Annual Report 2011/12

voestalpine
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Development of the Key Figures

In millions of euros	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue	10,481.2	11,724.9	8,550.0	10,953.7	12,058.2
Profit from operations before depreciation (EBITDA)	1,836.5	1,710.1	1,004.3	1,605.6	1,301.9
EBITDA margin	17.5%	14.6%	11.7%	14.7%	10.8%
Profit from operations (EBIT)	1,152.6	988.7	352.0	984.8	704.2
EBIT margin	11.0%	8.4%	4.1%	9.0%	5.8%
Profit before tax (EBT)	979.6	700.0	183.3	781.0	504.4
Profit for the period[1]	751.9	611.6	186.8	594.6	413.3
EPS – Earnings/share (euros)	4.69	3.26	0.65	3.04	1.98
Total assets	12,601.8	12,846.5	12,294.1	13,076.4	12,612.1
Cash flows from operating activities	1,135.8	1,357.9	1,606.1	957.6	856.5
Investments in tangible and intangible assets and interests	3,910.1	1,078.9	542.5	422.7	574.6
Depreciation	683.9	721.3	652.3	620.8	597.7
Equity	4,289.3	4,262.5	4,262.4	4,691.1	4,836.3
Net financial debt	3,571.7	3,761.6	3,037.3	2,713.1	2,585.7
Net financial debt in % of equity	83.3%	88.2%	71.3%	57.8%	53.5%
Return on capital employed (ROCE)	13.4%	11.4%	4.4%	12.4%	8.6%
Market capitalization, end of period	7,006.4	1,645.0	5,043.3	5,585.1	4,255.0
Number of outstanding shares as of March 31	159,235,738	167,003,706	168,390,878	168,581,289	168,749,435
Share price, end of period (euros)	44.00	9.85	29.95	33.13	25.22
Dividend/share (euros)	2.10	1.05	0.50	0.80	0.80[2]
Employees (full-time equivalent), end of period	46,170	44,004	42,021	45,260	46,473

[1] Before deduction of non-controlling interests and interest on hybrid capital.
[2] As proposed to the Annual General Shareholders' Meeting.

Overview of the Key Figures

voestalpine Group

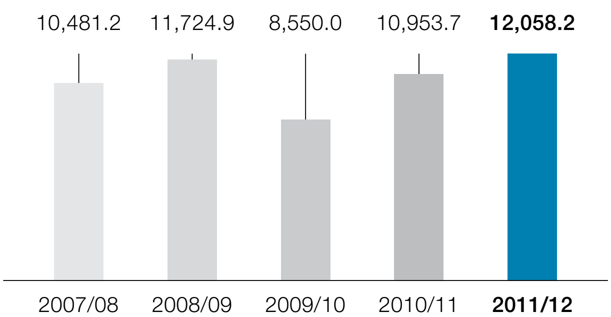
In millions of euros	2010/11	2011/12	Change in %
Revenue	10,953.7	12,058.2	10.1
EBITDA	1,605.6	1,301.9	–18.9
EBITDA margin	14.7%	10.8%	
EBIT	984.8	704.2	–28.5
EBIT margin	9.0%	5.8%	
Employees (full-time equivalent)	45,260	46,473	2.7

voestalpine Divisions

In millions of euros	Steel	Special Steel	Metal Engineering	Profilform	Automotive
Revenue	4,130.3	2,945.0	2,955.6	1,251.5	1,224.6
EBIT	226.5	272.9	96.9	126.6	58.5
EBIT margin	5.5%	9.3%	3.3%	10.1%	4.8%
Employees (full-time equivalent)	10,702	12,363	11,344	4,556	6,808

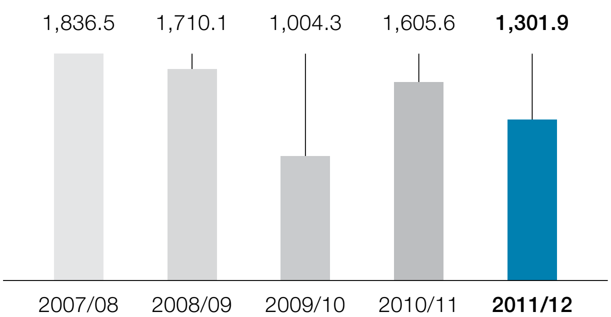
Revenue

In millions of euros



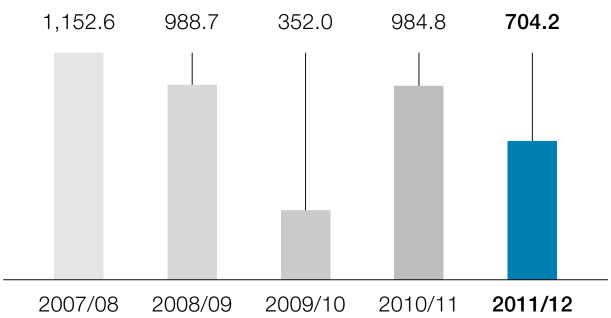
EBITDA Profit from operations before depreciation

In millions of euros



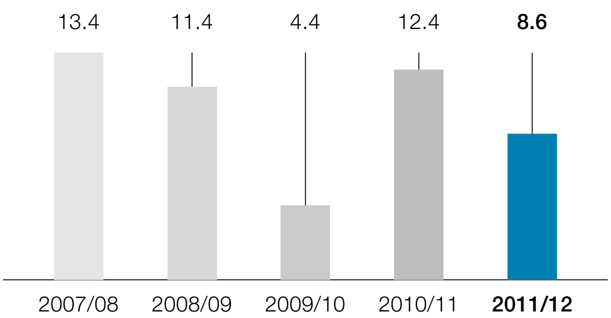
EBIT Profit from operations

In millions of euros



ROCE Return on capital employed

in %



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

Highlights[1]

- The first phase of the business year 2011/12—until the summer of 2011—still characterized by a broad-based feeling of optimism with regard to the economy.
- From the fall of 2011, increasing nervousness on the markets and cautious order patterns on the part of customers in some industries.
- Toward the end of 2011, a new escalation of the sovereign debt crisis in Europe; economic situation in the USA developed positively.
- The first signs of a certain cooling down of momentum in the growth regions of China and Brazil increased uncertainty around the turn of the year 2011/12 regarding the development of the global economy.
- Despite the difficult market environment, the divisions, which are strongly oriented toward downstream manufacturing, the divisions Special Steel, Metal Engineering (until March 31, 2012 Railway Systems Division), Profilform, and Automotive had a stable development, retaining the revenue and earnings level of the previous year.
- Very volatile development with regard to earnings in the Steel Division due to fears surrounding the economy and structural overcapacities in Europe.
- Despite a difficult economic environment, voestalpine boosts the Group's revenue to an all-time high of EUR 12.1 billion.
- All reporting categories adversely affected by the non-recurring effects in the railway sector in the amount of EUR 205 million and therefore, remained significantly below last year's figures.
- At EUR 1,301.9 million, EBITDA was 18.9% lower than the previous year (EUR 1,605.6 million), while EBIT was 28.5% below the previous year (EUR 984.8 million) at EUR 704.2 million.
- When the non-recurring effects amounting to EUR 205 million are excluded, the development of earnings is virtually stable.
- Reduction of the gearing ratio (net financial debt as a percentage of equity) from 57.8% to 53.5%.
- Dividend proposed to the Annual General Shareholders' Meeting: EUR 0.80 per share.
- Number of employees (as full-time equivalents) of 45,260 as of March 31, 2011 rose to 46,473 as of March 31, 2012 (+2.7%).
- In the business year 2011/12, the (purely accounting) effects of the purchase price allocation (ppa) from the acquisition of BÖHLER-UDDEHOLM had an adverse effect on the Group's operating result (EBIT) of EUR 47.4 million so that EBIT before ppa is EUR 751.6 million; this corresponds to an EBIT margin before ppa of 6.2%.

[1] In accordance with IFRS, all figures after application of the purchase price allocation (ppa).

The Group

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Overview of the voestalpine Group

In their core segments, the companies of the voestalpine Group are leading providers globally or at least in Europe and perform with top technology and quality leadership. The following is an overview of the individual divisions of the Group, their products, customers, and markets as well as the most important key figures for the business year 2011/12.

Steel Division

Top European player
Top-three European supplier of high quality sheet and global top position in heavy plate for the most demanding applications.

Special Steel Division

Global leadership
Worldwide leader in tool steel. Leading position in high-speed steel and special forgings.

Metal Engineering Division

(until March 31, 2012 Railway Systems Division)

Global leadership
European market leader for rails and processed wire, world market leader for turnouts and complete railway systems; leading position in welding consumables and seamless tubes.

Profilform Division

Global leadership
Worldwide market leader in special sections and custom roll forming; leading position in precision strip.

Automotive Division

Top European player
Top-three European player in the automotive supply industry for special components.

Revenue (in millions of euros)	4,130.3
EBIT (in millions of euros)	226.5
EBIT margin	5.5%
Employees (full-time equivalent)	10,702

Revenue (in millions of euros)	2,945.0
EBIT (in millions of euros)	272.9
EBIT margin	9.3%
Employees (full-time equivalent)	12,363

Revenue (in millions of euros)	2,955.6
EBIT (in millions of euros)	96.9
EBIT margin	3.3%
Employees (full-time equivalent)	11,344

Revenue (in millions of euros)	1,251.5
EBIT (in millions of euros)	126.6
EBIT margin	10.1%
Employees (full-time equivalent)	4,556

Revenue (in millions of euros)	1,224.6
EBIT (in millions of euros)	58.5
EBIT margin	4.8%
Employees (full-time equivalent)	6,808

as of April 1, 2012

Metal Forming Division

Global leadership
Leading worldwide provider of high-quality metal processing solutions, in particular special sections and precision steel coil as well as special components for the automobile industry.

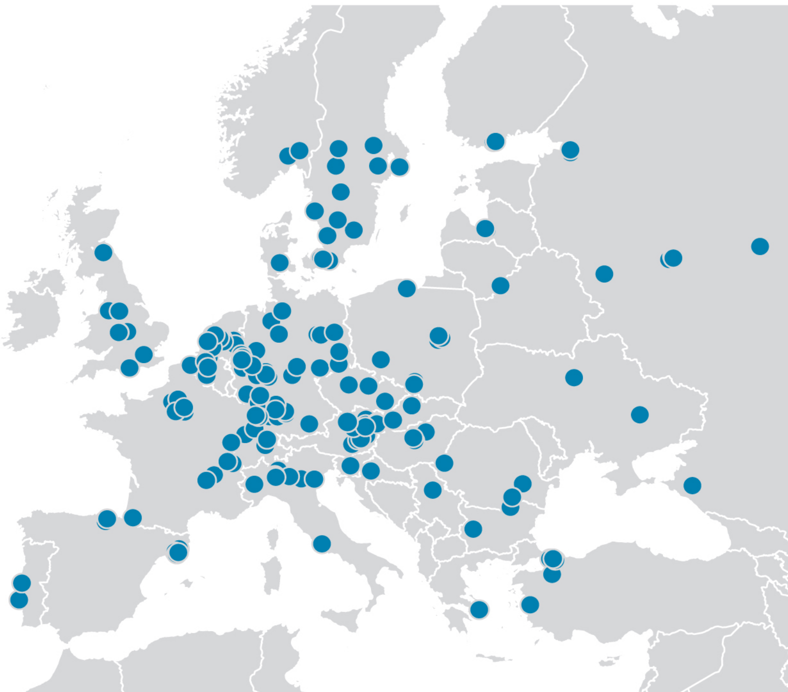
Revenue (in millions of euros)	2,476.1
EBIT (in millions of euros)	185.1
EBIT margin	7.5%
Employees (full-time equivalent)	11,364

Proforma figures, added

voestalpine Group – Global presence

Represented in more than 60 countries

voestalpine is a globally active Group with a number of specialized and flexible companies that produce, process, and further develop high-quality steel products. The Group is represented by approximately 360 production and sales companies in more than 60 countries.



Source © (2012) www.data2map.de

Leading positions in the core segments

With its highest quality flat steel products, voestalpine is one of Europe's leading partners to the automotive, energy, white goods, and consumer goods industries. Furthermore, voestalpine is the world market leader in turnout technology, tool steel, and special sections as well as number one in Europe in the production of special rails. The voestalpine Group generated revenues of EUR 12.1 billion in the business year 2011/12 and has 46,500 employees worldwide.

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

KR Mag. Dr. Ludwig Scharinger
Deputy Chairman of the Supervisory Board (since July 1, 2004)
Initial appointment: January 20, 1994
Former 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
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 with Binder Grösswang Rechtsanwälte OEG, Vienna

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 & Co KG, Donawitz

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

Johann Prettenhofer (until December 31, 2011)
Member of the Supervisory Board
Initial appointment: January 1, 2008
Former Chairman of the Works Council for Wage Earners of BÖHLER Edelstahl GmbH & Co KG, Kapfenberg

Gerhard Scheidreiter (since January 1, 2012)
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

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 area of responsibility:
Long-term development of new products and markets

Dr. Wolfgang Eder
Born 1952
Member of the Management Board since 1995
Chairman of the Management Board since 2004
Head of the Steel Division
Assigned areas of responsibility:
Corporate Development, including Raw Materials Strategy; R&D and Innovation Strategy; Corporate Human Resources; Corporate Communications and Corporate Image; Legal Department; Compliance; 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
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 area of responsibility:
Procurement Strategy

Ladies and Gentlemen:

The business year 2011/12 was not only characterized by a difficult economic environment, but it also brought with it additional and very specific challenges for the voestalpine Group, the history of which originated in the distant past. This applies particularly to the antitrust proceedings that have been pending before the German Federal Cartel Office since the spring of 2011 with regard to the railway superstructure material segment ("rail cartel"), whose roots go way back. In these proceedings, which voestalpine AG initiated itself, we have committed ourselves to unconditional cooperation with the authorities; at the same time, we have used this as an opportunity to comprehensively revise the Group's existing compliance structures. With the compliance system that has been in effect since the fall of 2011, the Group now has an instrument in place that comprises all levels, including an up-to-date whistleblower system, in order to ensure proper corporate management based on state-of-the-art international knowledge in this area.

On the other hand, however, the BÖHLER-UDDEHOLM Group—today the voestalpine Special Steel Division—has not yet been part of the voestalpine Group for long. But the joint development in the five years since our acquisition of a majority stake in the summer of 2007 has confirmed that this takeover was the right step to take, not only from a strategic, but also from an operational perspective. Today, the Special Steel Division has been fully and successfully integrated into the Group and is creating significant added value; despite the crisis of 2008 and 2009, its operational key figures show that the expectations we had in 2007 have long been met in every possible way. A few weeks ago, we were able to conclude the negotiations regarding the final assessment of those BÖHLER-UDDEHOLM shares where no agreement had been reached regarding the purchase price within the scope of the squeeze-out. On May 3, 2012, the settlement was approved by the responsible body without any restrictions. This concludes the final chapter of the largest ever Austrian industrial acquisition.

Another entirely different matter is Europe's struggle for its future that threatens to become an unending story. In the past years, we have repeatedly pointed out that Europe needs to finally acquire leadership competency and become goal oriented. It has to finally rouse itself and get its government spending under control and take on the political administrative structures that have proliferated over the course of centuries and reduce them to a size appropriate for a modern society. The current development in Southern Europe is the writing on the wall. It must be understood that reforms in many countries are long overdue. And these reforms must not be confined to cosmetic changes alone. A very fundamental reorientation is necessary—including a new understanding of how our modern society perceives itself. The growing tendency in many countries to rely on "the government" or on "politics," despite their deteriorating problem-solving competence, is causing Europe to fall back further and further in the face of ever tougher global competition. What Europe needs are ambitious companies and committed employees for whom the political system creates the necessary framework conditions for them to be truly competitive and not an increasingly state-regulated society that is taking on Orwellian dimensions at the expense of us all.

The discussion about European values, goals, and moral principles, combined with the willingness to take on responsibility in all areas of our lives, is long overdue. In any case, delegating responsibility to anonymous state entities and politicians, who would rather govern based on opinion polls in the interest of getting reelected instead of taking on the long-term needs of our society, is not a solution. What this is about is enabling a decent and prosperous future for the next generations. And to make this possible, we need to do more than develop agendas for resources and the environment that are not only fanciful and idealistic but unrealistic and utopian. What this needs is a balanced examination of all of the basic human needs, from work and social security through education and health to careful treatment of resources and the environment—and much more. Only when all of these factors that determine our lives are weighted in a balanced way can we create a life in the future that is worth living. We need to work on this consistently and with the awareness that the real economy—industry—has a central role in this process.

For the voestalpine Group, the new business year is particularly meaningful, as we plan to successfully complete the work begun two years ago on the long-term direction of our company. The volatility of our operational environment that has grown enormously in recent years, but also the framework conditions for our actions, which are changing in ever shorter intervals, make it tremendously challenging to make decisions that will affect us for a very long time. In this process, we are confronted with very moveable goals and objectives. However, not facing up to this challenge would mean to deny our company an orderly future and to do precisely what we are increasingly blaming the politicians for doing, namely, jeopardizing the future by taking a permanent wait-and-see attitude.

In this discussion about the future of voestalpine, one thing, however, is already clear—we will do everything in our power to continue to expand our position as a leading corporation with regard to technology, innovation, and quality with maximum consistency and focus our actions even more intensely than before on our transformation from a materials company to a technology and processing Group. Without a doubt, steel in its most sophisticated form, will continue to be the basis of our company, but only to the degree that the development of the framework conditions in Europe feasibly allow this. In any case, we will make our decisions in such a way that the future development of the voestalpine Group is in line to the greatest extent possible with the long-term interests and expectations of our employees, our customers, and our shareholders.

