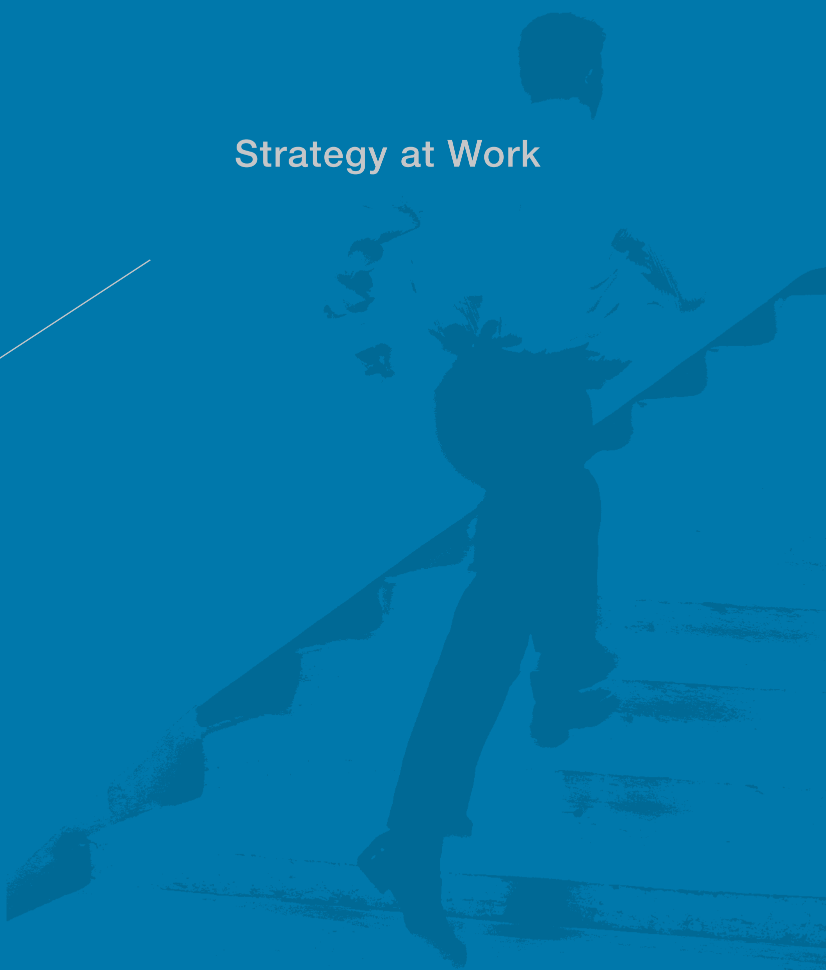
Letter to Shareholders, 1st Quarter 2006/07



Strategy at Work

www.voestalpine.com

voestalpine ONE STEP AHEAD.

voestalpine Group – Key figures

	Q1 2006/07 04/01–06/30/2006	Q1 2005/06 04/01–06/30/2005	Change in %
Revenue	1,779.5	1,668.5	6.7
EBITDA	301.7	297.6	1.4
EBITDA-margin (in %)	17.0	17.8	
EBIT	218.6	204.9	6.7
EBIT-margin (in %)	12.3	12.3	
Profit before tax	205.6	198.4	3.6
Profit for the period	153.1	148.2	3.4
Earnings per share* (Euro)	3.82	3.70	3.3
Investments	113.0	130.9	–13.7
Depreciation and Amortisation	83.1	92.7	–10.3
Equity	2,696.4	2,231.1	20.9
Net financial debt	313.7	672.7	–53.4
Net financial debt in % of equity	11.6	30.1	–61.4
Employees excl. apprentices	24,026	23,431	2.5
Capital Employed	3,465.6	3,816.9	–9.2

* Earnings per share before the 1:4 share split that took place on August 1, 2006.

