 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements under „B. Summary of accounting policies / General information.“

In thousands of euros

Equity and liabilities

	Notes	04/01/2013 ¹	03/31/2014 ¹	03/31/2015
A. Equity				
Share capital		313,309	313,309	313,309
Capital reserves		472,533	470,837	471,916
Hybrid capital		993,948	993,948	497,900
Reserve for own shares		-4,743	-1,497	-1,497
Other reserves		16,103	-92,078	74,084
Retained earnings		3,217,449	3,512,147	3,682,440
Equity attributable to equity holders of the parent		5,008,599	5,196,666	5,038,152
Non-controlling interests		67,298	64,932	64,395
	17	5,075,897	5,261,598	5,102,547
B. Non-current liabilities				
Pensions and other employee obligations	18	991,675	1,015,315	1,252,072
Provisions	19	113,769	99,184	70,417
Deferred tax liabilities	13	189,609	187,403	180,964
Financial liabilities	20	2,558,642	2,596,772	3,004,643
		3,853,695	3,898,674	4,508,096
C. Current liabilities				
Provisions	19	605,697	497,910	513,598
Tax liabilities		60,745	58,292	77,191
Financial liabilities	20	1,371,758	831,826	890,172
Trade and other payables	21	2,125,178	2,086,581	2,203,293
		4,163,378	3,474,609	3,684,254
Total equity and liabilities		13,092,970	12,634,881	13,294,897

¹ Business year 2013/14 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements under „B. Summary of accounting policies / General information.“

In thousands of euros

voestalpine AG

Consolidated
statement of cash flows 2014/15

	Notes	2013/14 ¹	2014/15
Operating activities			
Profit for the period		503,428	594,238
Adjustments	24	662,587	581,480
Changes in working capital			
Change in inventories		-102,325	-65,196
Change in receivables and liabilities		-22,646	-30,537
Change in provisions		-106,444	39,890
		-231,415	-55,843
Cash flows from operating activities		934,600	1,119,875
Investing activities			
Additions of other intangible assets, property, plant and equipment		-883,237	-1,061,346
Income from disposals of assets		43,667	33,491
Cash flows from the acquisition of control of subsidiaries		-18,382	-52,060
Cash flows from the loss of control of subsidiaries		660	124,784
Additions/divestments of other financial assets		74,564	27,142
Cash flows from investing activities		-782,728	-927,989
Financing activities			
Dividends paid		-212,764	-229,973
Dividends paid non-controlling interests		-10,485	-13,998
Disposals of own shares		1,571	0
Change of non-controlling interests		-6,728	-9,868
Redemption hybrid bond	17	0	-500,000
Change in non-current financial liabilities		60,694	410,413
Change in current financial liabilities		-527,911	53,865
Cash flows from financing activities		-695,623	-289,561
Net decrease/increase in cash and cash equivalents		-543,751	-97,675
Cash and cash equivalents, beginning of year		1,092,567	532,406
Net exchange differences		-16,410	29,774
Cash and cash equivalents, end of year	16	532,406	464,505

¹ Business year 2013/14 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements under „B. Summary of accounting policies / General information.“

In thousands of euros

voestalpine AG

Consolidated statement of comprehensive income 2014/15

Consolidated income statement 2014/15

	Notes	2013/14 ¹	2014/15
Revenue	1, 2	11,077,233	11,189,487
Cost of sales		-8,867,127	-8,917,413
Gross profit		2,210,106	2,272,074
Other operating income	3	359,133	454,384
Distribution costs		-953,151	-975,425
Administrative expenses		-586,153	-603,089
Other operating expenses	4	-293,610	-321,779
Share of profit of entities consolidated according to the equity method	5	52,112	60,165
Profit from operations (EBIT)		788,437	886,330
Finance income	6	40,643	44,002
Finance costs	7	-188,244	-189,386
Profit before tax (EBT)		640,836	740,946
Tax expense	8	-137,408	-146,708
Profit for the period		503,428	594,238
Attributable to:			
Equity holders of the parent		446,435	536,070
Non-controlling interests		3,174	8,835
Share planned for hybrid capital owners		53,819	49,333
Basic and diluted earnings per share (euros)	30	2,59	3,11

Consolidated other comprehensive income 2014/15

	Notes	2013/14 ¹	2014/15
Profit for the period		503,428	594,238
Items of other comprehensive income that will be reclassified to profit or loss			
Cash flow hedges		-1,254	22,385
Net investment hedges		0	10,356
Currency translation		-107,906	127,376
Share of result of entities consolidated according to the equity method		-2,232	9,819
Subtotal of items of other comprehensive income that will be reclassified to profit or loss		-111,392	169,936
Items of other comprehensive income that will not be reclassified to profit or loss			
Actuarial gains/losses		-27,861	-184,270
Actuarial gains/losses of entities consolidated according to the equity method		-315	-2,290
Subtotal of items of other comprehensive income that will not be reclassified to profit or loss		-28,176	-186,560
Other comprehensive income for the period, net of income tax		-139,568	-16,624
Total comprehensive income for the period		363,860	577,614
Attributable to:			
Equity holders of the parent		310,065	515,630
Non-controlling interests		-24	12,651
Share planned for hybrid capital owners		53,819	49,333
Total comprehensive income for the period		363,860	577,614

¹ Business year 2013/14 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements under „B. Summary of accounting policies / General information.“

In thousands of euros

voestalpine AG

Consolidated statement of changes in equity 2014/15

	Share capital	Capital reserves	Hybrid capital	Reserve for own shares
Balance as of April 1, 2013¹	313,309	472,533	993,948	-4,743
Profit for the period	0	0	0	0
Items of other comprehensive income that will be reclassified to profit or loss				
Cash flow hedges	0	0	0	0
Currency translation	0	0	0	0
Share of result of entities consolidated according to the equity method	0	0	0	0
Subtotal of items of other comprehensive income that will be reclassified to profit or loss	0	0	0	0
Items of other comprehensive income that will not be reclassified to profit or loss				
Actuarial gains/losses	0	0	0	0
Actuarial gains/losses of entities consolidated according to the equity method	0	0	0	0
Subtotal of items of other comprehensive income that will not be reclassified to profit or loss	0	0	0	0
Other comprehensive income for the period, net of income tax	0	0	0	0
Total comprehensive income for the period	0	0	0	0
Own shares acquired/disposed	0	-1,675	0	3,246
Dividends	0	0	0	0
Dividends to hybrid capital owners	0	0	0	0
Tax effect from transactions with hybrid capital owners	0	0	0	0
Share-based payment	0	-21	0	0
Other changes	0	0	0	0
	0	-1,696	0	3,246
Balance as of March 31, 2014 = Balance as of April 1, 2014	313,309	470,837	993,948	-1,497
Profit for the period	0	0	0	0
Items of other comprehensive income that will be reclassified to profit or loss				
Cash flow hedges	0	0	0	0
Net investment hedges	0	0	0	0
Currency translation	0	0	0	0
Share of result of entities consolidated according to the equity method	0	0	0	0
Subtotal of items of other comprehensive income that will be reclassified to profit or loss	0	0	0	0
Items of other comprehensive income that will not be reclassified to profit or loss				
Actuarial gains/losses	0	0	0	0
Actuarial gains/losses of entities consolidated according to the equity method	0	0	0	0
Subtotal of items of other comprehensive income that will not be reclassified to profit or loss	0	0	0	0
Other comprehensive income for the period, net of income tax	0	0	0	0
Total comprehensive income for the period	0	0	0	0
Dividends	0	0	0	0
Redemption hybrid bond	0	0	-500,000	0
Dividends to hybrid capital owners	0	0	0	0
Tax effect from transactions with hybrid capital owners	0	0	0	0
Share-based payment	0	997	0	0
Other changes	0	82	3,952	0
	0	1,079	-496,048	0
Balance as of March 31, 2015	313,309	471,916	497,900	-1,497

¹ Business year 2013/14 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements under „B. Summary of accounting policies / General information.“

Other reserves		Retained earnings	Total attributable to equity holders of the parent	Non-controlling interests	Total equity
Translation reserve	Hedging reserve				
22,830	-6,727	3,217,449	5,008,599	67,298	5,075,897
0	0	500,254	500,254	3,174	503,428
0	-1,254	0	-1,254	0	-1,254
-104,695	0	0	-104,695	-3,211	-107,906
-3,772	1,540	0	-2,232	0	-2,232
-108,467	286	0	-108,181	-3,211	-111,392
0	0	-27,874	-27,874	13	-27,861
0	0	-315	-315	0	-315
0	0	-28,189	-28,189	13	-28,176
-108,467	286	-28,189	-136,370	-3,198	-139,568
-108,467	286	472,065	363,884	-24	363,860
0	0	0	1,571	0	1,571
0	0	-155,178	-155,178	-8,688	-163,866
0	0	-42,790	-42,790	0	-42,790
0	0	17,813	17,813	0	17,813
0	0	0	-21	0	-21
0	0	2,788	2,788	6,346	9,134
0	0	-177,367	-175,817	-2,342	-178,159
-85,637	-6,441	3,512,147	5,196,666	64,932	5,261,598
0	0	585,403	585,403	8,835	594,238
0	22,385	0	22,385	0	22,385
0	10,356	0	10,356	0	10,356
123,602	0	-143	123,459	3,917	127,376
14,785	-4,966	0	9,819	0	9,819
138,387	27,775	-143	166,019	3,917	169,936
0	0	-184,169	-184,169	-101	-184,270
0	0	-2,290	-2,290	0	-2,290
0	0	-186,459	-186,459	-101	-186,560
138,387	27,775	-186,602	-20,440	3,816	-16,624
138,387	27,775	398,801	564,963	12,651	577,614
0	0	-163,799	-163,799	-8,385	-172,184
0	0	0	-500,000	0	-500,000
0	0	-66,174	-66,174	0	-66,174
0	0	12,278	12,278	0	12,278
0	0	0	997	0	997
0	0	-10,813	-6,779	-4,803	-11,582
0	0	-228,508	-723,477	-13,188	-736,665
52,750	21,334	3,682,440	5,038,152	64,395	5,102,547

In thousands of euros

voestalpine AG

Notes to the consolidated financial statements 2014/15

A. General information and corporate purpose

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

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

The consolidated financial statements for the year ended March 31, 2015, (including comparative figures for the year ended March 31, 2014) have been prepared pursuant to Sec. 245a (1) of the

Austrian Commercial Code (*Unternehmensgesetzbuch, UGB*) in accordance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standard Board (IASB) and adopted by the European Union.

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

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

The Management Board of voestalpine AG approved the consolidated financial statements and authorized the consolidated financial statements for submission to the Supervisory Board on May 22, 2015.

B. Summary of accounting policies

General information

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

The following new and revised standards were 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
IFRS 10, IFRS 11 and IFRS 12, 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
IFRS 10, IFRS 12 and IAS 27, 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; 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 consolidated financial statements. Amended disclosure in EBIT reflects the operational nature of investments accounted for using the equity method. Analogous to corporations, the annual profits (net including taxes) of partnerships included in the consolidated financial statements according to the equity method are also recorded under EBIT. 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 seven associates and two further joint ventures, 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 resulted in additional disclosures in the consolidated 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 caused by 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 business year 2013/14 was retroactively adjusted. In these consolidated financial state-

ments, the tax effects on hybrid capital interest and on costs associated with issuing hybrid capital are furthermore reported directly in equity (and no longer in the consolidated statement of comprehensive income) in accordance with IAS 8. These two items were also retroactively adjusted in the comparative period of 2013/14.

The consequences of the described retroactive adjustments are as follows:

Change in the consolidated statement of financial position

04/01/2013	Values as originally reported	Adjustment	Values retroactively adjusted
Total assets	13,079.3	13.7	13,093.0
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 entities consolidated according to the equity method	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	2.9	1,658.4
thereof Cash and cash equivalents	1,092.7	-0.1	1,092.6
Total equity and liabilities	13,079.3	13.7	13,093.0
thereof Equity	5,075.2	0.7	5,075.9
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	1,371.7
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	-2.6	12,634.9
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 entities consolidated according to the equity method	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	1.9	1,621.0
thereof Cash and cash equivalents	532.5	-0.1	532.4
Total equity and liabilities	12,637.5	-2.6	12,634.9
thereof Equity	5,261.0	0.6	5,261.6
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

2013/14	Values as originally reported	Adjustment	Values retroactively adjusted
Revenue	11,227.9	-150.7	11,077.2
Cost of sales	-8,938.3	71.2	-8,867.1
Gross profit	2,289.6	-79.5	2,210.1
Other operating income	360.6	-1.5	359.1
Distribution costs	-976.5	23.4	-953.1
Administrative expenses	-589.1	2.9	-586.2
Other operating expenses	-292.3	-1.3	-293.6
Share of profit of entities consolidated according to the equity method	0.0	52.1	52.1
EBIT	792.3	-3.9	788.4
Share of profit of entities consolidated according to the equity method	12.0	-12.0	0.0
Finance income	40.5	0.1	40.6
Finance costs	-188.8	0.6	-188.2
Profit before tax (EBT)	656.0	-15.2	640.8
Income tax expense	-133.1	-4.3	-137.4
Profit for the period	522.9	-19.5	503.4
Attributable to:			
Equity holders of the parent	448.1	-1.7	446.4
Non-controlling interests	3.2	0.0	3.2
Share planned for hybrid capital owners	71.6	-17.8	53.8
Basic and diluted earnings per share (euros)	2.60	-0.01	2.59

In millions of euros

The positive income tax expense effect on hybrid capital interest of EUR 17.8 million in the business year 2013/14 has now been recognized retroactively directly in equity rather than in the statement of comprehensive income.

Change in the consolidated statement of comprehensive income

2013/14	Values as originally reported	Adjustment	Values retroactively adjusted
Profit for the period	522.9	-19.5	503.4
Items of other comprehensive income that will be subsequently reclassified to profit or loss			
Cash flow hedges	-1.2	0.0	-1.2
Currency translation	-107.9	0.0	-107.9
Share of profit of entities consolidated according to the equity method	-3.8	1.6	-2.2
Subtotal of items of other comprehensive income that will be subsequently reclassified to profit or loss	-112.9	1.6	-111.3
Items of other comprehensive income that will not be reclassified to profit or loss			
Actuarial gains/losses	-28.0	0.1	-27.9
Share of profit of entities consolidated according to the equity method – Actuarial gains/losses	-0.2	-0.1	-0.3
Subtotal of items of other comprehensive income that will not be reclassified to profit or loss	-28.2	0.0	-28.2
Other comprehensive income for the period, net of income tax	-141.1	1.6	-139.5
Total comprehensive income for the period	381.8	-17.9	363.9
Attributable to:			
Equity holders of the parent	310.2	-0.1	310.1
Non-controlling interests	0.0	0.0	0.0
Share planned for hybrid capital owners	71.6	-17.8	53.8
Total comprehensive income for the period	381.8	-17.9	363.9

In millions of euros

Change in the consolidated statement of cash flows

2013/14	Values as originally reported	Adjustment	Values retroactively adjusted
Operating activities			
Profit for the period	522.9	-19.5	503.4
Adjustments	652.5	10.1	662.6
Changes in working capital	-258.4	27.0	-231.4
Cash flows from operating activities	917.0	17.6	934.6
Cash flows from investing activities	-786.6	3.9	-782.7
Cash flows from financing activities	-674.2	-21.5	-695.7
Net decrease/increase in cash and cash equivalents	-543.8	0.0	-543.8
Cash and cash equivalents, beginning of period	1,092.7	-0.1	1,092.6
Net exchange differences	-16.4	0.0	-16.4
Cash and cash equivalents, end of period	532.5	-0.1	532.4

In millions of euros

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

The following standards are already published as of the reporting date, but their application was not yet mandatory for the business year 2014/15 or they have not been adopted by the European Union:

Adopted by the European Union as of the reporting date:

Standard	Content	Effective date¹
IAS 19, amendments	Defined Benefit Plans: Employee Contributions	July 1, 2014
Various standards, amendments	Annual Improvements to International Financial Reporting Standards, 2010–2012 Cycle	July 1, 2014
Various standards, amendments	Annual Improvements to International Financial Reporting Standards, 2011–2013 Cycle	July 1, 2014

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

Published by IASB but not adopted by the European Union as of the reporting date:

Standard	Content	Effective date according to IASB¹
IAS 1, amendments	Disclosure initiative	January 1, 2016
IAS 16 and IAS 38, amendments	Clarification of Acceptable Methods of Depreciation and Amortization	January 1, 2016
IAS 16 and IAS 41, amendments	Agriculture: Bearer Plants	January 1, 2016
IAS 27, amendments	Equity Method in Separate Financial Statements	January 1, 2016
Various standards, amendments	Annual Improvements to International Financial Reporting Standards, 2012–2014 Cycle	January 1, 2016
IFRS 10 and IAS 28, amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 1, 2016
IFRS 10, IFRS 12 and IAS 28, amendments	Investment Entities: Applying the Consolidation Exception	January 1, 2016
IFRS 11, amendments	Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016
IFRS 14	Regulatory Deferral Accounts	January 1, 2016
IFRS 15	Revenue from Contracts with Customers	January 1, 2017
IFRS 9	Financial Instruments	January 1, 2018

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

These standards—in so far as they have been adopted by the European Union—are not being adopted early by the Group. From today's perspective, material effects of the new and revised standards on the voestalpine Group's financial situation and profitability are not expected.

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

Basis of consolidation

The annual financial statements of fully consolidated entities are prepared using uniform accounting policies. For entities included using the equity method (associates and joint ventures), local accounting policies and different reporting dates (see "Investments" appendix to the notes) are maintained due to considerations regarding cost and benefit if the relevant amounts are immaterial.

In the case of initial consolidation, assets, liabilities, and contingent liabilities are measured at their fair value at the date of acquisition. Any excess of the cost of acquisition over the net of the assets acquired and liabilities assumed is recognized as goodwill. If the net of the assets acquired and liabilities assumed exceeds the cost of acquisition, the difference is recognized at the time of acquisition in profit or loss. The hidden reserves and/or hidden losses attributed to the non-controlling interests are also accounted for.

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

Foreign currency translation

In accordance with IAS 21, annual financial statements in foreign currencies that are included in the consolidated financial statements are translated into euros using the functional currency

method. The relevant national currency is the functional currency in all cases since, from a financial, economic, and organizational perspective, these entities all operate independently. Assets and liabilities have been translated using the exchange rate on the reporting date. Income and expenses have been translated using the average exchange rate for the business year.

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

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

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

Closing exchange rate	03/31/2014	03/31/2015
USD	1.3788	1.0759
GBP	0.8282	0.7273
BRL	3.1276	3.4958
SEK	8.9483	9.2901
PLN	4.1719	4.0854
Average annual rate	2013/14	2014/15
USD	1.3401	1.2683
GBP	0.8435	0.7852
BRL	3.0162	3.1171
SEK	8.7396	9.2278
PLN	4.2043	4.1863

Uncertainties in accounting estimates and assumptions

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

The following assumptions bear a significant risk of causing a material adjustment to assets and liabilities within further periods:

- **Recoverability of assets**

The assessment of the recoverability of intangible assets, goodwill as well as property, plant and equipment is based on assumptions concerning the future. The determination of the recoverable amount in the course of an impairment test is based on various assumptions, such as future net cash flows and discount rates. The net cash flows correspond to the amounts in the most current business plan at the time of the preparation of financial statements. See therefore Chapter B. Summary of accounting policies, section impairment testing of goodwill, other intangible assets, and property, plant and equipment, as well as the Chapters 9. Property, plant and equipment, 10. Goodwill, and 11. Other intangible assets.
- **Recoverability of financial instruments**

Where the assessment of the recoverability of financial instruments cannot be derived from active markets, it is determined using alternative actuarial models. The underlying parameters used in the determination of the fair values are based partially on assumptions concerning the future. See therefore Chapter B. Summary of accounting policies, section financial instruments, as well as Chapter 23. Financial instruments.
- **Pensions and other employee obligations**

The valuation of existing severance payment and pension obligations is based on assumptions regarding interest rate, retirement age, life expectancy, and future salary/wage increases. See therefore Chapter B. Summary of accounting policies, section pensions and other employee obligations, as well as Chapter 18. Pensions and other employee obligations.
- **Assets and liabilities associated with acquisitions**

Estimates associated with determining the fair value of identified assets, liabilities, and contingent considerations are required in the context of acquisitions. All available information about the situation at the acquisition date is applied in this procedure. The fair values of buildings and land are typically determined by external experts or experts within the Group. Intangible assets are measured using appropriate valuation methods depending on the type of asset and the availability of information. These measurements are closely connected with assumptions about the future development of estimated cash flows as well as the applied discount rates.

Information concerning acquisitions that take place during the reporting period is reported under Chapter D. Acquisitions and other additions to the scope of consolidated financial statements.
- **Other provisions**

Other provisions due to present obligations arising from past events, which lead to an outflow of resources embodying economic benefits, are stated at the amount that reflects the most probable value based on a reliable estimate. Provisions are discounted where the effect is material. For details concerning provisions see Chapter B. Summary of accounting policies, section other provisions, as well as Chapter 19. Provisions.

■ Income taxes

Income tax expense represents the total of current and deferred tax. Current tax is based on taxable income and is calculated using the tax rates currently applicable. The calculation of deferred taxes is based on the respective local income tax rates that have been enacted or substantively enacted. The recognition and measurement of current and deferred taxes is subject to numerous uncertainties.

The voestalpine Group's international scope means that the Group falls within multiple tax jurisdictions in the respective relevant tax jurisdictions. The tax items presented in the financial statements were established with regard for the particular tax regulations, and, because of their complexity, may possibly support interpretations that vary between taxpayers and local finance authorities. Since varying interpretations of tax laws may lead to additional tax payments for past years as a result of company audits, they are included in the analysis based on the assessment by company management.

Recognition of deferred tax assets is based on the assumption that sufficient taxable profit will be generated in the future to utilize these tax loss carryforwards.

For further information see Chapter B. Summary of accounting policies, section income taxes, as well as the Chapters 8. Income taxes and 13. Deferred taxes.

■ Legal risks

As an internationally active company, the voestalpine Group is subject to legal risks. The results of present or future legal disputes are generally not predictable and may have a material effect on the Group's net assets, financial position, and results of operations. In order to reliably assess the obligations, the basic information and assumptions are continually

reviewed by management and used for further evaluation both internally and by external legal counsel. Provisions are made to cover probably present obligations, including a reliable estimate of legal costs. If the future outflow of resources is not probable, or if the confirmation of actual events is not within the company's control, the option of recording a contingent liability is considered.

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

Recognition of revenue and expenses

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

Investment grants are treated as deferred items and recognized as income over the useful life of the asset. Cost subsidies are recognized on an accrual basis, corresponding to the associated expenses. Government grants of EUR 26.1 million (2013/14: EUR 20.3 million) for capital expenditures, research and development, and promotion of job opportunities were recognized as income during the reporting period. Expenses for research and development amounted to EUR 126.7 million (2013/14: EUR 128.4 million) in the business year 2014/15.

Property, plant and equipment

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

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

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

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

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

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

Leases

Leased assets are treated as finance leases when they are considered asset purchases subject to long-term financing in economic terms. All other leased assets are classified as operating leases. Lease payments under operating leases are shown as expenses in the consolidated income statement.

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

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

Goodwill

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

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

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

On disposal of a subsidiary, the goodwill associated with the subsidiary is included in the determination of the profit or loss on disposal based on relative value in accordance with IAS 36.86.