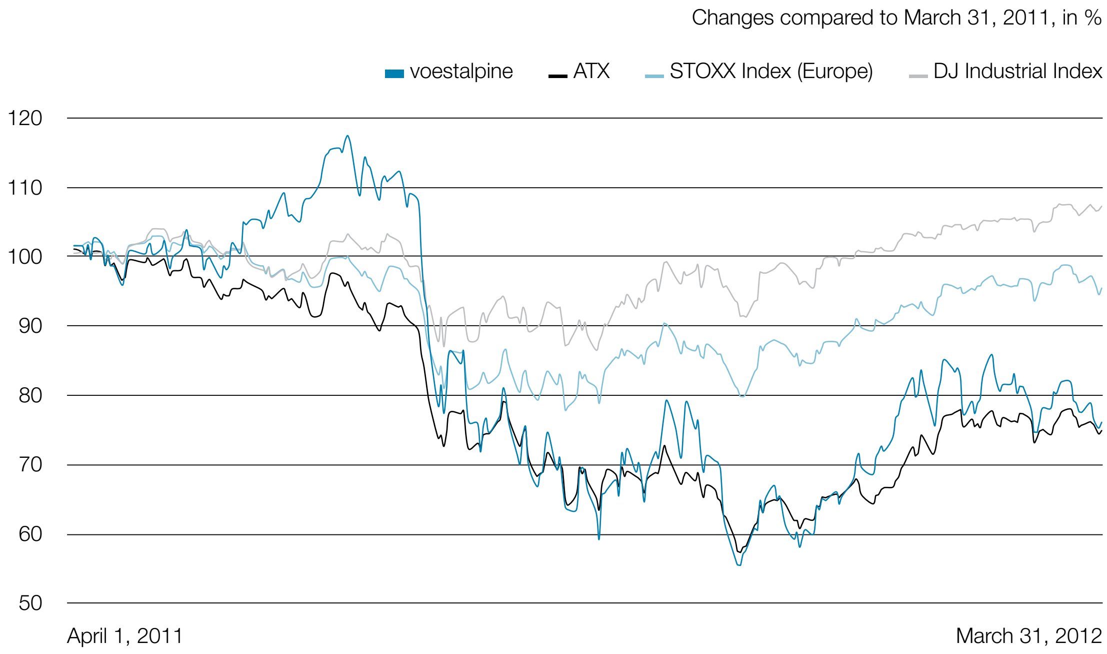
Linz, May 26, 2012

The Management Board

Wolfgang Eder | Herbert Eibensteiner | Franz Kainersdorfer | Robert Ottel | Franz Rotter

Investor relations

voestalpine AG vs. the ATX and international indices



Price development of the voestalpine share

After a several-week period of lateral movement in the early part of the business year and a substantial gain in the share price when the 2010/11 operating results were published, from the summer of 2011 onward, the development of the voestalpine share faced serious headwinds in the wake of growing fears about the economy arising from the European debt crisis and the further course of the euro. It followed the general trend of cyclical industrial stocks in Europe, which was amplified by the proximity of the Austrian capital market to Eastern Europe.
It was not until the end of the calendar year 2011 that the mood on the European stock exchanges brightened somewhat. The price of the voestalpine share also recovered, albeit without coming anywhere near its level during the first months of the business year. Measured against the share's initial value at the beginning of the year, this means a price drop of about 24% from EUR 33.13 to EUR 25.22.

Bonds

Hybrid bond (2007–2014)

The hybrid bond was issued in October 2007 with a volume of EUR 1,000 million in order to partially refinance the acquisition of BÖHLER-UDDEHOLM Aktiengesellschaft. After the turbulence on the financial markets in the period since the fall of 2008, the bond price went down by the end of the business year 2008/09 to 75 (% of the face value). Since April 2009, the price of the bond had however, recovered rather quickly so that by January 2010, it was again trading over 100 (% of the face value); as of the end of the business year 2011/12, it had reached 103 (% of the face value).

Corporate bond 1 (2009–2013)

The corporate bond, which was issued at the height of the credit crisis in order to ensure liquidity (volume EUR 400 million, coupon rate 8.75%), has registered substantial price gains since being issued. Compared to the highest price of over 114 (% of the face value) in March 2010, at the end of the business year 2011/12, however, the bond price had fallen slightly and was trading at about 106 (% of the face value).

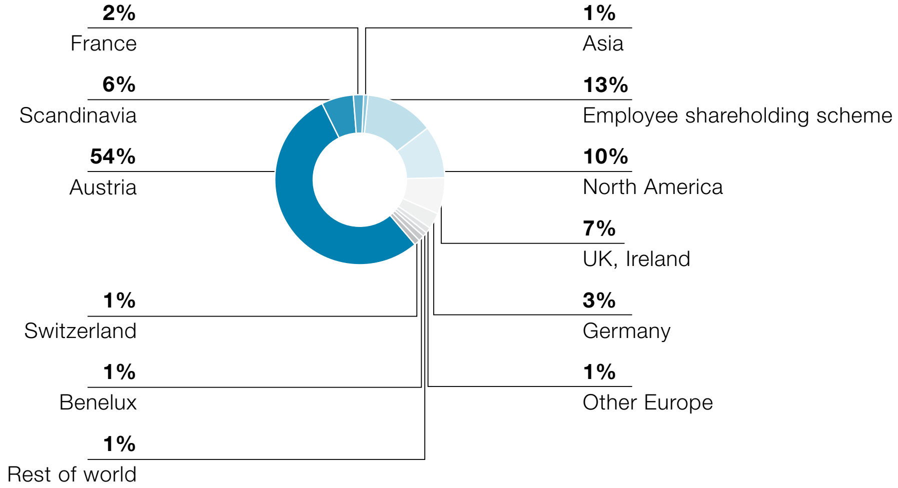
Corporate bond 2 (2011–2018)

In early February 2011, voestalpine AG successfully placed a seven-year bond issue on the capital market with a coupon rate of 4.75% and a volume of EUR 500 million. While in early April 2011, the price of the bond, which is being traded on the regulated over-the-counter market of the Vienna Stock Exchange, was still just below the issue price, by the end of March 2012, it was showing significant gains. The closing price of the security on March 31, 2012 was at 105 (% of the face value).

Ownership structure

The (indicative) ownership structure according to regions as of April 1, 2012 is as follows:

Shareholder structure



The majority shareholders of voestalpine AG, who are subject to reporting requirements, remained unchanged; as of the end of the business year, their holdings were as follows:

Largest individual shareholders

Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG	> 15%
voestalpine Mitarbeiterbeteiligung Privatstiftung	12.9%
Oberbank AG	7.9%

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

■ Bank of America/Merrill Lynch, London ■ Barclays Capital, London ■ BHF-BANK, Frankfurt ■ CA Cheuvreux, Frankfurt/Paris ■ Citigroup, London ■ Commerzbank, Frankfurt ■ Credit Suisse, London ■ Davy, Dublin ■ Deutsche Bank, London ■ Erste Bank, Vienna ■ Exane BNP Paribas, Paris ■ HSBC, London ■ JP Morgan, London ■ Kepler, Frankfurt ■ MainFirst, Frankfurt ■ Nomura, London ■ Raiffeisen Centrobank, Vienna ■ Steubing, Frankfurt ■ UBS, London.

Share information

Share capital	EUR 307,132,044.75 divided into 169,049,163 no-par value shares
	Shares in proprietary possession as of March 31, 2012: 299,728 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 2011 to March 2012	EUR 38.90
Share price low April 2011 to March 2012	EUR 18.38
Share price as of March 31, 2012	EUR 25.22
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, 2012*	EUR 4,255,017,003.53

* Based on total number of shares minus repurchased shares.

Business year 2011/12

Earnings per share	EUR 1.98
Dividend per share	EUR 0.80*
Book value per share	EUR 28.24

* As proposed to the Annual General Shareholders' Meeting.

Financial calendar 2012/13

Annual General Shareholders' Meeting	July 4, 2012
Ex-dividend date	July 9, 2012
Dividend payment date	July 16, 2012
Letter to shareholders for the first quarter of 2012/13	August 7, 2012
Letter to shareholders for the second quarter of 2012/13	November 7, 2012
Letter to shareholders for the third quarter of 2012/13	February 7, 2013
Annual Report 2012/13	June 4, 2013
Annual General Shareholders' Meeting	July 3, 2013

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 2012. 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]

With reference to Rule 49 of the Code, it is noted herewith that the law firm of Binder Grösswang Rechtsanwälte GmbH, where Supervisory Board member Dr. Michael Kutschera is a partner, has served as legal counsel to voestalpine AG in the business year 2011/12 in matters relating to questions associated with the squeeze-out procedure for minority shareholders of BÖHLER-UDDEHOLM Aktiengesellschaft. Fees for this engagement were invoiced at the normal hourly rates of the law firm of Binder Grösswang Rechtsanwälte GmbH applicable at the time. Total net fees of EUR 89,791 were incurred for services provided by the law firm of Binder Grösswang Rechtsanwälte GmbH in the business year 2011/12.

As of July 1, 2011, as a new member of the Management Board, Dipl.-Ing. Dr. Franz Kainersdorfer took over as head of the Metal Engineering Division (until March 31, 2012 Railway Systems Division) and has also taken on the area of responsibility of procurement strategy. He is succeeding Dipl.-Ing. Josef Mülner who retired as of June 30, 2011. From April 1, 2012 on, also as a member of the Management Board, Dipl.-Ing. Herbert Eibensteiner is the head of the Metal Forming Division, which was created retroactively as of this date by combining the Automotive and Profilform Divisions. Dipl.-Ing. Franz Hirschmanner (previous head of the Automotive Division) and Mag. Wolfgang Spreitzer (previous head of the Profilform Division) retired from the Management Board as of the end of the business year, however, they will continue to be active on behalf of the Group. Mag. Wolfgang Spreitzer will hold various Supervisory Board functions for a period of twelve months and will retire as of April 1, 2013. Dipl.-Ing. Franz Hirschmanner will continue to make his expertise available to the Management Board for another three years and will retire as of June 1, 2015.

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

Composition of the Management Board

Dr. Wolfgang Eder Born 1952	Member of the Management Board since 1995; Chairman of the Management Board since 2004; End of the current term of office: March 31, 2014; Member of the Supervisory Board of Oberbank AG, Linz; Member of the Supervisory Board of Allianz Elementar Versicherungs-AG, Vienna	**Head of the Steel Division** *Assigned areas of responsibility:* Corporate Development, including Raw Materials Strategy; R&D and Innovation Strategy (from April 1, 2012); Corporate Human Resources; Corporate Communications and Corporate Image; Legal Department; Compliance; M&A; Strategic Environmental Management; Investor Relations; Internal Auditing
Dipl.-Ing. Herbert Eibensteiner Born 1963	Member of the Management Board since April 1, 2012; End of the current term of office: March 31, 2014	**Head of the Metal Forming Division (until March 31, 2012 Profilform and Automotive Divisions)** *Assigned area of responsibility:* Information Technology
Dipl.-Ing. Franz Hirschmanner Born 1953	Member of the Management Board since 2003 (until March 31, 2012)	**Head of the Automotive Division** *Assigned area of responsibility:* R&D and Innovation Strategy
Dipl.-Ing. Dr. Franz Kainersdorfer Born 1967	Member of the Management Board since July 1, 2011; End of the current term of office: March 31, 2014	**Head of the Metal Engineering Division (until March 31, 2012 Railway Systems Division)** *Assigned area of responsibility:* Procurement Strategy
Dipl.-Ing. Josef Mülner Born 1947	Member of the Management Board since 2003 (until June 30, 2011); Chairman of the Supervisory Board of VA Intertrading Aktiengesellschaft (until June 9, 2011); Member of the Supervisory Board of VA Erzberg GmbH	**Head of the Railway Systems Division** *Assigned area of responsibility:* Procurement Strategy, including Raw Materials Strategy
Mag. Dipl.-Ing. Robert Ottel, MBA Born 1967	Member of the Management Board since 2004; End of the current term of office: March 31, 2014; Chairman of the Supervisory Board of VA Intertrading Aktiengesellschaft, Linz (from June 30, 2011); Deputy Chairman of the Supervisory Board of APK-Pensionskasse AG, Vienna; Member of the Supervisory Board of Josef Manner & Comp. AG, Vienna	**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 January 1, 2011; End of the current term of office: March 31, 2014	**Head of the Special Steel Division** *Assigned area of responsibility:* Long-term development of new products and markets
Mag. Wolfgang Spreitzer Born 1951	Member of the Management Board since 2001 (until March 31, 2012)	**Head of the Profilform Division** *Assigned area of responsibility:* Information Technology

Composition of the Supervisory Board

Dr. Joachim Lemppenau Born 1942	**Chairman of the Supervisory Board** (since July 1, 2004) Initial appointment: July 7,1999 Former Chairman of the Management Board of Volksfürsorge Versicherungsgruppe, Hamburg
KR Mag. Dr. Ludwig Scharinger Born 1942	**Deputy Chairman of the Supervisory Board** (since July 1, 2004) Initial appointment: January 20, 1994 Former CEO of Raiffeisenlandesbank Oberösterreich AG, Linz Deputy Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna
KR Dr. Franz Gasselsberger, MBA Born 1959	**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
Dr. Hans-Peter Hagen Born 1959	**Member of the Supervisory Board** Initial appointment: July 4, 2007 CEO of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, Vienna
Dr. Josef Krenner Born 1952	**Member of the Supervisory Board** Initial appointment: July 1, 2004 Head of the Directorate of Finance of the Federal State of Upper Austria, Linz Member of the Supervisory Board of Lenzing AG, Lenzing Chairman of the Supervisory Board of AMAG Austria Metall AG, Braunau-Ranshofen
Dr. Michael Kutschera, MCJ (NYU) Born 1957	**Member of the Supervisory Board** Initial appointment: July 1, 2004 Attorney at law; partner at Binder Grösswang Rechtsanwälte GmbH, Vienna
Mag. Dr. Josef Peischer Born 1946	**Member of the Supervisory Board** Initial appointment: July 1, 2004 Director of the Chamber of Workers and Employees for Upper Austria, Linz
Dipl.-Ing. Dr. Michael Schwarzkopf Born 1961	**Member of the Supervisory Board** Initial appointment: July 1, 2004 CEO of Plansee Holding AG, Reutte Member of the Supervisory Board of Mayr-Melnhof Karton AG, Vienna Member of the Board of Directors of Molibdenos y Metales S.A., Santiago, Chile

Delegated by the Works Council:

Josef Gritz Born 1959	**Member of the Supervisory Board** Initially delegated: January 1, 2000 Chairman of the Works Council for Wage Earners of voestalpine Stahl Donawitz GmbH & Co KG, Donawitz
Johann Heiligenbrunner Born 1948	**Member of the Supervisory Board** Initially delegated: March 24, 2000 Chairman of the Works Council for Salaried Employees of voestalpine AG, Linz
Johann Prettenhofer Born 1949	**Member of the Supervisory Board** (until December 31, 2011) Initially delegated: January 1, 2008 Former Chairman of the Works Council for Wage Earners of BÖHLER Edelstahl GmbH & Co KG, Kapfenberg
Gerhard Scheidreiter Born 1964	**Member of the Supervisory Board** (from January 1, 2012) Initially delegated: January 1, 2012 Chairman of the Works Council for Wage Earners of BÖHLER Edelstahl GmbH & Co KG, Kapfenberg
Hans-Karl Schaller Born 1960	**Member of the Supervisory Board** Initially delegated: September 1, 2005 Chairman of the Group Works Council voestalpine AG, Linz Chairman of the European Works Council of voestalpine AG, Linz

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

None of the members of the Supervisory Board attended fewer than half of the Supervisory Board meetings during the last business year.

Compensation report for Management Board and Supervisory Board

Regarding the compensation report for the Management and Supervisory Boards, 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. Scharinger, 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)
- KR Mag. Dr. Ludwig Scharinger (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)
- KR Mag. Dr. Ludwig Scharinger (Deputy Chairman)
- KR Dr. Franz Gasselsberger, MBA
- Dr. Josef Krenner (Financial expert)
- Hans-Karl Schaller
- Josef Gritz

Number of Supervisory Board meetings and significant matters raised during Supervisory Board meetings and meetings of the committees during the business year 2011/12

During the business year 2011/12, the Supervisory Board fulfilled its responsibilities under the law and the Articles of Incorporation, holding five plenary sessions, two meetings of the Audit Committee, and four meetings of the General Committee. In addition to ongoing reports on the Group's current economic and financial situation, these meetings dealt in particular with issues surrounding the Group's strategic development and the realignment of the Group's structure, matters dealing with antitrust law, measures involving risk management and securing the Group's liquidity as well as changes on the Management Board. 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. The General Committee focused on questions regarding the Group's strategy and its structure as well as matters relevant to antitrust law. Furthermore, in its function as Compensation Committee, it dealt with questions concerning the compensation of the members of the Management Board; in its function as the Nomination Committee, a focal point of its activity was the preparation of changes in the composition of the Management Board.

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.

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 2011/12 financial statements (audit pursuant to Rule 62 of the Corporate Governance Code). As a result of this evaluation, the auditor has determined that the declaration given by voestalpine AG with regard to compliance with the 2012 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.

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

In the business year 2011/12, the percentage of female executives was at 10.2%. Within the scope of internal leadership development efforts, great importance is being placed on accelerating the expansion of the percentage of female participants. Therefore, the relative resolution by the Management Board stipulates that women must be represented at each level of training. In the business year 2011/12, there were 16 women of a total of 121 participants (13.2%).

Overall, the percentage of women in the voestalpine Group in the business year 2011/12 was about 12.4%. 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 processing 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 Group is striving to implement appropriate measures in order to sustainably increase the percentage of women at all levels. This includes a number of activities, some of which are country-specific, such as participation in Girl's Day, specifically targeted advancement of women in technical professions, and fast-tracking the recruitment of female graduates of technical schools and universities. 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 in financial and legal departments of a number of Group companies, both in Austria and abroad.

In periodic 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 16, 2012

The Management Board

Wolfgang Eder | Herbert Eibensteiner | Franz Kainersdorfer | Robert Ottel | Franz Rotter

Introduction of a new compliance structure in the voestalpine Group

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. Since 2002, trainings in antitrust law have been held in all of the Group's divisions on a regular basis. A major step was the introduction of a Code of Conduct in 2009, which is valid for all of the Group's employees.

In the business year 2011/12, a new, comprehensive compliance structure was set up in the voestalpine Group. In addition to the Group compliance officer, divisional compliance officers were appointed in all of the divisions. 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.

Once the new compliance structure was introduced, the Management Board of voestalpine AG also adopted a number of compilations of Compliance Rules and Regulations. The basic objective and the compliance strategy are set forth in the Compliance Manual. The Business Conduct Guideline as well as the guideline regarding dealings with business intermediaries/brokers and consultants supplement and define the Code of Conduct more closely, especially with regard to the subject of corruption.

Furthermore, in the past business year, a web-based whistleblower system was launched that enables employees to file anonymous reports about violations in the areas covered by compliance regulations—antitrust law, corruption, fraud, and conflicts of interest. This will enable systematic use of internal information to effectively uncover compliance risks within the company early on.

The top priority of the activities of the compliance officers are preventive measures. In this context, comprehensive training programs have been carried out in all of the Group's units. In order to achieve a training effect that is as broad-based as possible, e-learning systems are being increasingly used. For example, more than 4,500 Group employees participated in an Internet-based e-learning course on antitrust law, including a final test. Such e-learning courses will be used more and more in the future for training purposes. Compliance training has been provided for years within the scope of executive training programs. Regular communication measures are used to bring compliance issues to the attention of our employees, particularly at major 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 2011/12

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

Market environment

Development of the global economy

With the outbreak of the 2008 financial and economic crisis, the global economy entered into a generally unstable phase that has also been very inconsistent with regard to the individual economic regions. In the past business year, the voestalpine Group could not escape the effects of this environment full of ongoing challenges.