according to IFRS; in millions of euros

Letter of the Management Board

Ladies and Gentlemen,

Given that the excellent operating result from the first quarter of the last business year was two thirds due to Division Steel, nearly 50% of the even better operating result achieved in the first three months of the 2006/07 business year can be attributed to the three processing divisions.
If proof had been required of the wisdom of the value-added growth strategy where the knowledge gained in steel manufacture is linked to that of processing finished products – the figures now speak for themselves. An appropriately more favorable performance in the processing divisions has more than made up for the somewhat weaker development in the steel sector in the last few quarters.
The voestalpine Group's strategy of making "more out steel" has held its ground with excellent effect from an operating result point of view – under the present economic conditions at least – against the strategy of making "more steel" pursued by the proponents of consolidation. This is another reason for us to continue consistently on our path of qualitative growth.In line with this strategy, we acquired the company Drahtwerke und Stahlhandel Finsterwalde GmbH in Germany at the beginning of August. This increase in our processing capacity as enabled us to supply even more customers in the automotive and fastening industries with high-grade wire products.
On the other hand, this requires us – along with the right investments and acquisitions – to cast a critical eye over our own portfolio as an ongoing exercise. The strategic benefit and an appropriate operating result aligned with Group objectives are the criteria which are ultimately decisive for divestment measures.
Against this backdrop the decision was taken in the Division Steel well over a year ago to close the forge. Both strategic and economic reasons were crucial to this. Following a well-regulated process, the forge is now merely history thanks to the willingness to cooperate of all parties concerned.

Two other Group segments are also currently undergoing changes: the voestalpine steel trading group – operatively very well positioned but strategically no longer a central asset because of the Division Steel's direct customer relationships – is up for sale. The Group will still retain a minority holding during a transition phase to ensure an orderly transfer to the new ownership structure.
By comparison, a strategic need for expansion is the reason for the incorporation of a new partner into the voestalpine raw materials trading group, the Group's scrap trading arm. There, the plan to assure the long-term supply of scrap is to fall back to a minority holding with simultaneous entry of a large European scrap trading company as the future majority shareholder.

As regards the operating, we anticipate, for the present business year, at least a repeat of the very good result achieved in 2005/06. It will be possible to make a more concrete estimate by the end of the first half-year as by then the development in the last quarter of the business year should also be foreseeable.

Linz, August 11, 2006

The Management Board

Wolfgang Eder | Franz Hirschmanner | Josef Mülner

Robert Ottel | Wolfgang Spreitzer

Overview of the business performance of the voestalpine Group

After having had a successful 2005/06 business year, the voestalpine Group has continued its undiminished positive performance during the first three months of the 2006/07 business year, as well.

The key financial figures for the first quarter of 2006/07 (including the previous year's figures) by way of an overview:

- Revenue went up by 6.7% from EUR 1,668.5 million to EUR 1,779.5 million.
- EBITDA (earnings before interest, taxes, depreciation, and amortization) improved by 1.4%, rising from EUR 297.6 million to EUR 301.7 million. The EBITDA margin is thus 17.0% (first quarter of 2005/06: 17.8%).
- EBIT (profit from operations) improved from EUR 204.9 million during the prior year to EUR 218.6 million. This corresponds to a 6.7% increase. As was the case during the first quarter of 2005/06, the EBIT margin thus amounts to 12.3%.
- Profit before tax (EBT) came to EUR 205.6 million, thus rising by 3.6% in comparison with EUR 198.4 million in the previous year.
- Profit for the period (earnings after taxes) improved by 3.4% in comparison with the previous year, from EUR 148.2 million to EUR 153.1 million.
- Earnings per share* for the first quarter of 2006/07 came to EUR 3.82, which is 3.3% higher than the previous year's figure of EUR 3.70.
- Equity rose by 20.9%, from EUR 2,231.1 million to EUR 2,696.4 million; this was accompanied by a 53.4% decrease in net financial debt, which went down from EUR 672.7 million to EUR 313.7 million. The gearing ratio (net financial debt as a percentage of equity) was thus reduced from 30.1% to 11.6%.
- As of June 30, 2006 the voestalpine Group had 24,026 employees. This represents an increase of 2.5% relative to the figure from the comparison period of the previous year (23,431).