Other intangible assets

Expenses for research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized as an expense as incurred. In accordance with IAS 38.57, development expenditure is capitalized if the relevant criteria are satisfied. Expenditure on internally generated goodwill and brands is recognized as an expense as incurred.

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

Backlog of orders	1 year
Customer relations	11 years
Technology	8 years

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

Cash-generating units or groups of cash-generating units that include goodwill and other intangible assets with indefinite useful lives are tested for impairment at least annually. All other assets and cash-generating units are tested for impairment if there are any indications that impairment may have arisen.

For the purpose of impairment testing, assets are grouped at the lowest levels at which cash flows are independently generated (cash-generating units). Goodwill is allocated to those cash-generating units or groups of cash-generating units that are expected to benefit from synergies of the related business combination and this must be on the lowest level at which the goodwill in question is monitored for internal management purposes.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value less cost to sell and the value in use. Impairment losses recognized with regard to cash-generating units or groups of cash-generating units to which goodwill has been allocated are first applied against the carrying amount of goodwill. Any remaining impairment loss reduces the carrying amounts of the assets of the cash-generating unit on a pro-rata basis. Insofar as the impairment test for goodwill is conducted for a group of cash-generating units, the individual cash-generating units are first tested for impairment and a possible impairment of assets is first recorded at this level.

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

Financial instruments

Derivative financial instruments are used exclusively by voestalpine AG for the purpose of hedging the foreign currency risk, interest rate risk, and raw materials price risk. Derivative financial instruments are carried at fair value. Hedge accounting in accordance with IAS 39 is used for

the majority of the Group's derivative financial instruments. Gains or losses resulting from changes in the value of derivative financial instruments are recognized either as profit or loss or directly in equity, depending on whether a fair value hedge or cash flow hedge is involved. Hedges of net investments in a foreign operation are reported according to the regulations of cash flow hedges pursuant to IAS 39.102.

Loans and receivables are carried at amortized cost. Since the Group's securities meet the criteria in accordance with IAS 39.9 for application of the fair value option, securities are recognized at fair value through profit or loss. The designation of fair value was selected to convey more useful information because this group of financial assets is managed according to their fair value, as documented in the risk management and investment strategy, and performance is observed and reported by means of fair value. There are no held-to-maturity financial instruments.

Other investments

Investments in subsidiaries, joint ventures, and associates that are not included in the consolidated financial statements by full consolidation or the equity method are reported under other investments. They are held as "available for sale at cost" and measured at cost because these investments do not have a price quoted in an active market, and their fair value cannot be reliably determined. Only the non-consolidated investment in Energie AG Oberösterreich is measured at fair value as "available for sale at fair value" because the fair value of this company can be reliably determined based on the valuation report done once a year for Energie AG Oberösterreich as a whole.

Income taxes

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

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

In accordance with IAS 12.39 and IAS 12.44, deferred taxes on differences resulting from investments in subsidiaries, associates, and joint ventures were not recognized. Deferred tax liabilities are recognized for write-downs on investments claimed as tax deductions in Austria for the event that there are any possible future obligations to reverse the write-downs.

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

Inventories

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

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

Emission certificates

Free certificates are measured at zero cost over the entire holding period, as the rights have been allocated free of charge. Purchased emission certificates are recorded at actual cost under current assets and measured at fair value at the reporting date (limited by the actual cost).

In the case of under-allocation, amounts for CO₂ emission certificates are included in the other provisions. The measurement is based on the rate prevailing on the reporting date (or the carrying amount) of the relevant certificates.

Trade and other receivables

Trade and other receivables are stated at amortized cost. Credit insurance is acquired to cover individually identifiable risks. Non-interest- or low-interest-bearing receivables with a remaining period of more than one year are recognized at their discounted present value. Sold receivables are derecognized according to the provisions of IAS 39 (see Chapter 28. Disclosures of transactions not recorded in the statement of financial position).

When the outcome of a construction contract pursuant to IAS 11 can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognized by reference to the stage of completion of the contract activity at the end of the reporting period ("percentage of completion method"), measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract cost incurred that is probably recoverable. Contract costs are recognized as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognized as an expense.

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

Cash and cash equivalents

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

Pensions and other employee obligations

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

Actuarial gains and losses from severance and pension provisions are recognized directly in equity in the year in which they are incurred. Actuarial gains and losses from provisions for long-service bonuses are recognized immediately in profit or loss.

Severance obligations

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

Defined contribution plans

Defined contribution plans involve no future obligations after the payment of premiums to the managing pension fund or commercial insurance company.

Defined benefit plans

Defined benefit plans guarantee the employee a specified pension. The payment starts after retirement (or death or disability) and is continued until death of the former employee (or death of spouse). Widow's and widower's pensions (50% to 75% of the old age pension) are paid to the surviving spouse until death or remarriage. Orphans' pensions (10% to 20% of the old age pension) are paid to dependent children until the end of their education but only up to the age of 27.

Longevity is the central risk within these defined benefit pension obligations. All calculations are made using the most recent mortality tables. Given a 10% relative decrease or increase in mortality, the DBO of pensions changes by +3.8% or respectively -3.4% on the reporting date. Other risks, such as the risk of rising costs of medical services, do not affect the obligations.

Almost all pension obligations within the Group cover vested claims.

Austria

The amount of the pension is either based on a certain percentage of the final salary depending on the years of service or on a valorized fixed amount per year of service. The predominant part of the defined benefit pension obligations is transferred to a pension fund although the obligation for subsequent payments remains within the company.

Germany

The different pension plans in Germany derive the amount of the pension from the following basics:

- A certain percentage of the final salary depending on the years of service
- An increasing percentage of a fixed target pension depending on the years of service
- A fixed pension amount
- A fixed, valorized amount per year of service linked to the average salary within the company
- A fixed, valorized amount per year of service

A small part of the pension rights are financed by insurers although the obligations themselves remain within the companies.

Netherlands

Pension rights of active members and beneficiaries are accommodated by a defined contribution plan. Pension entitlements of former employees and retirees are based upon a percentage of the total salary in any year of service. Benefits are paid through a commercial insurance company and the indexation of benefits is set by the indus-

try's pension fund. The employer may need to make additional payments to the insurer if returns of the funds held by the commercial insurer are insufficient to finance the agreed benefit increases. This scheme with the substantial obligations was closed for future participation of new entrants as of January 1, 2013.

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

	2013/14	2014/15
Interest rate (%)	3.25	1.50
Salary/wage increases (%) ¹	3.00	3.00
Pension benefit increases (%) ¹	2.25	2.25
Retirement age men/women		
Austria	max. 62 years	max. 62 years
Germany	63–67 years	63–67 years
Netherlands	65–67 years	65–67 years
Mortality tables		
Austria	AVÖ 2008-P	AVÖ 2008-P
Germany	Richttafeln 2005 G	Richttafeln 2005 G
Netherlands	AG2012–2062	AG2014

¹ Recognition only for salary-dependent and/or value-guaranteed commitments.

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

Obligations from long-service bonuses

In most of the Austrian Group companies, employees are entitled to payment of a long-service bonus, which is based either on a collective agreement or a provision in a works agreement. This is a one-time payment when the anniversary of service has been reached; depending on the length of service, the bonus generally amounts to between one monthly salary and three monthly salaries.

Other provisions

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

The assumptions that underlie the provisions are reviewed on an ongoing basis. The actual figures can deviate from the assumptions if the underlying circumstances as of the reporting date have not developed as expected. As soon as better information is available, changes are recognized through profit and loss and the assumptions are adjusted accordingly.

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

Contingent liabilities

Contingent liabilities are present obligations arising from past events, where it is not probable that an outflow of resources will be required to settle the obligation, or possible obligations arising from past events whose existence or non-existence depends on less certain future events, which are not within the company's full control. When, in extremely rare cases, an existing debt cannot be stated in the statement of financial position as a provision because a reliable estimate of the debt is not possible, a contingent liability shall also be recognized.

With regard to possible obligations, we wish to point out that in accordance with IAS 37.92 information about contingent liabilities is not provided if this could seriously and adversely impact the Company's interests.

Liabilities

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

Employee stock ownership plan

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

In each of the business years 2002/03, 2003/04, 2005/06, 2007/08, 2008/09, and 2014/15, between 0.3% and 0.5% of the total amount of wages and salaries required for the increase were used to provide voestalpine AG shares to employees. The actual amount is calculated from the monthly amount of wages and salaries waived, based on November 1, 2002, 2003, 2005, 2007, 2008, and 2014, applying an annual increase of 3.5%. In business years 2012/13 and 2013/14, an additional 0.3% and 0.27%, respectively, of the total amount of wages and salaries needed for the collective agreement pay increase for 2012 and 2013, respectively, were used to provide shares under the participation plan for those Austrian Group companies whose initial participation in the employee stock ownership plan had begun at a later date.

The Works Council and each company shall execute an agreement for implementation of the Austrian employee stock ownership plan. Shares are acquired by the voestalpine Mitarbeiterbeteiligung Privatstiftung (a private foundation for the

Company's employee shareholding scheme), which transfers the shares to employees according to the wages and salaries they have waived. The value of the consideration provided is independent of price fluctuations. Therefore, IFRS 2 does not apply to the allocation of shares based on lower collective bargaining agreements.

An international participation model was developed for Group companies outside Austria, which was initially implemented in several companies in Great Britain and Germany in the business year 2009/10. Due to very positive experience gained in these pilot projects, the model was expanded in these two countries and introduced step by step in the Netherlands, in Poland, in Belgium, in the Czech Republic and in Italy, in the following business years. In the business year 2014/15, a total of 67 companies participated in the international employee stock ownership program in these seven countries.

On March 31, 2015, the voestalpine Mitarbeiterbeteiligung Privatstiftung held approximately 13.6% (March 31, 2014: 14.0%) of voestalpine AG's shares in trust for employees.

C. Scope of consolidated financial statements

The consolidated Group (see "Investments" appendix to the notes) is defined in accordance with IFRS. In addition to the annual financial statements of voestalpine AG, the consolidated financial statements also include the financial statements of entities controlled by voestalpine AG (and its subsidiaries). Entities controlled by voestalpine AG which are not included in the financial statements of voestalpine AG, are negligible, both individually and collectively.

Subsidiaries are entities controlled by the Group. Control exists when the voestalpine Group has the power over the investee, is exposed to variable returns and has the ability to use its power over the investee to affect the amount of the investor's returns. The annual financial statements of subsidiaries are included in the consolidated financial statements as of the point in time at which the Group acquires control over the subsidiary and extends to the point in time at which the Group ceases to exercise control over the subsidiary.

Associates are entities over which the voestalpine Group has significant influence through participating in the financial and operating policy decisions, but not control or joint control of those policies. Joint ventures are joint arrangements in which partner companies (the voestalpine Group and one or more partners) exercise joint control over the arrangement and possess rights to the company's net assets. The annual financial statements of associates and joint ventures are included in the consolidated financial statements using the equity method from the acquisition date until disposal date. The Group's associates and joint ventures are listed in the "Investments" appendix to the notes.

Changes in scope of consolidated financial statements

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

	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			
Acquisitions	8		
Disposals	-1		-1
Reorganizations	-7		
Divestments or disposals	-22		-1
As of March 31, 2015	274	0	11
Of which foreign companies	215	0	5

The following entities were deconsolidated during the business year 2014/15:

Name of entity	Date of deconsolidation
Full consolidation in the business year 2013/14	
Eschmann-Stahl Portugal-Acos Finos e Transformacao de Ferramentas, Unipessoal Lda. – em Liquidacao	June 30, 2014
voestalpine Treasury Holding GmbH	September 30, 2014
Flamco GmbH	July 31, 2014
Flamco s.a.r.l.	July 31, 2014
Flamco Flexcon B.V.	July 31, 2014
Flamco Flexcon Ltd.	July 31, 2014
Flamco STAG Behälterbau GmbH	July 31, 2014
Flamco Heating Accessories (Changshu) Co., Ltd.	July 31, 2014
Flamco AG	July 31, 2014
Flamco STAG GmbH	July 31, 2014
Flamco B.V.	July 31, 2014
Flamco Ltd.	July 31, 2014
Flamco Holding B.V.	July 31, 2014
Flamco Kft.	July 31, 2014
Flamco IMZ B.V.	July 31, 2014
Flamco Sp. z o.o.	July 31, 2014
W E M E F A Horst Christopeit Gesellschaft mit beschränkter Haftung	July 31, 2014
ASSAB Technology (Malaysia) Sdn Bhd	September 19, 2014
Eifeler France S.a.r.l.	October 31, 2014
voestalpine Polynorm Van Niftrik B.V.	November 26, 2014
voestalpine Polynorm Plastics B.V.	November 26, 2014
voestalpine Rotec France S.A.	November 27, 2014
voestalpine Rotec AB	February 6, 2015

Name of entity	Date of deconsolidation
Reorganization	
VA OMV Personalholding GmbH	April 1, 2014
Advanced Railway Systems GmbH	April 1, 2014
E B C Eifeler Beschichtungs - Center GmbH	April 1, 2014
Eifeler Nord Coating GmbH Entwicklungszentrum für Dünnschichttechnologien	April 1, 2014
Eifeler Süd-Coating GmbH	April 1, 2014
voestalpine Straßensicherheit GmbH	April 1, 2014
Uddeholm Holding AB	March 31, 2015
Proportionate consolidation in the business year 2013/14¹	
voestalpine Tubulars GmbH	April 1, 2014
voestalpine Tubulars GmbH & Co KG	April 1, 2014
Equity method in the business year 2013/14	
Herzog Coilex GmbH	September 26, 2014
Wuppermann Austria Gesellschaft m.b.H.	March 31, 2015

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 the Group was deconsolidated in the second quarter of 2014/15. The sale ended 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 revenue of around EUR 125 million.

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

	Recognized values
Non-current assets	33.5
Current assets	51.8
Non-current provisions and liabilities	-5.6
Current provisions and liabilities	-22.4
Net assets	57.3
Result from the loss of control	58.0
Consideration received	115.3
Cash and cash equivalents disposed of	-4.7
Net cash inflow	110.6

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 ended 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 was 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 underbody paneling, 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 consolidated financial statements:

	Recognized values
Non-current assets	8.5
Current assets	41.6
Non-current provisions and liabilities	-6.9
Current provisions and liabilities	-23.7
Net assets	19.5
Result from the loss of control	-2.2
Consideration received	17.3
Cash and cash equivalents disposed of	-7.6
Net cash inflow	9.7

In millions of euros

The sale of the Swedish branch of the voestalpine Rotec Group was finalized on February 6, 2015. voestalpine Rotec AB was sold to Stalrör AB. The reason for the sale was consistent pursuit of corporate strategic alignment and focus on further-processed products. voestalpine Rotec AB employed 27 staff members and achieved annual sales amounting to roughly EUR 15.5 million. The core business of the Swedish subsidiary is in the field of tubes, primarily precision tubes and special steel tubes for the Scandinavian market. Stalrör specializes in trading activities with tubes (with a focus on hot-rolled tubes, hydraulic tubes) and services (stockholding). Having now sold voestalpine Rotec AB as a trade and services provider, the voestalpine Rotec Group can now focus more fully on strategic alignment in the field of further processing. The voestalpine Rotec locations in Austria and Poland will still supply products to the Swedish company in the future. All staff members of voestalpine Rotec AB will continue their employment in the future.

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

	Recognized values
Non-current assets	0.3
Current assets	5.4
Non-current provisions and liabilities	0.0
Current provisions and liabilities	-2.1
Net assets	3.6
Result from the loss of control	1.5
Consideration received	5.1
Portion of selling price not yet paid	-0.4
Cash and cash equivalents disposed of	-0.3
Net cash inflow	4.4

In millions of euros

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

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

Name of entity	Interest in %	Date of initial consolidation
Full consolidation		
voestalpine Böhler Welding UTP Maintenance GmbH	100.000%	April 1, 2014
voestalpine Böhler Welding Trading Asia Pacific Singapore	100.000%	April 1, 2014
voestalpine Automotive Bodyparts Shenyang Co., Ltd.	100.000%	July 8, 2014
voestalpine Rail Center Königsborn GmbH	100.000%	September 1, 2014
voestalpine Wire Austria GmbH	100.000%	September 6, 2014
voestalpine Railway Systems (Thailand) Co., Ltd.	99.950%	September 26, 2014
voestalpine Böhler Welding Northeast Asia Ltd.	100.000%	October 30, 2014
voestalpine Trafilerie Industriali S.p.A.	100.000%	December 19, 2014
voestalpine Wire (Suzhou) Co., Ltd.	100.000%	March 4, 2015
Equity method¹		
voestalpine Tubulars GmbH	50.000%	April 1, 2014
voestalpine Tubulars GmbH & Co KG	49.985%	April 1, 2014

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, seven newly established subsidiaries, 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 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. The carrying amount of the non-controlling interests is determined based on the fair values carried forward for the assets and liabilities acquired. Because of time constraints and the fact that not all valuations have been completed, in accordance with IFRS 3, property, plant and equipment, intangible assets, inventories, and provisions—and consequently goodwill as well—should be considered provisional.

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 reporting period, EUR 9.9 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 7.6 million (2013/14: EUR 4.1 million) were derecognized, and the remaining amount of EUR 2.3 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 March 31, 2015. For the purposes of the valuation, the discounted cash flow method was applied, taking the contractual maximum limits into account. Input factors in the discounted cash flow method include but are not limited to the medium-term business plan and the discount rate.

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 that produces around 50,000 tons annually. voestalpine Wire Technology GmbH is thereby extending its own portfolio of drawn and blank wire, further investing in the value creation chain of premium quality merchandise for the automobile industry, while at the same time bolstering its market position in Italy. The company now operates under the name voestalpine Trafilerie Industriali S.p.A.

As part of an asset deal, the Metal Engineering Division acquired the corresponding production facilities at the Königsborn location, and integrated them into the newly established voestalpine Rail Center Königsborn GmbH. As part of the transaction, 25 employees were taken over. Through this asset deal, the rail service offerings of the division in Germany have been further built up.

In the fourth quarter of the business year, the takeover of the Australian company Bathurst Rail Fabrication Centre (BRFC) was completed, through which the business segment Turnout Systems was able to further build up its leading market position in Australia. This specialist in high quality welded rails, switches, and track components employs approximately 47 persons, and most recently achieved annual sales of approximately EUR 34 million. With its switch and track welding facility, BRFC is the central railroad expertise center for Sydney Trains, which in turn operates a large part of the railway network of the Australian state of New South Wales. Through the acquisition of BRFC, one of the five largest railway system providers in Australia, the business segment Turnout Systems has expanded its product and customer portfolio in the direction of passenger and commuter transportation as well toward the heavy-haul sector, which is important there.

These three acquisitions had the following effect on the consolidated financial statements:

	Recognized values
Non-current assets	33.9
Current assets	31.5
Non-current provisions and liabilities	-3.7
Current provisions and liabilities	-16.8
Net assets	44.9
Goodwill	7.3
Costs of acquisition	52.2
Cash and cash equivalents acquired	-0.1
Net cash outflow	52.1

In millions of euros

The goodwill of EUR 7.3 million includes EUR 7.1 million from the acquisition of Trafilerie Industriali S.p.A. This is due to the profit potential of the company, which is not a capitalizable cost according to IFRS, including specifically the extensive technical expertise and the outstanding sales expertise of the employees. This goodwill is assigned to "Wire Technology," the unit which carries the goodwill. It is not expected that any parts of the acquired goodwill will be eligible for corporate tax deductions.

Since their initial consolidation, this acquisition has contributed revenue of EUR 14.8 million to consolidated revenue. Its share of the Group's profit for the period was EUR 0.6 million for the same period. The consolidated revenue would have been EUR 81.2 million higher and the Group's profit for the period would have been EUR 5.0 million higher if the acquisitions had been consolidated as of April 1, 2014.

Fair values were applied for trade receivables in the amount of EUR 14.0 million and other receivables in the amount of EUR 0.1 million as part of the acquisition of Trafilerie Industriali S.p.A. Any receivables associated with all the acquisitions that are likely to be uncollectible are considered immaterial and negligible.

Acquisition-related costs of EUR 0.5 million were recognized under other operating expenses for this acquisition.

With regard to the aforementioned acquisitions, 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 consolidated financial statements.

E. Investments in associates and joint ventures

Shares in material joint ventures

Specifics regarding material joint ventures of the voestalpine Group are enumerated in the following remarks:

Name of the joint venture	Main business	Domicile	Share	
			03/31/2014	03/31/2015
voestalpine Tubulars GmbH & Co KG	Seamless steel tubes	Kindberg, Austria	49.985%	49.985%

In voestalpine Tubulars GmbH & Co KG, the company Grant Prideco European Holding LLC (subsidiary of the U.S.-based group National Oilwell Varco, Inc. with expertise in the segments drill pipes and premium pipe couplings) is merging with voestalpine Bahnsysteme Vermögensverwaltungs GmbH which possesses corresponding expertise in the steel field through its subsidiary, voestalpine Stahl Donawitz GmbH, and supplies the relevant precursor materials in compliance with exacting quality requirements, and voestalpine Tubulars GmbH & Co KG, which possesses years of cumulative skill in the production of oilfield pipes and untreated green pipes to implement production of premium oilfield pipes and exploit joint accesses to the market. Decisions regarding significant activities require the unanimous consent of the parties sharing control (voestalpine Bahnsysteme Vermögensverwaltungs GmbH and Grant Prideco European Holding LLC); this means that the requirements for a joint venture exist in which control is exercised jointly by several shareholders. voestalpine Tubulars GmbH & Co KG is a strategic partner of the voestalpine Group. The joint venture identified above is included in the voestalpine consolidated financial statements using the equity method. voestalpine Tubulars GmbH is significant for the structure of the joint venture voestalpine Tubulars GmbH & Co KG (it functions as a management body), yet does not play a material role for the voestalpine Group and is therefore presented in immaterial joint ventures.

The summarized financial information for this material joint venture, which corresponds to the statements prepared in accordance with IFRS, as well as the reconciliation of this financial information to the carrying amount of the share in this joint venture, is broken down in the voestalpine consolidated financial statements as follows. This information is related to 100% of the voestalpine Tubulars GmbH & Co KG, not to the interest held by the voestalpine Group.

	2013/14	2014/15
Revenue	554.6	574.5
Profit for the period ¹	107.1	101.3
of which depreciation/amortisation	-9.6	-10.3
of which interest income	0.1	0.1
of which interest expenses	-1.5	-1.9
of which tax expense	0.5	-4.5
Other comprehensive income	2.8	-14.2
Comprehensive income	109.9	87.1

¹ Of this, after reclassifying the tax expense of EUR 10.8 million (2013/14: EUR 13.4 million) on a pro rata basis, EUR 39.8 million (2013/14: EUR 40.1 million) will be recorded in EBIT.