While in the first phase of the business year 2011/12, a feeling of optimism prevailed in most of the major customer industries and regions with regard to the economy, by the fall of 2011, the markets were signaling increasing nervousness and heightened caution both with regard to economic expectations and general order patterns.

With the first signs of a slight cooling of the momentum in some important growth regions, particularly China and Brazil, which had been long expected, uncertainty regarding the further development of the global economy rose dramatically even though the growth rate in both countries is still comparatively high. At the same time, the economy in North America performed better than anticipated, while Europe's overall economic situation—with the exception of a few, export-oriented countries—became weaker in the course of the year and trended most recently toward recession.

The situation was complicated by the fact that Europe's political leaders have not been able to stabilize Greece's economy and, at the same time, the debt crisis spread increasingly to Italy and especially Spain, a factor that additionally aggravated the economic and financial instability throughout Europe.
Against this backdrop, the real economy in Europe nevertheless was comparatively robust for the major part of the year due to the stable, positive development in most of the Western and Northern European economies.

Development in the most important customer industries

The performance of the customer industries that are particularly important for the voestalpine Group was mostly solid until late summer of 2011 when a very inconsistent development began.
Demand in the European automobile industry, which is the largest customer segment, responsible for about one third of the Group's revenue, was still stable in the first half of the business year 2011/12. While the premium automobile manufacturers have thus far remained unaffected by the consumer restraint that has been noticeable since the fall of 2011, a significant erosion of demand has been evident in the volume segment during the course of the year so that capacity utilization in some automobile plants has been declining.
Performance in the traditional energy sector (oil, gas, water) was stable at a high level in the business year 2011/12, while the trend in the alterna-

tive energies (wind, solar) segment, which had been positive for years, came to a standstill.
The mechanical engineering sector, which is traditionally strongly export-driven, performed solidly throughout the course of the year; the performance of the aviation industry, whose share in revenue generation is still small, but which is growing in importance in the Group's high-tech segment, had a similar trajectory.
The development in the white goods and consumer goods industries, however, was less satisfactory, with these industries being unable to continue the previous year's positive trend with the same degree of momentum; as compared to other sectors, these two segments were more seriously impacted by the economic slowdown during the year.
The situation of the construction industry is stable, but it has remained unchanged at a moderate level. Initial signs of a recovery in Eastern Europe in the early part of the business year proved to be short-lived. In any case, there is no expectation of a sustained structural recovery, particularly due to the restrictions imposed by the strained situation of public finances in many European countries.

In the railway infrastructure segment, demand for turnouts and special rails remained stable at a good level throughout the business year 2011/12. The standard rail segment, however, has come under heavy pressure Europe-wide and its development has been negative due to growing capacities, falling prices, and extremely aggressive competition. As the prospects are not promising, even in the long term, the voestalpine Group decided in the spring of 2012 to withdraw from this segment. Concurrently, international expansion of our leading position in the special rails sector is being continued.

The impact of the economic environment in the business year 2011/12 on the individual divisions of the voestalpine Group was markedly different. While the Special Steel Division, the Metal Engineering Division (until March 31, 2012 Railway Systems Division), the Profilform Division, and the Automotive Division, which are strongly oriented toward downstream manufacturing, experienced only the customary seasonal fluctuations and were able to stay at least at their previous year's level both with regard to revenue and profit, the steep rise in volatility with regard to volumes, prices, and raw materials costs in the classic steel sector inevitably had an effect on the Steel Division.

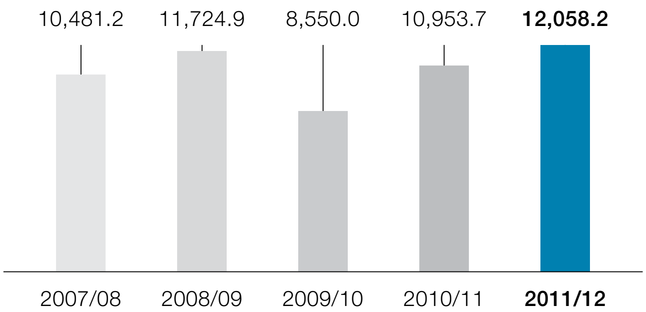
Development of the steel industry

After an increase in the worldwide crude steel production by 7% to 1,491 million tons in the calendar year 2011, which was due exclusively to strong growth in the demand for steel outside of Europe, production in the first calendar quarter 2012 remained constant—including globally—for the first time in quite a while.

On one hand, this development reflects the current uncertainty regarding the extent of continued

Revenue of the voestalpine Group

In millions of euros



growth of some of the major Asian economies (China, Korea, Japan) and, on the other, it mirrors the demand in Europe that has been considerably reduced since the fall of 2011, resulting in diminishing capacity utilization in most of Europe's steel plants. A number of manufacturers in the commodity segment tried to counter this trend and stabilize their own production by provoking a heated price war on the spot market, but this attempt remained unsuccessful. This even exacerbated the negative price spiral, which had begun in the fall of 2011 with declining raw materials prices and customers who demanded corresponding discounts.
Only North America had a positive development throughout 2011, remaining unaffected by the global turbulence; due to the economic momentum in the USA, the North American steel industry was able to retain its high growth rates of the previous year even in early 2012.

Business performance of the voestalpine Group[1]

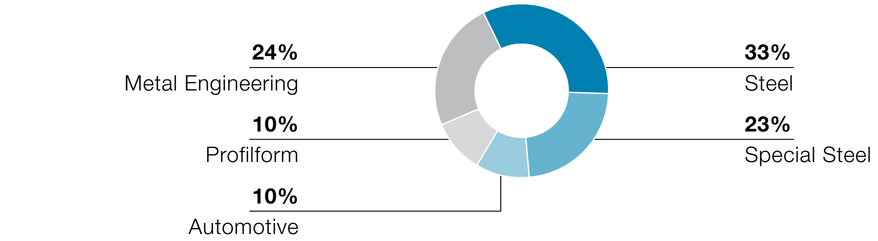
Revenue and operating result

Against the backdrop of an overall economic environment that was challenging in all respects, the voestalpine Group's revenue in the business year 2011/12 nevertheless reached EUR 12,058.2 million—a new record. Compared to the previous year (EUR 10,953.7 million), this equals revenue growth of 10.1%, with all the divisions contributing to the increase.
In relative terms, the biggest gain was reported by the Automotive Division at 17.7%. Even the Steel Division, which was operating in a particularly difficult market environment, recorded significantly higher revenue (a plus of 7.6%).
In terms of earnings, however, last year's figure remained out of reach. On one hand, this was due to the fact that the Steel Division's earnings declined because of the situation of the economy and, on the other, because of the relevant factor that both EBITDA and EBIT in the Metal Engineering Division (until March 31, 2012 Railway Systems Division) were severely impacted by negative non-recurring effects (provisions for the closure of rail production in Duisburg and for the antitrust proceedings relative to railway superstructure material).
Nevertheless, the voestalpine Group reported EBITDA totaling EUR 1,301.9 million and an EBITDA margin of 10.8% in the business year 2011/12. Compared to the previous year (EUR 1,605.6 million), this corresponds to a drop in

[1] In accordance with IFRS, all figures after application of the purchase price allocation (ppa).

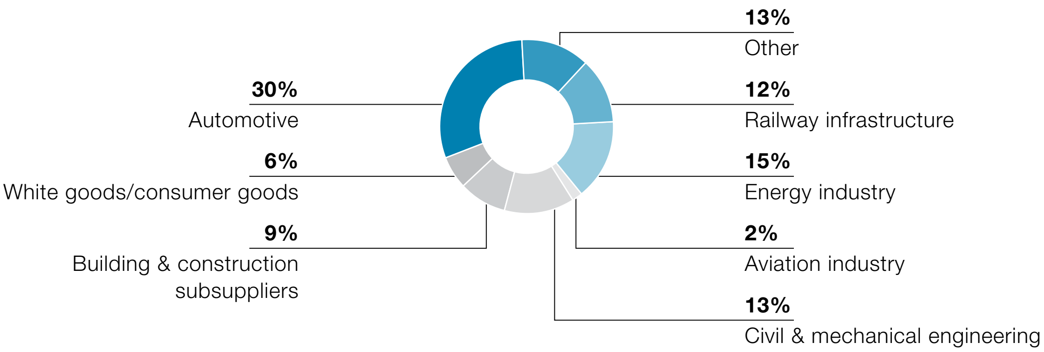
Revenue by divisions

As percentage of total divisional revenue
Business year 2011/12



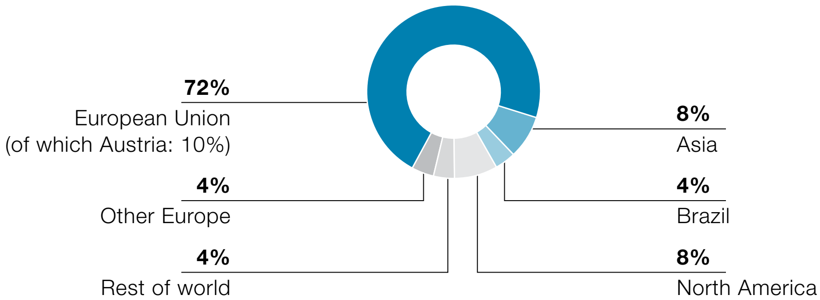
Revenue by industries

As percentage of Group revenue
Business year 2011/12



Revenue by regions

As percentage of Group revenue
Business year 2011/12



EBITDA (in absolute figures) of 18.9%. Without the non-recurring effects amounting to EUR 205.0 million, however, EBITDA was EUR 1,506.9 million and the EBITDA margin was 12.5%, which is only slightly below last year's level.
The picture is similar with regard to the operating result: taking the non-recurring effects into account, EBIT is EUR 704.2 million, 28.5% below the previous year's figure (EUR 984.8 million). Without the impact of the non-recurring effects in the amount of EUR 205.0 million, EBIT in the business year 2011/12 is EUR 909.2 million, only 7.7% below the previous year's earnings.

Measured against the development of the overall market, this relatively minor decline in earnings is primarily due to the stable performance of the processing divisions (Special Steel, Metal Engineering, and Automotive), while the Steel Division's profit from operations was substantially below the previous year's figure because of the difficult market environment, particularly in the third quarter of the business year.
In this context, it should be pointed out that the final quarter showed a more positive momentum than the previous quarter, including in the Steel Division, thus enabling a return to full capacity utilization. Nevertheless, viewing the Group as a whole, earnings in the second half of 2011/12 lagged behind both the first half of the year and the comparative period of the previous year.
Overall, in the business year 2011/12, due to its long value chain and leading position with regard to technology, innovation, and quality compared to its competition and the significantly lower level of volatility in its earnings performance during the year, the voestalpine Group ultimately experienced only a slight decline of the result (without taking the non-recurring effects into account) compared to the previous year.

Profit before tax and profit for the period, earnings per share

Compared to the previous year, profit before tax fell by 35.4% going from EUR 781.0 million to EUR 504.4 million. Without taking the non-recurring effects into account, however, the decline was only 9.2% down to EUR 709.4 million. At 18.1%, the tax rate for the business year 2011/12 was atypically low due to non-recurring effects from the railway supply sector, primarily associated with the closure of the plant in Duisburg and the antitrust proceedings. This results in profit for the period[1] of EUR 413.3 million, a decline of 30.5% compared to the previous year (EUR 594.6 million) and earnings per share (EPS) of EUR 1.98 (previous year: EUR 3.04).

Proposed dividend: EUR 0.80 per share

Subject to the approval of the Annual General Shareholders' Meeting of voestalpine AG on July 4, 2012, a dividend of EUR 0.80 per share will be paid to shareholders. This is the same as the dividend paid for the last business year. Based on the earnings per share (EPS) of EUR 1.98, the pay-out ratio is 40.5%, a significant increase compared to the previous year's ratio of 26.3%. Based on the average share price in the business year 2011/12 of EUR 27.78, the dividend yield is 2.9%.

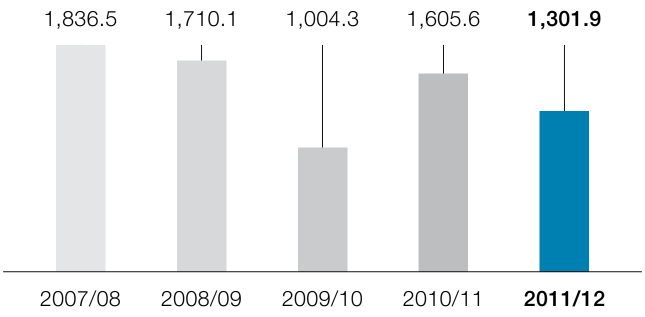
Gearing continues to fall

The debt situation of the voestalpine Group continued to ease up in 2011/12. We were able to reduce the gearing ratio (net financial debt as a percentage of equity) from 57.8% to 53.5% compared to the reporting date of the previous year. On one hand, this was made possible by equity growth, which went from EUR 4,691.1 million in the previous year to EUR 4,836.3 million as a result of higher earnings, a plus of 3.1%; on the

[1] Before non-controlling interests and interest on hybrid capital.

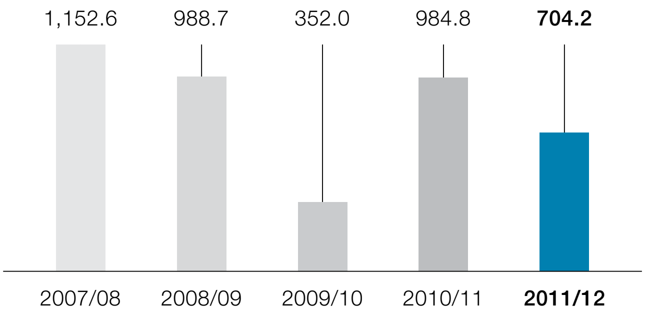
EBITDA – Profit from operations before depreciation

In millions of euros



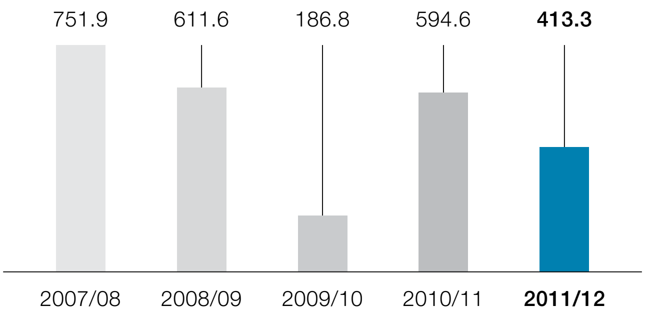
EBIT – Profit from operations

In millions of euros



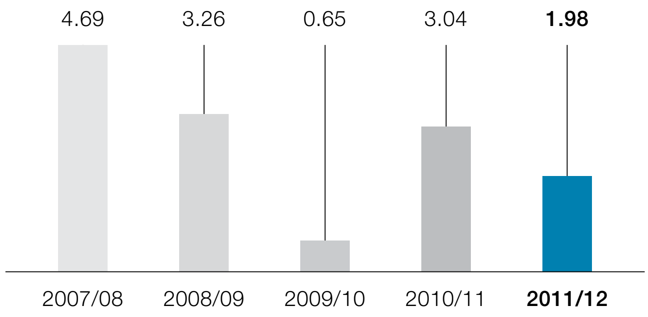
Profit for the period

In millions of euros



EPS – Earnings per share

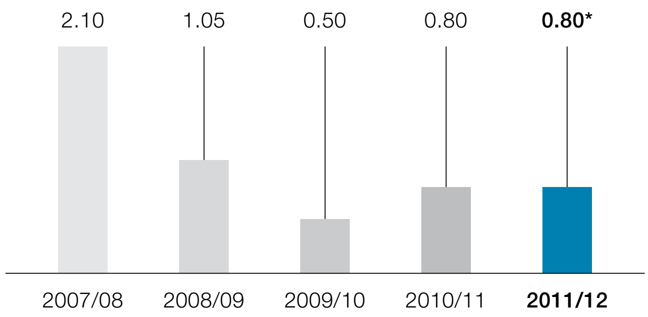
In euros



Dividend per share

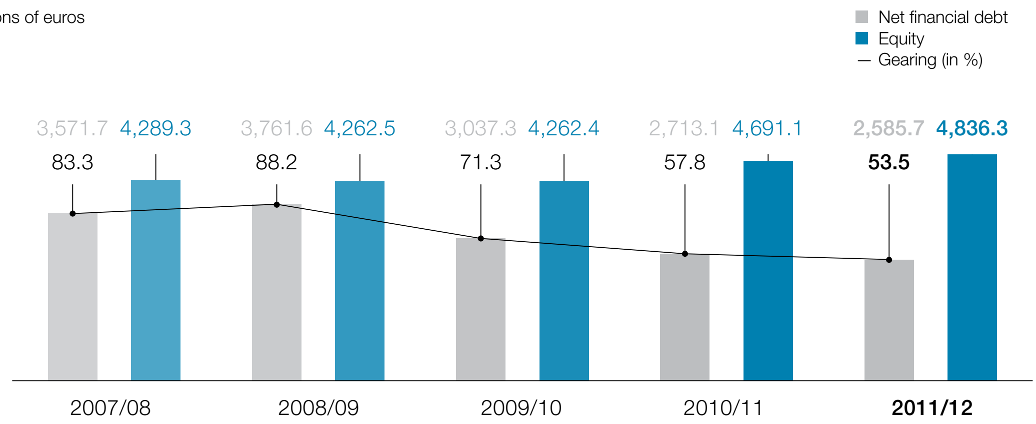
In euros

* As proposed to the Annual General Shareholders' Meeting.



Net financial debt – Equity – Gearing ratio

In millions of euros



other hand, positive cash flow reduced the net financial debt as of the end of March 2012 to EUR 2,585.7 million. This corresponds to a reduction of the debt by 4.7% from EUR 2,713.1 million, the figure at the end of the previous business year.

Cash flow

In the business year 2011/12, cash flow from operating activities was EUR 856.5 million, a decline of 10.6% compared to the previous year's figure of EUR 957.6 million. The reasons for this decline can be found in the somewhat weaker operating performance on one hand and, on the other, in the fact that working capital rose by EUR 137.8 million. This increase is primarily due to significantly higher revenue. In relative terms, working capital was actually reduced slightly to 16.9% of revenue in comparison to 17.4% in the previous year.

At EUR 478.6 million, negative cash flow from investing activities rose in the business year 2011/12 by 36.9% compared to the previous period (EUR 349.7 million). This was caused mainly by the fact that, after the consolidation phase during recent years, investments in property, plant and equipment and intangible assets were up again. Nevertheless, investments were lower than depreciation (EUR 597.7 million) in this business year as well.