* Earnings per share before the 1:4 share split that took place on August 1, 2006.

Business performance in detail

In the first quarter of the 2006/07 business year, the economic environment was more favorable for the voestalpine Group than they have been for a long time. Throughout Europe, the past few months were characterized by solid demand in all key customer segments – from the energy sector to the construction industry, the automotive and domestic appliance industries and the railway infrastructure sector. Against this backdrop, as compared with the last three months of the previous business year, the voestalpine Group posted another increase in both revenue and EBIT, as well as the results before and after tax. The first quarter 2006/07 is thus the best individual quarter in the Group's history.

However, consideration of the four divisions in detail does reveal significant differences in terms of business development: The average price level in the **Division Steel** during the first three months of the current business year was still significantly below that of the corresponding period during the previous year – although the quantities delivered were increased and there was a greater level of demand in all product areas. This led to an increase in revenue (+7%), but simultaneously also to a reduction of EBIT (which went from EUR 134.8 million to EUR 115.9 million, i.e. –14%) and of the EBIT margin (going from 15.0% to 12.1%).

Performance in the **Division Railway Systems,** on the other hand, continued to be particularly gratifying during the first quarter of 2006/07. Compared with the previous year, revenue increased by another 11.4% and EBIT even increased by more than half (+51.1%), leading to a marked improvement in profitability as well. The main factors in this regard were the positive economic trends on the railway infrastructure markets. On the other hand, the continued boom in the energy sector (oil and natural gas) also led to further price increases in the seamless tube segment. High-quality wire also showed an overall stable trend in its result figures.
Market conditions also continued generally favorable for the **Division Profilform.** In particular the growing demand in terms of quantities, both for special and standard products, that has occurred since the beginning of the fourth quarter of 2005/06, has enabled the Division to increase revenue (+4.1%), EBIT (+38.9%) and all other key financial figures compared to the previous year.

The business performance of the **Division Automotive** was characterized by a slightly improved business environment by comparison with the previous year. The minor reductions in revenue (–3.3%) are attributable mainly to structural optimization measures (reductions in toolmaking and stamping capacities) and the normal fluctuations in the spare parts sector. Profitability remained constant relative to the comparison quarter, with an EBIT margin of 5.3%.

The crude steel production of the **Division Steel** increased by comparison with the same quarter during the previous year by 2.4%, going from 1.25 million tons to 1.28 million tons. If the production volume from the Donawitz plant of the Division Railway Systems (0.39 million tons) is included, the crude steel production of the voestalpine Group increased by 2.5% relative to the first quarter of the previous business year, from 1.63 million to a total of 1.67 million tons.

In contrast with the first quarter of 2005/06 the Group's financial statements reflect sales and earnings contributions of the following companies due to consolidations that took place during the previous year: In the Division Railway Systems the Indian track switch manufacturer Rahee Track Technologies (Pvt) Ltd., in which VAE GmbH holds a 51% interest, and in the Division Profilform the Russian company ZAO voestalpine Arkada Profil (80% interest), which was added to the consolidated group as of May 1, 2006.

Business performance in the divisions

DIVISION STEEL

	Q1 2006/07 04/01–06/30/2006	Q1 2005/06 04/01–06/30/2005
Revenue	960.5	898.0
EBITDA	159.0	185.3
EBITDA margin (in %)	16.6	20.6
Profit from operations (EBIT)	115.9	134.8
EBIT margin (in %)	12.1	15.0
Employees excl. apprentices	9,869	9,619

In millions of euros

DIVISION RAILWAY SYSTEMS

	Q1 2006/07 04/01–06/30/2006	Q1 2005/06 04/01–06/30/2005
Revenue	521.9	468.7
EBITDA	98.4	73.1
EBITDA margin (in %)	18.8	15.6
Profit from operations (EBIT)	77.5	51.3
EBIT margin (in %)	14.9	11.0
Employees excl. apprentices	6,990	6,764

In millions of euros

DIVISION STEEL

Thanks to a largely gratifying volume demand in all important customer sectors (automotive, construction and domestic appliance industries, energy sector), the Division Steel has been able to post a considerable increase in its sales revenue for the first quarter of 2006/07.