In millions of euros

	03/31/2014	03/31/2015
Non-current assets	62.3	67.2
Current assets	187.6	193.0
of which cash and cash equivalents	0.1	0.3
Non-current provisions and liabilities	27.4	34.5
of which non-current financial liabilities	0.2	0.2
Current provisions and liabilities	55.5	77.7
of which current financial liabilities	0.2	0.2
Net assets (100%)	167.0	148.0
Group share of net assets of the joint venture at the beginning of the business year	79.6	83.5
Share of comprehensive income	55.0	43.5
Dividends received	-51.1	-53.0
Group share of net assets of the joint venture at the end of the business year	83.5	74.0
Elimination of profits from intra-Group sales	-2.5	-2.3
Carrying amount of the joint venture at the end of the business year	81.0	71.7
Dividends received	51.1	53.0

In millions of euros

Shares in immaterial joint ventures

The profit from the joint ventures voestalpine Tubulars GmbH, Jiaxing NYC Industrial Co., Ltd, and CNTT Chinese New Turnout Technologies Co., Ltd., which are individually immaterial for the voestalpine consolidated financial statements, is included using the equity method and break down as follows. Interests held are presented in the appendix to the Notes on "Investments." This information is related to the interest held by the voestalpine Group in immaterial joint ventures.

	2013/14	2014/15
Group share of		
Profit for the period	1.8	7.8
Other comprehensive income	-1.7	6.8
Comprehensive income	0.1	14.6
Carrying amount immaterial joint ventures	19.3	30.3

In millions of euros

voestalpine Giesserei Linz GmbH holds 51.0% of shares in Jiaxing NYC Industrial Co., Ltd. The articles of association require at least one vote from another partner for all significant decisions (budget, investments). From this is deduced that despite a 51.0 percent interest, control is not exercised in the interest.

Two companies of the voestalpine Group hold 50% of CNTT Chinese New Turnout Technologies Co., Ltd. Given the alternating right to appoint the CEO (between the joint venture partner and voestalpine) who is empowered to render decisions in all material respects, CNTT Chinese New Turnout Technologies Co., Ltd. has so far been considered a company under joint control, and included in the voestalpine consolidated financial statements through March 31, 2015 according to the equity method.

Shares in immaterial associates

The profit from associates that are individually immaterial for the voestalpine consolidated financial statements are included using the equity method and break down as follows. This information is related to the interest held by the voestalpine Group in associates.

	2013/14	2014/15
Group share of		
Profit for the period	10.2	12.5
Other comprehensive income	-2.2	7.9
Comprehensive income	8.0	20.4
Carrying amount immaterial associates	114.4	117.1

In millions of euros

Associates and interests held in them are presented in the appendix to the Notes on "Investments."

F. Acquisitions after the reporting period

On April 8, 2015, effective as of April 1, 2015, voestalpine Bahnsysteme Vermögensverwaltungs GmbH and Grant Prideco European Holding LLC rewrote almost every existing contractual agreement relating to the control and management structure of voestalpine Tubulars GmbH & Co KG. At the same time, it was agreed to increase the shares of the voestalpine Bahnsysteme Vermögensverwaltungs GmbH in the managing general partner of the GmbH from 50.0% to 57.5%.

The company is presented in the current consolidated financial statements as a joint venture between Grant Prideco European Holding LLC (subsidiary of the U.S.-based group National Oilwell Varco, Inc. with expertise in the segments drill pipes and premium pipe couplings) and voestalpine Bahnsysteme Vermögensverwaltungs GmbH which, through its subsidiary voestalpine Stahl Donawitz GmbH, has applicable steel expertise and can prepare the pre-material necessary for the high quality demands. The headquarters and production location of voestalpine Tubulars GmbH & Co KG is located in Kindberg, Austria. The company has sales offices in the US and in the Near East.

As a result of the basic reworking of the key contractual agreements connected to the clear shifting of the general partner's share ownership in the GmbH, starting from April 2015 the situation of control in accordance with IFRS 10.6 will be fulfilled, since operating control is thereby possible in accordance with the interests of voestalpine.

This includes control over the budget (in the sense of setting the controlling operating conditions for management), including the supply of intermediate materials, tax and financial policy, and fundamental marketing activities. With the changes of the contractual agreements, voestalpine Bahnsysteme Vermögensverwaltungs GmbH will in future be able to implement all essential operating affairs in its interest, both in the management board and in the supervisory board (in connection with the decisive vote cast by the chairman).

Because the agreements were made after the reporting date, due to time constraints and in accordance with IFRS 3, these items are to be considered provisional: property, plant and equipment, intangible assets, inventories, and provisions—and consequently the item of goodwill.

The fair values of the identifiable assets and liabilities of voestalpine Tubulars GmbH & Co KG are expected to be as follows when control is extended (effective in the business year 2015/16):

	Recognized values
Non-current assets	232.1
Current assets	212.8
Non-current provisions and liabilities	-80.3
Current provisions and liabilities	-77.7
Net assets	286.9
Addition of non-controlling interests	-143.5
Goodwill	67.2
Costs of acquisition	210.6
Cash and cash equivalents acquired	-0.4
Fair value of investments of previously recognized joint ventures	-198.3
Non-cash compensation	-12.3
Net cash inflow	-0.4

In millions of euros

The goodwill of EUR 67.2 million results from the profit potential of the company, which cannot be allocated to individual capitalizable items according to IFRS, in particular the extensive technical expertise and the excellent sales expertise of the employees. The goodwill is assigned completely to the "Tubulars" unit, which carries the goodwill. It is not expected that any parts of the included goodwill will be eligible for corporate tax deductions.

Prior shares are included as a joint venture using the equity method. Directly before control is achieved, the prior shares will be reassessed at fair value. This will result in proceeds of EUR 125.0 million, which will be considered as income in the consolidated financial statements of the business year 2015/16. Using the hidden reserves will result in an expense of EUR 41.9 million in the business year 2015/16.

As part of the acquisition, the following are being taken over at fair value: trade receivables—EUR 46.3 million (gross carrying amount EUR 46.3 million); receivables from finance and clearing—EUR 56.9 million (gross carrying amount EUR 56.9 million); and other receivables—EUR 8.0 million (gross carrying amount EUR 8.0 million). The amount of receivables that are expected to be uncollectible can be considered immaterial.

Effective April 1, 2015, the basic rewriting of the key contractual agreements concerning CNTT Chinese New Turnout Technologies Co., Ltd. now reflects the factual control in accordance with IFRS 10.6. 50% of CNTT Chinese New Turnout Technologies Co., Ltd. is held by two voestalpine companies. Because of the prior alternating nomination right for the CEO (between the joint venture partner and voestalpine), who had the power of decision in essential matters, CNTT Chinese New Turnout Technologies Co., Ltd. was previously treated as a company under joint control and, until March 31, 2015, included in the voestalpine consolidated financial statements using the equity method. Because of a change in the articles of association, from now on the "Board of Directors" will have decision-making power; this board has a majority of representatives from voestalpine. Consequently, starting April 1, 2015, CNTT Chinese New Turnout Technologies Co., Ltd. will be fully consolidated.

The fair value of the identifiable assets and liabilities of CNTT Chinese New Turnout Technologies Co., Ltd. is expected to be as follows when control is achieved (effective in the business year 2015/16):

	Recognized values
Non-current assets	24.1
Current assets	82.3
Non-current provisions and liabilities	-1.5
Current provisions and liabilities	-46.1
Net assets	58.8
Addition of non-controlling interests	-29.4
Goodwill	0.2
Costs of acquisition	29.6
Cash and cash equivalents acquired	-23.9
Fair value of investments of previously recognized joint ventures	-29.6
Net cash inflow	-23.9

In millions of euros

The goodwill of EUR 0.2 million results from the profit potential of the company, which according to IFRS cannot be allocated to individual capitalizable items. The goodwill is assigned completely to the "Turnout Systems" unit, which carries the goodwill. It is not expected that any parts of the included goodwill will be eligible for corporate tax deductions.

Prior shares are included as a joint venture using the equity method. Directly before control is achieved, the prior shares will be reassessed at fair value. This will result in proceeds of EUR 12.2 million, including a recycling of currency translation differences, which will be considered as income in the consolidated financial statements of the business year 2015/16. Using the hidden reserves will result in a depreciation of EUR 3.6 million in the business year 2015/16.

As part of the acquisition, the following are taken over at fair value: trade receivables—EUR 23.3 million (gross carrying amount EUR 23.3 million); and other receivables—EUR 0.1 million (gross carrying amount EUR 0.1 million). The amount of receivables that are expected to be uncollectible can be considered immaterial.

G. Explanations and other disclosures

1. Revenue

The breakdown of the revenue is reported as follows:

	2013/14	2014/15
Revenues from the sale of products (including services)	10,845.1	11,009.2
Revenue from construction contracts	232.1	180.3
Revenue	11,077.2	11,189.5

In millions of euros

2. Operating segments

The voestalpine Group operates in five reportable segments: Steel Division, Special Steel Division, Metal Engineering Division, Metal Forming Division, and Other. The reporting system, which is based primarily on the nature of the products provided, reflects the internal financial reporting, the management structure of the organization, and the Company's predominant sources of risks and rewards.

The Steel Division focuses on the production and processing of flat steel products for the automotive, white goods, and construction industries. This division is global leader in quality in highest quality strip steel and is global market leader in heavy plate for the most sophisticated applications as well as in casings for large turbines. The division produces and processes hot- and cold-rolled steel as well as electrogalvanized, hot-dip galvanized, and organically coated plate and electrical steel strip. Its other activities include heavy plate production, a foundry, and a number of downstream processes.

The Special Steel Division is the global market leader in the sector of tool steel and high-speed steel. In the segment of special alloys for the oil and natural gas industries, the aerospace industry, and the energy engineering industry, the Special Steel Division holds a leading position on the global market. The companies of the Special Steel Division are leading providers of forging technology, both in the open die forging segment and in the drop forgings segment. The main customer groups for all of the division's most important product segments are primarily the automotive industry, the aerospace industry, the oil and natural gas industries, the energy engineering industry, and the entire tool industry.

The Metal Engineering Division is worldwide market leader in turnout technology; European market leader in rails and specially treated wire; and has a leading position in seamless tubes for special applications and high-quality welding consumables. The division manufactures the world's widest range of high-quality rails and turnout products, high-quality rod wire, drawn wire, premium seamless tubes, and welding filler materials. Furthermore, the division offers an extensive range of services in the rail and turnout sectors. Moreover, the Metal Engineering Division has access to its own steel production.

The Metal Forming Division is the expertise center at voestalpine for highly developed special sections, tube products, and precision strip steel as well as pre-finished system components made from pressed, punched, and roll-profiled parts. This combination of expertise in materials and processing is unique in the industry, and with its global presence, the division is the first choice for customers who value innovation and quality. These customers include nearly all leading manufacturers in the automobile manufacture and supply industry, with a significant focus on the premium segment, as well as several companies in the commercial vehicle, construction, storage, energy and (agricultural) equipment industry.

The holding company, several Group financing and raw materials purchasing companies as well as one personal service company and the group-IT companies are included in the segment Other. These companies are combined in this segment because their focus is on providing coordination services and assistance to the subsidiaries.

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

The voestalpine Group uses EBIT as the key figure to measure the performance of the segments. In the voestalpine Group, this figure is a widely accepted indicator for measuring profitability.

The operating segments of the Group are as follows:

Operating segments

	Steel Division		Special Steel Division	
	2013/14	2014/15	2013/14	2014/15
Segment revenue	3,809.7	3,873.9	2,627.9	2,777.4
Of which revenue with third parties	3,521.0	3,578.9	2,577.1	2,723.8
Of which revenue with other segments	288.7	295.0	50.8	53.6
EBITDA	402.0	450.3	358.5	407.0
Depreciation and amortization of property, plant and equipment and intangible assets	232.9	242.3	134.1	153.3
Of which impairment	0.0	0.0	0.0	16.3
Reversal of impairment of property, plant and equipment and intangible assets	0.0	0.0	0.0	0.6
Share of profit of entities consolidated according to the equity method	9.1	11.8	0.0	0.0
EBIT	169.1	208.0	224.4	253.7
EBIT margin	4.4%	5.4%	8.5%	9.1%
Interest and similar income	0.8	0.4	7.5	5.6
Interest and similar expenses	34.5	42.3	41.9	54.1
Income tax expense	-18.2	-24.9	-57.5	-60.6
Profit for the period	117.1	140.1	137.1	145.2
Segment assets	3,880.4	4,405.3	3,871.1	4,005.7
Of which investments in entities consolidated according to the equity method	102.1	105.3	0.0	0.0
Net financial debt	1,210.9	1,465.2	784.1	822.9
Investments in property, plant and equipment and intangible assets	447.4	570.6	181.5	159.3
Employees (full-time equivalent)	11,192	11,103	12,885	13,490

Metal Engineering Division		Metal Forming Division		Other		Reconciliation		Total Group	
2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
2,673.2	2,593.0	2,356.9	2,335.2	1,492.2	1,201.0	-1,882.7	-1,591.0	11,077.2	11,189.5
2,644.8	2,567.1	2,325.5	2,302.4	8.8	17.3	0.0	0.0	11,077.2	11,189.5
28.4	25.9	31.4	32.8	1,483.4	1,183.7	-1,882.7	-1,591.0	0.0	0.0
418.3	419.8	276.4	331.3	-77.4	-80.3	-3.8	2.1	1,374.0	1,530.2
113.4	127.8	94.1	112.9	11.1	7.6	0.0	0.0	585.6	643.9
3.5	15.9	2.3	19.1	0.0	0.0	0.0	0.0	5.8	51.3
0.0	0.0	0.0	2.3	0.0	0.0	0.0	0.0	0.0	2.9
41.7	47.1	0.0	0.0	0.6	0.6	0.7	0.7	52.1	60.2
304.9	292.1	182.3	220.7	-88.5	-88.0	-3.8	-0.2	788.4	886.3
11.4%	11.3%	7.7%	9.5%					7.1%	7.9%
2.2	2.0	3.0	1.7	91.0	191.3	-75.2	-176.5	29.3	24.5
28.1	33.9	23.1	29.1	129.2	242.5	-77.1	-220.1	179.7	181.8
-64.0	-62.9	-36.1	-25.3	37.7	35.1	0.7	-8.1	-137.4	-146.7
215.2	197.5	126.1	168.1	636.5	297.7	-728.6	-354.4	503.4	594.2
2,538.7	2,775.0	2,011.2	2,025.2	10,193.0	10,390.6	-9,859.5	-10,306.9	12,634.9	13,294.9
98.7	99.1	0.0	0.0	5.2	5.5	8.7	9.2	214.7	219.1
420.0	654.2	426.9	400.6	-448.9	-397.5	28.4	32.7	2,421.4	2,978.1
164.2	267.8	130.6	169.8	12.3	8.8	-0.5	0.1	935.5	1,176.4
11,217	11,685	11,416	10,328	775	812	0	0	47,485	47,418

In millions of euros

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

EBITDA	2013/14	2014/15
Net exchange differences incl. result from valuation of derivatives	-5.3	-1.4
Consolidation	-0.1	0.0
Other	1.6	3.5
EBITDA – Total reconciliation	-3.8	2.1

In millions of euros

EBIT	2013/14	2014/15
Net exchange differences incl. result from valuation of derivatives	-5.3	-1.4
Consolidation	-0.1	0.0
Other	1.6	1.2
EBIT – Total reconciliation	-3.8	-0.2

In millions of euros

All other key figures contain solely the effects of consolidation.

Geographical information

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

	Austria		European Union		Other countries	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
External revenue	1,227.9	1,154.2	6,952.2	6,982.2	2,897.1	3,053.1
Non-current assets	4,495.2	4,793.2	1,634.4	1,542.2	620.3	1,015.1
Investments in property, plant and equipment and intangible assets	599.1	599.8	182.0	230.9	154.4	345.7

In millions of euros

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

3. Other operating income

	2013/14	2014/15
Gains on disposal and appreciation of intangible assets, property, plant and equipment	15.7	7.2
Income from reversal of provisions	75.1	49.9
Exchange profits	25.7	98.8
Income from the valuation of derivatives	2.0	16.0
Other operating income (incl. gains from deconsolidation)	240.6	282.5
	359.1	454.4

In millions of euros

In the business year 2014/15, operating income of EUR 88.6 million (2013/14: EUR 81.1 million) from the sale of products not generated in the course of ordinary activities is included in other operating income.

4. Other operating expenses

	2013/14	2014/15
Taxes other than income taxes	19.1	21.6
Losses on disposal of property, plant and equipment	24.9	6.9
Exchange losses	26.0	73.8
Expenses from the valuation of derivatives	5.0	1.2
Other operating expenses (incl. losses from deconsolidation)	218.6	218.3
	293.6	321.8

In millions of euros

5. Share of profit of entities consolidated according to the equity method

	2013/14	2014/15
Income from associates	12.0	12.5
Expenses from associates	-1.8	0.0
Income from joint ventures	41.9	47.7
Expenses from joint ventures	0.0	0.0
	52.1	60.2

In millions of euros

Income from associates is primarily attributable to Herzog Coilex GmbH, METALSERVICE S.P.A., and GEORG FISCHER FITTINGS GmbH. Income from joint ventures is primarily attributable to voestalpine Tubulars GmbH & Co KG. All income from entities consolidated according to the equity method are the pro rata profits for the period (net including taxes)—see also Chapter B. Summary of accounting policies, section general information.

6. Finance income

	2013/14	2014/15
Income from investments	8.2	3.6
<i>Of which from affiliates</i>	1.5	1.8
Income from other long-term securities and loans	10.0	8.1
<i>Of which from affiliates</i>	0.0	0.0
Other interest and similar income	19.3	16.4
<i>Of which from affiliates</i>	0.2	0.2
Income from disposals and fair value measurements of investment at fair value through profit or loss	3.1	15.9
	40.6	44.0

In millions of euros

7. Finance costs

	2013/14	2014/15
Expenses from other financial assets		
Valuation of securities	4.9	3.2
Expenses from affiliates	0.2	0.0
Other expenses	3.4	4.4
	8.5	7.6
Other interest and similar expenses	179.7	181.8
<i>Of which from affiliates</i>	<i>0.1</i>	<i>0.0</i>
	188.2	189.4

In millions of euros

8. Income taxes

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

	2013/14	2014/15
Current tax expense	101.3	126.1
Effective tax expense	101.6	123.6
Adjustments of taxes from previous periods	0.4	2.5
Recognition of tax losses from prior periods	-0.7	0.0
Deferred tax expense	36.1	20.6
Origination/reversal of temporary differences	37.3	18.8
Adjustments of taxes from previous periods	-3.2	3.7
Impact of changes in tax rates	1.0	2.6
Recognition of tax losses from prior periods	1.0	-4.5
	137.4	146.7

In millions of euros

The changes in tax rates apply solely to foreign taxes.

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

	2013/14		2014/15	
Profit before tax		640.8		740.9
Income tax using the Austrian corporate tax rate	25.0%	160.2	25.0%	185.2
Difference to foreign tax rates	1.6%	10.7	1.1%	8.4
Non-taxable income and expenses	-2.6%	-16.9	-5.8%	-42.7
Non-taxable income from investments	-2.2%	-14.1	-2.0%	-14.9
Effects of depreciation of investments and utilization of previously unrecognized losses carried forward and non-recognition of losses carried forward, respectively	-1.2%	-7.8	-0.6%	-4.3
Taxes from previous periods	-0.4%	-2.8	0.9%	6.2
Own shares	0.0%	0.2	0.0%	0.0
Other differences	1.2%	7.9	1.2%	8.8
Effective Group tax rate (%)/income tax expense	21.4%	137.4	19.8%	146.7

In millions of euros

9. Property, plant and equipment

	Land, land rights, and buildings	Plant and equipment	Fixtures and fittings	Advance payments and plant under construction	Total
Gross carrying amount	2,642.8	8,728.5	983.0	460.8	12,815.1
Accumulated depreciation and impairment	-1,305.3	-6,198.8	-757.0	-0.2	-8,261.3
Carrying amount as of April 1, 2013	1,337.5	2,529.7	226.0	460.6	4,553.8
Gross carrying amount	2,694.2	8,846.8	1,009.0	675.4	13,225.4
Accumulated depreciation and impairment	-1,339.5	-6,378.8	-764.7	-0.6	-8,483.6
Carrying amount as of March 31, 2014	1,354.7	2,468.0	244.3	674.8	4,741.8
Gross carrying amount	2,851.5	9,361.1	1,022.3	939.9	14,174.8
Accumulated depreciation and impairment	-1,390.7	-6,692.1	-762.8	-0.8	-8,846.4
Carrying amount as of March 31, 2015	1,460.8	2,669.0	259.5	939.1	5,328.4

In millions of euros

The following table shows a reconciliation of the carrying amounts of property, plant and equipment for the periods presented in the consolidated financial statements as of March 31, 2015:

	Land, land rights, and buildings	Plant and equipment	Fixtures and fittings	Advance payments and plant under construction	Total
Carrying amount as of April 1, 2013	1,337.5	2,529.7	226.0	460.6	4,553.8
Changes in the scope of consolidated financial statements	7.9	5.3	2.3	0.3	15.8
Additions	67.1	245.2	66.5	487.7	866.5
Transfers	53.1	183.2	16.9	-257.7	-4.5
Disposals	-22.3	-24.8	-3.1	-3.7	-53.9
Depreciation	-64.0	-422.3	-59.3	-0.1	-545.7
Impairment	-2.8	-2.8	-0.2	0.0	-5.8
Reversal of impairment	0.0	0.0	0.0	0.0	0.0
Net exchange differences	-21.8	-45.5	-4.8	-12.3	-84.4
Carrying amount as of March 31, 2014	1,354.7	2,468.0	244.3	674.8	4,741.8
Changes in the scope of consolidated financial statements	8.7	1.8	0.3	-1.9	8.9
Additions	65.1	275.7	65.0	693.0	1,098.8
Transfers	83.5	393.2	12.9	-492.8	-3.2
Disposals	-0.3	-7.0	-1.0	-2.3	-10.6
Depreciation	-67.3	-430.9	-62.5	-0.2	-560.9
Impairment	-6.2	-43.0	-1.2	0.0	-50.4
Reversal of impairment	1.4	1.3	0.2	0.0	2.9
Net exchange differences	21.2	9.9	1.5	68.5	101.1
Carrying amount as of March 31, 2015	1,460.8	2,669.0	259.5	939.1	5,328.4

In millions of euros

As of March 31, 2015, restrictions on the disposal of property, plant and equipment amounted to EUR 13.9 million (March 31, 2014: EUR 19.2 million). Furthermore, as of March 31, 2015, commitments for the purchase of property, plant and equipment amounted to EUR 698.1 million (March 31, 2014: EUR 509.3 million).

Borrowing costs related to qualifying assets in the amount of EUR 13.9 million (2013/14: EUR 9.2 million) were capitalized in the reporting period. The calculation was based on an average borrowing cost rate of 3.5% (2013/14: 4.0%).

As of March 31, 2015, the gross carrying amount and accumulated depreciation of investment properties (IAS 40) are reported as follows:

	03/31/2014	03/31/2015
Gross carrying amount	25.0	25.2
Accumulated depreciation and impairment	-9.9	-10.0
Carrying amount	15.1	15.2

In millions of euros

The following table shows a reconciliation of the carrying amounts of investment properties for the periods presented in the consolidated financial statements as of March 31, 2015:

	2013/14	2014/15
Carrying amount as of April 1	27.4	15.1
Additions	0.5	0.0
Disposals	-10.9	0.0
Depreciation	-1.9	0.0
Net exchange differences	0.0	0.1
Carrying amount as of March 31	15.1	15.2

In millions of euros

Investment properties are measured at cost. Depreciation is recorded in line with the general accounting policies for property, plant and equipment. Based on comparable sales transactions, the market value of these assets is estimated at EUR 16.6 million (March 31, 2014: EUR 16.8 million). Rental income and expenses for investment properties are immaterial.