At EUR 933.7 million, negative cash flow from financing activities went up significantly compared to the previous year's figure of EUR 407.4 million. The background of this development lies on one hand in the higher dividend payment in June 2011 compared to the previous year and, on the other, to scheduled repayments of loans and debt securities.

Quarterly development of the voestalpine Group

In millions of euros					BY		
	1st quarter 2011/12	2nd quarter 2011/12	3rd quarter 2011/12	4th quarter 2011/12	2011/12	2010/11	Change in %
Revenue	3,051.5	2,926.2	2,899.5	3,181.0	12,058.2	10,953.7	10.1
EBITDA	462.9	361.3	293.8	183.9	1,301.9	1,605.6	–18.9
EBITDA margin	15.2%	12.3%	10.1%	5.8%	10.8%	14.7%	
EBIT	317.6	213.8	145.0	27.8	704.2	984.8	–28.5
EBIT margin	10.4%	7.3%	5.0%	0.9%	5.8%	9.0%	
Profit before tax (EBT)	271.8	171.5	90.5	–29.4	504.4	781.0	–35.4
Profit for the period	209.6	136.5	65.3	1.9	413.3	594.6	–30.5
Employees (full-time equivalent)	45,161	45,944	45,144	46,473	46,473	45,260	2.7

Important events in the course of the year

Streamlining of the Group's structure

In keeping with the Group's long-term growth strategy, in December 2011, the Supervisory Board of voestalpine AG unanimously set the course for a more efficient Group structure as well as another generational change in the Group's Management Board. The core of the decision is the merger of the previously independent Automotive and Profilform Divisions to create the new Metal Forming Division. (Regarding the changes in the Management Board of voestalpine AG associated with this step, we refer to the "Corporate Governance" chapter.)

Merging the two divisions enables us to attain significant synergy effects. There already was a close collaboration between the two divisions in the research and development sector, which will be even more efficient in the future. The new division's position in the market will gain competitive advantage from the merger as it enables more unified and coordinated care of important customer segments—particularly the automobile industry and the energy sector. Due to its stronger joint global presence, it is projected that the new division will rapidly expand its market position.

Closure of TSTG Schienen Technik

On March 13, 2012, the Management Board of voestalpine AG decided to close down rail production at the TSTG Schienen Technik GmbH & Co KG ("TSTG") site in Duisburg. The reason for the closure is the lacking cost-effectiveness of the site, due on one hand to its inability to provide its own pre-materials and, on the other, to massive overcapacity in the standard rail sector in Europe, which has resulted in permanent pressure on prices. Against this backdrop, TSTG fought a losing battle against declining capacity utilization in the past years and, most recently, had posted substantial losses. The closure will take place at the earliest at the end of 2012. All existing customer orders will be carried out as contractually agreed. The management of TSTG has begun negotiations with employee representatives regarding a social compensation plan. Possibilities to employ staff in other Group companies are also being examined.

BÖHLER-UDDEHOLM squeeze-out – Review of the cash settlement

In the proceeding to review the cash settlement for the minority shareholders of BÖHLER-UDDEHOLM Aktiengesellschaft, of which a majority stake was acquired in 2007, a settlement was reached on November 24, 2011. In this settlement, voestalpine AG undertakes to make a subsequent payment of EUR 6.50 per share plus interest in the amount of 5.19% from June 24, 2008 on (date of the squeeze-out resolution in the Annual General Shareholders' Meeting of BÖHLER-UDDEHOLM Aktiengesellschaft) to the shareholders affected by the squeeze-out. Furthermore, voestalpine AG undertook to pay the cost of the proceeding and the attorneys' fees of the petitioners. The settlement required the approval of the appropriate court in order to become effective. This approval was given in early

May 2012 und immediately following this approval, the subsequent payment plus interest was made to the former minority shareholders of BÖHLER-UDDEHOLM Aktiengesellschaft. Provisions for the total cost of the cash settlement were already recognized in full in the first half of the business year 2011/12. In the present annual financial statements, the base amount was offset directly against equity; the interest costs associated with the settlement are recognized in the income statement under finance costs.

Antitrust proceedings relative to railway superstructure material

Due to agreements violating antitrust laws regarding the sale of rails and other railway superstructure materials in Germany, the Group submitted a self-report to the German Federal Cartel Office (Bundeskartellamt) in the spring of 2011 on behalf of the affected Group companies that are doing business in this sector. The German Federal Cartel Office then initiated proceedings and in May 2011, conducted searches of the premises of both Group companies and external companies. The comprehensive official investigative proceedings are currently still ongoing.

On March 13, 2012, the Management Board of voestalpine AG decided to form provisions for these antitrust proceedings as well as for the closure of TSTG Schienen Technik GmbH & Co KG. From today's perspective, this provision in the amount of EUR 205 million covers all financial risks associated both with these antitrust proceedings and the closure of rail production in Duisburg.

Important events after the reporting date

We refer to the information in the notes to the consolidated financial statements under Item 30.

Investments

The investment activities of the voestalpine Group in the business year 2011/12 were significantly more dynamic than in the previous year: due to increases in all the divisions, total investment volume rose by 35.9% from EUR 422.7 million to EUR 574.6 million, of which EUR 559.9 million was spent for property, plant and equipment, EUR 12.8 million for intangible assets, and EUR 1.9 million for equity holdings, securities, and other financial assets.

The Steel Division, to which 34.4% of the Group's investment volume is attributable (EUR 197.8 million), increased its investment expenditures by 29.6% compared to the previous year (EUR 152.6 million). The focus was the "L6" investment program at the Linz site, which has been ongoing for a number of years and which is concentrating on the long-term development of new product types and qualities. After the successful completion of the last major projects—renovation of the wide strip mill and construction of the new continuous casting facility CC7 (both were commissioned in the summer of 2011) as well as the construction of a new melting pot gas holder (spring 2012)—this investment program has now largely been completed. The completion of the last still outstanding individual project, the commissioning of the new $DeNO_x$ system at sintering band 5, is planned for December 2012; work on this system, which is necessary to optimize the energy cycle and reduce blast furnace emissions, is on schedule.
Furthermore, significant investment projects were realized on schedule in the pre-processing, Steel Service Center, and foundry segments; it is particularly noteworthy that the new Steel Service Center in Giurgiu, Romania (investment expenditure of about EUR 20 million) is nearing completion.

Compared to the previous year's figure of EUR 87.9 million, the Special Steel Division boosted its investments by 46.4% to EUR 128.7 million, a 22.4% share of the Group's total investment volume. This division's investments focused mainly on removing production capacity bottlenecks and shortening throughput times in production. This included primarily the increase in capacity of facilities for the production of electro-slag remelted (ESR) grades and powder-metallurgical steels. Within the scope of a two-year investment project with a volume of around EUR 16 million at the Kapfenberg (Austria) site, a new production hall is being built, a second hot isostatic press (HIP) is being installed, and the melting and atomization capacity is being increased by installing a larger furnace vessel with a quick-change device. Additionally, investments in the sales sector were focused on the expansion of customer service. These investments particularly affect the mechanical processing of special steel, where the German market is a focal point.

The investment volume in the business year 2011/12 in the Metal Engineering Division (until March 31, 2012 Railway Systems Division) also surpassed the previous year's figure substantially with a gain of 34.5%, going from EUR 96.1 million to EUR 129.3 million (this figure corresponds to 22.5% of the Group's investment expenditure). The major individual investments were already successfully completed in the previous years so that the investments made in the past business year were limited to numerous smaller projects. At the same time, the preliminary work for the relining of blast furnace 4 in Donawitz (Austria) is already in full swing. This project will be implemented on schedule in the summer of the business year 2012/13.

In the Profilform Division, stage 1 (rolling mills, longitudinal slitting line, annealing systems, and grinding machines) of the investment project in Kematen, Austria, in the precision strip sector was put into operation successfully. Production in the new facilities is on track with only some optimization work necessary. The infrastructure of stage 2 (strip production, especially for tempered strips), has already been completed. The total investments of the Profilform Division in the business year 2011/12 were EUR 55.4 million; compared to the previous year (EUR 52.3 million), this corresponds to an increase of 5.9% and a 9.6% share of the Group's total investment expenditure.

At EUR 54.4 million, the Automotive Division almost doubled its investment volume in the business year 2011/12 compared to the previous year (EUR 28.0 million), utilizing around 9.5% of the Group's total investment resources. In addition to minor updates to machines for the manufacture of tube components, the division has now also begun to produce stamped parts in Linz (Austria). Furthermore, two servo presses and the necessary appurtenant infrastructure were put into operation in the past business year. As some of our strategic key customers moved forward quickly on globalization projects, in 2010/11 projects were started in China, the USA, and South Africa that will result in extensive investments in these countries in the next two years due to the growing trend requiring complex components based on hot forming technology.

Acquisitions and divestments

In the business year 2011/12, only two smaller yet strategically significant acquisitions were concluded, both in the turnout technology segment of the Metal Engineering Division (until March 31, 2012 Railway Systems Division).

One was the acquisition of a 71.0% share of the German company LASA Schienentechnik GmbH (headquartered in Bremen) by voestalpine BWG GmbH & Co KG; this company specializes in the maintenance and welding of tram turnouts and rails, thus enabling voestalpine to expand the segment that services mass transit. It was included in the consolidated financial statements for the first time in the business year 2011/12.
The other acquisition was the purchase of all assets and know-how of the Dutch company Baas B.V. for the development and production of wheel diagnostic and axle recognition systems based on fiber optic technology.
Integration of both activities into the turnout technology unit proceeded according to schedule.

Employees

By the end of the business year 2011/12, the voestalpine Group had 41,649 employees (excluding temporary employees and apprentices). This corresponds to an addition of 949 employees, or a 2.3% rise over the comparison value of March 31, 2011 (40,700). Taking the 1,263 apprentices and 4,305 leased employees into account, the total number of staff as of the end of March 2012 equals 47,217 employees.

The development of the workforce will be depicted on the basis of this calculation for the last time in the present financial report. To achieve better data comparability with those of other international corporations, and to establish a greater explanatory significance of the long-term employee development in the Company itself, we are shifting to the "full-time equivalent" indicator (FTE) starting in the business year 2012/13. With the "FTE" indicator, one 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. This approach results in a workforce level of 46,473 employees in full-time equivalence at the voestalpine Group as of March 31, 2012, which corresponds to a 2.7% increase compared to the prior year (45,260 employees).

The Group's own personnel level on March 31, 2012 remained below the pre-crisis level on September 30, 2008 (by 3.2%, or 1,384 employees).

Basically, this is attributed to the fact that to a great extent, human resource needs continue to be covered by temporary employees so that the Group can respond as flexibly as possible to the periodic increased volatility in demand fluctuations. The number of temporary employees consequently increased in the year under review by 6.7%, from 4,036 to 4,305 person years.

The ratio of employees working in Austria to those working abroad remained unchanged in the business year 2011/12. At 53.5% (22,297 individuals), the majority of the employees work at corporate locations outside of Austria; thus, 19,352 employees or 46.5% are assigned to domestic sites.

In addition, the voestalpine Group trained 1,263 apprentices worldwide as of March 31, 2012 (36.4% thereof at international sites). Compared to the previous year (1,330 apprentices), this figure corresponds to a 5.0% decline, or 67 fewer youths.

Steel Foundation in Austria

The Steel Foundation ("Stahlstiftung"), established in 1987, provides former voestalpine employees from virtually every Austrian Group company with the opportunity to complete further training and continuing education for professional re-qualification or advanced qualification for a term of up to four years. Besides cushioning the social impact of job loss, this service is the best possible means of assisting with and supporting the search for new employment. In the business year 2011/12, 85% of job-seeking participants actually found a new job with the aid of the Steel Foundation.
On March 31, 2012, there were 506 individuals being assisted by the Steel Foundation, which is approximately 18.3% less than the year before. The Steel Foundation also makes itself available to external companies, which were represented most recently by 36.4% of participants.

Educational leave in Austria

During the financial crisis, the Steel Foundation organized, and for the most part financed. "educational leave activities" for the advanced qualification of employees, as an additional service limited to a 12-month maximum. The chance to enroll in this program was closed in December 2010, once the business cycle normalized; by the beginning of calendar year 2012, the last participant had graduated from this program. At the end of the educational or training program, the employee is typically guaranteed the chance to return to the parent company. Upon completion, 97% of the participants resume working at their respective company.

Employee shareholding scheme

In the fall of 2011, the voestalpine Group celebrated the ten-year anniversary of its employee shareholding model, which has been held in high regard since its inception. Initiated in Austria, the model has since been adapted to subsidiaries in Great Britain, Germany, Poland, Belgium, and the Netherlands. The gradual integration of additional businesses and countries is planned for the current business year.
As of the end of the business year 2011/12, a total of 22,400 employees of voestalpine AG are participating in this scheme through the voestalpine Mitarbeiterbeteiligung Privatstiftung; they hold about 20.1 million shares. With a holding of 11.9% of the share capital, employees are the second largest core shareholder of voestalpine AG through their general voting rights block.

About 1.6 million private shares owned by current and former employees (this corresponds to about 1% of the voting shares) are also managed by the voestalpine Mitarbeiterbeteiligung Privatstiftung. Collectively, nearly 13% of share capital in voestalpine AG is currently owned by its employees; this figure remained virtually unchanged from the previous year.

Focus of Human Resources activities

Apprentice training

The voestalpine Group is committed to its own apprentice training and has consistently maintained the highest standards for it, even during economically challenging periods. Currently the activities related to career training of youth, both in Austria and internationally, are continuing; in doing so, the Group emphasizes communications that are appropriate for the target group. Thus, the Group will install its own website that bundles targeted data about all available apprenticeship occupations, for example, or about all locations that offer training. Social media represents another channel of communications of consistently growing importance to young people, and it is currently a focal point in communications development.

Development of executives

In the year under review, 121 executives of the Group from 17 countries participated in the Group-wide professional development program for executives known as "value:program." The program was expanded by a training module for top management, called "visionstage," which puts the spotlight on the long-term strategic challenges they face. In recognition of the innovative design of this module, the Austrian Human Resources Award was bestowed on voestalpine AG, which was also nominated for the European Human Resources Award.

High mobility pool

Training under the "high mobility pool," which was redesigned last year particularly in light of accelerated internationalization and updated content, will be continued thanks to the extraordinarily positive response it received. This pool provides "high profile" candidates from Europe who have a few years of professional experience with the opportunity to get to know the voestalpine Group through definitive projects in the individual divisions and departments.

Personnel marketing

For the high standards of its HR department and the intensified personnel marketing efforts of the Group, voestalpine AG was recognized with a series of awards. According to Career's Best Recruiters Study 2011/2012, the Company once again came in first place in the iron/metals industry, was bestowed the "Golden Seal" award and, in addition, could lay claim to the top ranking even in comparison to Germany. Altogether, 500 Austrian and 500 German companies in 22 industries were studied and evaluated in regard to the online and offline corporate presence and the feedback obtained from applicants. The jury specifically emphasized the online applicant portal of the voestalpine Group, which is currently used by companies from Austria, Germany, and the Netherlands, and which will gradually be expanded to other countries.

Raw materials

The year under review was marked by sharply escalating price volatility among the raw materials used for steel production.
After massive price hikes starting in the business year 2010/11, particularly for iron ore—indeed, prices soared by 70% just in April 2010—metallurgic coal also became more expensive at the start of the business year 2011/12, primarily due to the flooding in Northeastern Australia and the temporary supply shortage triggered by this event.
In keeping with the cyclical decline in the demand for steel, by the fall of 2011, prices fell by up to 25% for coke, coking coal, and, ultimately, for iron ore as well, thus entering into a generally more volatile phase. By contrast, price trends for scrap were considerably more moderate over the course of the year. All in all, raw materials prices as a whole remained at high levels in the business year 2011/12.

On the producer side, the trend toward ever shorter pricing periods for ore and coal—up to current daily prices—also continued unabated. Meanwhile, however, steel companies have generally succeeded in structuring contracts with customers in a suitably flexible manner, and are thus doing a better job than in the past at hedging against short-term price fluctuations for raw materials.

Over the medium to long-term, prices for the most important raw materials are expected to progress at a continued high level, yet one that is markedly below the previous peak values, especially for coal, coke, and iron ore. Driven by the demand and price conditions of the past several years, on the supply side, both established and new suppliers have tapped into extensive additional mine capacities that will gradually go into operation over the next few years, on the one hand. On the other hand, a number of steel companies have greatly accelerated their reverse integration at the same time. Both factors are expected to have a dampening effect on prices over the medium term.
The long-term strategy of the voestalpine Group aims for a continued consistent diversification of sourcing options in all raw materials categories, in order to prevent dependencies on individual suppliers. There are no plans that reach beyond the current extent of the reverse integration process.

Research and development

The expenses for research and development in the business year 2011/12 amounted to EUR 116.7 million. Due to ongoing improvements in efficiency, including in the area of R&D organization, actual expenditures remained significantly below the available R&D budget of more than EUR 120 million, while all of the planned projects were consistently implemented.

For the current business year 2012/13, the voestalpine Group has a research and development budget of EUR 132.3 million; this corresponds to another increase of the funds being made available for technology and innovation by 9.4%, equaling the highest figure by far in the history of the company. In the long-term analysis, the voestalpine Group raised its R&D expenditures during the past ten years by an average of 11% per year.

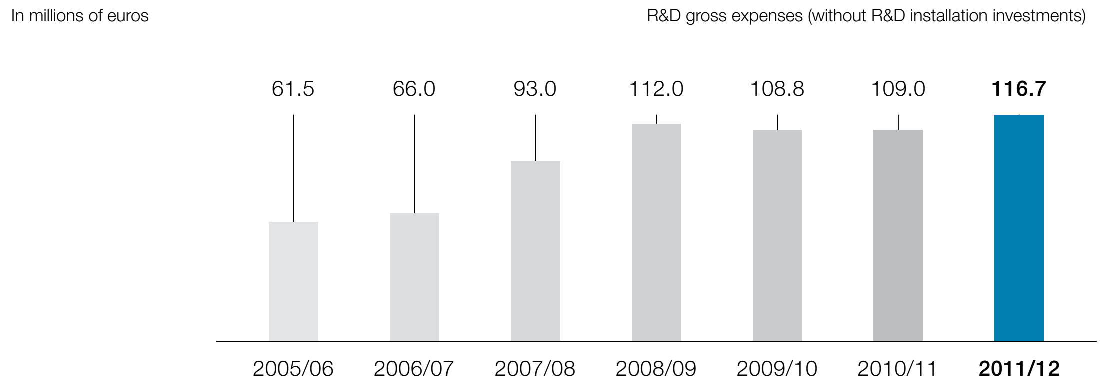
The research ratio of the Group (share of R&D expenses of total sales) at the end of the business year 2011/12 was 1.0% (previous year: 1.0%), the R&D coefficient (R&D expenditures measured by economic value added) was 2.61% (previous year: 2.55%).