Although prices had risen slightly by comparison with the immediately preceding quarter (Q4 2005/06), the average price level of all rolling products was clearly below that of the comparable quarter in 2005/06. Furthermore, the price of zinc has more than doubled compared with the previous year. Combined with higher costs for alloys and scrap, this resulted in an additional cost burden of around EUR 15 million in comparison with the first quarter of the previous year. This, together with the lower level of revenues, caused the operating result to fall below the comparison value of the previous year.

Driven by the energy boom the area of high-quality heavy plates experienced a consistently high level of demand. Against this backdrop, the foundry group also developed highly satisfactorily and maintained its position as world market leader in the large turbine casing sector.

The increase in employee numbers by 2.6% (250 employees) was exclusively the result of new appointments in the course of the "Linz 2010" investment program.

DIVISION RAILWAY SYSTEMS

The Division Railway Systems was able to again significantly increase both revenue (+11.4%) and EBIT (+51.1%) by comparison with the first quarter of 2005/06.

On one hand this gratifying development was the result of a noticeable recovery in the demand for rails and turnouts in Western Europe, particularly Germany, and the steadily positive market conditions overseas (North America, South Africa, Australia) and in Asia.

At the same time, the niche segments wire and seamless tubes have also experienced outstanding development in the first quarter of 2006/07. As a result of the continued high level of investment activity in the energy sector, prices of high-quality seamless tube products have once again risen significantly despite the already historic high of the previous year. In the quality wire sector it was possible, due to increased delivery quantities, to maintain the high operating result of the previous year despite a slightly falling price trend.

The increase in employee numbers was the result of the addition of the Indian track switch manufacturer Rahee Track Technologies (Pvt) Ltd. to the consolidated group.

DIVISION AUTOMOTIVE

In the first half of 2006, the European automobile manufacturers posted slight growth rates in their production and sales quantities compared with the previous year, with the result that the business performance of the Division Automotive was characterized by generally slightly more stable market conditions than in the previous year.

Business development with regard to those product ranges which are used in the series production of cars, but are not competing with the internal production resources of automotive manufacturers, progressed satisfactorily. These particularly include laser-welded blanks, specific pressed parts and safety and precision tube parts. Those sectors where temporary peaks in capacity experienced by the automobile manufacturers are covered, exhibited slightly greater volatility in orders received. Overall, the Division Automotive was able to stabilize its position at a gratifyingly solid level even by comparison with the competition. The decrease in employees and sales are the result of structural optimization measures that were introduced over the course of the year.

DIVISION AUTOMOTIVE

	Q1 2006/07 04/01–06/30/2006	Q1 2005/06 04/01–06/30/2005
Revenue	208.0	215.0
EBITDA	22.4	22.9
EBITDA margin (in %)	10.8	10.7
Profit from operations (EBIT)	10.9	11.4
EBIT margin (in %)	5.3	5.3
Employees excl. apprentices	3,790	4,004

In millions of euros

DIVISION PROFILFORM

	Q1 2006/07 04/01–06/30/2006	Q1 2005/06 04/01–06/30/2005
Revenue	210.6	202.3
EBITDA	34.5	26.9
EBITDA margin (in %)	16.4	13.3
Profit from operations (EBIT)	27.9	20.1
EBIT margin (in %)	13.2	9.9
Employees excl. apprentices	3,004	2,699

In millions of euros

DIVISION PROFILFORM

The first three months of the 2006/07 business year were typified by persistently good economic conditions for the Division Profilform. The gratifying development of the operating result is attributable in particular to the high demand for customer-specific sections for the construction and commercial vehicle industries (truck and bus manufacture).
Despite the continued high cost of semi-finished goods, the trend in the standard tubes and sections segment also appeared favorable and was driven primarily by a partial build-up of warehouse stocks which were at a low level and an improved level of incoming orders in Germany. Thanks to steady demand in Europe and North America, the warehouse technology sector developed satisfactorily as well.