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

	Property, plant and equipment				Intangible Assets	Total
	Land, land rights, and buildings	Plant and equipment	Fixtures and fittings	Advance payments and plant under construction		
2013/14						
Gross carrying amount	69.6	37.8	2.6	1.0	1.0	112.0
Accumulated depreciation and impairment	-27.9	-24.5	-1.2	0.0	-1.0	-54.6
Carrying amount	41.7	13.3	1.4	1.0	0.0	57.4
2014/15						
Gross carrying amount	70.3	37.8	3.1	0.0	1.0	112.2
Accumulated depreciation and impairment	-27.3	-25.2	-1.7	0.0	-1.0	-55.2
Carrying amount	43.0	12.6	1.4	0.0	0.0	57.0

In millions of euros

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

	Minimum finance lease payments		Discounts on finance lease payments		Present value of the minimum finance lease payments	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
Less than one year	7.5	7.6	-1.7	-1.6	5.8	6.0
Between one and five years	21.4	27.2	-4.9	-2.9	16.5	24.3
More than five years	17.1	7.3	-0.8	-0.8	16.3	6.5
	46.0	42.1	-7.4	-5.3	38.6	36.8

In millions of euros

The most significant finance lease agreements for buildings and production plants have a remaining term between four and nine years. Thereby, the Group has the option to purchase the plants at the end of the contracted period or renew the contract.

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

	2013/14	2014/15
Less than one year	45.0	50.5
Between one and five years	104.8	110.0
More than five years	52.9	49.0
	202.7	209.5

In millions of euros

Payments of EUR 61.0 million (2013/14: EUR 53.9 million) under operating leases have been recognized as expenses.

The most significant operating lease agreements are related to land and buildings with a lease term between 15 and 50 years and with a renewal option in certain cases. At the end of the lease term there are purchase options at fair value. There are no restrictions concerning dividends, additional debt, and further leases.

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

	2013/14	2014/15
Cost of sales	525.0	565.9
Distribution costs	19.3	20.7
Administrative expenses	22.1	21.1
Other operating expenses	19.2	36.2
	585.6	643.9

In millions of euros

Impairment losses and reversal of impairment losses

In the current business year, a write-down to the net fair value as part of the deconsolidation of voestalpine Plastics Solutions amounting to a total of EUR 13.9 million and impairment losses on a cash generating unit in Russia that is engaged in the production of profiles amounting to EUR 5.2 million were recognized under profit and loss in the Metal Forming Division. They are recognized under other operating expenses. Impairment losses were recognized on the activities in Russia due to the weak market environment. The recoverable amount from this cash generating unit is EUR 4.4 million.

In the Special Steel Division, impairment losses of EUR 16.3 million were recognized in one forging line (=cash generating unit) under property, plant and equipment due to negative trends in the German energy engineering industry. They are recognized under cost of sales. The recoverable amount from this cash generating unit is EUR 73.1 million.

For one cash generating unit in the Metal Engineering Division that works with the production of ultrafine wires, impairment losses of EUR 15.0 million were recognized under property, plant and equipment as a consequence of negative market trends due to the German energy transition. They are recognized under cost of sales. The recoverable amount from this cash generating unit is EUR 28.9 million.

With the exception of voestalpine Plastics Solutions, which has been sold, the recoverable amount is equal to the value in use. The interest rate described under Chapter 10. Goodwill was used as the discount rate and—where necessary—adapted for the specific country.

In the Metal Engineering Division in the same period of the previous year, impairment losses on property, plant and equipment amounting to EUR 3.5 million were recognized for obsolete plant, equipment, and buildings. They are recognized under other operating expenses. In the Metal Forming Division, impairment losses on property, plant and equipment amounting to EUR 2.3 million were recognized as provisions of possible losses on sales. They are recognized under cost of sales and other operating expenses.

10. Goodwill

	03/31/2013	03/31/2014	03/31/2015
Gross carrying amount	1,485.6	1,487.7	1,485.2
Impairment loss	-15.4	-15.4	-12.3
Carrying amount	1,470.2	1,472.3	1,472.9

In millions of euros

The following table shows a reconciliation of the carrying amounts of goodwill for the periods presented in the consolidated financial statements as of March 31, 2015:

	Goodwill
Carrying amount as of April 1, 2013	1,470.2
Changes in the scope of consolidated financial statements	3.9
Net exchange differences	-1.8
Carrying amount as of March 31, 2014	1,472.3
Additions	6.2
Disposals	-11.4
Net exchange differences	5.8
Carrying amount as of March 31, 2015	1,472.9

In millions of euros

The additions to goodwill of EUR 6.2 million includes EUR 7.3 million from company acquisitions in the business year 2014/15 and an adjustment of the provisional purchase price allocation from the previous year of EUR -1.1 million.

Impairment tests for cash-generating units or groups of cash-generating units containing goodwill

Goodwill is allocated to the following cash-generating units or groups of cash-generating units:

	2013/14	2014/15
Total Steel Division	160.1	160.1
HPM Production	378.8	378.8
Value Added Services	305.2	310.9
Total Special Steel Division	684.0	689.7
Steel	25.8	25.8
Rail Technology	31.9	38.9
Turnout Systems	123.9	124.2
Welding Consumables	173.2	172.2
Total Metal Engineering Division	354.8	361.1
Tubes & Sections	63.0	63.0
Automotive Body Parts	84.0	84.0
Precision Strip	103.8	103.8
Warehouse & Rack Solutions	11.2	11.2
Heating & Installation Components	11.4	0.0
Total Metal Forming Division	273.4	262.0
voestalpine Group	1,472.3	1,472.9

In millions of euros

With regard to the value in use, goodwill is reviewed for impairment applying the discounted cash flow method. The calculation is performed on the basis of cash flows before tax of a three-year medium-term business plan as of the beginning of March. This medium-term business plan is based on historical data as well as on assumptions regarding the expected future market performance. The Group's planning assumptions are extended to include sectoral planning assumptions. Intra-group evaluations are complemented by external market studies. The capital costs are calculated as the weighted average cost of equity and the weighted average cost of borrowed capital and using the capital asset pricing model (weighted average costs of capital). A market comparison was used to ensure that the capital structures employed in determining the WACC did not deviate from typical capital structures. Cash flows are discounted using a pre-tax WACC of 7.53% (2013/14: 7.98%). Country risk is taken into account through a cash flow premium/discount (in each case specifically applicable for the unit to which the goodwill has been allocated).

Estimates and assumptions used to measure the recoverable amounts of cash generating units or groups of cash-generating units with a significant share of the voestalpine Group's total goodwill include:

External market and economic forecasts for the sale of flat steel products in Europe were used for the three-year medium-term business plan of the Steel Division. Due to positive feedback from individual customer segments, some quality-related adjustments were made. The production plan reflects the sales forecasts. With respect to procurement, the assumptions regarding raw materials according to global market forecasts were taken as a basis for planning. The perpetual annuity is based on an expected growth rate of 1%. The country-specific cash flow premium is 4.14%.

The three-year medium-term business plan for High Performance Metals (HPM) Production was prepared under consideration of both the strategic orientation and the regional conditions in the core markets and reflects the general economic environment of the most important industry segments for the companies. The internal forecasts and estimates—in particular with regard to the components business that targets sophisticated metallurgical applications in the aerospace, oil and natural gas, energy engineering, and automotive industries—rely on external sources of information and are largely consistent with them. Planning included consideration of an expected dip in demand for the next 18 months in the oil and gas business. Changes in the cost of input materials due to the price of alloys can mostly be passed on to customers. The last plan year was used to calculate the perpetual annuity based on a growth factor of 1%. The country-specific cash flow discount is 3.36%.

The planning for Value Added Services was based on both the general economic environment of the relevant industry segments as well as the growth forecasts in the regional sales markets. The optimization of the value creation chain that had already been initiated in the past and the continuation of the oil and natural gas strategy, which is contributing to a significant improvement of the market position, have played a positive role in the planning. Changes in material costs due to alloy prices can also be passed on to the market through so-called "alloy surcharges." The perpetual annuity begins with the third plan year and is also based on a growth factor of 1%. The country-specific cash flow discount is 8.90%.

The planning process of Turnout Systems was based on the three-year detailed budgets and market forecasts of the individual companies. The planning also reflects their expectations with respect to the development of their respective general market environment and the volume of their customers' estimated demand. With regard to the most important factor cost developments, general forecasts of the development of personnel expenses and internal assumptions on the development of steel prices were integrated into the budgets. The perpetual annuity begins with the third plan year and is based on a growth factor of 1%. The country-specific cash flow discount is 8.25%.

In addition to the generally applicable forecasts for economic growth in the relevant core markets, in particular the development and potential in the focus industries defined for the segment were taken into account for the three-year medium-term business plan for Welding Consumables. The discounted cash flow method used in the course of the impairment tests is applied using a perpetual annuity based on the last detailed planning period. A growth factor of 1% was applied for the perpetual annuity. The country-specific cash flow discount is 8.17%.

The cash flow forecasts for Automotive Body Parts are based on the regional growth forecasts and/or the medium-term production forecasts for the pan-European automobile market, particularly for the European premium brand automakers. Internal estimates correspond approximately to forecasts from outside the Group, as well as market dynamics, and was adjusted corresponding to the model portfolio for Automotive Body Parts. The last plan year was used to calculate the perpetual annuity based on a growth factor of 1%. The country-specific cash flow premium is 1.47%.

The three-year medium-term business plan for Precision Strip was prepared under consideration of the general regional conditions in the core markets and reflects the general economic environment of the most important industry segments for the companies. For the most part, internal estimates are based on external forecasts and were adjusted very slightly downward. The last plan year was used to calculate the perpetual annuity based on a growth factor of 1%. The country-specific cash flow premium is 3.41%.

The value of all goodwill was confirmed by the impairment tests. A sensitivity analysis showed that the carrying amounts would still be covered if the interest rate were to rise from 7.53% to 8.53% and there is no need to recognize an impairment loss. Furthermore, the cash flow sensitivity analysis showed that if the cash flows are reduced by 10%, the carrying amounts are still covered and there is no need to recognize an impairment loss. A combined sensitivity analysis showed that, with an increase of the discount rate to 8.53% and a reduction in cash flow of 10%, the carrying amounts of all goodwill-carrying units with two exceptions (Steel Division and High Performance Metals Production) are still covered.

The following table shows the carrying amount coverage as well as the amount by which both major assumptions would have to change for the estimated recoverable amount to become equal to the carrying amount:

Steel Division

	2013/14	2014/15
Carrying amount coverage in millions of euros	943.5	774.0
Discount rate in %	1.9	1.4
Cash flow in %	-26.5	-19.8

High Performance Metals Production

	2013/14	2014/15
Carrying amount coverage in millions of euros	347.6	559.6
Discount rate in %	1.2	1.8
Cash flow in %	-14.9	-22.0

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

	2013/14	2014/15
Special Steel Division	155.4	155.4
Welding Consumables	12.6	12.6
Total Metal Engineering Division	12.6	12.6
Precision Strip	2.6	2.6
Total Metal Forming Division	2.6	2.6
voestalpine Group	170.6	170.6

In millions of euros

Intangible assets with indefinite useful lives contain solely trademark rights. The period, during which these trademark rights are expected to generate cash flows is not subject to a foreseeable limit. Therefore, trademark rights do not depreciate and are not amortized.

11. Other intangible assets

	Brands	Other	Advance payments or payments in progress	Total
Gross carrying amount	227.6	1,076.4	14.6	1,318.6
Accumulated amortization and impairment	-8.1	-990.2	0.0	-998.3
Carrying amount as of April 1, 2013	219.5	86.2	14.6	320.3
Gross carrying amount	227.6	1,082.2	43.1	1,352.9
Accumulated amortization and impairment	-13.8	-1,002.9	0.0	-1,016.7
Carrying amount as of March 31, 2014	213.8	79.3	43.1	336.2
Gross carrying amount	227.6	1,093.6	57.0	1,378.2
Accumulated amortization and impairment	-19.5	-1,013.3	-0.1	-1,032.9
Carrying amount as of March 31, 2015	208.1	80.3	56.9	345.3

In millions of euros

The column "Brands" contains brands with an indefinite useful life amounting to EUR 170.6 million. No impairments have arisen. Moreover, a capital market funding advantage associated with the brand name Böhler-Uddeholm is contained therein. The depreciation period of the capital market funding advantage is ten years.

The following table shows a reconciliation of the carrying amounts of other intangible assets for the periods presented in the consolidated financial statements as of March 31, 2015:

	Brands	Other	Advance payments or payments in progress	Total
Carrying amount as of April 1, 2013	219.5	86.2	14.6	320.3
Changes in the scope of consolidated financial statements	0.0	4.7	0.0	4.7
Additions	0.0	15.2	29.1	44.3
Transfers	0.0	4.2	-0.5	3.7
Disposals	0.0	0.0	0.0	0.0
Amortization	-5.7	-28.2	0.0	-33.9
Net exchange differences	0.0	-2.8	-0.1	-2.9
Carrying amount as of March 31, 2014	213.8	79.3	43.1	336.2
Changes in the scope of consolidated financial statements	0.0	2.2	0.0	2.2
Additions	0.0	15.7	20.9	36.6
Transfers	0.0	7.8	-2.9	4.9
Disposals	0.0	0.0	-4.9	-4.9
Amortization	-5.7	-26.0	0.0	-31.7
Impairment	0.0	-0.9	0.0	-0.9
Net exchange differences	0.0	2.2	0.7	2.9
Carrying amount as of March 31, 2015	208.1	80.3	56.9	345.3

In millions of euros

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

As of March 31, 2015, commitments for the acquisition of intangible assets amounted to EUR 3.7 million (March 31, 2014: EUR 3.3 million). Additions to "Advance payments or payments in progress" contain EUR 15.7 million (March 31, 2014: EUR 23.8 million) in capitalized development costs for a software project intended to depict cross-company business processes and business processes that have been harmonized within the Steel Division. The carrying amount as of March 31, 2015 is EUR 52.7 million (March 31, 2014: EUR 37.0 million).

12. Investments in entities consolidated according to the equity method and other financial assets

	Investments in affiliates	Investments in associates	Investments in joint ventures	Other investments	Securities	Loans granted	Advance payments	Total
Gross carrying amount	18.3	137.3	98.8	57.1	19.5	28.6	0.0	359.6
Accumulated depreciation	-7.1	-2.1	0.0	-4.8	-0.3	-2.6	0.0	-16.9
Carrying amount as of April 1, 2013	11.2	135.2	98.8	52.3	19.2	26.0	0.0	342.7
Gross carrying amount	17.2	114.4	100.3	56.8	6.9	27.9	0.0	323.5
Accumulated depreciation	-7.1	0.0	0.0	-7.9	-0.1	-3.0	0.0	-18.1
Carrying amount as of March 31, 2014	10.1	114.4	100.3	48.9	6.8	24.9	0.0	305.4
Gross carrying amount	16.6	117.1	102.0	55.3	3.8	19.8	0.0	314.6
Accumulated depreciation	-6.3	0.0	0.0	-10.9	0.2	-0.9	0.0	-17.9
Carrying amount as of March 31, 2015	10.3	117.1	102.0	44.4	4.0	18.9	0.0	296.7

In millions of euros

The following table shows a reconciliation of the carrying amounts of investments in entities consolidated according to the equity method and other financial assets for the periods presented in the consolidated financial statements as of March 31, 2015:

	Investments in affiliates	Investments in associates	Investments in joint ventures	Other investments	Securities	Loans granted	Advance payments	Total
Carrying amount as of April 1, 2013	11.2	135.2	98.8	52.3	19.2	26.0	0.0	342.7
Changes in the scope of consolidated financial statements	0.0	0.0	0.0	0.0	-12.4	0.0	0.0	-12.4
Additions	0.2	0.0	3.2	0.1	0.3	2.7	0.0	6.5
Transfers	-1.3	-16.0	0.0	-0.1	-0.1	-0.2	0.0	-17.7
Disposals	0.0	-0.9	0.0	-0.3	-0.3	-3.1	0.0	-4.6
Impairment	0.0	-1.8	0.0	-3.1	-0.1	-0.5	0.0	-5.5
Revaluation	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.2
Net exchange differences	0.0	-2.1	-1.7	0.0	0.0	0.0	0.0	-3.8
Carrying amount as of March 31, 2014	10.1	114.4	100.3	48.9	6.8	24.9	0.0	305.4
Changes in the scope of consolidated financial statements	0.0	-2.5	0.0	0.0	0.0	-3.0	0.0	-5.5
Additions	0.2	1.0	-5.1	0.6	0.6	-0.6	0.0	-3.3
Transfers	0.0	-3.8	0.0	0.0	-1.1	-0.1	0.0	-5.0
Disposals	0.0	0.0	0.0	0.0	-2.4	-1.0	0.0	-3.4
Impairment	0.0	0.0	0.0	-5.1	0.0	-1.5	0.0	-6.6
Revaluation	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Net exchange differences	0.0	8.0	6.8	0.0	0.0	0.2	0.0	15.0
Carrying amount as of March 31, 2015	10.3	117.1	102.0	44.4	4.0	18.9	0.0	296.7

In millions of euros

Loans granted comprise the following items:

	03/31/2013	03/31/2014	03/31/2015
Loans to affiliates	0.9	0.9	0.7
Other loans	16.8	14.8	10.6
Other receivables from financing	8.3	9.2	7.6
	26.0	24.9	18.9

In millions of euros

Other current investments include securities of the V54 fund of funds amounting to EUR 381.2 million (March 31, 2014: EUR 389.5 million), and other securities amounting to EUR 24.4 million (March 31, 2014: EUR 24.2 million).

The fund assets of the V54 fund of funds, which represent a carrying amount of current securities amounting to EUR 21.9 million (March 31, 2014: EUR 39.0 million) in the consolidated financial statements, are pledged for investment loans granted by the European Investment Bank.

VA Intertrading Aktiengesellschaft (as in the previous year) and Wuppermann Austria Gesellschaft m.b.H. (previously recognized according to the equity method) has also been recognized under other current financial investments as the prerequisites for the application of IFRS 5 provisions have now been met; however, as these are immaterial and negligible, it is not appropriate to list them as a separate line item in the consolidated statement of financial position. VA Intertrading Aktiengesellschaft is part of the operating segment Other and Wuppermann Austria Gesellschaft m.b.H. is part of the operating segment Steel Division.

13. Deferred taxes

The tax effects of temporary differences, tax losses carried forward, and tax credits that result in a recognition of deferred tax assets and liabilities include the following items:

	Deferred tax assets		Deferred tax liabilities	
	03/31/2014	03/31/2015	03/31/2014	03/31/2015
Non-current assets	27.4	23.6	140.1	162.8
Current assets	66.5	95.9	69.9	122.6
Non-current provisions and liabilities	151.9	222.9	31.4	28.9
Current provisions and liabilities	24.5	54.4	18.0	37.0
Losses carried forward	52.4	51.8	0.0	0.0
Netting of deferred taxes to the same tax authority	-179.1	-270.7	-179.1	-270.7
	143.6	177.9	80.3	80.6
Intercompany profit elimination (netted)	18.0	26.4	0.0	0.0
Hidden reserves (netted)	0.0	0.0	93.4	91.2
Acquisition-related tax credit	126.5	108.4	0.0	0.0
Other	24.2	16.2	13.7	9.2
Net deferred taxes	312.3	328.9	187.4	181.0

In millions of euros

Pursuant to IAS 12.34, the tax benefit from the acquisition of BÖHLER-UDDEHOLM Aktiengesellschaft is reported as unused tax credit and will be released as a deferred tax expense over a period of 14 years with an amount of EUR 18.1 million per year (remaining term 6 years). This is offset by actual tax savings.

With its decision of January 30, 2014, the Higher Administrative Court (*Verwaltungsgerichtshof*) directed a request for a preliminary ruling to the ECJ (Higher Administrative Court 30/1/2014, EU 2014/0001-1 (2013/15/0186)). Among other issues, this request contained the question of whether, when acquiring a domestic equity interest, goodwill amortization constitutes State aid within the framework of group taxation in Austria as defined by Art. 107 (1) of the Treaty on the Functioning of the European Union (TFEU). The result of the ECJ preliminary ruling proceeding is still open. If goodwill amortization qualifies as "State aid," a reversal could become necessary for a period of up to ten years from the date of granting of State aid. A reversal of the prior tax abatement effect amounting to EUR 194.0 million and a reversal of deferred tax assets amounting to EUR 108.4 million depend on the result of the preliminary ruling proceeding. At this time, the occurrence of the risk of a reversal is viewed as unlikely.

Deferred tax assets on losses carried forward in the amount of EUR 51.8 million (March 31, 2014: EUR 52.4 million) were recognized. As of March 31, 2015, there is a total of unused tax losses of approximately EUR 217.4 million (corporate income tax) (March 31, 2014: total of approximately EUR 165.1 million), for which no deferred tax asset has been recognized. Up to 2025, approximately EUR 53.9 million of tax loss carryforwards (corporate income tax) will expire.

No deferred tax liabilities are shown for the taxable temporary differences due on investments in subsidiaries, joint ventures, and associates of EUR 2,269.4 million (March 31, 2014: EUR 1,973.2 million) because the parent company is able to control the timing of the reversal of the temporary differences and no reversal of the temporary differences is expected in the foreseeable future.

The change in the balance between deferred tax assets and liabilities amounts to EUR 23.0 million. This essentially corresponds to the deferred tax expense of EUR 20.6 million less the deferred tax assets recognized directly in equity in the amount of EUR 42.0 million (March 31, 2014: EUR 8.5 million).

Additional disclosures pursuant to IAS 12.81 (a) and (ab):

	Change 2013/14	03/31/2014	Change 2013/14	03/31/2015
Deferred taxes on actuarial gains/losses	8.1	111.9	52.9	164.8
Deferred taxes on cash flow hedges	0.4	2.6	-7.4	-4.8
Deferred taxes on net investment hedges	0.0	0.0	-3.5	-3.5
Total of deferred taxes recognized in equity (Other comprehensive income)	8.5	114.5	42.0	156.5

In millions of euros

14. Inventories

	03/31/2014	03/31/2015
Raw materials and supplies	900.2	940.3
Work in progress	835.5	861.7
Finished goods	944.2	955.9
Merchandise	190.8	204.7
As yet unbillable services	7.0	5.5
Advance payments	6.0	9.4
	2,883.7	2,977.5

In millions of euros

Write-downs to the lower net realizable value amounting to EUR 110.4 million (March 31, 2014: EUR 94.5 million) are recorded in the consolidated financial statements. The carrying amount of the inventories that have been written down to the lower net realizable value amounts to EUR 572.2 million (March 31, 2014: EUR 545.5 million). As of March 31, 2015, inventories of EUR 2.9 million (March 31, 2014: EUR 0.0 million) are pledged as security for liabilities. An amount of EUR 6,011.5 million (March 31, 2014: EUR 6,206.4 million) has been recognized as cost of materials.