Conforming to the Group's strategic direction, the focus of research and development is on the most sophisticated product and materials solutions for applications in the mobility and energy sectors. The top priority is the development of innovative complete solutions that guarantee optimum customer benefit while reducing life cycle costs.
One of the main strengths of the Group is the combination of all the necessary competencies and steps that create added value; for example, materials development is typically accompanied by the development of processing technologies (such as forming or joining processes), tool steel grades, and welding filler materials.

Current research and development highlights

One of the most significant innovations that has resulted from our R&D work is without a doubt the phs®-ultraform technology, which was presented to the broad professional community for the first time at the Geneva Motor Show in the spring of 2012. The acronym "phs" stands for "press hardening steel." It is used primarily for safety-relevant automobile components that are lightweight but also extremely high-strength (up to 1,800 megapascal), offering cathodic corrosion protection and providing the possibility of processing blanks with various combinations of strength and thicknesses ("tailored property parts"). Thus, phs-ultraform is making a significant contribution to lightweight automobile construction, which means that it is ideally suited for applications in electric mobility. After the already

Research expenses for the voestalpine Group



very successful market launch of the "indirect" manufacturing process, in the business year 2011/12, another significant breakthrough was made that now enables the production of these components by way of the "direct process."

The zinc-magnesium coating of steel strip and sections, which has already been successfully adopted in the construction sector, is making an outstanding contribution to the preservation of resources: by adding magnesium through alloying, the corrosion resistance of zinc surfaces is substantially improved, enabling a reduction of the thickness of the coating while retaining the same protective effect. Currently, this coating technology is being developed further for use in the automobile sector.

High-speed rails, which were newly developed on the basis of the special microstructure bainite, are currently in the intensive and lengthy phase of track and certification tests. Initial results thus far have shown zero defect operation as anticipated compared to the reference rails made of pearlite.

The voestalpine VAE Group, global market leader in turnout technology and last year's recipient of the “Best Service Provider of the Rail Industry” prize, received another international award in February 2012: the company received the highly respected “Middle East Rail Award” in the category “Most Innovative Use of Technology” for the development of a hot box and brake detection system that is particularly geared to desert climate conditions.

The goal of the ongoing Group project “Power plant 50plus,” another important R&D endeavor, is the improvement of the efficiency of thermal power plants. By using new and/or improved materials for power plant components, it is already possible to increase the efficiency of steam power plants from 42% to 52%. As is the case for the previously described mobility innovations, these developments are also largely technologically unique, cutting-edge developments, with the voestalpine Group the only company worldwide that is providing them in this form.

In the sector of renewable energies, the photovoltaic system for flat roofs developed by voestalpine Polynorm B.V. deserves mention. It was successfully launched on the market under the brand name “iFIX.” The system has an optimum structural shape, and its particular advantage is minimal assembly effort at the construction site.

The Profilform Division has met the demand for weatherproof tube cross-sections to be used as supports for photovoltaic installations by developing a cross-section made of coil-coated steel strip that has been optimized with regard to corrosion resistance; a patent has been filed. With the development and market launch of a system for mounting cross-sections without needing tools by Metsec plc (Great Britain), competitiveness has been considerably improved by reducing assembly effort.

The continued optimization of resource use in production continues to have a high priority in the Group's R&D activities. For example, a method was developed in the special steel plant in Hagfors (Sweden) to replace the alloy ferromolybdenum by less expensive additives, achieving the same effect but enabling a significantly higher yield.

Regarding the highlights of our global research and development collaborations with science partners, we refer to the presentations in previous letters to shareholders for the business year 2011/12.

Environment

The environment-specific investments of the voestalpine Group in the business year 2011/12 equaled approximately EUR 32 million[1] and were thus markedly above the last year's figure of EUR 20 million. The current expenses for the operation and maintenance of environmental protection systems of EUR 212 million exceeded last year's comparison value (EUR 194 million). Thus, in the business year 2011/12, the voestalpine Group spent around EUR 244 million (2010/11: EUR 214 million) for measures directly associated with environmental issues (including roughly EUR 10 million for CO_2 certificates).

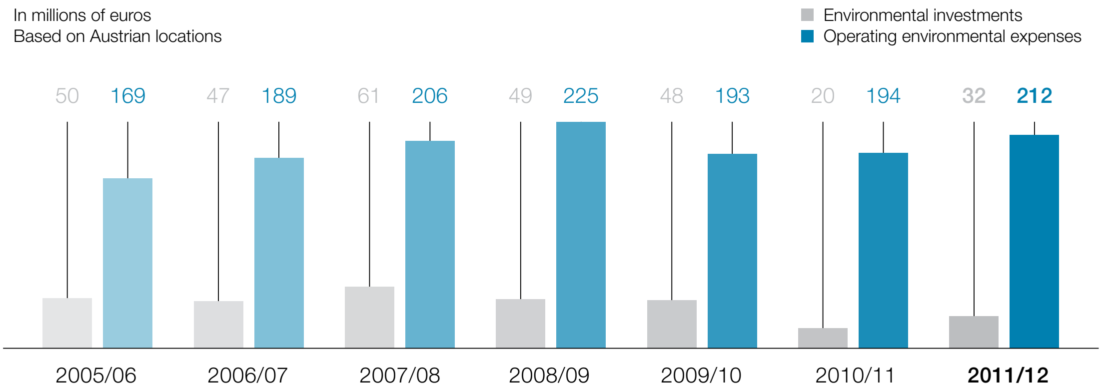
Focus of environmental efforts in business year 2011/12

In the past business year, a series of environmentally relevant activities were implemented. The focus was placed in the areas of energy and raw materials efficiency, air and water emissions as well as waste prevention and recycling.

The environmental measures at the Linz site (Steel Division) specifically concern: improvement of coking plant gas extraction for recycling in the integrated facility; reduction of hazardous waste in the sinter facility area by roughly one-third; new plans to optimize water management and further reduce dust emissions in the entire production process. Moreover, in the foundry, the Group achieved a marked reduction of waste while simultaneously increasing raw materials efficiency. The installation of a second separation stage at the existing chromite sand separation system will reduce the future consumption of new sand by 10%.
In Hagfors, at the Swedish production site of the Special Steel Division, the Group achieved a substantial reduction of certain emissions (nitrogen oxide, sulfur oxide, and dust) following the transition from oil and liquid gas to natural gas as a source of energy, which is more environmentally sound. Among a series of further optimization measures, one activity merits special note: the retrofitting of a blast furnace to the new regenerative burner technology, which comes with both ecological and economic advantages. At the division's sites in Kapfenberg (Austria) and Villares (Brazil), the main focus was on comprehensive measures to reduce energy consumption in production.
In the Metal Engineering Division (until March 31, 2012 Railway Systems Division) at the Austrian site Zeltweg, the exhaust air from numerous welding and grinding processes is purified through the use of a new filter design, through which the filtered air can be recirculated back into the halls during the heating season. Through the up to 100,000 m^3/h of recirculated air, Zeltweg can overall save an annual 1,100 MWh of thermal heat. Thus, the Zeltweg site is predominantly heated by the district heating network—fueled by biomass—and by waste-heat utilization (in other words: the site is essentially CO_2-neutral).

[1] Based on Austrian locations, as these are responsible for the overwhelming majority of the Group's environmentally-sensitive emissions.

Environmental expenditures[1]



In the steel and welding technology segments of the Metal Engineering Division, additional measures were implemented in the past business year to reduce emissions.

The companies of the present Metal Forming Division placed a permanent operational focus on the additional increase in energy efficiency and air quality control measures. In addition, the companies continuously make significant contributions to the sustainable optimization of resource utilization through product development. For example, at the British site in Birmingham, new profiles were engineered for modular systems whose advantages are primarily in the considerable weight reduction, compared to the previously applied standard, and in the roughly 10% savings on material coatings.

Focus of environmental policy

The draft prepared by the European Commission in December 2010 on the allocation mechanism for CO_2 emission certificates that will apply for the period from 2013 to 2020 and that will be based on benchmark figures set by the EU has now become legally effective after the resolution was adopted by the EU Council of Ministers and the European Parliament on May 17, 2011. Consequently, the policy is being implemented natio-

[1] Based on Austrian locations, as these are responsible for the overwhelming majority of the Group's environmentally-sensitive emissions.

nally in Austria through a directive from the Austrian Ministry of Environment. However, the allocation mechanism as defined is being contested by the European steel association EUROFER and a number of businesses that are its members, including voestalpine AG. The relevant complaints that were brought before the European Court of Justice in July 2011 are in particular directed against the specific CO_2 emissions requirements that cannot be achieved with the current state of the art.

Over the long term, probably the most significant—and also the most sensitive—topic in Europe with regard to the future of Europe's most energy intensive industries is the "Roadmap 2050" that was outlined by the European Commission. The Roadmap envisions a largely carbon-free energy production and real economy in Europe by the year 2050. The exact delineation of the path to reduction for achieving this goal, and the evaluation of it at the industry level, are still pending. The European steel association EUROFER is joining in the related discussions, seeking foremost to prevent further intervention into the existing EU-certificates trading, which drives prices up, and to prevent the recent drastic intensification of the emissions reduction goals in the wake of the "Roadmap" discussions. Currently at the voestalpine Group, goals are being set and risks evaluated in detail. But possible long-term opportunities and potential are also being examined with regard to the strategic positioning of the Group (in relation to new, innovative materials and technologies, for example).

In regard to the topics already addressed in thorough detail in previous publications—Post-Kyoto/World Climate Conference 2011, Life Cycle Assessment, REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), and Industrial Emissions Directive (IED) 2010/75/EU: Because the status has remained essentially unchanged, we refer to the last three letters to shareholders for the business year 2011/12.

Risk management

Risk management, as it has been practiced in the voestalpine Group since the business year 2000/01, 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.

This risk management system, which has undergone numerous updates and regular expansions, has been set forth in a general procedural directive that is valid Group-wide. The systematic risk management process aids in recognizing potential risks early on and initiating appropriate action to avert dangers.

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 within the scope of the Supervisory Board of voestalpine AG, which addresses questions related to risk management and the internal control system (ICS) and the monitoring thereof on an ongoing basis.

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.

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 that is run at least once a year throughout the entire Group. The evaluation of identified risks is implemented using an evaluation matrix that assesses possible losses and the probability of occurrence. All operational, environmental, market, procurement, technological, financial, and IT risks are documented. This process is aided by a special web-based IT system.

The preventive measures in the main risk areas presented in the Annual Report 2010/11 are still valid. They are:

- **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 years maintained a diversified procurement strategy that reflects the increased risks. Long-term, close relationships with suppliers, the expansion of our supplier portfolio, and the controlled expansion of the Group's 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

Within the scope of raw materials price risk management, the effects of fluctuations in the raw materials market on the operating result are being continuously monitored. 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 regulates the details of the relevant procedure Group-wide.

CO_2 issues

Risks associated with CO_2 are covered separately in the "Environment" chapter of this Annual Report.

Failure of IT systems

The servicing of business and production processes that are largely based on complex IT systems is handled 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 the minimization of possible IT security risks, minimum security standards for IT have been developed, and compliance with these standards is reviewed annually by way of an external audit. In order to reduce the risk of unauthorized access to IT systems and IT applications even further, additional periodic penetration tests are carried out.

Failure of production facilities

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

Knowledge management

For many years, we have been undertaking projects to sustainably secure knowledge and especially to prevent the loss of know-how. Further development of these projects is being consistently pursued. Available knowledge is documented on an ongoing basis, while new findings from key processes or projects as well as lessons learned as the result of unplanned events are incorporated accordingly. Detailed, IT-supported process documentation represents a central element of knowledge retention.

Risks in the financial sector

Policy-making responsibility, strategy decision-making, and definition of targets are centrally organized with regard to financial risk management. 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 liabilities incurred in connection with financial instruments. 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 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). Based primarily on our experience during the crises in recent years, the risk of default for our own remaining risk is reduced due to monitoring and close contact with our customers and is assessed as comparatively low. A high percentage of delivery transactions is covered by credit insurance. Bankable types of security, such as guarantees and letters of credit, are also provided. As of March 31, 2012, 77% of our trade receivables were covered by credit insurance.

Currency risk

The Group implements an initial hedge 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 differentiates basically 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. While taking the interest expense into consideration, this strategy aims to minimize the effects of interest rate volatility through the simultaneous management of interest rate risk and interest rate sensitivity. On the basis of the reporting date of March 31, 2012, an increase of the interest rate by 1% would result in net interest expense in the next business year that is higher by EUR 2.8 million.

Price risk

voestalpine AG also assesses price risk, primarily using scenario analyses to quantify interest and currency risk but also the value-at-risk concept. The maximum potential loss within the next business day and within a year is determined with 95% certainty. This process takes the correlations between the individual currencies into account. The present value basis point method is also applied in the interest management process.

Economic and financial crisis

Based on the knowledge gained as a result of the global economic and financial crisis of 2008 and 2009 and its effect on the voestalpine Group, additional—primarily corporate—measures were taken during the past several years to minimize risk, and these measures will continue to be consistently 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 that distinguishes our products from the competition with a concurrent increase in efficiency and ongoing cost optimization
- Having sufficient financial liquidity available even in the event of constricted financial markets, and
- Securing in-house expertise with a view to continuing the long-term expansion of our quality and technology leadership even more efficiently than before

Concrete measures are being developed and implemented on an ongoing basis in order to minimize or eliminate risks identified within the voestalpine Group in the past; these measures aim at reducing the extent of potential loss 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. Thus, the separation of sensitive activities is supported by restrictiveness in the assignment of IT authorizations. Accounting in the respective Group companies is largely performed using SAP software. The functioning and effectiveness of this accounting system is also assured, among other ways, by automated IT controls installed in the system.

In preparing the consolidated financial statements, the data for fully consolidated or proportionately consolidated entities is transferred to the unified Group consolidation and reporting system.
The unified Group accounting policies for recording, 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 consolidation and reporting 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 (KPI) 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; it 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 in accordance with Sec. 243a of the Austrian Companies Code (UGB)

As of March 31, 2012, the share capital of voestalpine AG amounts to EUR 307,132,044.75 and is divided into 169,049,163 no-par value bearer shares. 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, holds more than 15%, the voestalpine Mitarbeiterbeteiligung Privatstiftung, Linz, more than 10%, and Oberbank AG, Linz, more 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 six members representing employees and six 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 2011/12.

The hybrid bond issued in October 2007, the EUR 400 million in fixed-interest securities 2009–2013, the EUR 500 million fixed-interest securities 2011–2018, long-term financing agreements with an initial volume of EUR 2.1 billion, which the Company executed in the business year 2008/09 with national and international banks, the syndicated loan in the amount of EUR 800 million (a EUR 400 million loan to consolidate liquidity requirements for investments and repayments in the business year 2012/13 and EUR 400 million as a revolving credit facility to ensure liquidity), and the promissory note loan issued in early May 2012 in the amount of EUR 400 million contain so-called change of-control clauses. With the exception of the hybrid bond, according to the terms of these financing agreements, the bondholders or the lending banks have the right to demand redemption of their bonds if control of the Company changes. Under the terms and conditions of the hybrid bond issue, the fixed interest rate of 7.125% (interest rate during the fixed-interest period) or the margin of 5.05% (interest rate during the variable interest period) goes up by 5% 61 days after a change in control occurs. voestalpine AG has the right to call and redeem the bonds no later than 60 days after a change in control. According to the terms and conditions of the aforementioned bonds and financing agreements, control by voestalpine AG changes when a controlling interest within the meaning of the Austrian Takeover Act (Übernahmegesetz) is acquired by another party.

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

Outlook

Up to the third calendar quarter 2011, the global economy was characterized by a broad-based upwards trend. Only the crisis-ridden countries in Southern Europe, the countries in North Africa that are undergoing political upheaval, and parts of the Middle East were excluded from this trend. Toward the end of the year, however, the economic situation became regionally differentiated. While North America and the markets in Northern and Western Europe continued to be relatively stable, the situation in the rest of Europe, particularly in the southern part of the continent, became increasingly critical; at the same time, doubts about the sustainability of the upward trend in China and in major South American countries became more insistent.

From the fourth calendar quarter on, however, recessionary trends in Europe, resulting from ongoing escalation of the debt crisis, especially in Greece and Spain, as well as greater volatility in the economies of China and Brazil resulted in increased uncertainty about the continued recovery of the global markets. Even the comparatively favorable US economic figures and a recovery of the Japanese economy from the disasters in March 2011 that was more rapid than expected could not change the overall economic picture. Now, in mid-2012, growing nervousness on the capital markets and persistent doubts about the crisis resistance of the financial markets is not being conducive to strengthening confidence in a positive economic outlook for the rest of the year.

The challenging macroeconomic climate is increasingly leaving its mark on the real economy, especially in Europe. In addition to the construction and construction supply industries that have still not returned to their former levels after the crisis years 2008 and 2009, significant parts of the automobile industry and of the energy sector have now begun to suffer from a growing weakness in demand. And although the development of the mechanical engineering sector, the aviation industry, and railway infrastructure continues to be satisfactory, this cannot compensate the negative impact on the other sectors.
In this environment, very specific challenges are looming for the European steel industry, particularly in the flat steel segment. This industry that is beset by structural overcapacity is still a long way from the summer recovery that had been anticipated in early 2012, and even the probability of a sustainable upswing in the latter part of the year is receding. Massive underutilization of capacity in Europe, especially in the ordinary steel industry, combined with extremely volatile

raw materials prices, which are, however, trending downward, is resulting in destructive price wars.

Against this backdrop, once again, the voestalpine Group's consistent downstream strategy, in conjunction with its technology and quality leadership, is proving to be the key to differentiating us from the competition. Today, the three processing divisions are generating two thirds of the Group's revenue and, for the past several quarters, their stable operating results have been largely compensating the volatility of the Steel Division. Thus, they are increasingly becoming the determining factor for the Group's earning potential and are setting the course for its transformation from a steel corporation to a processing and technology corporation. As far as the operating result is concerned, this means that despite the difficult environment in the steel sector, due to the Group's robust downstream operations, from today's perspective, an operating result that is at about last year's level should be attainable. Ultimately, however, the development during the rest of the year will continue to be driven by the all too familiar macroeconomic topics of debt crisis, capital market volatility, and skepticism regarding the financial markets as well as the rate of growth in the threshold countries.