Last but not least, the newly acquired Russian company, ZAO voestalpine Arkada Profil, made a first positive contribution to the operating result, having been added to the consolidated companies from May 1, 2006. The rise in the number of employees is also the result of this acquisition.

ACQUISITIONS

During the first quarter of the 2006/07 business year, the Division Profilform concluded three acquisitions of strategic importance to its ability to secure the voestalpine Group's leading position in the special profiles sector in Europe.
In May 2006, the Group acquired an 80% interest in the Russian company ZAO ARKADA Profil as well as an option to purchase the remaining 20% within 5 years' time. The company, which is headquartered in Smolensk (approximately 300 km west of Moscow) is specialized in the customized production of light steel profiles and has a distributor network throughout the country. In 2005, it posted sales in an amount of just under EUR 30 million.
In addition, in June 2006 the Division Profilform acquired the two French profile manufacturers Profil à froid (Profilafroid) and Société Automatique de Profilage (SAP). Together, Profilafroid and SAP – total sales in 2005 approximately EUR 85 million – are the leading French manufacturers of light steel profiles, primarily for the construction and automotive industries.
As a result, the Division Profilform now has a total of ten production plants and is thus represented in all areas of Europe that are of significant importance for the Division's segment.

Subject to the approval of the antitrust authorities, a further acquisition was completed at the beginning of the second quarter of 2006/07 in the Division Railway Systems. In order to continue to expand the Group's successful activities in the high-quality wire segment, voestalpine Austria Draht GmbH acquires all of the shares of Drahtwerk und Stahlhandel Finsterwalde GmbH located in the German federal state of Brandenburg, effective upon official approval by the antitrust authorities. The company numbers among the leading quality manufacturers in the area of cold extrusion wire and posted annual sales of around EUR 90 million in the past year.
During all these transactions, it was agreed with the sellers to maintain strict confidentiality with regard to the purchase price. The results of the new Group companies are all clearly positive.

INVESTMENTS

At EUR 113.0 million the voestalpine Group's investments in the first quarter of 2006/07 were slightly below the previous year's high (EUR 130.9 million). Of the EUR 113.0 million, tangible assets accounted for EUR 102.2 million and intangible assets and shares accounted for EUR 10.8 million.

The focus of investments in the Division Steel was on the continued implementation of the "Linz 2010 – second stage" program, with investments focusing on cold rolling mill 3, hot-dip galvanizing plant 4, and capacity increases in the hot strip mill. Parallel to this, a new secondary dedusting plant went online, which detects all emissions in the steel plant.
In March 2006 work began on the construction of a steel service center in Poland which

is scheduled to go online in January 2007. In addition to this, the environmental compatibility procedure for the a further increase in the iron and steel manufacturing capacities at the Linz site was officially introduced in the first half of 2006.

In the Division Railway Systems the new rail rolling plant in Donawitz was officially opened on June 29, 2006. The run-up phase of the world's most technologically sophisticated rail rolling line is running right on schedule. In the meantime, the next investment step has already been taken in the ordering of a double basin quenching prototype unit. In future it will be possible by using this technology to harden rails fully synchronously to the rolling cycle, thus avoiding capacity losses during the production of head hardened rails.
In addition to this, a direct-feed coal dust mill is currently under construction in Donawitz for the two blast furnaces. Construction work will be completed by the end of the 2006 calendar year, and it is envisaged that starting of full-load operation will take place in March 2007. This investment enables the plant to reduce the amount of coke used in the production of raw steel by up to one third, thus significantly improving the cost structure.
Also under construction in Donawitz is a new dedusting plant for the casting foundry, which will start up operations in December 2006.