15. Trade and other receivables

	03/31/2014	<i>Remaining term over one year</i>	03/31/2015	<i>Remaining term over one year</i>
Trade receivables	1,228.3	1.0	1,220.4	1.2
Other receivables and other assets	392.7	15.8	447.5	15.4
	1,621.0	16.8	1,667.9	16.6

In millions of euros

Trade receivables include the following receivables from construction contracts:

	03/31/2014	03/31/2015
Aggregate amount of costs incurred up to the reporting date	135.3	168.4
Aggregate amount of accrued profits up to the reporting date	16.8	30.2
Aggregate amount of incurred losses up to the reporting date	-8.5	-10.3
Gross receivables from construction contracts	143.6	188.3
Less amount of advances received	-92.1	-127.0
Receivables from construction contracts	51.5	61.3

In millions of euros

Liabilities include the following liabilities from construction contracts:

	03/31/2014	03/31/2015
Aggregate amount of costs incurred up to the reporting date	13.1	5.6
Aggregate amount of accrued profits up to the reporting date	1.4	1.0
Aggregate amount of incurred losses up to the reporting date	-2.2	0.0
Gross liabilities from construction contracts	12.3	6.6
Less amount of advances received	-18.4	-9.0
Liabilities from construction contracts	-6.1	-2.4

In millions of euros

Revenue from construction contracts amount to EUR 180.3 million in the business year 2014/15 (2013/14: EUR 232.1 million).

16. Cash and cash equivalents

	03/31/2014	03/31/2015
Cash on hand, cash at banks, checks	532.4	464.5

In millions of euros

17. Equity

Share capital (incl. disclosures in accordance with Sec. 240 of the Austrian Commercial Code (*Unternehmensgesetzbuch, UGB*))

As of March 31, 2015, the share capital amounts to EUR 313,309,235.65 and is divided into 172,449,163 ordinary no-par value shares unchanged compared to the previous year. All shares are fully paid up.

Under Sec. 4 (2a) of the Articles of Incorporation, the Management Board of voestalpine AG is authorized until June 30, 2019, with the consent of the Supervisory Board, to increase the company's share capital by up to EUR 125,323,693.90 by issuing up to 68,979,665 shares (= 40%) against cash contributions, if necessary in several tranches (Authorized Capital 2014/I). The Management Board did not exercise this authority during the reporting period.

Under Sec. 4 (2b) of the Articles of Incorporation, the Management Board of voestalpine AG is authorized until June 30, 2019, with the consent of the Supervisory Board, to increase the company's

share capital by up to EUR 31,330,923.02 by issuing up to 17,244,916 shares (= 10%) against contributions in kind and/or cash contributions to issue shares to employees, executives and members of the Management Board of the Company or an affiliated company—if necessary in several tranches—as well as the right to exclude the shareholders' legal subscription right when (i) the capital increase is done against contributions in kind, which means that shares are issued for the purpose of acquiring companies, operations, partial operations, or shares in one or more companies located in Austria or abroad, or (ii) the capital increase is performed for the purpose of issuing shares to employees, executives and members of the Management Board of the Company or an affiliated company in the context of an employee stock ownership plan (Authorized Capital 2014/II). The Management Board of voestalpine AG decided on March 9, 2015, to use this authorization to increase the share capital of voestalpine AG by issuing 2,500,000 new no-par bearer shares, or by 1.45%, for the purpose of issuing shares to employees and executives of the Company and affiliated companies in the context of an existing employee stock ownership plan. This capital increase was entered into the Commercial Register on April 25, 2015.

Under Sec. 4 (6) of the Articles of Incorporation, the Management Board of voestalpine AG is authorized to increase the share capital of the Company by up to EUR 31,330,923.02 by issuing up to 17,244,916 ordinary no-par value bearer shares (= 10%) for issuance to creditors of financial instruments within the meaning of Sec. 174 of the Austrian Stock Corporation Act (*Aktiengesetz, AktG*) (convertible bonds, income bonds, or participation rights); the Management Board was authorized to issue these shares during the Annual General Meeting on July 2, 2014 (contingent capital increase). During the reporting period, the Management Board did not exercise the authority granted on July 2, 2014, to issue financial instruments within the meaning of Sec. 174 of the Austrian Stock Corporation Act.

During the Annual General Meeting on July 3, 2013, the Management Board was authorized to repurchase own shares for a term of validity of 30 months, representing no more than 10% of the respective share capital. The repurchase price may not be more than 20% below or 10% above the average closing price of the shares on the three market trading days prior to the repurchase. The Management Board did not exercise this authority during the reporting period.

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

Reserves for own shares include the deducted cost of acquisition and the increase in equity from disposal of own shares at cost.

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

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

The hedging reserve comprises gains and losses from the effective portion of the cash flow hedges. The cumulative gains or losses from hedged transactions recognized in the reserves are not recognized in the income statement until the hedged transaction also affects the result.

The number of shares outstanding for the periods presented in the consolidated financial statements as of March 31, 2015, has changed as follows:

	Number of no-par value shares	Number of own shares	Number of shares outstanding
Balance as of April 1, 2013	172,449,163	90,629	172,358,534
Disposals		-62,032	62,032
Balance as of March 31, 2014	172,449,163	28,597	172,420,566
Balance as of March 31, 2015	172,449,163	28,597	172,420,566

Shares

Hybrid capital

On October 16, 2007, voestalpine AG issued a EUR 1 billion subordinated bond with an indefinite term (hybrid bond). The coupon rate of the bond, which can also be suspended if dividends have been suspended, is 7.125%. Seven years after issue of the bond, voestalpine AG, but not the creditors, had its first opportunity to redeem the bond or to continue it at a variable interest rate (3-month EURIBOR plus 5.05%). In the fourth quarter of the business year 2012/13, voestalpine AG issued a new subordinate undated bond (hybrid bond 2013) with a volume of EUR 500 million following an invitation extended to the holders of the hybrid bond to exchange the bond for a new hybrid bond at a 1:1 ratio. The outstanding nominal value of the hybrid bond 2007 as a result of this exchange was thus EUR 500 million. The coupon of the hybrid bond 2013 is 7.125% until October 31, 2014, 6% from October 31, 2014, to October 31, 2019, the 5-year swap rate +4.93% from October 31, 2019, to October 31, 2024, and the 3-month EURIBOR +4.93% plus a step-up of 1% starting October 31, 2024. The hybrid bond 2013 can be first called in and redeemed by voestalpine AG, but not the creditors, on October 31, 2019.

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 was 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.

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 presented as part of the appropriation of profit.

The issue costs of the new hybrid bond 2013 amounted to EUR 2.8 million, less EUR 0.7 million tax effect. Therefore, equity increased by EUR 497.9 million in the business year 2012/13. Taking into

account the redemption of the hybrid bond 2007 as of October 31, 2014, hybrid capital amounts to EUR 497.9 million in equity—see therefore Chapter B. Summary of accounting policies, section general information.

Share-based compensation

Share-based payments of EUR 1.0 million (March 31, 2014: EUR 0.0 million) are included directly in equity because of granting voestalpine shares to employees (29.3 thousand shares at a market value of EUR 33.80 per share) as part of the annual profit bonus.

Non-controlling interests

The non-controlling interests as of March 31, 2015, result primarily from non-controlling interests in Turnout Systems, voestalpine Railpro B.V., ASPAC Group, and Danube Equity AG.

18. Pensions and other employee obligations

	03/31/2014	03/31/2015
Provisions for severance payments	499.9	606.0
Provisions for pensions	399.3	510.8
Provisions for long-service bonuses	116.1	135.3
	1,015.3	1,252.1

In millions of euros

Provisions for severance payments

	2013/14	2014/15
Present value of defined benefit obligation (DBO) as of April 1	484.4	499.9
Service costs for the period	11.1	10.7
Interest costs for the period	16.6	16.5
Changes in the scope of consolidated financial statements	1.6	0.1
Severance payments	-28.9	-25.6
Actuarial gains (-)/losses (+) due to changes in financial assumptions	13.7	106.8
Actuarial gains (-)/losses (+) due to experience-based adjustments	2.6	-2.7
Other	-1.2	0.3
Present value of defined benefit obligation (DBO) as of March 31	499.9	606.0

In millions of euros

Provisions for pensions

	Present value of DBO	Plan Assets	Provisions for Pensions
As of April 1, 2013	889.5	-495.7	393.8
Service costs for the period	10.2	0.0	10.2
Net interest for the period	27.7	-15.2	12.5
Return on plan assets (excluding amounts included in net interest)	0.0	-15.9	-15.9
Gains (-)/Losses (+) on plan settlement/curtailment	-21.5	0.0	-21.5
Changes in the scope of the consolidated financial statements	0.0	0.0	0.0
Pension payments	-40.9	25.8	-15.1
Net exchange differences	-5.7	1.7	-4.0
Employer contributions/repayments	0.0	3.0	3.0
Contributions by plan participants	0.0	-1.6	-1.6
Actuarial gains (-)/losses (+) due to changes in financial assumptions	36.6	0.0	36.6
Actuarial gains (-)/losses (+) due to changes of demographic assumptions	1.3	0.0	1.3
Actuarial gains (-)/losses (+) due to experience-based adjustments	-0.9	0.0	-0.9
Plan settlements	-80.3	80.3	0.0
Other	0.9	0.0	0.9
As of March 31, 2014	816.9	-417.6	399.3

In millions of euros

Provisions for pensions

	Present value of DBO	Plan Assets	Provisions for Pensions
As of April 1, 2014	816.9	-417.6	399.3
Service costs for the period	8.7	0.0	8.7
Past service costs	0.3	0.0	0.3
Net interest for the period	24.6	-12.2	12.4
Return on plan assets (excluding amounts included in net interest)	0.0	-40.3	-40.3
Gains (-)/Losses (+) on plan settlement/curtailment	-23.8	0.0	-23.8
Changes in the scope of the consolidated financial statements	-62.4	54.1	-8.3
Pension payments	-38.1	23.2	-14.9
Net exchange differences	11.3	-10.7	0.6
Employer contributions/repayments	0.0	-5.6	-5.6
Contributions by plan participants	0.0	-1.6	-1.6
Actuarial gains (-)/losses (+) due to changes in financial assumptions	189.3	0.0	189.3
Actuarial gains (-)/losses (+) due to changes of demographic assumptions	-2.7	0.0	-2.7
Actuarial gains (-)/losses (+) due to experience-based adjustments	-3.3	0.0	-3.3
Plan settlements	-31.4	31.1	-0.3
Other	0.9	0.1	1.0
As of March 31, 2015	890.3	-379.5	510.8

In millions of euros

In business years 2012/13 and 2013/14, a number of Dutch companies converted the majority of their defined benefit pension plans into defined contribution plans. In the business year 2014/15, existing pension obligations for previous employees were outsourced to the industry-wide pension fund (PME).

The major categories of plan assets for the periods presented in the consolidated financial statements as of March 31, 2015, are as follows:

2013/14

Category	Assets with quoted market price in an active market	Assets without quoted market price in an active market	Assets Total
Debt instruments	46.9%	0.4%	47.3%
Equity instruments	24.7%	0.8%	25.5%
Property	1.7%	1.3%	3.0%
Cash and cash equivalents	4.5%	0.1%	4.6%
Insurance	0.0%	2.7%	2.7%
Other assets	4.8%	12.1%	16.9%
Total	82.6%	17.4%	100.0%

2014/15

Category	Assets with quoted market price in an active market	Assets without quoted market price in an active market	Assets Total
Debt instruments	53.3%	0.1%	53.4%
Equity instruments	27.0%	0.0%	27.0%
Property	1.4%	1.3%	2.7%
Cash and cash equivalents	4.0%	0.1%	4.1%
Insurance	0.0%	3.8%	3.8%
Other assets	4.7%	4.3%	9.0%
Total	90.4%	9.6%	100.0%

The plan assets include own shares with a fair value of EUR 1.4 million (March 31, 2014: EUR 1.3 million).

The average expected return is determined by the portfolio structure of the plan assets, empirical data, and estimates of future investment returns. The calculation of the provisions for pensions was based on an expected interest rate of 1.5% on plan assets. The actual interest rate was 11.9%.

The amount recognized as an expense in the income statement for defined contribution plans is EUR 30.4 million (2013/14: EUR 27.0 million).

The sensitivity analysis of the key actuarial assumptions used to determine defined benefit obligations is depicted below:

Sensitivities

	Interest rate		Salary/wage increases		Pension increases	
	+1.0%	-1.0%	+0.5%	-0.5%	+0.25%	-0.25%
Pensions	-13.8%	+17.5%	+0.8%	-0.8%	+3.2%	-3.1%
Severance	-10.8%	+12.9%	+6.0%	-5.6%		

Group-wide figures were determined for the effects associated with the interest rate, wage and salary increases, and pension increases. The sensitivities are not determined by way of estimates or approximations, but by way of comprehensive analyses, which vary the parameters.

For the business year 2015/16, the expected contributions to the defined benefit plans amount to EUR 2.5 million.

The interest-weighted, average duration for pension plans is 15.9 years and 12.0 years for severance payments.

Provisions for long-service bonuses

	2013/14	2014/15
Present value of long-service bonus obligations (DBO) as of April 1	113.4	116.1
Service costs for the period	6.2	6.2
Interest costs for the period	3.7	3.7
Changes in the scope of consolidated financial statements	0.5	-1.0
Long-service bonus payments	-9.5	-11.5
Actuarial gains (-)/losses (+) due to changes in assumptions	2.7	22.8
Actuarial gains (-)/losses (+) due to experience-based adjustments	0.0	-1.4
Other	-0.9	0.4
Present value of long-service bonus obligations (DBO) as of March 31	116.1	135.3

In millions of euros

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

	2013/14	2014/15
Service costs for the period	27.5	25.9
Net interest for the period	32.8	32.6
Gains (-)/Losses (+) on plan settlement/curtailment	-21.5	-23.8
Expenses/revenue recognized in the income statement	38.8	34.7

In millions of euros

Net interest for the period is recognized in the finance costs.

19. Provisions

	Balance as of 04/01/2014	Changes in the scope of consolidated financial statements	Net exchange differences	Use	Reversals	Transfers	Additions	Balance as of 03/31/2015
Non-current provisions								
Other personnel expenses	40.9	-2.0	0.1	-15.9	0.0	-0.7	3.6	26.0
Warranties and other risks	4.6	0.0	0.0	-1.4	-0.1	3.0	0.7	6.8
Other non-current provisions	53.7	-0.5	-0.4	-3.5	-0.6	-16.3	5.2	37.6
	99.2	-2.5	-0.3	-20.8	-0.7	-14.0	9.5	70.4
Current provisions								
Unused vacation entitlements	122.8	-1.9	-0.2	-70.6	-0.6	0.1	76.5	126.1
Other personnel expenses	149.6	-8.0	2.7	-120.9	-23.1	-0.2	156.1	156.2
Warranties and other risks	46.2	-1.2	0.7	-8.4	-11.4	0.1	20.6	46.6
Onerous contracts	22.5	0.0	0.4	-14.8	-2.5	3.2	10.9	19.7
Other current provisions	156.8	-0.4	1.4	-71.9	-11.6	10.5	80.2	165.0
	497.9	-11.5	5.0	-286.6	-49.2	13.7	344.3	513.6
	597.1	-14.0	4.7	-307.4	-49.9	-0.3	353.8	584.0

In millions of euros

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

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

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

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 53.6 million due to the use of these provisions.

The provisions for the EU antitrust fine of voestalpine Austria Draht GmbH from the previous year amounting to EUR 17.1 million (with the exception of the provisions for interest) have been continued unchanged. An appeal was filed against the fine before the European General Court.

Increases in provisions totaling EUR 3.5 million are included in the reporting period, based on accrued interest and on changes in the discount rate.

20. Financial liabilities

	Up to one year		Over one year	
	03/31/2014	03/31/2015	03/31/2014	03/31/2015
Bank loans and bonds	755.0	742.6	2,531.1	2,913.8
Liabilities from finance leases	5.8	6.0	32.8	30.8
Liabilities from affiliates	12.0	12.5	0.0	0.0
Liabilities from other investments	51.4	71.9	0.0	0.0
Other payables and liabilities	7.6	57.2	32.9	60.0
	831.8	890.2	2,596.8	3,004.6

In millions of euros

On March 30, 2009, voestalpine AG issued a fixed-interest bond amounting to EUR 400.0 million. The bond was redeemed on April 2, 2013. The interest rate amounted to 8.75% p.a.

On February 3, 2011, voestalpine AG issued a corporate bond amounting to EUR 500.0 million. The bond will be redeemed on February 5, 2018. The interest rate amounts to 4.75% p.a.

On October 5, 2012, voestalpine AG issued a corporate bond with a volume of EUR 500.0 million. The bond will be redeemed on October 5, 2018. The interest rate amounts to 4.00% p.a.

On October 14, 2014, voestalpine AG issued a fixed interest bond of EUR 400.0 million. The bond will be redeemed in October 2021 and carries an annual interest rate of 2.25%.

21. Trade and other payables

	03/31/2014	03/31/2015
Prepayments received on orders	71.0	70.3
Trade payables	1,098.5	1,260.5
Liabilities from bills of exchange accepted and drawn	444.3	394.6
Other liabilities from taxes	93.7	88.4
Other liabilities related to social security	46.5	45.1
Other payables and other liabilities	332.6	344.4
	2,086.6	2,203.3

In millions of euros

22. Contingent liabilities

	03/31/2014	03/31/2015
Liabilities from the issue and transfer of bills of exchange	3.5	2.5
Surety bonds and guarantees	1.6	3.0
	5.1	5.5

In millions of euros

The federal finance court has directed a request for a preliminary ruling to the ECJ with regard to the Austrian energy fee compensation (BFG 10/31/2014, RE/5100001/2014). The energy fee compensation was restricted to production companies through the amendment to the Energy Fee Compensation Act in the budget act of 2011, applicable to the periods after December 31, 2010. The questions are concerned with a violation of obligations of the General Group Approval Ordinance (AGVO), absent environmental protection measures in the compensation ruling, and the lack of a time limit of the approval. The classification of the energy fee compensation as "financial assistance" raised the possibility of retroactive activity for the time periods after December 31, 2010. At this time, the occurrence of the risk of a reversal is considered unlikely.

23. Financial instruments

General information

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

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

Capital management

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

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

The target amount for the gearing ratio is 50% and may only be exceeded up to a maximum of 75% for a limited period of time. The net financial debt to EBITDA ratio may not exceed 3.0. All growth measures and capital market transactions are based on these ratios.

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

	03/31/2014	03/31/2015
Gearing ratio in %	46.0%	58.4%
Net financial debt to EBITDA ratio	1.8	1.9

Financial risk management – Corporate finance organization

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

It is part of the voestalpine Group's corporate policy to continuously monitor, quantify, and, where reasonable, hedge financial risks. The Group's willingness to accept risk is relatively low. The strategy aims at achieving natural hedges and reducing fluctuations in cash flows and income. Market risks are largely hedged by means of derivative financial instruments.

To quantify interest rate risk, voestalpine AG uses interest rate exposure and fair value risk as indicators. Interest rate exposure quantifies the impact of a 1% change in the market interest rate on interest income and interest expenses. Fair value risk means the change in the fair value of an interest rate-sensitive item with a 1% parallel shift of the interest yield curve.

voestalpine AG uses the "@risk" concept to quantify currency risk. The maximum loss within one year is determined with 95% certainty. Risk is calculated for the open position, which is defined as the budgeted quantity for the next twelve months less the quantity that has already been hedged. The variance-covariance approach is used to evaluate foreign currency risk.

Liquidity risk – Financing

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

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

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

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

voestalpine AG holds securities and current investments as a liquidity reserve. As of March 31, 2015, non-restricted securities amounted to EUR 383.8 million (March 31, 2014: EUR 374.7 million). Furthermore, cash and cash equivalents in the amount of EUR 464.5 million (March 31, 2014: EUR 532.4 million) are reported in the consolidated financial statements.

Additionally, adequate credit lines that are callable at any time exist with domestic and foreign banks. These credit lines have not been drawn. In addition to the possibility of exhausting these financing arrangements, contractually guaranteed credit lines of EUR 896 million (2013/14: EUR 400 million) are available to bridge any economic downturns.

The sources of financing are managed on the basis of the principle of bank independence. Financing is currently being provided by approximately 20 different domestic and foreign banks. Covenants agreed for a minor part of the total credit volume with a single bank are adhered to. The capital market is also used as a source of financing. No capital market transactions were carried out during the business year 2013/14. The following capital market transactions were performed in the business year 2014/15:

Issue of new borrower's notes	EUR 221.0 million
Issue of new borrower's notes	USD 100.0 million
Restructuring of existing borrower's notes	
Early extensions	EUR 250.0 million
Early repayment	EUR 337.5 million
Issue of a new senior bond	EUR 400.0 million

The capital increase decided by the Management Board on March 9, 2015, and approved by the Supervisory Board on March 26, 2015, was entered on April 25, 2015 in the amount of 2.5 million shares and is therefore effective as of this date.