Dr. Wolfgang Eder

Chairman of the Management Board of voestalpine AG
Head of the Steel Division

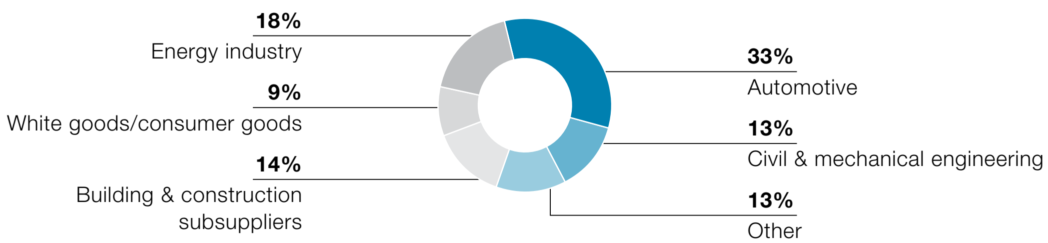
Steel Division[1]

Key figures of the Steel Division

In millions of euros	2010/11	2011/12	Change in %
Revenue	3,839.3	4,130.3	7.6
EBITDA	594.7	456.9	–23.2
EBITDA margin	15.5%	11.1%	
EBIT	371.5	226.5	–39.0
EBIT margin	9.7%	5.5%	
Employees (full-time equivalent)	10,626	10,702	0.7

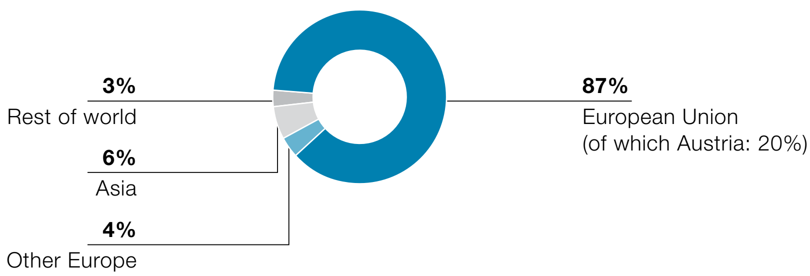
Customers of the Steel Division

As percentage of divisional revenue
Business year 2011/12



Markets of the Steel Division

As percentage of divisional revenue
Business year 2011/12



Market environment and business development

The development of the European steel industry in the course of the business year 2011/12 was marked by dramatically increasing volatility both on the cost side, particularly for the raw materials iron and coal, and with regard to price trends. The cycles, which have become considerably shorter than prior to the crisis, reflect customers' order patterns on one hand, which are far more cautious than in the past, and on the other, the more rapid reaction of the steel manufacturers (meaning greater flexibility with regard to production adjustments that are demand-driven).

In Europe overall, despite sporadically occurring closures, the steel industry continues to experience very significant structural overcapacity, particularly for standard grades.

The economic situation was very inconsistent throughout the course of the year. While demand in the early part of the business year was still at a very high level, over the summer, steel prices on the spot market were already in decline. On the other hand, the raw materials prices reacted with a significant delay and did not begin their downtrend until September (for coal) and October 2011 (for ore). By the third quarter of the business year 2011/12, this combination of relatively high costs for raw materials and already substantially lower earnings for short-term transactions resulted in a noticeable pressure on margins for the Steel Division as well. In the final quarter, an even more significant negative effect on earnings was only prevented by an upswing in demand from the turn of the year 2011/12 on.

The situation in the customer industries that are important for the Steel Division was equally inconsistent in the year under review. The overall picture in the European automobile and automotive supply industries was positive, however, it was sharply differentiated both regionally and with regard to individual manufacturers. While the strongly export-oriented premium manufacturers in Germany continued to experience a boom, the situation for manufacturers of compact and subcompact cars was increasingly difficult from the fall of the year on, especially in Southern Europe.

Initially, the energy sector still showed a noticeable willingness to invest—not least driven by the high oil prices—but in the course of the year, here too, growing pressure from the competition created a market environment that became progressively more challenging. Brisk exports to non-European markets, in particular to Australia, Brazil, North America, and the Middle East, did result in a very satisfactory development in the heavy plate segment that delivers to the conventional energy sector.

The mechanical engineering sector experienced a positive sales trend; its German sector, which is dominant compared to other European countries, even reported two-digit growth. In the 2011 calendar year, the level of the tubes and sections industry was stable, albeit still significantly below

[1] Since April 1, 2011, the two subsidiaries voestalpine Rohstoffbeschaffungs GmbH and Importkohle Gesellschaft m.b.H are no longer being managed and reported on by the Steel Division. In the present consolidated financial statements these two companies have been assigned to the business segment "Other." The previous year's comparative figures were adjusted accordingly.

pre-crisis figures. On the other hand, sales volumes to the European white goods industry declined slightly compared to the previous year against a backdrop of growing import pressure, particularly from Asia.

Due to volatility, the market environment was difficult for the steel trading and Steel Service Center segments. Volume overall shrank again slightly in the construction industry, although most recently, a certain trend toward stabilization has been observed.

Development of the key figures

Compared to the business year 2010/11, the Steel Division experienced an increase in revenue, however, at the same time, the operating result declined markedly. Despite the scheduled reconstruction shutdown of the hot wide strip mill in the summer of 2011 and subdued demand in the following fall, revenue in the business year 2011/12 rose by 7.6% from EUR 3,839.3 million to EUR 4,130.3 million.

Contrary to this positive development, however, was a drastic decline of EBIT by 39.0%, going from EUR 371.5 million to EUR 226.5 million, which resulted from lower capacity utilization and reduced delivery volumes compared to the previous year as well as a very depressed price trend in the second half of the business year. Thus, the EBIT margin sank in the business year 2011/12 from 9.7% to 5.5%.

In a comparison of the quarterly figures during the business year, however, the Steel Division showed a revenue boost in the fourth quarter of 2011/12 with a significant improvement of the operating result. Compared to the immediately preceding quarter, revenue rose by 12.4% from EUR 995.2 million to EUR 1,118.7 million; although the price level in the short-term business segment fell, this was more than compensated by considerable increases in volume. As far as earnings are concerned, in the fourth quarter of 2011/12, the Steel Division saw a sharp increase in EBIT from EUR 9.9 million to EUR 55.5 million, thus putting it in a far better position than in the immediately preceding quarter; the EBIT margin went up from 1.0% in the third quarter to 5.0% in the fourth quarter of 2011/12. This positive development was made possible primarily by the return to full capacity utilization at the beginning of this period.

As of March 31, 2012, the Steel Division had 10,702 employees (full-time equivalents[1]). Compared to the previous year (10,626), this corresponds to a slight increase in staff by 0.7%.

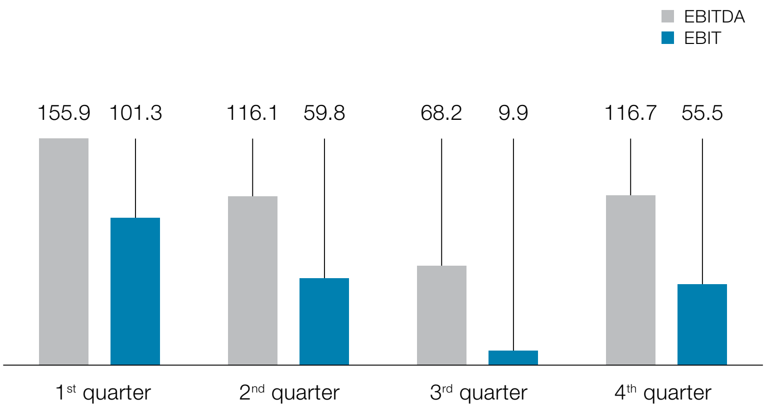
[1] See explanation in the “Employees” chapter.

Quarterly development of the Steel Division

In millions of euros	1st quarter 2011/12	2nd quarter 2011/12	3rd quarter 2011/12	4th quarter 2011/12	BY 2011/12
Revenue	1,038.3	978.1	995.2	1,118.7	4,130.3
EBITDA	155.9	116.1	68.2	116.7	456.9
EBITDA margin	15.0%	11.9%	6.9%	10.4%	11.1%
EBIT	101.3	59.8	9.9	55.5	226.5
EBIT margin	9.8%	6.1%	1.0%	5.0%	5.5%
Employees (full-time equivalent)	10,382	10,571	10,408	10,702	10,702

Quarterly development of the Steel Division

In millions of euros
Business year 2011/12



Dipl.-Ing. Franz Rotter

Member of the Management Board of voestalpine AG
Head of the Special Steel Division

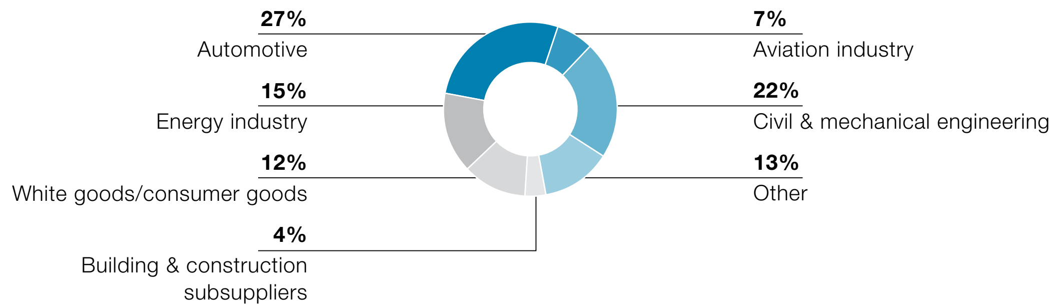
Special Steel Division

Key figures of the Special Steel Division

In millions of euros	2010/11	2011/12	Change in %
Revenue	2,631.3	2,945.0	11.9
EBITDA	388.1	429.7	10.7
EBITDA margin	14.7%	14.6%	
EBIT	208.5	272.9	30.9
EBIT margin	7.9%	9.3%	
Employees (full-time equivalent)	11,995	12,363	3.1

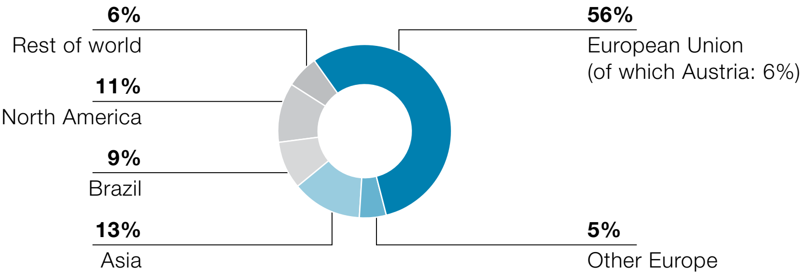
Customers of the Special Steel Division

As percentage of divisional revenue
Business year 2011/12



Markets of the Special Steel Division

As percentage of divisional revenue
Business year 2011/12



Market environment and business development

After a strong performance in the first half of the year, the mood in the second half of the business year was characterized by the spreading of uncertainty from the financial markets to the real economy, driven by the sovereign debt crisis in Europe and certain market weaknesses in some of the threshold countries. As a result, the market environment weakened in the third quarter, although it recovered toward the end of the business year. Overall, the more cautious and volatile order patterns in important customer industries led to a slightly lower level of incoming orders compared to the previous year.

All in all, the Special Steel Division experienced a solid level of demand in the business year, coming primarily from the automobile, mechanical engineering, oil and gas exploration, consumer goods, and aviation industries, while the trend in the energy equipment industry was very subdued over the entire period. Due to market development that was satisfactory overall, capacity in the divisional production companies was fully utilized, with only occasional exceptions during the third quarter of the business year.

Viewed regionally, demand for special steel and special steel products was consistently stable in practically all of our core markets; in Germany, our most important individual market, we even experienced demand that was quite robust. A notable fact is that in Asia, business in some customer segments was restrained, while, at the same time, the USA exceeded our original expectations with substantially more dynamic order patterns than anticipated.

Looking at the individual product segments of the Special Steel Division, special steels, in particular, anti-magnetic drill collars for oil and gas exploration, but also special alloys, valve steel, and special structural steel made the most significant gains compared to the previous year. Over long stretches of the year, demand for tool steel was slightly down, with demand increasing only toward the end of the business year. In the high-speed steel segment, demand was high during the first nine months of the business year, however, in the last quarter, it trended downward.

Development of the key figures

In the 2011/12 business year, the Special Steel Division experienced significant increases in revenue and operating result, thus almost attaining its pre-crisis level.

Compared to the previous year, revenue rose by 11.9% from EUR 2,631.3 million to EUR 2,945.0 million. Improvement of EBIT was even more striking, climbing by almost one third from EUR 208.5 million to EUR 272.9 million. Therefore, the EBIT margin for the 2011/12 business year went up from 7.9% to 9.3%. This gratifying trend in the operating result was enabled primarily by the expansion of divisional capacity, thus making greater production and delivery volumes possible.

Compared to the immediately preceding quarter, the division also showed a rising trend: revenue in the fourth quarter of the business year experienced a boost of 11.0%, mainly due to increases in volumes in the High Performance Metals (tool steel) segment, going from EUR 701.9 million to EUR 779.4 million. Compared to the third quarter, the operating result rose by an impressive 38.1% from EUR 55.1 million to EUR 76.1 million, with a corresponding improvement in the EBIT margin in the last quarter of the business year 2011/12 from 7.8% to 9.8%.

As of March 2012, the Special Steel Division had 12,363 employees (full-time equivalents[1]). Compared to the previous year's figure (11,995), this corresponds to an increase of 3.1%.

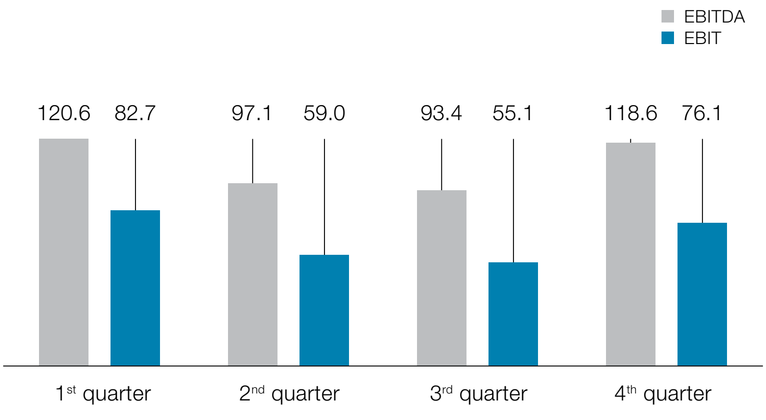
[1] See explanation in the "Employees" chapter.

Quarterly development of the Special Steel Division

In millions of euros	1st quarter 2011/12	2nd quarter 2011/12	3rd quarter 2011/12	4th quarter 2011/12	BY 2011/12
Revenue	750.7	713.0	701.9	779.4	2,945.0
EBITDA	120.6	97.1	93.4	118.6	429.7
EBITDA margin	16.1%	13.6%	13.3%	15.2%	14.6%
EBIT	82.7	59.0	55.1	76.1	272.9
EBIT margin	11.0%	8.3%	7.8%	9.8%	9.3%
Employees (full-time equivalent)	12,032	12,222	12,060	12,363	12,363

Quarterly development of the Special Steel Division

In millions of euros
Business year 2011/12



Dipl.-Ing. Dr. Franz Kainersdorfer

Member of the Management Board of voestalpine AG
Head of the Metal Engineering Division

Metal Engineering Division

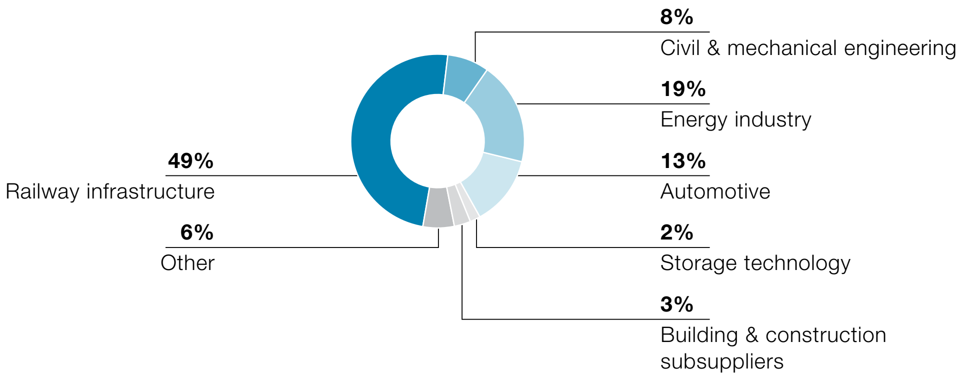
(until March 31, 2012 Railway Systems Division)

Key figures of the Metal Engineering Divsion

In millions of euros	2010/11	2011/12	Change in %
Revenue	2,723.3	2,955.6	8.5
EBITDA	422.4	210.3	–50.2
EBITDA margin	15.5%	7.1%	
EBIT	308.9	96.9	–68.6
EBIT margin	11.3%	3.3%	
Employees (full-time equivalent)	11,114	11,344	2.1

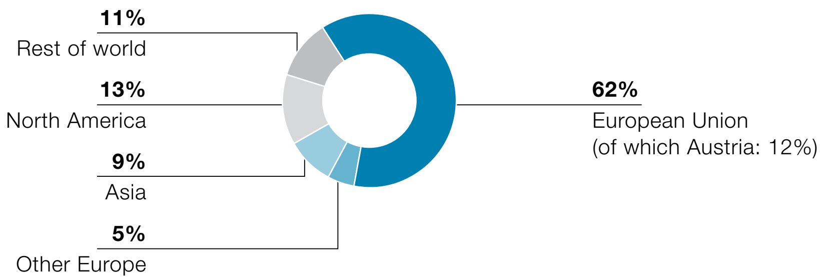
Customers of the Metal Engineering Division

As percentage of divisional revenue
Business year 2011/12



Markets of the Metal Engineering Division

As percentage of divisional revenue
Business year 2011/12



Market environment and business development

In the year under review, the market environment for the Metal Engineering Division was positive overall, although there were great differences between the individual business areas.

In the Rail Technology segment, the contrasting trend between premium qualities and standard products continued unabated. The capacity utilization of the production site in Donawitz, Austria, which specializes in heat-treated special rails, was at a high level throughout the entire business year, while the production site in Duisburg, Germany, came under mounting pressure due to the deteriorating situation for standard grades, which is marked by overcapacities that have led to a sharply falling price level in Europe and competition that is becoming more and more cutthroat, especially on the part of Asian manufacturers on the international export markets.