A series of smaller modernization and expansion investments were made in the Divisions Automotive and Profilform, which allow for increased strategic alignment towards technologically demanding and sustainably profitable niche segments.

RESEARCH AND DEVELOPMENT

Thanks to intensive research and development in the field of surface treatment of strip steel, the Division Steel of voestalpine AG has established itself as a technological leader and is thus able to set standards. At the beginning of 2006, voestalpine became the first European company whose entire product range is free from environmentally and physically critical compounds containing chromium. This followed the completion of the changeover of all hot-dip galvanizing plants to a chromium (VI) free technology for the passivation of surfaces, which is carried out as the final processing step prior to delivery as protection for transport and storage.

A current focus in the process-related research and development work carried out by the Division Steel is on the further improvement of the continuous casting process, especially with regard to the further optimization of slab quality by homogenizing the chemical composition.
This is, inter alia, the basis for the further development of tube steels containing acidic gas enabling the manufacture of tubes for use under the most extreme conditions, particularly in the oil and gas industries.

Research and development activities in the raw iron and steel production sector are increasingly focusing on a "zero waste" philosophy, aimed at protecting the environment to the greatest possible extent and using raw materials with more efficiency.

With the switch and rail as the central elements, track system solutions aligned towards life-cycle costs are becoming increasingly important for the research and development activities in the railway systems sector. As a result, intensive cooperation projects with leading customers and global research partners (both within and outside of Europe) are carried out, in order to optimize the system of wheels and tracks and to develop, on the basis of the R&D findings, new and innovative solutions in this area.
Furthermore, the development of new drive and monitoring systems for the purpose of increasing line availability and insuring safe railway travel was also emphasized.

Furthermore, the Group utilizes the advantages gained from linking material and processing know-how through a series of cross-divisional research projects. Currently undergoing customer sampling is the "Ultraform" product (press-hardening steels), which is being implemented jointly as a Group project by the Divisions Steel, Automotive and Profilform.
Alongside this, the development of seamless tubes for automotive safety components is currently being conducted as a preliminary Group project between the Divisions Railway Systems and Automotive.

The manufacture of high-grade sections for applications in the automotive sector under the project name "ProAuto" is yet another current, cross-divisional R&D topic.

OUTLOOK

Against the backdrop of positive economic growth in Europe, which appears to be assured until the end of 2006 at any rate, it can be said that the voestalpine Group's position also looks very favorable.

The Division Steel will profit in the second half of the calendar year from the price increases which became effective as of July 1, 2006 in the quarterly and half-yearly accounts. At any rate, this should put the Division in a position to compensate for the around EUR 60 million in additional costs anticipated this year by comparison with the previous year from price increases in scrap and alloying metals (including zinc).
In the Division Railway Systems, due to seasonal fluctuations in the order books, it is not possible in to use the excellent operating result achieved for the first quarter as a yardstick for assessing the business year as a whole. Nevertheless, it is still possible to anticipate steady positive development for the further course of the year.
In the Divisions Profilform and Automotive it should be possible to maintain the level of operating profit achieved in the first three months – naturally also with certain seasonal fluctuations – up to the end of 2006 at any rate.

Although it is still difficult at present to estimate the development in the last quarter of the 2006/07 business year (first quarter 2007), it appears that the ability in the 2006/07 business year to achieve the operating result of the previous year of EUR 732 million is also very likely assured from the present point of view.

voestalpine share

PRICE PERFORMANCE

The price performance of the voestalpine share at the beginning of the first quarter of the 2006/07 business year was characterized by the generally positive trends on the capital markets. The voestalpine share thus reached its all-time high on May 8, 2006, with a closing price of EUR 136.3. Compared with the issuing price at the time of the IPO in October 1995 (EUR 20.71), the value of the voestalpine share has thus increased by more than six-fold. This development also reflects the solid fundamental position of the company, which has been continually developed over the past 10 years.