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

Liabilities

	Due within one year		Due between one and five years		Due after more than five years	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
Bonds	0.0	0.0	994.1	995.4	0.0	391.8
Bank loans	755.0	742.6	1,456.9	1,349.9	80.1	176.7
Trade payables	1,093.0	1,260.4	5.5	0.1	0.0	0.0
Liabilities from finance leases	5.8	6.0	16.5	24.3	16.3	6.5
Derivative liabilities	18.1	28.8	0.0	0.0	0.0	0.0
Other financial liabilities	7.6	57.2	32.8	9.9	0.1	50.1
Total liabilities	1,879.5	2,095.0	2,505.8	2,379.6	96.5	625.1

In millions of euros

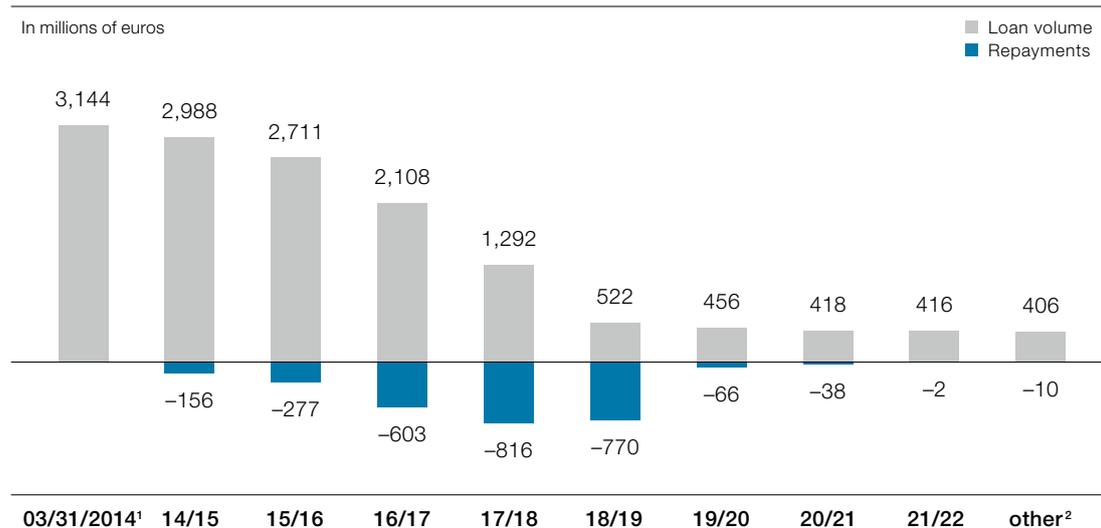
As estimated as of the reporting date, the following (prospective) interest charges correspond to these existing liabilities:

	Due within one year		Due between one and five years		Due after more than five years	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
Interest on bonds	43.8	52.8	151.3	143.5	0.0	18.0
Interest on bank loans	45.3	38.3	75.3	95.3	4.4	13.7
Interest on liabilities from finance leases	1.7	1.6	4.9	2.9	0.8	0.8
Interest on other financial liabilities	1.1	1.4	0.1	0.0	0.0	0.0
Total interest charges	91.9	94.1	231.6	241.7	5.2	32.5

In millions of euros

As of March 31, 2014, the maturity structure of the loan portfolio had the following repayment profile for the next several years:

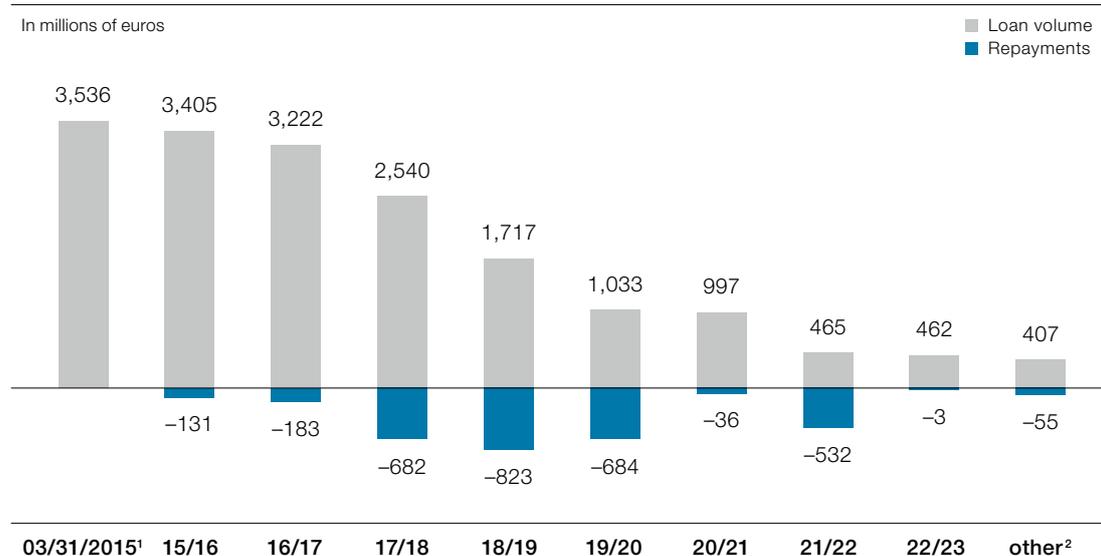
Loan portfolio maturity structure as of March 31, 2014



¹ Debit balances with banks not included ² Contains EUR 406.1 million of revolving export loans

As of March 31, 2015, the maturity structure of the loan portfolio has the following repayment profile for the next several years:

Loan portfolio maturity structure as of March 31, 2015



¹ Debit balances with banks not included ² Contains EUR 406.1 million of revolving export loans

Credit risk

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

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

The following receivables, for which no impairment has yet been recorded, were past due as of the reporting date:

Receivables that are past due but not impaired

	03/31/2014	03/31/2015
Up to 30 days past due	136.2	149.8
31 to 60 days past due	31.6	35.1
61 to 90 days past due	13.6	12.7
91 to 120 days past due	9.6	10.0
More than 120 days past due	24.3	23.3
Total	215.3	230.9

In millions of euros

The following impairment was recorded for receivables of voestalpine AG during the reporting period:

Impairment for receivables

	2013/14	2014/15
Opening balance as of April 1	41.4	33.7
Additions	6.2	8.6
Net exchange differences	-0.9	0.2
Changes in the scope of consolidated financial statements	-0.2	-0.2
Reversal	-5.0	-2.5
Use	-7.8	-5.0
Closing balance as of March 31	33.7	34.8

In millions of euros

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

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

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

Breakdown of investments at financial institutions by rating classes

	AAA	AA	A	BBB	<BBB/NR
Bonds	79.5	197.1	12.8	7.6	3.6
Money market investments excl. account credit balances	0.0	48.0	123.6	0.0	0.0
Derivatives ¹	0.0	0.3	32.4	6.2	0.0

¹ Only positive market value

In millions of euros

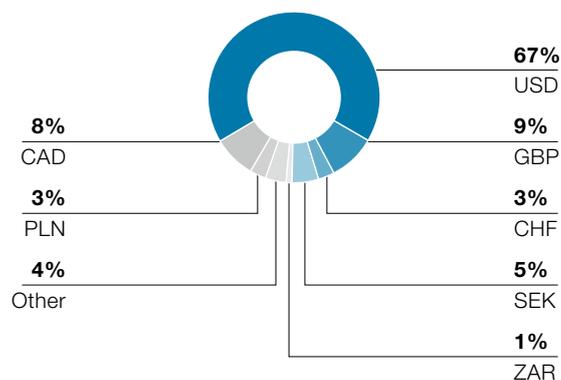
Currency risk

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

An initial hedge is provided by naturally covered items where, for example, trade receivables in USD are offset by liabilities for the purchase of raw materials also in USD (USD netting). The use of derivative hedging instruments is another possibility. voestalpine AG hedges budgeted (net) foreign currency payments over the next twelve months. Longer-term hedging occurs only for contracted projects. The hedging ratio is between 50% and 100%. The further in the future the cash flow lies, the lower the hedging ratio.

The net requirement for USD in the voestalpine Group, including the joint venture voestalpine Tubulars GmbH & Co KG, which processes foreign currency transactions through the Group Treasury, was USD 716.8 million in the business year 2014/15. The decrease compared to the previous year (USD 936.8 million) was due primarily to the decrease in prices of raw materials purchased. The remaining foreign currency exposure, resulting primarily from exports to the "non-euro area" and raw material purchases, is significantly lower than the USD risk.

Foreign currency portfolio 2014/15 (net)



Based on the Value-at-Risk calculation, as of March 31, 2015, the risks for all open positions for the upcoming business year are as follows:

Undiversified	USD	PLN	ZAR	GBP	CAD	CHF	SEK	Other
Position ¹	-336.1	0.9	7.2	40.9	61.6	10.2	-11.3	26.2
VaR (95%/year)	50.3	0.1	1.5	4.8	8.9	1.4	1.3	3.9

¹ Unhedged planned positions for the business year 2015/16

In millions of euros

Taking into account the correlation between the different currencies, the resulting portfolio risk is EUR 42.1 million (March 31, 2014: EUR 35.6 million) for the voestalpine Group, including the joint venture voestalpine Tubulars GmbH & Co KG, which processes foreign currency transactions through the Group Treasury.

Interest rate risk

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

The primary objective of interest rate management is to optimize interest expenses while taking the risk into consideration. In order to achieve a natural hedge for interest-bearing positions, the modified duration of assets is closely linked to the modified duration of the liabilities.

The variable-interest positions on the liabilities side significantly exceed the positions on the assets side so that a 1% increase in the money market rate increases the interest expense by EUR 2.9 million (2013/14: EUR 6.5 million increase).

The weighted average interest rate for asset positions is 0.89% (2013/14: 1.22%) with a duration of 1.25 years (2013/14: 1.31 years)—including money market investments—and 2.48% (2013/14: 2.86%) for liability positions with a duration of 2.52 years (2013/14: 1.96 years).

	Position ¹	Weighted average interest rate	Duration (years)	Average capital commitment (years) ²	Sensitivity to a 1% change in the interest rate ¹	Cash flow risk ¹
Assets	990.9	0.89%	1.25	1.82	-7.7	-7.4
Liabilities	-3,777.2	2.48%	2.52	3.99	111.9	10.3
Net	-2,786.3				104.2	2.9

¹ In millions of euros

² Excluding revolving export loans of EUR 406.1 million

The present value risk determined using the Value-at-Risk calculation for March 31, 2015, is equal to EUR 15.6 million (2013/14: EUR 99.7 million) for positions on the assets side given a 1% change in the interest rate and EUR 181.5 million (2013/14: EUR 393.6 million) for positions on the liabilities side. Therefore, in the event of a 1% drop in the interest rate, voestalpine AG would have an imputed (unrecognized) net present value loss of EUR 165.9 million (2013/14: EUR 293.9 million).

The asset positions include EUR 417.9 million (previous year: EUR 406.2 million) of investments in the V54 fund of funds. 100% of the fund assets are invested in bonds and money market securities in euros or in cash in the three sub-funds V101, V102, V103 and in various special funds as follows:

Funds	Investment currency	
Sub-fund V101	EUR 66.7 million	with a duration of 3.58
Sub-fund V102	EUR 144.0 million	with a duration of 3.87
Sub-fund V103	EUR 124.9 million	with a duration of 2.84
Special funds	EUR 80.7 million	(only included in V54)

In addition to the investment fund, there are also securities exposures in the amount of EUR 6.4 million (March 31, 2014: EUR 7.8 million).

In the business year 2014/15, gains in the amount of 4.9% (2013/14: 1.88%) were recorded in the V54 fund of funds.

Securities are measured at fair value. For the determination of the fair value, quoted prices for identical assets or liabilities in active markets (unadjusted) are used. Net profit amounting to EUR 20.7 million (2013/14: EUR 8.2 million) is recognized at fair value through profit or loss for financial instruments that are measured using the fair value option.

Derivative financial instruments

Portfolio of derivative financial instruments:

	Nominal value (in millions of euros)		Market value (in millions of euros)		Of which accounted for in equity		Maturity	
	03/31/ 2014	03/31/ 2015	03/31/ 2014	03/31/ 2015	03/31/ 2014	03/31/ 2015	03/31/ 2014	03/31/ 2015
Forward exchange transactions (incl. currency swaps)	915.8	900.9	-3.9	47.8	-2.0	37.4	< 2 years	< 2 years
Interest rate derivatives	506.5	525.4	-5.2	-14.3	-8.7	-4.4	< 6 years	<= 5 years
Commodity swaps	12.0	24.8	-0.1	-1.6	0.0	0.0	< 4 years	< 3 years
Total	1,434.3	1,451.1	-9.2	31.9	-10.7	33.0		

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

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

- If the hedged asset or liability is already recognized in the statement of financial position or an obligation not recorded in the statement of financial position is hedged, the unrealized profits and losses from the hedged transaction are recognized through profit and loss. At the same time, the hedged item is reported at fair value, regardless of its initial valuation method. The resulting unrealized profits and losses are offset with the unrealized results of the hedged transaction in the income statement, so that in total, only the ineffective portion of the hedged transaction is reported in profit or loss for the period (fair value hedges).
- If a future transaction is hedged, the effective portion of the unrealized profits and losses accumulated up to the reporting date is recognized directly in other comprehensive income. The ineffective portion is recognized through profit and loss. When the transaction that is hedged results in the recognition of an asset or a liability in the statement of financial position, the amount recognized in other comprehensive income is taken into account when the carrying amount of this item is determined. Otherwise, the amount reported in other comprehensive income is recognized through profit or loss in accordance with the income effectiveness of the future transaction or the existing obligation (cash flow hedges). Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges: The share of gain or loss from a hedging instrument that is reported as an effective hedge is included in other comprehensive income; the ineffective part is to be included through profit and loss. The gain or loss on the hedging instrument, attributable to the effective portion of the hedging relationship and recognized in other comprehensive income, is reclassified from equity to profit or loss on the disposal or partial disposal of the foreign operations.

In the business year 2014/15, hedge accounting in accordance with IAS 39 was used for hedging foreign currency cash flows, interest-bearing receivables and liabilities, and raw materials purchase agreements. The interest rate and currency hedges are mainly cash flow hedges, while the raw material hedges are designated almost exclusively as fair value hedges. Hedge accounting is only applied to a part of currency and raw material hedges.

As of March 31, 2015, three forward exchange transactions were held totaling USD 110.0 million (fair value: EUR 13.8 million) that are a hedge of an investment (future capital contributions) in voestalpine Texas Holding LLC and which also serve to hedge against the currency risk of the Group arising from these investments. Other cash flow hedges are accounted for at a fair value of EUR 19.2 million.

The profits (EUR 13.8 million) arising from the translation of these hedging transactions are reported directly under other comprehensive income. They will be offset by any profits or losses arising from the currency translation of the net investment in the subsidiary. Hedges to the amount of USD 150.0 million (nominal value: EUR 108.7 million) expired in the business year 2014/15.

In the business year 2014/15, no ineffective hedging was recorded in respect of the hedging mentioned above. There was no hedging of investments in other foreign operations belonging to the Group.

Net losses of foreign currency and interest rate derivatives (cash flow hedges) amounting to EUR 1.1 million (2013/14: net losses amounting to EUR 4.7 million) were recognized through profit and loss in the reporting period.

Losses amounting to EUR 1.4 million (2013/14: losses amounting to EUR 0.1 million) on raw material hedges, which are designated as fair value hedges, were recognized through profit and loss. Gains for the corresponding underlying transactions amounting to EUR 1.4 million (2013/14: gains amounting to EUR 0.1 million) were also recognized through profit and loss.

Negative market values amounting to EUR 2.0 million (2013/14: positive market values amounting to EUR 6.2 million) previously recorded in the reserve for foreign exchange hedges were recognized through profit and loss during the reporting period; positive market values amounting to EUR 37.4 million (2013/14: negative market values amounting to EUR 2.0 million) were allocated to the reserve. In business year 2014/15, the reserve for interest rate hedges was increased by EUR 4.3 million (2013/14: EUR 6.5 million) due to changes in the fair values. In addition, during the business year 2014/15, EUR 7.4 million were shifted from the hedging of financial liabilities to reserves and subsequently deducted from the acquisition costs of the financial liabilities.

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

	Total contractual cash flows		Contractual cash flows					
			< 1 year		> 1 year and < 5 years		> 5 years	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
Interest derivatives								
Assets	8.7	1.6	3.3	0.8	5.3	0.8	0.1	0.0
Liabilities	-17.4	-6.0	-5.4	-1.7	-11.9	-4.3	-0.1	0.0
	-8.7	-4.4	-2.1	-0.9	-6.6	-3.5	0.0	0.0
Currency derivatives								
Assets	0.4	38.1	0.4	38.1	0.0	0.0	0.0	0.0
Liabilities	-2.3	-0.7	-2.3	-0.7	0.0	0.0	0.0	0.0
	-1.9	37.4	-1.9	37.4	0.0	0.0	0.0	0.0

In millions of euros

Categories of financial instruments

Classes	Financial assets measured at amortized cost			Financial assets measured at fair value		Total
	Categories	Loans and receivables	Available for sale at cost	Available for sale at fair value	Financial assets measured at fair value through profit or loss	
				Held for trading (derivatives)	Other	
Assets 2013/14						
Other financial assets – non-current	24.9	17.9	41.1		6.8	90.7
Trade and other receivables	1,612.4				8.6	1,621.0
Other financial assets – current					413.8	413.8
Cash and cash equivalents	532.4					532.4
Carrying amount	2,169.7	17.9	41.1	8.6	420.6	2,657.9
Fair value	2,169.7	17.9	41.1	8.6	420.6	2,657.9
Assets 2014/15						
Other financial assets – non-current	19.0	18.0	36.7		4.0	77.7
Trade and other receivables	1,607.2				60.7	1,667.9
Other financial assets – current					405.7	405.7
Cash and cash equivalents	464.5					464.5
Carrying amount	2,090.7	18.0	36.7	60.7	409.7	2,615.8
Fair value	2,090.7	18.0	36.7	60.7	409.7	2,615.8

In millions of euros

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

The item "Other" in the category "Financial assets measured at fair value through profit or loss" contains securities measured using the fair value option.

Subsidiaries, joint ventures, and investments in associates that are not fully consolidated in these consolidated financial statements or are included using the equity method are held as "available for sale at cost" and measured at cost because these investments do not have a price quoted in an active market, and their fair value cannot be reliably determined. Only the non-consolidated investment in Energie AG Oberösterreich is measured at fair value as "available for sale at fair value" because the fair value of this company can be reliably determined based on the valuation report done once a year for Energie AG Oberösterreich as a whole.

Classes	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value	
Categories	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)	Total
Liabilities 2013/14			
Financial liabilities – non-current	2,596.8		2,596.8
Financial liabilities – current	831.8		831.8
Trade and other payables	2,074.0	18.1	2,092.1
Carrying amount	5,502.6	18.1	5,520.7
Fair value	5,608.9	18.1	5,627.0
Liabilities 2014/15			
Financial liabilities – non-current	3,004.6		3,004.6
Financial liabilities – current	890.2		890.2
Trade and other payables	2,180.7	28.8	2,209.5
Carrying amount	6,075.5	28.8	6,104.3
Fair value	6,213.8	28.8	6,242.6

In millions of euros

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
2013/14				
Financial assets				
Financial assets measured at fair value through profit or loss				
Held for trading (derivatives)		8.6		8.6
Fair value option (securities)	420.6			420.6
Available for sale at fair value			41.1	41.1
	420.6	8.6	41.1	470.3
Financial liabilities				
Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)		18.1		18.1
	0.0	18.1	0.0	18.1
2014/15				
Financial assets				
Financial assets measured at fair value through profit or loss				
Held for trading (derivatives)		60.7		60.7
Fair value option (securities)	409.7			409.7
Available for sale at fair value			36.7	36.7
	409.7	60.7	36.7	507.1
Financial liabilities				
Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)		28.8		28.8
	0.0	28.8	0.0	28.8

In millions of euros

The underlying assets of the fund of funds are reported as part of the "fair value option." The designation of fair value was selected to convey more useful information because this group of financial assets is managed according to their fair value, as documented in the risk management and investment strategy, and performance is observed and reported by means of fair value.

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 depicted as follows:

Level 3 – Available for sale at fair value

	2013/14	2014/15
Opening balance	44.0	41.1
Total of gains/losses recognized in the income statement:		
Finance costs/Finance income (impairment)	-2.9	-4.4
Closing balance	41.1	36.7

In millions of euros

Level 3 includes the non-consolidated investment in Energie AG Oberösterreich that is measured at fair value as "available for sale at fair value." The fair value of this company can be reliably determined based on the valuation report done once a year for Energie AG Oberösterreich as a whole.

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.).

The table below shows net gains and losses on financial instruments, which are shown according to categories:

	2013/14	2014/15
Loans and receivables	21.5	9.3
Available for sale at cost	7.6	3.6
Held for trading (derivatives)	-4.9	41.1
Available for sale at fair value	-2.9	-4.4
Other	8.2	20.7
Financial liabilities	-126.9	-127.8

In millions of euros

Total interest income and total interest expense for financial assets and financial liabilities that were not measured at fair value through profit or loss were recorded as follows:

	2013/14	2014/15
Total interest income	16.6	13.4
Total interest expense	-126.9	-127.8

In millions of euros

The impairment loss on financial instruments measured at amortized cost amounts to EUR 16.0 million (2013/14: EUR 12.1 million).

24. Consolidated statement of cash flows

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

	2013/14	2014/15
Interest received	19.3	16.4
Interest paid	177.4	180.3
Taxes paid	105.2	113.4

In millions of euros

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

Non-cash expenses and income

	2013/14	2014/15
Depreciation, amortization, and impairment	590.2	636.6
Result from sale of assets	9.4	2.5
Changes in pensions and other employee obligations, non-current provisions, and deferred taxes	10.5	4.8
Other non-cash income and expenses	52.5	-62.4
	662.6	581.5

In millions of euros

Cash flows from operating activities include dividend income of EUR 69.1 million (2013/14: EUR 68.1 million) from associates and joint ventures as well as other investments. Thereof EUR 53.0 million (2013/14: EUR 51.1 million) accounted for voestalpine Tubulars GmbH & Co KG.

Cash flows from investing activities include inflows of cash and cash equivalents in the amount of EUR 0.1 million (2013/14: EUR 3.9 million) from initial consolidation of acquired and/or newly consolidated companies and outflows of the purchase price in the amount of EUR 52.2 million (2013/14: EUR 22.3 million). The sale of subsidiaries resulted in an outflow of cash and cash equivalents from cash flows from investing activities of EUR 12.6 million (2013/14: EUR 0.0 million) and an inflow of the sale price in the amount of EUR 137.4 million (2013/14: EUR 0.7 million).

Long-term loans in the amount of EUR 1,251.0 million (2013/14: EUR 294.9 million) were taken out in the business year 2014/15. Borrowings, bonds, debt obligations, and loans with an original term of more than one year in the amount of EUR 900.0 million (without hybrid bond) (2013/14: EUR 772.3 million) were redeemed.

25. Related party disclosures

Business transactions between the Group and non-consolidated subsidiaries and associates or their subsidiaries as well as joint ventures are carried out at arm's length and are included in the following items of the consolidated financial statements:

	2013/14		2014/15	
	With joint ventures	With associates and non-consolidated subsidiaries	With joint ventures	With associates and non-consolidated subsidiaries
Revenue	245.5	354.7	206.0	291.6
Material expenses	21.7	184.3	20.0	186.2
Other operating expenses	0.0	24.5	0.0	33.8

	03/31/2014		03/31/2015	
	Trade and other receivables	22.9	67.8	14.4
Financial liabilities/trade and other payables	57.5	45.9	75.4	46.9

In millions of euros

Receivables and liabilities with associates and joint ventures as well as with non-consolidated subsidiaries comprise both direct and indirect relationships.

In addition, there are business transactions with core shareholders that have a significant influence due to consolidation of the voestalpine shares using the equity method. Business transactions are carried out at arm's length and can be depicted as follows:

	03/31/2014	03/31/2015
Cash and cash equivalents	39.3	36.4
Financial liabilities/trade and other payables	112.2	100.5
Guarantees received	4.8	5.4

In millions of euros

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

Management Board

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

The award of a bonus is subject to a target agreement to be concluded with the General Committee of the Supervisory Board and consisting of quantitative and qualitative targets. The maximum bonus is limited to 200% of the annual gross salary for members of the Management Board and to 250% of the annual gross salary for the Chairman of the Management Board. If the agreed target values for quantitative targets are achieved exactly, 60% of the maximum bonus applies; if the agreed target values for qualitative targets are achieved, 20% of the maximum bonus applies. The over-achievement of the targets is taken into consideration proportionately until the maximum bonus is reached. The target amounts for the quantitative targets are EBIT and the return on capital employed (ROCE). Specific target amounts are determined periodically (for a period of three years) by the General Committee of the Supervisory Board in consultation with the Management Board. Its basis of calculation is independent of the respective budget and the three-year medium-term business plan, i.e., budget compliance does not mean achieving a bonus. Qualitative targets agreed in the business year 2014/15 were first, the presentation of a concept for long-term, cost-efficient raw materials procurement for the Group and, second, a cost-savings target that will apply for the next three years and that anticipates a savings target of EUR 275 million for 2014/15.

The amount of the contractually approved company pension depends on the length of service for members of the Management Board Dr. Eder, Mag. Dipl.-Ing. Ottel, and Dipl.-Ing. Eibensteiner. The amount of the annual pension equals 1.2% of the last annual gross salary for each year of service. The pension benefit cannot exceed 40% of the last annual gross salary (without variable compensation). A defined contribution arrangement was made with the members of the Management Board Dipl.-Ing. Rotter, Dipl.-Ing. Dr. Kainersdorfer, and Dipl.-Ing. Dr. Schwab; whereby 15% of their annual gross salary (without bonuses) is paid by the Company into the pension fund.

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

For the members of the Management Board (as well as for executives) and for the members of the Supervisory Board there is a D&O insurance, the costs of which amounting to EUR 0.1 million (2013/14: EUR 0.1 million) are borne by the entity.