As a direct consequence of this development that has been ongoing for several years and the negative perspectives, the voestalpine Group—after a thorough analysis—decided in mid-March to close TSTG Schienentechnik GmbH & Co KG ("TSTG") in Duisburg. On March 31, 2012, a provision in the amount of EUR 205.0 million was formed to cover costs associated with the closure and for risks connected with the rail antitrust proceedings in Germany (for more details, please refer to the section "Significant events during the course of the year").

The Turnout Technology unit experienced stable demand on the European core markets and, at the same time, a sustained outstanding development in North America, South Africa, Brazil, and Australia. After sharply declining investments in the 2011 calendar year, China saw the beginnings of a revival of demand in the railway infrastructure sector.

In the Seamless Tube segment, the market environment was quite positive in the business year 2011/12; due to the higher oil prices, there was a stable demand at a high level in the OCTG segment (oil country tubular goods/oilfield tubes), especially in North America and the MENA region. There was also a slight uptrend in demand from Russia. A very good level of incoming orders for industrial tubes for the commercial vehicle and automobile industries—based on the thermomechanical rolling technology developed by voestalpine—enabled full capacity utilization.

Order volume in 2011/12 in the Wire business segment was at a very good level; however, most recently, due to a decline in demand resulting from the economic situation, competitive pressure increased and the market environment became more volatile.

The Welding Technology business segment continued to experience a decline in investments for major projects (power plant construction and petrochemicals) and significant margin pressure in the standard segment of welding consumables. The Steel business segment was characterized by full capacity utilization throughout 2011/12, but it was also marked by high volatility in raw material costs.

Development of the key figures

In the business year 2011/12, the Metal Engineering Division surpassed its already high level of sales in the past, although it was not able to match the previous year's level of earnings due to non-recurring effects.

While revenue rose by 8.5% from EUR 2,723.3 million to EUR 2,955.6 million, profit from operations (EBIT) fell steeply compared to the business year 2010/11 by 68.6%, going from EUR 308.9 million to EUR 96.9 million as a result of non-recurring effects. However, adjusted by the non-recurring provision in the amount of EUR 205.0 million that was formed for the closure of the production site in Duisburg and for risks associated with the aforementioned antitrust proceedings, at EUR 301.9 million, the division's profit from operations was only slightly lower than in the previous year so that this can be considered a quite satisfactory development.

The EBIT margin for the business year 2011/12 was 3.3% or 10.2% without taking the non-recurring effects into consideration (previous year: 11.3%). The overall positive development in the business segments wire, welding technology, and seamless tubes, with significantly higher delivery volumes were, however, not able to fully compensate the massive decline in volumes and prices for standard rails as far as earnings are concerned.

Compared to the immediately preceding quarter, revenue in the fourth quarter of the business year 2011/12 went up by 4.1% from EUR 724.1 million to EUR 727.1 million. The result from operating activities, i.e., without non-recurring effects, for this period was EUR 66.7 million (EBIT margin: 9.2%), thus remaining virtually constant compared to the third quarter (EUR 63.3 million, margin: 8.7%). Delivery volumes, which had risen significantly, were impacted in the fourth quarter by price declines in the rail technology and wire segments, while, at the same time, costs fell only slightly. When the non-recurring effects are taken into account, the fourth quarter of the business year showed a loss of EUR 138.3 million (this corresponds to an EBIT margin of –19.0%).

As of March 31, 2012, the Metal Engineering Division had 11,344 employees (full-time equivalents[1]). Compared to the previous year's figure (11,114), this corresponds to a slight rise in staff of 2.1%.

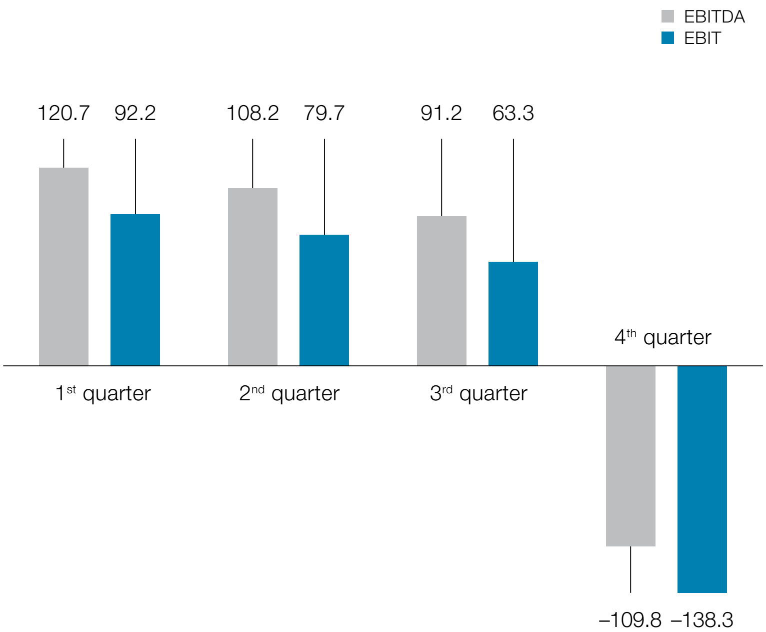
[1] See explanation in the “Employees” chapter.

Quarterly development of the Metal Engineering Division

In millions of euros	1st quarter 2011/12	2nd quarter 2011/12	3rd quarter 2011/12	4th quarter 2011/12	BY 2011/12
Revenue	752.8	751.6	724.1	727.1	2,955.6
EBITDA	120.7	108.2	91.2	–109.8	210.3
EBITDA margin	16.0%	14.4%	12.6%	–15.1%	7.1%
EBIT	92.2	79.7	63.3	–138.3	96.9
EBIT margin	12.2%	10.6%	8.7%	–19.0%	3.3%
Employees (full-time equivalent)	11,165	11,289	11,080	11,344	11,344

Quarterly development of the Metal Engineering Division

In millions of euros
Business year 2011/12



Dipl.-Ing. Herbert Eibensteiner

Member of the Management Board of voestalpine AG
Head of the Metal Forming Division

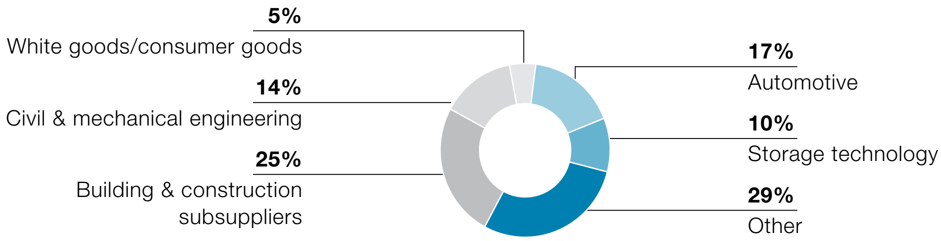
Profilform Division

Key figures of the Profilform Division

In millions of euros	2010/11	2011/12	Change in %
Revenue	1,139.3	1,251.5	9.8
EBITDA	159.5	167.0	4.7
EBITDA margin	14.0%	13.3%	
EBIT	118.0	126.6	7.3
EBIT margin	10.4%	10.1%	
Employees (full-time equivalent)	4,582	4,556	–0.6

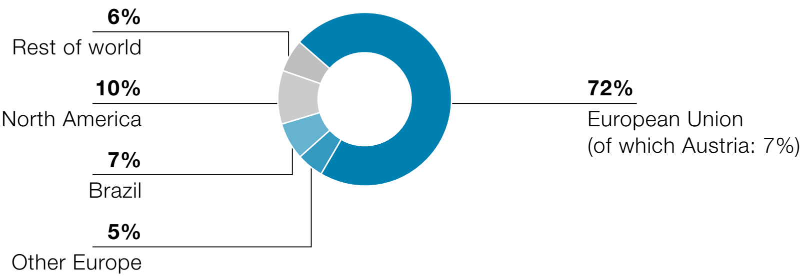
Customers of the Profilform Division

As percentage of divisional revenue
Business year 2011/12



Markets of the Profilform Division

As percentage of divisional revenue
Business year 2011/12



Market environment and business development

In Europe, the initially positive development in the business year 2011/12 deteriorated in the course of the year as a result of increasing uncertainty about the effects of the high level of sovereign debt in a number of countries in the euro zone. Furthermore, the strong momentum from growth regions, such as China, slowed in the latter part of the business year.

This overall economic situation is reflected in the business performance of the Profilform Division. After a very strong first quarter, with a high level of demand in virtually all major customer industries, its performance was dampened, however, in the final quarter of the year under review, it returned again to a satisfactory level.

The business segment Tubes and Sections reported a quite positive momentum in demand throughout the year, especially from the commercial vehicle and agricultural machinery sectors, both on the division's core markets in Europe and North America and in the growth regions of China, India, and Brazil.

The significant roll-back of public subsidies for alternative energies in Europe resulted in a decline in the solar energy sector, which was not unexpected, with a significantly decreased number of new projects. The hoped for more broad-based recovery in the construction and construction supply industries did not occur. Especially in Russia, this sector's development continued to be disappointing.

In the Precision Strip sector, demand was extraordinarily robust until the end of the 2011 calendar year, with considerable volume increases in all customer segments. A slight decline in incoming orders did not make itself felt until the end of the business year.

The Storage Technology segment profited from the continuing positive level of demand from the logistics sector, with numerous major projects being contracted not only in Europe, but in North America as well. Incoming orders and order backlog developed very satisfactorily and resulted in good capacity utilization that continued throughout the year.

From a regional perspective, market development was characterized by satisfactory business performance in Europe and an uptrend in North America. While demand in Europe became increasingly subdued toward the end of the business year, the positive mood in the USA settled in.

Eastern Europe, on the other hand, and Russia in particular generally fell short of expectations in the year under review.

Business development in Brazil was also only at an average level. The strength of the Brazilian currency, high borrowing costs, and strong fluctuations of the local pre-material prices had a negative effect on demand.

Development of the key figures

Viewed against the comparative figures of the previous year, the Profilform Division was able to increase both revenue and operating result in the business year 2011/12.

Revenue growth of just under 10% from EUR 1,139.3 million to EUR 1,251.5 million was the result of higher volumes and a rise in the average level of earnings. This also enabled an improvement in EBIT, which went from EUR 118.0 million to EUR 126.6 million, a gain of 7.3%. At 10.1%, the EBIT margin remained virtually unchanged compared to the business year 2010/11 (10.4%).

In the fourth quarter of the business year, the Profilform Division recorded an increase in revenue by about 10% compared to the immediately preceding quarter, going from EUR 295.1 million to EUR 324.4 million, with EBIT rising in the same period of time by more than one third from EUR 26.7 million to EUR 35.7 million. The EBIT margin went up in the final quarter of the business year 2011/12 from 9.0% to 11.0%. The significantly higher delivery volumes were the main reason for the improved key figures in the third quarter.

As of March 31, 2012, the Profilform Division had 4,556 employees (full-time equivalents[1]). Compared to the previous year's figure (4,582), this corresponds to a slight decline in staff of 0.6%.

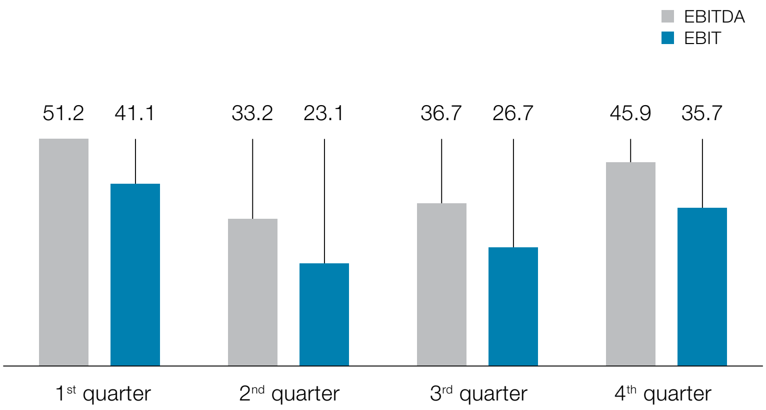
[1] See explanation in the "Employees" chapter.

Quarterly development of the Profilform Division

In millions of euros	1st quarter 2011/12	2nd quarter 2011/12	3rd quarter 2011/12	4th quarter 2011/12	BY 2011/12
Revenue	329.6	302.4	295.1	324.4	1,251.5
EBITDA	51.2	33.2	36.7	45.9	167.0
EBITDA margin	15.5%	11.0%	12.4%	14.1%	13.3%
EBIT	41.1	23.1	26.7	35.7	126.6
EBIT margin	12.5%	7.6%	9.0%	11.0%	10.1%
Employees (full-time equivalent)	4,668	4,698	4,564	4,556	4,556

Quarterly development of the Profilform Division

In millions of euros
Business year 2011/12



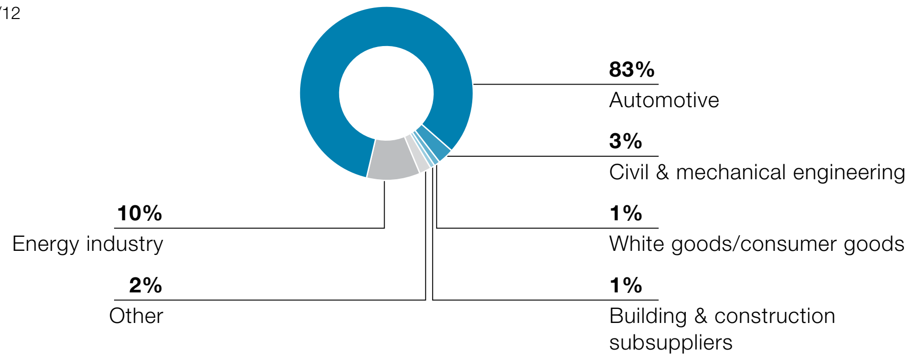
Automotive Division

Key figures of the Automotive Division

In millions of euros	2010/11	2011/12	Change in %
Revenue	1,040.1	1,224.6	17.7
EBITDA	121.1	109.2	–9.8
EBITDA margin	11.6%	8.9%	
EBIT	64.0	58.5	–8.6
EBIT margin	6.2%	4.8%	
Employees (full-time equivalent)	6,264	6,808	8.7

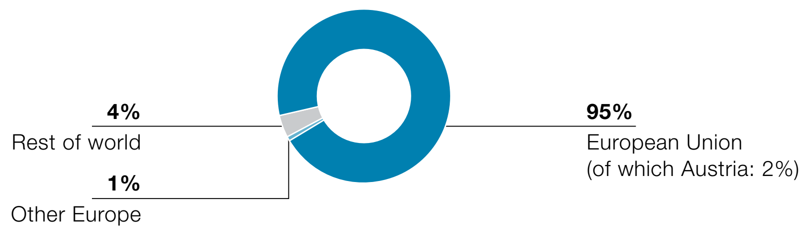
Customers of the Automotive Division

As percentage of divisional revenue
Business year 2011/12



Markets of the Automotive Division

As percentage of divisional revenue
Business year 2011/12



Market environment and business development

Over the major part of the business year 2011/12, the production figures of the European automobile manufacturers remained stable at a high level. In the course of 2011, they experienced an increase of just above 6%, although this momentum began to slow down in the first calendar quarter of 2012. The development of the premium manufacturers—first and foremost the German brands—who are of crucial importance for the voestalpine Group, was continuously positive over the entire course of the year. However, it merits mentioning that growth in this segment continues to shift to regions outside of Europe. The voestalpine Group is addressing this issue by accelerating its investments in production capacity in these growth markets (particularly China, South Africa, and the USA) in order to be able to keep pace with the global development of its strategic customers.

While the commercial vehicle market recovered somewhat in the course of the year under review, it is still below its pre-crisis level. The (manageable) non-automotive segment of the division was characterized by a sustained momentum; demand for highest quality product solutions for solar heating/photo voltaics and the heating technology segment was particularly strong.

Against this backdrop, the Automotive Division had very good capacity utilization at almost all of its production sites and in virtually all of its segments in the course of the business year 2011/12.

Development of the key figures

Due to this good overall market development and stable capacity utilization, revenue rose by 17.7% in the business year 2011/12, going from EUR 1,040.1 million to EUR 1,224.6 million. The concurrent decrease of EBIT by 8.6% from EUR 64.0 million to EUR 58.5 million was due to higher materials costs and non-recurring effects.

In a comparison of the quarterly figures during the business year, after a somewhat weaker second quarter due to seasonal fluctuations, the division subsequently showed a positive trend.

In the fourth quarter of the business year, revenue rose compared to the immediately preceding quarter by 11.8%, going from EUR 302.1 million to EUR 337.7 million, with EBIT rising in the final quarter by 14.1% from EUR 13.5 million to EUR 15.4 million. In the fourth quarter, the EBIT margin remained constant at 4.6% (compared to 4.5% in the third quarter).

As of March 31, 2012, the Automotive Division had 6,808 employees (full-time equivalents[1]). Compared to the previous year (6,264 employees), this corresponds to increase in staff by 8.7% due to higher production and capacity utilization.

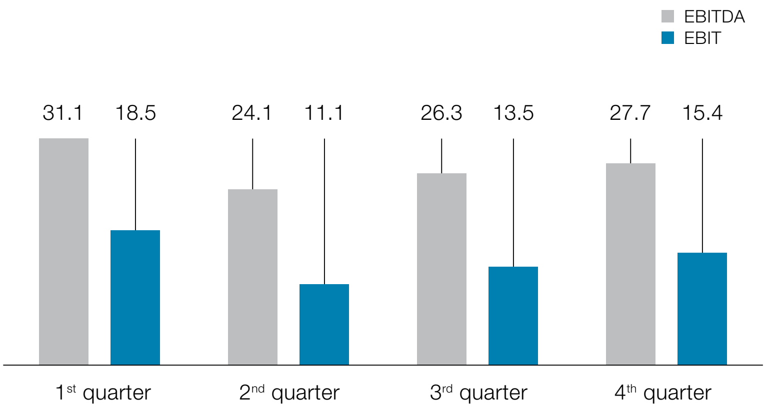
[1] See explanation in the "Employees" chapter.

Quarterly development of the Automotive Division

In millions of euros	1st quarter 2011/12	2nd quarter 2011/12	3rd quarter 2011/12	4th quarter 2011/12	BY 2011/12
Revenue	293.1	291.7	302.1	337.7	1,224.6
EBITDA	31.1	24.1	26.3	27.7	109.2
EBITDA margin	10.6%	8.3%	8.7%	8.2%	8.9%
EBIT	18.5	11.1	13.5	15.4	58.5
EBIT margin	6.3%	3.8%	4.5%	4.6%	4.8%
Employees (full-time equivalent)	6,247	6,491	6,349	6,808	6,808

Quarterly development of the Automotive Division

In millions of euros
Business year 2011/12



Mag. Dipl.-Ing. Robert Ottel, MBA

Member of the Management Board of voestalpine AG
CFO

voestalpine AG
Consolidated Financial Statements 2011/12

Consolidated Financial Statements

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Report of the Supervisory Board on the business year 2011/12

During the business year 2011/12, the Supervisory Board fulfilled its responsibilities under the law and the Articles of Incorporation, holding five plenary sessions, two meetings of the Audit Committee, and four 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, 2012 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 and the Consolidated Management Report are consistent with the annual financial statements and the consolidated financial statements.