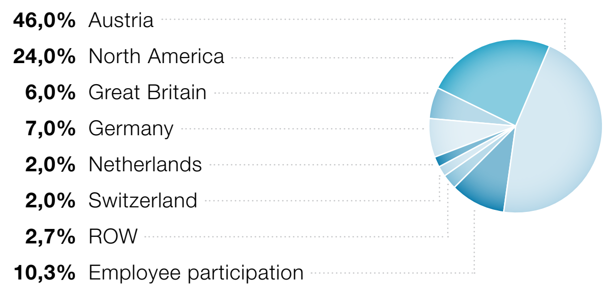
During the second half of the first quarter of 2006/07, the price of the voestalpine share was not spared from the general trend towards consolidation on the European markets and became subject to a slight price pressure, as did all of the other listings on the ATX. However, towards the end of the quarter, the share price was able to make up for some lost ground, and the share closed at a price of EUR 118.8 on June 30.

In the last few weeks, the situation on the capital markets has been characterized by significant instability in terms of the general economic development, combined with anxiety over inflation and interest rates. Despite the increasing volatility of the economic environment, the price of the voestalpine share basically remained at the level in place at the end of the quarter..

The continuous increase in the share price over the course of the past years was the reason that it was decided to perform a share split as of August 1, 2006 at a 1:4 ratio, with the result of making the share "lighter" – a measure that mostly benefited the minority shareholders. As a result, the number of (bearer) shares was increased from 39,600,000 to 158,400,000 as per that date. On July 31, 2006, the voestalpine share closed at a share price of EUR 115.66 and opened on August 1 at EUR 28.95.

voestalpine AG VS. INTERNATIONAL INDICES

SHAREHOLDER STRUCTURE



Ownership structure (indicative)

LARGEST INDIVIDUAL SHAREHOLDERS
OÖ Invest GmbH & Co OEG: > 15%
Employee participation: 10.3%
Oberbank AG: 7.7%
Goldman Sachs Group Inc.: > 5%

SHARE INFORMATION

Regular analyses regarding the development of the price of the voestalpine AG share are prepared by the following institutions:
Bayerische Landesbank, Munich. BHF-BANK, Frankfurt. CA IB, Vienna. Cantor Fitzgerald, London. Credit Suisse, London. Deutsche Bank, Vienna/Frankfurt. Erste Bank, Vienna. Exane BNP Paribas, Paris. Goldman Sachs, London. HSBC, London. JP Morgan, London. Morgan Stanley, London. Nord LB, Frankfurt. Raiffeisen Centrobank, Vienna. Steubing AG, Frankfurt.

Share capital:	EUR 287,784,423.30 divided into 39,600,000 non-par value shares
	Shares in proprietary possession as of June 30, 2006: 57,159 shares
Security ID code:	93750 (Vienna Stock Exchange)
ISIN:	AT0000937503
Reuters:	VOES.VI
Bloomberg:	VOE AV

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CLASS OF SHARES

Highest market price April 2006 through June 2006	136.30
Lowest market price April 2006 through June 2006	96.14
Share price as of June 30, 2006	118.80
Market capitalization as of June 30, 2006*	4,697,689,511

* Basis: Total number of shares less the shares in proprietary possession
Common bearer shares
Prices in euros

2005/06 BUSINESS YEAR

Earinging/share	EUR 13.13
Dividend/share	EUR 2.00 + EUR 1.10 Bonus
Book value/share	EUR 62.90