The compensation paid to the members of the Management Board of voestalpine AG is comprised as follows for the business year 2014/15:

	Current fixed compensation	Current variable compensation	Total
Dr. Wolfgang Eder	0.97	1.68	2.65
Dipl.-Ing. Herbert Eibensteiner	0.72	1.05	1.77
Dipl.-Ing. Dr. Franz Kainersdorfer	0.72	0.99	1.71
Mag. Dipl.-Ing. Robert Ottel	0.72	0.99	1.71
Dipl.-Ing. Franz Rotter	0.72	0.99	1.71
Dipl.-Ing. Dr. Peter Schwab (as of 10/01/2014)	0.22	0.30	0.52
2014/15	4.07	6.00	10.07
2013/14	3.43	5.39	8.82

In millions of euros

It should be noted that Dipl.-Ing. Eibensteiner's variable compensation for the business year 2014/15 includes a long-service bonus of EUR 0.06 million as he has been with the company for 25 years.

In addition to the remuneration in accordance with the above table, the following service costs (personnel expenses) are recognized in the consolidated financial statements for members of the Management Board with defined benefit pension agreements: Dr. Eder EUR 0.00 million (2013/14: EUR 0.00 million), Mag. Dipl.-Ing. Ottel EUR 0.19 million (2013/14: EUR 0.17 million), and Dipl.-Ing. Eibensteiner EUR 0.17 million (2013/14: EUR 0.11 million). The following additional pension costs are recognized in the consolidated financial statements for members of the Management Board with defined contribution pension agreements: Dipl.-Ing. Rotter EUR 0.11 million (2013/14: EUR 0.09 million), Dipl.-Ing. Dr. Kainersdorfer EUR 0.11 million (2013/14: EUR 0.09 million), and Dipl.-Ing. Dr. Schwab EUR 0.03 million (as of October 1, 2014 member of the Management Board). Pension payments amounting to EUR 0.74 million (2013/14: EUR 0.71 million) were paid by the pension fund for former members of the Management Board with defined benefit pension agreements.

At the reporting date, the outstanding balance of the variable compensation was EUR 4.91 million (2013/14: EUR 3.90 million). No advances or loans were granted to the members of the Management Board of voestalpine AG.

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

Supervisory Board

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

According to this regulation, the shareholders' representatives on the Supervisory Board received the following compensation for the business year 2014/15: Dr. Joachim Lemppenau (Chairman): EUR 80,000 (2013/14: EUR 80,000); Dr. Heinrich Schaller (Vice-Chairman): EUR 60,000 (2013/14: EUR 60,000); Dr. Josef Krenner (member until July 2, 2014): 10,000. EUR (2013/14: 40,000 EUR), Univ.-Prof. (em) Dr. Helga Nowotny (member as of July 2, 2014): 30,000 EUR (2013/14: 0 EUR), all other shareholders' representatives: EUR 40,000 (2013/14: EUR 40,000). The members of the Supervisory Board nominated by the Works Council do not receive any compensation.

The annual compensation of members of the Supervisory Board and the mode of calculation have been definitively regulated by the Articles of Incorporation since the 2006 Annual General Meeting and do not require a separate resolution by the Annual General Meeting every year.

The compensation of the Supervisory Board (incl. attendance honorarium) totaled EUR 0.4 million (2013/14: EUR 0.4 million) in the business year 2014/15. Payment of the compensation of the Supervisory Board for the business year 2014/15 is carried out at the latest 14 days after the Annual General Meeting on July 1, 2015. No advances or loans were granted to members of the Supervisory Board of voestalpine AG.

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

As legal counsel to voestalpine AG and its subsidiaries, the law firm Binder Grösswang Rechtsanwälte GmbH, of which Dr. Michael Kutschera (member of the Supervisory Board) is a partner, provided legal advisory services relative to matters concerning data protection law and corporate law issues in the reporting period 2014/15. Fees for these matters were invoiced at the general hourly rates of the law firm of Binder Grösswang Rechtsanwälte GmbH applicable at the time. For the business year 2014/15, total net fees of EUR 55,480.00 (2013/14: EUR 102,483.67) were incurred for services provided by the law firm of Binder Grösswang Rechtsanwälte GmbH.

26. Employee information

Total number of employees

	Reporting date		Average	
	03/31/2014	03/31/2015	2013/14	2014/15
Workers	26,923	26,932	26,298	26,859
Salaried employees	16,347	16,232	15,917	16,298
Apprentices	1,401	1,407	1,456	1,495
	44,671	44,571	43,671	44,652

The personnel expenses included in these consolidated financial statements amount to EUR 2,656.6 million (2013/14: EUR 2,536.4 million).

27. Expenses for the Group auditor

Expenses for the Group auditor are structured as follows:

	2013/14	2014/15
Expenses for the audit of the financial statements	0.24	0.24
Expenses for other certifications	0.95	1.12
Expenses for tax consulting services	0.00	0.00
Expenses for other services	0.00	0.00
	1.19	1.36

In millions of euros

28. Disclosures of transactions not recorded in the statement of financial position

In the voestalpine Group, trade receivables are sold monthly to various banks on a revolving basis. In this context, there are four different types of factoring agreements.

In the first type of factoring agreement, trade receivables totaling EUR 559.1 million (March 31, 2014: EUR 562.9 million) were sold to various banks. Receivables covered by credit insurance were assigned to banks to the amount 100% of the nominal value, with the acquiring banks assuming the risk of default. Any claims arising from credit insurance are assigned to the acquiring bank. The Group company that is selling only assumes a liability for default to the amount of—generally—10% of the retention level from the credit insurance. On the reporting date, the maximum risk associated with liability for default was EUR 59.2 million (March 31, 2014: EUR 62.2 million). The liability for default corresponds to the theoretical maximum loss. The probability of needing to fall back on this liability is extremely low. The fair value of this risk is assessed at EUR 0.4 million. The receivables are fully derecognized in accordance with the regulations of IAS 39 on the basis of the cessions of the essential opportunities and risks and on the basis of the transfer of the right of use to the acquiring party.

In the second type of factoring agreement, uninsured trade receivables of EUR 68.8 million (March 31, 2014: EUR 70.3 million) are sold. 100% of the risk of default is assumed by the purchasing bank. All of the receivables are fully derecognized. With the exception of the capitalized service fee mentioned below for administration of receivables, there is no ongoing commitment.

In the third type of factoring agreement (introduced in October 2014), both insured and uninsured trade receivables of EUR 126.1 million (March 31, 2014: EUR 0.0 million) are sold. Any claims arising from credit insurance are assigned to the acquiring bank. At the time of the sale of the receivable, loss reserves of 0.9% and dilution reserves of 1.6% (with reference to the sold receivables) are deducted from the purchase price. The dilution reserves totaling EUR 2.0 million for receivables sold on the reporting date are for payment of discounts, bonuses, etc. and are posted as other receivables. The carrying amount corresponds to the fair value. A loss reserve to cover any defaults to the amount of EUR 1.2 million for receivables sold on the reporting date was posted as an expenditure which is reversed in the absence of any defaults. The theoretical maximum loss is limited to the loss reserve. The receivables are fully derecognized in accordance with the regulations of IAS 39 on the basis of the cessions of the essential opportunities and risks and on the basis of the transfer of the right of use to the acquiring party.

In the fourth type of factoring agreement, both insured and uninsured trade receivables of EUR 26.0 million (March 31, 2014: EUR 23.8 million) are sold. Any claims arising from credit insurance are assigned to the acquiring bank. For any bad debts, a "first loss account" was funded to the amount of EUR 0.2 million for 15 months by the selling Group company. There is no obligation to provide additional funds. The first loss account was EUR 0.2 million on the reporting date and was reported as cash. The carrying amount corresponds to the fair value. The theoretical maximum loss is limited to the amount within the "first loss account." Because of the transfer of significant rewards and risks and the transition of control to the purchaser, the receivables were fully derecognized pursuant to the provisions of IAS 39.

In all of the types of factoring agreements, the payments received from customers during the period between the last sale of receivables and the reporting date are recognized on an accrual basis under other short-term financial liabilities in the voestalpine Group.

Administration of receivables for all types of factoring contracts remains with the particular companies of the Group. For the receivables that were sold, as of March 31, 2015, a total service fee of 0.15% of the sold amount of receivables of EUR 1.1 million was recorded as other provision. The carrying amount corresponds to the fair value of the ongoing commitment.

29. Events after the reporting period

The capital increase decided by the Management Board on March 9, 2015, and approved by the Supervisory Board on March 26, 2015, in the amount of 2.5 million shares was entered into the Commercial Register on April 25, 2015 and is therefore effective as of this date.

In early April 2015, control was assumed of the companies voestalpine Tubulars GmbH & Co KG and CNTT Chinese New Turnout Technologies Co., Ltd., which had previously been under joint control. Consequently, these companies will be fully consolidated from business year 2015/16. Information on the cited changes is presented under Chapter F. Acquisitions after the reporting period.

30. Earnings per share

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

	2013/14	2014/15
Profit attributable to equity holders of the parent	446,435	536,070
Issued ordinary shares (average)	172,449,163	172,449,163
Effect of own shares held (average)	-36,683	-28,597
Weighted average number of outstanding ordinary shares	172,412,480	172,420,566
Diluted and basic (undiluted) earnings per share (euros)	2.59	3.11

In thousands of euros

The capital increase described in Chapter 29. would have the following effect on the diluted and basic (undiluted) earnings per share of the business year 2014/15:

	2014/15
Profit attributable to equity holders of the parent	536,070
Issued ordinary shares (average)	174,949,163
Effect of own shares held (average)	-28,597
Weighted average number of outstanding ordinary shares	174,920,566
Diluted and basic (undiluted) earnings per share (euros)	3.06

In thousands of euros

31. Appropriation of net profit

In accordance with the Austrian Stock Corporation Act, the appropriation of net profit is based on the annual financial statements of voestalpine AG as of March 31, 2015. These financial statements show net retained profits of EUR 175.0 million. The Management Board proposes a dividend of EUR 1.0 per share (2013/14: EUR 0.95).

Linz, May 22, 2015

The Management Board



Wolfgang Eder



Herbert Eibensteiner



Franz Kainersdorfer



Robert Ottel



Franz Rotter



Peter Schwab

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

Appendix to the notes: Investments

Unqualified auditor's report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of voestalpine AG, Linz, for the fiscal year from April 1, 2014 to March 31, 2015. These consolidated financial statements comprise the consolidated balance sheet as of March 31, 2015, the consolidated income statement and the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the fiscal year ended March 31, 2015, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements and for the Accounting System

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

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

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

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

policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of March 31, 2015 and of its financial performance and its cash flows for the fiscal year from April 1, 2014 to March 31, 2015 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Report on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

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

Vienna, May 22, 2015

Grant Thornton Unitreu GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Josef Töglhofer m.p.

ppa Mag. Alexandra Winkler-Janovsky m.p.

Austria Chartered Accountants

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

Management Board statement in accordance with Sec. 82 (4) of the Stock Exchange Act (*Börsegesetz, BörseG*)

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

Linz, May 22, 2015

The Management Board



Wolfgang Eder
Chairman of the Management Board



Herbert Eibensteiner
Member of the Management Board



Franz Kainersdorfer
Member of the Management Board



Robert Ottel
Member of the Management Board



Franz Rotter
Member of the Management Board



Peter Schwab
Member of the Management Board

voestalpine AG

Investments

Steel Division

	Domicile of the company	03/31/2015		03/31/2014	
		Interest held	Type of consolidation	Interest held	Type of consolidation
voestalpine Stahl GmbH	AUT	100.000%	KV	100.000%	KV
Cargo Service GmbH	AUT	100.000%	KV	100.000%	KV
Caseli GmbH	AUT	100.000%	KV	100.000%	KV
Logistik Service GmbH	AUT	100.000%	KV	100.000%	KV
vaps Personalservice GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Anarbeitung GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Eurostahl GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Giesserei Linz GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Giesserei Traisen GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Grobblech GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Stahl Service Center GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Standortservice GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Steel Service Center Polska Sp. z o.o.	POL	100.000%	KV	100.000%	KV
voestalpine Steel Service Center Romania SRL	ROU	100.000%	KV	100.000%	KV
voestalpine Texas Holding LLC	USA	100.000%	KV	100.000%	KV
voestalpine Texas LLC	USA	100.000%	KV	100.000%	KV
GEORG FISCHER FITTINGS GmbH ¹	AUT	49.000%	KEA	49.000%	KEA
Industrie-Logistik-Linz GmbH ¹	AUT	37.000%	KEA	37.000%	KEA
Jiaxing NYC Industrial Co., Ltd ¹	CHN	51.000%	KEG	51.000%	KEG
Kühne + Nagel Euroshipping GmbH ¹	DEU	49.000%	KEA	49.000%	KEA
METALSERVICE S.P.A. ¹	ITA	40.000%	KEA	40.000%	KEA
Ningxia Kocel Steel Foundry Co. Ltd. ¹	CHN	49.043%	KEA	49.043%	KEA
Scholz Austria GmbH ¹	AUT	34.011%	KEA	34.011%	KEA
Energie AG Oberösterreich	AUT	2.063%	K0	2.063%	K0
Kontext Druckerei GmbH	AUT	64.800%	K0	64.800%	K0
Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.	AUT	33.333%	K0	33.333%	K0
vivo Mitarbeiter-Service GmbH	AUT	100.000%	K0	100.000%	K0

¹ For companies consolidated according to the equity method marked¹, the reporting date of December 31 applies.

	Domicile of the company	03/31/2015		03/31/2014	
		Interest held	Type of consolidation	Interest held	Type of consolidation
voestalpine Belgium NV/SA	BEL	100.000%	K0	100.000%	K0
voestalpine CR, s.r.o.	CZE	100.000%	K0	100.000%	K0
voestalpine d.o.o.	HRV	100.000%	K0	100.000%	K0
voestalpine d.o.o.	SRB	100.000%	K0	100.000%	K0
voestalpine d.o.o.	SVN	100.000%	K0	100.000%	K0
voestalpine Danmark ApS.	DNK	100.000%	K0	100.000%	K0
voestalpine Deutschland GmbH	DEU	100.000%	K0	100.000%	K0
voestalpine France SAS	FRA	100.000%	K0	100.000%	K0
voestalpine Hungaria Kft.	HUN	100.000%	K0	100.000%	K0
voestalpine Italia S.r.l.	ITA	100.000%	K0	100.000%	K0
voestalpine Nederland B.V.	NLD	100.000%	K0	100.000%	K0
voestalpine Polska Sp. z o. o.	POL	100.000%	K0	100.000%	K0
voestalpine Romania S.R.L	ROU	100.000%	K0	100.000%	K0
voestalpine Scandinavia AB	SWE	100.000%	K0	100.000%	K0
voestalpine Schweiz GmbH	CHE	100.000%	K0	100.000%	K0
voestalpine Slovakia, s.r.o.	SVK	100.000%	K0	100.000%	K0
voestalpine Stahlwelt GmbH	AUT	100.000%	K0	100.000%	K0
voestalpine UK Ltd.	GBR	100.000%	K0	100.000%	K0
voestalpine USA Corp.	USA	100.000%	K0	100.000%	K0
Werksgärtnerei Gesellschaft m.b.H.	AUT	100.000%	K0	100.000%	K0
Wuppermann Austria Gesellschaft m.b.H.	AUT	30.000%	K0	30.000%	KEA

Special Steel Division

	Domicile of the company	03/31/2015		03/31/2014	
		Interest held	Type of consolidation	Interest held	Type of consolidation
voestalpine Edelstahl GmbH	AUT	100.000%	KV	100.000%	KV
Aceros Bohler del Ecuador S.A.	ECU	100.000%	KV	100.000%	KV
Aceros Bohler del Peru S.A.	PER	100.000%	KV	100.000%	KV
ACEROS BOEHLER UDDEHOLM S.A.	ARG	100.000%	KV	100.000%	KV
Aceros Bohler Uddeholm, S.A. de C.V.	MEX	100.000%	KV	100.000%	KV
AÇOS BÖHLER-UDDEHOLM DO BRASIL LTDA.	BRA	100.000%	KV	100.000%	KV
Aktiebolaget Finansa	SWE	100.000%	KV	100.000%	KV
ASSAB Pacific Pte. Ltd.	SGP	100.000%	KV	100.000%	KV
ASSAB Steels (HK) Ltd.	CHN	95.000%	KV	95.000%	KV
ASSAB Steels (Malaysia) Sdn Bhd	MYS	95.000%	KV	95.000%	KV
ASSAB Steels (Taiwan) Ltd.	TWN	82.500%	KV	82.500%	KV
ASSAB Steels (Thailand) Ltd.	THA	95.000%	KV	95.000%	KV
ASSAB Steels Korea Co., Ltd	KOR	100.000%	KV	100.000%	KV
ASSAB Steels Singapore (Pte) Ltd.	SGP	100.000%	KV	100.000%	KV
ASSAB Tooling (Beijing) Co., Ltd.	CHN	100.000%	KV	100.000%	KV
ASSAB Tooling (Dong Guan) Co., Ltd.	CHN	95.000%	KV	95.000%	KV
ASSAB Tooling (Qing Dao) Co., Ltd.	CHN	100.000%	KV	100.000%	KV
ASSAB Tooling (Xiamen) Co., Ltd.	CHN	95.000%	KV	95.000%	KV
ASSAB Tooling Technology (Chongqing) Co., Ltd.	CHN	95.000%	KV	95.000%	KV
ASSAB Tooling Technology (Ningbo) Co., Ltd.	CHN	95.000%	KV	95.000%	KV
ASSAB Tooling Technology (Shanghai) Co., Ltd.	CHN	95.000%	KV	95.000%	KV
Associated Swedish Steels Aktiebolag	SWE	100.000%	KV	100.000%	KV
Associated Swedish Steels Phils., Inc.	PHL	92.500%	KV	92.500%	KV
BÖHLER Bleche GmbH	AUT	100.000%	KV	100.000%	KV
BÖHLER Bleche GmbH & Co. KG	AUT	100.000%	KV	100.000%	KV
BÖHLER Edelstahl GmbH	AUT	100.000%	KV	100.000%	KV
BÖHLER Edelstahl GmbH & Co KG	AUT	100.000%	KV	100.000%	KV
BÖHLER GRUNDSTÜCKS BETEILIGUNGS GMBH	DEU	100.000%	KV	100.000%	KV

	Domicile of the company	03/31/2015		03/31/2014	
		Interest held	Type of consolidation	Interest held	Type of consolidation
Böhler Grundstücks GmbH & Co. Kommanditgesellschaft ¹	DEU	100.000%	KV	100.000%	KV
Bohler High Performance Metals Private Limited	IND	100.000%	KV	100.000%	KV
Böhler International GmbH	AUT	100.000%	KV	100.000%	KV
Bohler Pacific Pte. Ltd.	SGP	100.000%	KV	100.000%	KV
Böhler PROFIL GmbH	AUT	100.000%	KV	100.000%	KV
BÖHLER Schmiedetechnik GmbH	AUT	100.000%	KV	100.000%	KV
BÖHLER Schmiedetechnik GmbH & Co KG	AUT	100.000%	KV	100.000%	KV
Bohler Special Steels (Shanghai) Co., Ltd.	CHN	100.000%	KV	100.000%	KV
Bohler Uddeholm (Australia) Pty Ltd	AUS	100.000%	KV	100.000%	KV
BOHLER UDDEHOLM AFRICA (PTY) LTD	ZAF	100.000%	KV	100.000%	KV
Böhler Uddeholm Celik Sanayi ve Ticaret A.S.	TUR	100.000%	KV	100.000%	KV
Böhler Uddeholm CZ s.r.o.	CZE	100.000%	KV	100.000%	KV
Böhler Uddeholm Italia S.p.A.	ITA	100.000%	KV	100.000%	KV
BOHLER UDDEHOLM POLSKA Sp. z o. o.	POL	100.000%	KV	100.000%	KV
BOHLER UDDEHOLM ROMANIA S.R.L.	ROU	100.000%	KV	100.000%	KV
BÖHLER Wärmebehandlung GmbH	AUT	100.000%	KV	100.000%	KV
BÖHLERSTAHL Vertriebsgesellschaft m.b.H.	AUT	100.000%	KV	100.000%	KV
BÖHLER-UDDEHOLM AS	NOR	100.000%	KV	100.000%	KV
Böhler-Uddeholm B.V.	NLD	100.000%	KV	100.000%	KV
BOHLER-UDDEHOLM COLOMBIA S.A.	COL	100.000%	KV	100.000%	KV
Bohler-Uddeholm Corporation	USA	100.000%	KV	100.000%	KV
BÖHLER-UDDEHOLM DEUTSCHLAND GMBH	DEU	100.000%	KV	100.000%	KV
BÖHLER-UDDEHOLM France S.A.S.	FRA	100.000%	KV	100.000%	KV
BÖHLER-UDDEHOLM HOLDING GMBH	DEU	100.000%	KV	100.000%	KV
Böhler-Uddeholm Hungary Kft.	HUN	100.000%	KV	100.000%	KV
Böhler-Uddeholm Iberica S.A.U.	ESP	100.000%	KV	100.000%	KV
BOHLER-UDDEHOLM INDIA LIMITED	IND	100.000%	KV	100.000%	KV
Bohler-Uddeholm KK	JPN	100.000%	KV	100.000%	KV
Böhler-Uddeholm Ltd.	CAN	100.000%	KV	100.000%	KV

¹ These consolidated financial statements represent an exemption for Böhler Grundstücks GmbH & Co. Kommanditgesellschaft in accordance with Sec. 264b of the German Commercial Code (dHGB).

	Domicile of the company	03/31/2015		03/31/2014	
		Interest held	Type of consolidation	Interest held	Type of consolidation
Böhler-Uddeholm Schweiz AG	CHE	99.833%	KV	99.833%	KV
Böhler-Uddeholm SLOVAKIA, s.r.o.	SVK	100.000%	KV	100.000%	KV
BOHLER-UDDEHOLM (UK) LIMITED	GBR	100.000%	KV	100.000%	KV
BU Beteiligungs-und Vermögensverwaltung GmbH	AUT	100.000%	KV	100.000%	KV
Buderus Edelstahl GmbH	DEU	100.000%	KV	100.000%	KV
DIN ACCIAI S.p.A.	ITA	100.000%	KV	100.000%	KV
Densam Industrial Co. Ltd.	TWN	100.000%	KV	100.000%	KV
Deville Rectification S.A.S.	FRA	100.000%	KV	100.000%	KV
EDRO Engineering, Inc.	USA	100.000%	KV	100.000%	KV
EDRO Specialty Steels GmbH	DEU	100.000%	KV	100.000%	KV
EDRO Specialty Steels, Inc.	USA	100.000%	KV	100.000%	KV
Eifeler Lasertechnik GmbH	DEU	100.000%	KV	100.000%	KV
Eifeler Swiss AG	CHE	100.000%	KV	100.000%	KV
Eifeler Werkzeuge GmbH	DEU	100.000%	KV	100.000%	KV
Eifeler-Lafer-Inc.	USA	100.000%	KV	100.000%	KV
eifeler-Vacotec GmbH	DEU	100.000%	KV	100.000%	KV
ENPAR Sonderwerkstoffe GmbH	DEU	85.000%	KV	85.000%	KV
EschmannStahl GmbH & Co. KG ¹	DEU	100.000%	KV	100.000%	KV
Eschmann Textura Internacional – Transformacao de Ferramentas, Unipessoal, LDA	PRT	100.000%	KV	100.000%	KV
Eschmann Textures India Private Limited	IND	100.000%	KV	100.000%	KV
Eschmann Textures International GmbH	DEU	100.000%	KV	100.000%	KV
GMV Eschmann International SAS	FRA	100.000%	KV	100.000%	KV
Grabados Eschmann International S.L.	ESP	100.000%	KV	100.000%	KV
Gravutex Eschmann International Limited	GBR	100.000%	KV	100.000%	KV
Grimstows Holdings Inc.	CAN	100.000%	KV	100.000%	KV
IS Intersteel Stahlhandel GmbH	DEU	100.000%	KV	100.000%	KV
Jing Ying Industrial Co. Ltd.	TWN	100.000%	KV	100.000%	KV
OOO BÖHLER-UDDEHOLM	RUS	100.000%	KV	100.000%	KV
PT Assab Steels Indonesia	IDN	100.000%	KV	100.000%	KV

¹ These consolidated financial statements represent an exemption for EschmannStahl GmbH & Co. KG in accordance with Sec. 264b of the German Commercial Code (dHGB).