PROJECTED SCHEDULE 2006/07

- NOVEMBER 13, 2006:
  Letter to Shareholders on performance during first half of 2006/07
- FEBRUARY 16, 2007:
  Letter to Shareholders on performance during third quarter of 2006/07
- JUNE 6, 2007:
  Publication of results for the 2006/07 business year
- JULY 4, 2007:
  Annual General Meeting
- JULY 9, 2007:
  Ex-dividend date
- JULY 16, 2007:
  Dividend payment date

voestalpine AG

Financial data 06/30/2006

According to IFRS

Consolidated balance sheet

Assets	06/30/2006	03/31/2006
A. Non-current assets		
Property, plant and equipment	2,334.2	2,319.0
Goodwill	247.2	247.2
Other intangible assets	59.4	58.1
Investments in associates	61.7	63.8
Other financial assets	101.7	100.4
Deferred tax assets	101.1	104.3
	2,905.3	**2,892.8**
B. Current assets		
Inventories	1,233.5	1,275.7
Trade and other receivables	1,298.8	1,143.7
Other financial assets	351.6	333.2
Cash and cash equivalents	480.0	513.2
	3,363.9	**3,265.8**
Total assets	**6,269.2**	**6,158.6**

In millions of euros

Equity and liabilities	06/30/2006	03/31/2006
A. Equity		
Share capital	287.8	287.8
Capital reserves	470.8	470.8
Retained earnings and other reserves	1,874.5	1,727.5
Equity attributable to equity holders of the parent	**2,633.1**	**2,486.2**
Minority interest	61.3	61.1
	2,696.4	**2,547.3**
B. Non-current liabilities		
Pensions and other employee obligations	552.7	551.6
Provisions	25.1	24.7
Deferred tax liabilities	67.3	67.2
Financial liabilities	818.2	832.3
	1,463.3	**1,475.8**
C. Current liabilities		
Provisions	422.7	428.2
Financial liabilities	514.0	512.9
Trade and other payables	1,172.8	1,194.5
	2,109.5	**2,135.6**
Total equity and liabilities	**6,269.2**	**6,158.6**

In millions of euros

Consolidated income statement

	04/01–06/30/2006	04/01–06/30/2005
Revenue	1,779.5	1,668.5
Cost of sales	–1,371.7	–1,285.3
Gross profit	**407.8**	**383.2**
Other operating income	32.5	44.4
Distribution costs	–116.5	–106.7
Administrative expenses	–71.4	–71.5
Other operating expenses	–33.8	–44.5
Profit from operations (EBIT)	**218.6**	**204.9**
Share of profit of associates	3.8	3.6
Finance income	13.2	15.5
Finance costs	–30.0	–25.7
Profit before tax (EBT)	**205.6**	**198.4**
Income tax expense	–52.5	–50.2
Profit for the period	**153.1**	**148.2**
Attributable to		
Equity holders of the parent	151.0	146.1
Minority interest	2.1	2.1
Basic earnings per share (Euro)	3.82	3.70
after share split	0.95	0.92
Diluted earnings per share (Euro)	3.56	3.70
after share split	0.89	0.92

In millions of euros

Consolidated cash-flow statement

	04/01–06/30/2006	04/01–06/30/2005
Operating activities		
Profit for the period	153.1	148.2
Adjustments	91.6	85.5
Changes in working capital	–51.3	–72.0
Cash flows from operating activities	**193.4**	**161.6**
Cash flows from investing activities	**–208.3**	**–168.2**
Cash flows from financing activities	**–19.9**	**61.9**
Net decrease/increase in cash and cash equivalents	**–34.9**	**55.4**
Cash and cash equivalents, beginning of period	513.2	177.5
Net exchange differences	1.7	–4.4
Cash and cash equivalents, end of period	**480.0**	**228.5**

In millions of euros

Changes in equity

	04/01–06/30/2006	04/01–06/30/2005
Equity at April 1	2,547.3	2,166.3
Profit for the period	153.1	148.2
Dividends	–2.9	–85.3
Own share acquired/disposed	0.0	–0.7
Currency translation	–7.2	4.3
Hedge Accounting	5.0	–3.2
Other changes	1.1	1.5
Equity at June 30*	**2,696.4**	**2,231.1**

* Incl. minority interest

In millions of euros

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