	Domicile of the company	03/31/2015		03/31/2014	
		Interest held	Type of consolidation	Interest held	Type of consolidation
Sacma Acciai Speciali S.p.A.	ITA	100.000%	KV	100.000%	KV
Sturdell Holdings, Inc.	USA	100.000%	KV	100.000%	KV
Sturdell Industries Inc.	CAN	100.000%	KV	100.000%	KV
Sturdell Industries, Inc.	USA	100.000%	KV	100.000%	KV
Uddeholm A/S	DNK	100.000%	KV	100.000%	KV
Uddeholm Eiendom AS	NOR	100.000%	KV	100.000%	KV
Uddeholm Oy Ab	FIN	100.000%	KV	100.000%	KV
Uddeholm Svenska Aktiebolag	SWE	100.000%	KV	100.000%	KV
Uddeholms AB	SWE	100.000%	KV	100.000%	KV
Vacotec S.A.	CHE	100.000%	KV	100.000%	KV
Villares Metals International B.V.	NLD	100.000%	KV	100.000%	KV
Villares Metals S.A.	BRA	100.000%	KV	100.000%	KV
voestalpine Edelstahl Deutschland GmbH	DEU	100.000%	KV	100.000%	KV
voestalpine Edelstahl Wärmebehandlung GmbH	DEU	100.000%	KV	100.000%	KV
voestalpine Special Steels China Limited	CHN	100.000%	KV	100.000%	KV
ASSAB International Aktiebolag	SWE	100.000%	K0	100.000%	K0
ASSAB Steels Vietnam Company Limited	VNM	100.000%	K0	100.000%	K0
Bohlasia Steels Sdn. Bhd.	MYS	53.333%	K0	53.333%	K0
BÖHLER-UDDEHOLM Immobilien GmbH	AUT	100.000%	K0	100.000%	K0
Böhler-Uddeholm Solidaritätsfonds Privatstiftung	AUT	100.000%	K0	100.000%	K0
BÖHLER-UDDEHOLM UKRAINE LLC	UKR	100.000%	K0	100.000%	K0
BÖHLER-UDDEHOLM ZAGREB d.o.o.	HRV	100.000%	K0	100.000%	K0
DEGECANDOR Grundstücksverwaltungs-gesellschaft mbH & Co. Immobilien-Vermietungs KG	DEU	95.000%	K0	95.000%	K0
Edelstahlwerke Buderus Nederland B.V.	NLD	100.000%	K0	100.000%	K0
EDRO Limited	CHN	100.000%	K0	100.000%	K0
Eschmann Beteiligungsgesellschaft mbH	DEU	100.000%	K0	100.000%	K0
Grundstück-Verwaltungsgesellschaft Gewerbehof Sendling mbH & Co. KG	DEU	62.916%	K0	62.916%	K0
HOTEL BÖHLERSTERN Gesellschaft m.b.H.	AUT	100.000%	K0	100.000%	K0
V.K. Italia S.r.l.	ITA	20.000%	K0	20.000%	K0
voestalpine Treasury Holding GmbH	AUT	100.000%	K0	100.000%	KV

Metal Engineering Division

	Domicile of the company	03/31/2015		03/31/2014	
		Interest held	Type of consolidation	Interest held	Type of consolidation
voestalpine Metal Engineering GmbH & Co KG	AUT	100.000%	KV	100.000%	KV
JEZ Sistemas Ferroviarios S.L.	ESP	70.000%	KV	70.000%	KV
LASA Schienentechnik GmbH	DEU	100.000%	KV	100.000%	KV
Maruti Weld Private Limited	IND	100.000%	KV	100.000%	KV
Materiel Ferroviaire d'Arberats SASU	FRA	100.000%	KV	100.000%	KV
Nortrak-Damy, Cambios de Via, S.A.P.I. de C.V.	MEX	51.007%	KV	51.007%	KV
OOO voestalpine Bohler Welding Russia	RUS	100.000%	KV	100.000%	KV
PT Bohler Welding Group Asia Pacific	IDN	100.000%	KV	100.000%	KV
Rene Prinsen Spoorwegmaterialen B.V.	NLD	100.000%	KV	100.000%	KV
TSF-A GmbH	AUT	50.100%	KV	50.100%	KV
TSTG Schienen Technik GmbH & Co KG ¹	DEU	100.000%	KV	100.000%	KV
TSTG Schienen Technik Verwaltungs GmbH	DEU	100.000%	KV	100.000%	KV
VAMAV Vasúti Berendezések Kft.	HUN	50.000%	KV	50.000%	KV
voestalpine Bahnsysteme Beteiligungsverwaltung Deutschland GmbH	DEU	100.000%	KV	100.000%	KV
voestalpine Bahnsysteme Vermögensverwaltungs GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Bohler Welding Asia Pacific Pte. Ltd.	SGP	100.000%	KV		
voestalpine Böhler Welding Austria GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Böhler Welding Belgium S.A.	BEL	100.000%	KV	100.000%	KV
voestalpine Bohler Welding Canada Ltd.	CAN	100.000%	KV	100.000%	KV
voestalpine Böhler Welding CEE GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Böhler Welding (China) Co., Ltd.	CHN	100.000%	KV	100.000%	KV
voestalpine Böhler Welding Fileur S.p.A.	ITA	90.000%	KV	90.000%	KV
voestalpine Böhler Welding Fontargen GmbH	DEU	100.000%	KV	100.000%	KV
voestalpine Böhler Welding France SAS	FRA	100.000%	KV	100.000%	KV
voestalpine Böhler Welding Germany GmbH	DEU	100.000%	KV	100.000%	KV
voestalpine Böhler Welding GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Böhler Welding Group GmbH	DEU	100.000%	KV	100.000%	KV

¹ These consolidated financial statements represent an exemption for TSTG Schienen Technik GmbH & Co KG in accordance with Sec. 264b of the German Commercial Code (*dHGB*).

	Domicile of the company	03/31/2015		03/31/2014	
		Interest held	Type of consolidation	Interest held	Type of consolidation
voestalpine Böhler Welding Hellas S.A.	GRC	100.000%	KV	100.000%	KV
voestalpine Bohler Welding India Private Limited	IND	100.000%	KV	100.000%	KV
voestalpine Böhler Welding Italia S.p.A.	ITA	100.000%	KV	100.000%	KV
voestalpine Bohler Welding Mexico S.A. de C.V.	MEX	100.000%	KV	100.000%	KV
voestalpine Bohler Welding Middle East FZE	ARE	100.000%	KV	100.000%	KV
voestalpine Böhler Welding Nederland B.V.	NLD	100.000%	KV	100.000%	KV
voestalpine Böhler Welding Nordic AB	SWE	100.000%	KV	100.000%	KV
voestalpine Böhler Welding Northeast Asia Ltd.	KOR	100.000%	KV		
voestalpine Bohler Welding Romania SRL	ROU	100.000%	KV	100.000%	KV
voestalpine Böhler Welding Schweiz AG	CHE	100.000%	KV	100.000%	KV
voestalpine Böhler Welding Soldas do Brasil Ltda.	BRA	100.000%	KV	100.000%	KV
voestalpine Böhler Welding Spain, S.A.	ESP	100.000%	KV	100.000%	KV
voestalpine Böhler Welding Trading (Shanghai) Co., Ltd.	CHN	100.000%	KV	100.000%	KV
voestalpine Bohler Welding UK Limited	GBR	100.000%	KV	100.000%	KV
voestalpine Bohler Welding USA, Inc.	USA	100.000%	KV	100.000%	KV
voestalpine Böhler Welding UTP Maintenance GmbH	DEU	100.000%	KV		
voestalpine BWG GmbH	DEU	100.000%	KV	100.000%	KV
voestalpine BWG Ltd.	CHN	100.000%	KV	100.000%	KV
voestalpine Kardemir Demiryolu Sistemleri Sanayi ve Ticaret Anonim Sirketi	TUR	59.944%	KV	51.000%	KV
voestalpine Klöckner Bahntechnik GmbH	DEU	100.000%	KV	100.000%	KV
voestalpine Metal Engineering GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Nortrak Inc.	USA	100.000%	KV	100.000%	KV
voestalpine Nortrak Ltd.	CAN	100.000%	KV	100.000%	KV
voestalpine Rail Center Duisburg GmbH	DEU	100.000%	KV	100.000%	KV
voestalpine Rail Center Königsborn GmbH	DEU	100.000%	KV		
voestalpine Railpro B.V.	NLD	70.000%	KV	70.000%	KV
voestalpine Railway Systems (Thailand) Co., Ltd.	THA	100.000%	KV		

	Domicile of the company	03/31/2015		03/31/2014	
		Interest held	Type of consolidation	Interest held	Type of consolidation
voestalpine Schienen GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine SIGNALING Fareham Ltd.	GBR	100.000%	KV	100.000%	KV
voestalpine SIGNALING Sainerholz GmbH	DEU	100.000%	KV	62.376%	KV
voestalpine SIGNALING Siershahn GmbH	DEU	100.000%	KV	100.000%	KV
voestalpine SIGNALING Zeltweg GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Special Wire GmbH	AUT	100.000%	KV	70.000%	KV
voestalpine Stahl Donawitz GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine TENS Sp. z o.o.	POL	100.000%	KV	100.000%	KV
voestalpine Track Solutions Saudi Arabia Limited	SAU	51.000%	KV	51.000%	KV
voestalpine Trafilerie Industriali S.p.A.	ITA	100.000%	KV		
voestalpine VAE GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine VAE Africa (Pty) Ltd.	ZAF	100.000%	KV	100.000%	KV
voestalpine VAE Apcarom SA	ROU	95.970%	KV	92.918%	KV
voestalpine VAE Brasil Produtos Ferroviários Ltda.	BRA	59.000%	KV	59.000%	KV
voestalpine VAE Italia S.r.l.	ITA	100.000%	KV	100.000%	KV
voestalpine VAE Legetechna UAB	LTU	66.000%	KV	66.000%	KV
voestalpine VAE Polska Sp. z o. o.	POL	100.000%	KV	100.000%	KV
voestalpine VAE Railway Systems Pty.Ltd.	AUS	100.000%	KV	100.000%	KV
voestalpine VAE Riga SIA	LVA	100.000%	KV	100.000%	KV
voestalpine VAE SA (Pty) Ltd.	ZAF	69.000%	KV	69.000%	KV
voestalpine VAE Sofia OOD	BGR	51.000%	KV	51.000%	KV
voestalpine VAE UK Ltd.	GBR	100.000%	KV	100.000%	KV
voestalpine VAE VKN India Private Limited	IND	57.000%	KV	57.000%	KV
voestalpine WBN B.V.	NLD	100.000%	KV	100.000%	KV
voestalpine Weichensysteme GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Wire (Suzhou) Co., Ltd.	CHN	100.000%	KV		
voestalpine Wire Austria GmbH	AUT	100.000%	KV		
voestalpine Wire Germany GmbH	DEU	100.000%	KV	100.000%	KV

	Domicile of the company	03/31/2015		03/31/2014	
		Interest held	Type of consolidation	Interest held	Type of consolidation
voestalpine Wire Rod Austria GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Wire Technology GmbH	AUT	100.000%	KV	100.000%	KV
Weichenwerk Wörth GmbH	AUT	70.000%	KV	70.000%	KV
voestalpine Tubulars GmbH	AUT	50.000%	KEG	50.000%	KEG
voestalpine Tubulars GmbH & Co KG	AUT	49.995%	KEG	49.995%	KEG
CNTT Chinese New Turnout Technologies Co., Ltd.	CHN	50.000%	KEG	50.000%	KEG
Burbiola S.A.	ESP	50.000%	K0	50.000%	K0
Casedo GmbH	AUT	100.000%	K0		
Liegenschaftsverwaltungs GmbH	AUT	100.000%	K0	100.000%	K0
KW PenzVAEE GmbH	AUT	49.000%	K0	49.000%	K0
Parkwood Way Holding Ltd.	CAN	40.000%	K0		
voestalpine Schienentechnik Beteiligungs GmbH	AUT	100.000%	K0	100.000%	K0
voestalpine Tubulars Middle East FZE	ARE	100.000%	K0	100.000%	K0
VOEST-ALPINE TUBULAR CORP.	USA	100.000%	K0	100.000%	K0

Metal Forming Division

	Domicile of the company	03/31/2015		03/31/2014	
		Interest held	Type of consolidation	Interest held	Type of consolidation
voestalpine Metal Forming GmbH	AUT	100.000%	KV	100.000%	KV
Compania de Industria y Comercio, S.A. de C.V.	MEX	100.000%	KV	100.000%	KV
Global Rollforming Corporation	USA	100.000%	KV	100.000%	KV
Kadow und Riese Laser- und Umformtechnik GmbH	DEU	100.000%	KV	100.000%	KV
Nedcon Bohemia, s.r.o.	CZE	100.000%	KV	100.000%	KV
Nedcon France SASU	FRA	100.000%	KV	100.000%	KV
Nedcon Groep N.V.	NLD	100.000%	KV	100.000%	KV
Nedcon Lagertechnik GmbH	DEU	100.000%	KV	100.000%	KV
Nedcon Magazijnrichting B.V.	NLD	100.000%	KV	100.000%	KV
Nedcon USA Inc.	USA	100.000%	KV	100.000%	KV
OOO voestalpine Arkada Profil	RUS	100.000%	KV	100.000%	KV
Polynorm GmbH	DEU	100.000%	KV	100.000%	KV
Polynorm Immobilien GmbH & Co. KG ¹	DEU	100.000%	KV	100.000%	KV
Roll Forming Corporation	USA	100.000%	KV	100.000%	KV
Sharon Custom Metal Forming, Inc.	USA	100.000%	KV	100.000%	KV
STAMPTEC France SAS	FRA	100.000%	KV	100.000%	KV
STAMPTEC-Holding GmbH	DEU	100.000%	KV	100.000%	KV
voestalpine Automotive Body Parts Inc.	USA	100.000%	KV	100.000%	KV
voestalpine Automotive Bodyparts Shenyang Co., Ltd.	CHN	100.000%	KV		
voestalpine Automotive Netherlands Holding B.V.	NLD	100.000%	KV	100.000%	KV
voestalpine Elmsteel Group Limited	GBR	100.000%	KV	100.000%	KV
voestalpine Europlatinen GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine HTI Beteiligungs GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Krems Finaltechnik GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Krems GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Meincol S.A.	BRA	100.000%	KV	100.000%	KV
voestalpine Metsec plc	GBR	100.000%	KV	100.000%	KV
voestalpine Polynorm B.V.	NLD	100.000%	KV	100.000%	KV
voestalpine Polynorm GmbH & Co. KG ¹	DEU	100.000%	KV	100.000%	KV

¹ These consolidated financial statements represent an exemption for Polynorm Immobilien GmbH & Co. KG and voestalpine Polynorm GmbH & Co. KG in accordance with Sec. 264b of the German Commercial Code (*dHGB*).

	Domicile of the company	03/31/2015		03/31/2014	
		Interest held	Type of consolidation	Interest held	Type of consolidation
voestalpine Präzisionsprofil GmbH	DEU	100.000%	KV	100.000%	KV
voestalpine Precision Strip AB	SWE	100.000%	KV	100.000%	KV
voestalpine Precision Strip GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Precision Strip LLC	USA	100.000%	KV	100.000%	KV
voestalpine Precision Strip Trading (Suzhou) Co., Ltd	CHN	100.000%	KV	100.000%	KV
voestalpine Precision Strip, S.A.U.	ESP	100.000%	KV	100.000%	KV
voestalpine Profilafröid	FRA	100.000%	KV	100.000%	KV
voestalpine Profilform (China) Co., Ltd.	CHN	100.000%	KV	100.000%	KV
voestalpine PROFILFORM s.r.o.	CZE	100.000%	KV	100.000%	KV
voestalpine Rotec GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Rotec GmbH & Co. KG ¹	DEU	100.000%	KV	100.000%	KV
voestalpine Rotec Iberica S.A.	ESP	100.000%	KV	100.000%	KV
voestalpine Rotec Incorporated	USA	100.000%	KV	100.000%	KV
voestalpine Rotec Limited	GBR	100.000%	KV	100.000%	KV
voestalpine Rotec Sp. z o. o.	POL	100.000%	KV	100.000%	KV
voestalpine S.A.P.	FRA	100.000%	KV	100.000%	KV
voestalpine Sadev nv	BEL	100.000%	KV	100.000%	KV
voestalpine Stamptec Birkenfeld GmbH ²	DEU	100.000%	KV	100.000%	KV
voestalpine Stamptec Böhmenkirch GmbH & Co. KG ¹	DEU	100.000%	KV	100.000%	KV
voestalpine Stamptec France	FRA	99.998%	KV	99.998%	KV
voestalpine Stamptec GmbH ²	DEU	100.000%	KV	100.000%	KV
voestalpine Stamptec Holding GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Stamptec Nagold GmbH & Co. KG ¹	DEU	100.000%	KV	100.000%	KV
voestalpine Stamptec Pfaffenhofen GmbH & Co. KG ¹	DEU	100.000%	KV	100.000%	KV
voestalpine Stamptec Qinhuangdao Co., Ltd.	CHN	100.000%	KV	100.000%	KV
voestalpine Stamptec Romania S.R.L.	ROU	100.000%	KV	100.000%	KV
voestalpine Stamptec Schmölln GmbH ²	DEU	100.000%	KV	100.000%	KV

¹ These consolidated financial statements represent an exemption for voestalpine Rotec GmbH & Co. KG, voestalpine Stamptec Böhmenkirch GmbH & Co. KG, voestalpine Stamptec Nagold GmbH & Co. KG, and voestalpine Stamptec Pfaffenhofen GmbH & Co. KG in accordance with Sec. 264b of the German Commercial Code (*dHGB*).

² These consolidated financial statements represent an exemption for voestalpine Stamptec Birkenfeld GmbH, voestalpine Stamptec GmbH, and voestalpine Stamptec Schmölln GmbH in accordance with Sec. 264 (3) of the German Commercial Code (*dHGB*).

	Domicile of the company	03/31/2015		03/31/2014	
		Interest held	Type of consolidation	Interest held	Type of consolidation
voestalpine Stamptec South Africa (Pty) Ltd.	ZAF	100.000%	KV	100.000%	KV
VOEST-ALPINE KREMS U.K. plc	GBR	100.000%	KV	100.000%	KV
Entwicklungsgesellschaft GÜGLING Ost GmbH & Co. KG	DEU	6.000%	K0	6.000%	K0
Entwicklungsgesellschaft GÜGLING Verwaltungs GmbH	DEU	100.000%	K0	100.000%	K0
EURACIER	FRA	20.000%	K0	20.000%	K0
Hinckley Precision Tubes Limited	GBR	100.000%	K0		
Martin Miller Blansko, spol. s r. o. (in Liquidation)	CZE	100.000%	K0	100.000%	K0
Martin Miller North America, Inc.	USA	100.000%	K0	100.000%	K0
Metal Sections Limited	GBR	100.000%	K0	100.000%	K0
Munkfors Värmeverk Aktieföretag	SWE	40.000%	K0	40.000%	K0
Polynorm Immobilien Beteiligungs-GmbH	DEU	100.000%	K0	100.000%	K0
SADEF FRANCE S.A.R.L.	FRA	100.000%	K0	100.000%	K0
voestalpine Arkada Zapad IP	BLR	100.000%	K0	100.000%	K0
voestalpine Polynorm Beteiligungsgesellschaft m.b.H.	DEU	100.000%	K0	100.000%	K0
voestalpine Stamptec Beteiligungs GmbH	DEU	100.000%	K0	100.000%	K0

Other

	Domicile of the company	03/31/2015		03/31/2014	
		Interest held	Type of consolidation	Interest held	Type of consolidation
Danube Equity AG	AUT	71.373%	KV	71.373%	KV
Importkohle Gesellschaft m.b.H.	AUT	100.000%	KV	100.000%	KV
RLBV54 Fonds	AUT	99.599%	KV	97.660%	KV
voestalpine Dienstleistungs- und Finanzierungs GmbH	DEU	100.000%	KV	100.000%	KV
voestalpine Finanzierungs GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Finanzierungs Holding GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Funding International GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine group-IT AB	SWE	100.000%	KV	100.000%	KV
voestalpine group-IT GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine group-IT GmbH	DEU	100.000%	KV	100.000%	KV
voestalpine group-IT Tecnologia da Informacao Ltda.	BRA	100.000%	KV	100.000%	KV
voestalpine Personal Services GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Rohstoffbeschaffungs GmbH	AUT	100.000%	KV	100.000%	KV
APK-Pensionskasse Aktiengesellschaft ¹	AUT	29.192%	KEA	29.192%	KEA
AC styria Autocluster GmbH	AUT	14.800%	K0	14.800%	K0
Donauländische Baugesellschaft m.b.H.	AUT	100.000%	K0	100.000%	K0
VA Intertrading Aktiengesellschaft	AUT	7.930%	K0	38.500%	K0
voestalpine Insurance Services GmbH	AUT	100.000%	K0	100.000%	K0

¹ For the company consolidated according to the equity method marked ¹, the reporting date of December 31 applies.

Explanations:
KV Full consolidation
KQ Proportionate consolidation
KEA Equity method associates
KEG Equity method joint ventures
K0 No consolidation

Glossary

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

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

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

Capital employed. Total employed interest-bearing capital.

Cash flow.

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

EBIT (earnings before interest and taxes). Profit before the deduction of taxes, non-controlling interests, and financial result.

EBIT margin. EBIT percentage of revenue.

EBITDA (earnings before interest, taxes, depreciation, and amortization). Profit before the deduction of taxes, non-controlling interests, financial result, and depreciation and amortization expenses.

EBITDA margin. EBITDA percentage of revenue.

EBT (earnings before taxes). Profit before the deduction of taxes and non-controlling interests.

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

Equity ratio. Equity divided by total assets.

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

Full-time equivalent (FTE). A full-time employee corresponds to a full-time equivalent of one, part-time employees are taken into account on a pro-rata basis corresponding to their working hours.

Gearing. Ratio of net financial debt to equity.

Gross profit. Revenue less cost of sales.

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

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

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

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

Return on equity. ROE is the ratio between profit for the period and equity as recorded in the previous period.

ROCE (return on capital employed). ROCE is the ratio of EBIT to average capital employed, that is, profit generated by the capital invested.

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

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

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