After they had been considered by the Audit Committee, on May 29, 2012, the Supervisory Board reviewed and approved the annual financial statements as of March 31, 2012. 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.

It has been established that the business year 2011/12 has ended with a net profit of EUR 136,000,000.00; it is being recommended that a dividend of EUR 0.80 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, May 29, 2012

voestalpine AG

Consolidated statement of financial position for the year ended March 31, 2012

Assets

	Notes	03/31/2011	03/31/2012
A. Non-current assets			
Property, plant and equipment	9	4,371,380	4,378,335
Goodwill	10	1,419,550	1,421,162
Other intangible assets	11	379,888	321,992
Investments in associates	12	142,799	149,405
Other financial assets	12	158,695	160,458
Deferred tax assets	13	383,196	369,825
		6,855,508	**6,801,177**
B. Current assets			
Inventories	14	2,824,106	2,952,712
Trade and other receivables	15	1,709,767	1,774,397
Other financial assets		453,633	406,580
Cash and cash equivalents	16	1,233,433	677,229
		6,220,939	**5,810,918**
Total assets		**13,076,447**	**12,612,095**

In thousands of euros

Equity and liabilities

	Notes	03/31/2011	03/31/2012
A. Equity			
Share capital		307,132	307,132
Capital reserves		421,083	405,664
Hybrid capital		992,096	992,096
Reserve for own shares		–24,485	–15,686
Other reserves		–167,482	–181,906
Retained earnings		3,089,439	3,258,635
Equity attributable to equity holders of the parent		**4,617,783**	**4,765,935**
Non-controlling interests		73,330	70,356
	17	**4,691,113**	**4,836,291**
B. Non-current liabilities			
Pensions and other employee obligations	18	833,156	852,857
Provisions	19	83,324	131,308
Deferred tax liabilities	13	237,010	204,004
Financial liabilities	20	3,070,553	1,970,658
		4,224,043	**3,158,827**
C. Current liabilities			
Provisions	19	402,073	631,060
Tax liabilities		134,719	78,845
Financial liabilities	20	1,427,930	1,799,194
Trade and other payables	21	2,196,569	2,107,878
		4,161,291	**4,616,977**
Total equity and liabilities		**13,076,447**	**12,612,095**

In thousands of euros

voestalpine AG

Consolidated statement of cash flows 2011/12

In thousands of euros	Notes	2010/11	2011/12
Operating activities			
Profit for the period		594,559	413,274
Adjustments	24	600,011	581,030
Changes in working capital			
Change in inventories		–614,236	–121,172
Change in receivables and liabilities		275,139	–189,151
Change in provisions		102,147	172,564
		–236,950	**–137,759**
Cash flows from operating activities		**957,620**	**856,545**
Investing activities			
Additions of other intangible assets, property, plant and equipment		–467,155	–552,884
Income from disposals of assets		11,904	35,351
Cash flows from the acquisition of control of subsidiaries		2,583	–1
Cash flows from the loss of control of subsidiaries		2,729	1,344
Additions of other financial assets		100,237	37,578
Cash flows from investing activities		**–349,702**	**–478,612**
Financing activities			
Dividends paid		–155,525	–206,225
Dividends paid to non-controlling interests/other changes in equity		–6,112	–7,274
Acquisitions/disposals of own shares		5,160	5,651
Acquisition of non-controlling interests		–16,959	–3,043
Change in non-current financial liabilities		–210,859	–1,097,389
Change in current financial liabilities		–23,125	374,611
Cash flows from financing activities		**–407,420**	**–933,669**
Net decrease/increase in cash and cash equivalents		**200,498**	**–555,736**
Cash and cash equivalents, beginning of year		1,028,619	1,233,433
Net exchange differences		4,316	–468
Cash and cash equivalents, end of year	16	**1,233,433**	**677,229**

voestalpine AG

Consolidated income statement 2011/12

In thousands of euros	Notes	2010/11	2011/12
Revenue	1, 2	**10,953,695**	**12,058,249**
Cost of sales		–8,519,672	–9,614,069
Gross profit		**2,434,023**	**2,444,180**
Other operating income	3	334,015	354,025
Distribution costs		–959,173	–985,419
Administrative expenses		–554,805	–594,596
Other operating expenses	4	–269,213	–514,001
Profit from operations (EBIT)		**984,847**	**704,189**
Share of profit of associates	5	30,088	20,081
Finance income	6	54,107	79,564
Finance costs	7	–288,074	–299,461
Profit before tax (EBT)		**780,968**	**504,373**
Income tax expense	8	–186,409	–91,099
Profit for the period		**594,559**	**413,274**
Attributable to:			
Equity holders of the parent		512,745	333,506
Non-controlling interests		9,800	7,754
Share planned for hybrid capital owners		72,014	72,014
Basic and diluted earnings per share (euros)	31	**3,04**	**1,98**

voestalpine AG

Statement of comprehensive income 2011/12

In thousands of euros	Notes	2010/11	2011/12
Profit for the period		**594,559**	**413,274**
Other comprehensive income			
Hedge accounting		7,344	4,131
Currency translation		9,503	7,371
Actuarial gains/losses		–21,110	–24,562
Other comprehensive income for the period, net of income tax		**–4,263**	**–13,060**
Total comprehensive income for the period		**590,296**	**400,214**
Attributable to:			
Equity holders of the parent		509,165	321,320
Non-controlling interests		9,117	6,880
Share planned for hybrid capital owners		72,014	72,014
Total comprehensive income for the period		**590,296**	**400,214**

voestalpine AG

Consolidated statement of changes in equity 2011/12

	Share capital	Capital reserves	Hybrid capital	Reserve for own shares	Translation reserve
Balance as of April 1, 2010	**307,132**	**417,511**	**992,096**	**–34,450**	**2,080**
Profit for the period	**0**	**0**	**0**	**0**	**0**
Other comprehensive income					
Hedge accounting	0	0	0	0	0
Currency translation	0	0	0	0	10,151
Actuarial gains/losses	0	0	0	0	0
Other comprehensive income for the period, net of income tax	**0**	**0**	**0**	**0**	**10,151**
Total comprehensive income for the period	**0**	**0**	**0**	**0**	**10,151**
Own shares acquired/disposed	0	–4,805	0	9,965	0
Dividends	0	0	0	0	0
Share-based payment	0	–5,165	0	0	0
Other changes	0	13,542	0	0	0
	0	**3,572**	**0**	**9,965**	**0**
Balance as of March 31, 2011 = Balance as of April 1, 2011	**307,132**	**421,083**	**992,096**	**–24,485**	**12,231**
Profit for the period	**0**	**0**	**0**	**0**	**0**
Other comprehensive income					
Hedge accounting	0	0	0	0	0
Currency translation	0	0	0	0	8,219
Actuarial gains/losses	0	0	0	0	0
Other comprehensive income for the period, net of income tax	**0**	**0**	**0**	**0**	**8,219**
Total comprehensive income for the period	**0**	**0**	**0**	**0**	**8,219**
Own shares acquired/disposed	0	–3,148	0	8,799	0
Dividends	0	0	0	0	0
Share-based payment	0	–15,528	0	0	0
Other changes	0	3,257	0	0	–2,075
	0	**–15,419**	**0**	**8,799**	**–2,075**
Balance as of March 31, 2012	**307,132**	**405,664**	**992,096**	**–15,686**	**18,375**

Other reserves					
Hedging reserve	**Actuarial gains(+)/losses (–)**	**Retained earnings**	**Total attributable to equity holders of the parent**	**Non-controlling interests**	**Total equity**
–27,473	**–138,509**	**2,671,216**	**4,189,603**	**72,844**	**4,262,447**
0	**0**	**584,759**	**584,759**	**9,800**	**594,559**
7,317	0	0	7,317	27	7,344
0	0	0	10,151	–648	9,503
0	–21,048	0	–21,048	–62	–21,110
7,317	**–21,048**	**0**	**–3,580**	**–683**	**–4,263**
7,317	**–21,048**	**584,759**	**581,179**	**9,117**	**590,296**
0	0	0	5,160	0	5,160
0	0	–155,525	–155,525	–8,490	–164,015
0	0	0	–5,165	7	–5,158
0	0	–11,011	2,531	–148	2,383
0	**0**	**–166,536**	**–152,999**	**–8,631**	**–161,630**
–20,156	**–159,557**	**3,089,439**	**4,617,783**	**73,330**	**4,691,113**
0	**0**	**405,520**	**405,520**	**7,754**	**413,274**
4,135	0	0	4,135	–4	4,131
0	0	0	8,219	–848	7,371
0	–24,540	0	–24,540	–22	–24,562
4,135	**–24,540**	**0**	**–12,186**	**–874**	**–13,060**
4,135	**–24,540**	**405,520**	**393,334**	**6,880**	**400,214**
0	0	0	5,651	0	5,651
0	0	–206,225	–206,225	–8,879	–215,104
0	0	0	–15,528	–153	–15,681
0	–163	–30,099	–29,080	–822	–29,902
0	**–163**	**–236,324**	**–245,182**	**–9,854**	**–255,036**
–16,021	**–184,260**	**3,258,635**	**4,765,935**	**70,356**	**4,836,291**

In thousands of euros

voestalpine AG

Notes to the consolidated financial statements 2011/12

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, 2012, (including comparative figures for the year ended March 31, 2011) have been prepared in accordance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standard Board (IASB) and adopted by the European Union.

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

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

The Management Board of voestalpine AG approved the consolidated financial statements and authorized the consolidated financial statements for submission to the Supervisory Board on May 16, 2011.

B. Summary of accounting policies

General information

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

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

Since April 1, 2011, the two subsidiaries voestalpine Rohstoffbeschaffungs GmbH and Importkohle Gesellschaft m.b.H are no longer being managed and reported within the Steel Division. In these consolidated financial statements, the two entities were allocated to the operating segment Other. The preceding year's comparative figures were adjusted accordingly.

The following new and revised Standards were adopted for the first time in the business year 2011/12:

Standard	Content	Effective date[1]
IAS 24 (2009)	Related Party Disclosures	January 1, 2011
IFRS 1 (2010)	First-Time Adoption of International Financial Reporting Standards	July 1, 2010
Various Standards	Improvements to IFRS 2010	January 1, 2011

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

The amendments to IAS 24 clarify the definitions of a related party. The new definitions emphasize a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The first-time adoption of the revised IAS 24 had no significant impact on the consolidated financial statements with one exception. Core shareholders who exert a significant influence due to consolidation of the voestalpine shares using the equity method are being reported as related parties from this business year onward.

The first-time adoption of the remaining new Standards in the business year 2011/12 had no impact on the consolidated financial statements.

The following Standards have been endorsed by the European Union as of the reporting date, but their application was not yet mandatory for the business year 2011/12:

Standard	Content	Effective date[1]
IFRS 7 (2010)	Financial Instruments: Disclosures – Transfers of Financial Assets	July 1, 2011

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

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

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

Basis of consolidation

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

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

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

Foreign currency translation

In accordance with IAS 21, annual financial statements in foreign currencies that are included in the consolidated financial statements are translated into euros using the functional currency method. The relevant national currency is the functional currency in all cases since, from a financial, economic, and organizational perspective, these entities all operate independently. Assets and liabilities have been translated using the exchange rate on the 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	**03/31/2011**	**03/31/2012**
USD	1.4207	1.3356
GBP	0.8837	0.8339
BRL	2.3058	2.4323
SEK	8.9329	8.8455
PLN	4.0106	4.1522

Average annual rate	**2010/11**	**2011/12**
USD	1.3223	1.3775
GBP	0.8496	0.8629
BRL	2.2797	2.3356
SEK	9.2714	9.0264
PLN	3.9845	4.1922

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 the next business year:

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates if the determining factors at the reporting date differ from 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 11.4 million (2010/11: EUR 11.5 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 116.7 million (2010/11: EUR 109.0 million) in the business year 2011/12.

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

Finance leases are initially recognized as Group assets at fair value or the lower present value of the minimum lease payments at the inception of the lease. The corresponding 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.

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

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

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

Other intangible assets

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

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

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

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

Cash-generating units that include goodwill and other intangible assets with indefinite useful lives are tested for impairment at least annually. All other assets and cash-generating units are tested for impairment 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 that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors cash flows.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value less cost to sell and value in use. Impairment losses recognized with regard to 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.

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

Investments in associates

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

Financial instruments

Derivative financial instruments are used exclusively 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.

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

Other investments

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

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

Income taxes

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

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

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

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

Emission certificates

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

Inventories

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

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

Trade and other receivables

Trade and other receivables are stated at 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, for which the default risk is transferred to the buyer and for which the seller assumes a contingent liability to the extent of the retained amount from credit insurances, are derecognized because the power of disposition has transferred to the buyer.

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.

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.

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

In accordance with IAS 19.93A, actuarial gains and losses from severance and pension obligations 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.

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

	2010/11	2011/12
Interest rate (%)	4.75	4.75
Salary/wage increases (%)	3.25	3.25
Pension increases (%)	2.25	2.25
Retirement age men/women (years)	max. 65	max. 65
Mortality tables	AVÖ 2008-P	AVÖ 2008-P

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

Other provisions

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

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 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 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.

Stock option program

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

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

Each option entitled the holder to receive one voestalpine AG share after the exercise requirements have been fulfilled. voestalpine AG's intention at the time the options were granted was to provide settlement in shares. The holder of the option had no choice of settlement. Under IFRS 2, the transaction was therefore considered a share-based payment transaction. Due to the changed circumstances after the acquisition of BÖHLER-UDDEHOLM Aktiengesellschaft, the Management Board of voestalpine AG decided to settle the obligation related to the options in cash. Options (personnel expenses) were carried at fair value at the time of the grant. The offsetting entry was recorded directly in equity. The cash settlement on the exercise date was also recognized directly in equity.

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

The Works Council and 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 in the Netherlands, in Poland and in Belgium. In the business year 2011/12, a total of 49 companies are participating in the international employee stock ownership program in these five countries.

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

On March 31, 2012, the voestalpine Mitarbeiterbeteiligung Privatstiftung (a private foundation for the Company's employee shareholding scheme) held approximately 12.9% (March 31, 2011: 13.0%) 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 established in accordance with IFRS. In addition to the annual financial statements of voestalpine AG, the consolidated financial statements also include the financial statements of entities controlled by voestalpine AG (and its subsidiaries).

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

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

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

	03/31/2011	03/31/2012
Non-current assets	27.4	25.7
Current assets	91.0	95.4
	118.4	**121.1**
Equity	30.4	29.0
Non-current provisions and liabilities	11.3	11.5
Current provisions and liabilities	76.7	80.6
	118.4	**121.1**

	2010/11	2011/12
Revenue	245.9	298.6
Cost of sales	179.8	225.5
Profit for the period	42.0	46.9

In millions of euros

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

	03/31/2011	03/31/2012
Non-current assets	328.2	342.6
Current assets	700.7	760.0
	1,028.9	**1,102.6**
Equity	369.1	394.8
Non-current provisions and liabilities	69.5	96.2
Current provisions and liabilities	590.3	611.6
	1,028.9	**1,102.6**
	2010/11	**2011/12**
Revenue	2,129.5	2,285.8
Profit for the period	88.5	53.1

In millions of euros

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

	Full consolidation	Proportionate consolidation	Equity method
As of April 1, 2011	**288**	**2**	**12**
Acquisitions			
Change in consolidation method			
Acquisitions	4		
Disposals			
Reorganizations	–9		
Divestments or disposals	–5		
As of March 31, 2012	**278**	**2**	**12**
Of which foreign companies	222	0	5

The two proportionately consolidated entities are voestalpine Tubulars GmbH and voestalpine Tubulars GmbH & Co KG that are controlled jointly with NOV Grant Prideco.

The following entities were deconsolidated during the business year 2011/12:

Name of entity	Date of deconsolidation
Full consolidation in the previous year	
BOHLER-UDDEHOLM HOLDINGS (UK) Limited	April 1, 2011
ESCHMANN STAL Sp. z o.o.	March 31, 2012
Gravutex Textures (UK) Ltd	April 1, 2011
Rahee Track Technologies, (Pvt.) Ltd	April 1, 2011
Aktiebolaget Uddeholmsagenturen	March 31, 2012
Reorganization	
BÖHLER BLECHE MULTILAYER GmbH	April 1, 2011
Schoeller-Bleckmann (UK) Ltd.	April 1, 2011
Böhler Welding Group Nordic Sales AB	April 1, 2011
Danube Equity Invest AG	April 1, 2011
Danube Equity Invest Management GmbH	April 1, 2011
Helmold LLC	April 1, 2011
Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.	April 1, 2011
vatron gmbh	April 1, 2011
Flamco Pipe Support B.V.	April 1, 2011

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 2011/12:

Name of entity	Interest in %	Date of initial consolidation
Full consolidation		
Böhler Welding Group GmbH	100.000%	March 16, 2012
LASA Schienentechnik GmbH	100.000%	April 1, 2011
voestalpine HYTRONICS GmbH	100.000%	April 1, 2011
voestalpine Standortservice GmbH	100.000%	April 1, 2011

These entities (with the exception of restructuring) contributed EUR 0.1 million (2010/11: EUR –0.5 million) to the profit for the period and EUR 3.6 million (2010/11: EUR 6.8 million) to sales during the business year since initial consolidation.

The pro-forma values "as though the acquisition date had been at the beginning of the period" are identical to the above mentioned figures.

Additions to the scope of consolidated financial statements include one start-up, one spin-off, and the consolidation of previously non-consolidated subsidiaries.

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

The increase of majority interests is treated as a transaction between owners. The difference between the costs of acquisition for the additional shares and the pro-rated carrying value of the non-controlling interests is recognized directly in equity. During the business year 2011/12, EUR 35.4 million (2010/11: EUR 16.9 million) were paid or provisions for the payment thereof made for the acquisition of non-controlling interests. This figure also includes an amount from the cash settlement proceeding to the former minority shareholders of BÖHLER-UDDEHOLM Aktiengesellschaft that was offset directly against equity (see also Item 19. Provisions). Non-controlling interests amounting to EUR 0.5 million (2010/11: EUR 4.6 million) were derecognized, and the remaining amount of EUR 34.9 million (2010/11: EUR 12.3 million) was charged directly in equity.

Put options granted to non-controlling shareholders in exchange for their shares in Group companies are disclosed in the statement of financial position as liabilities stated at fair value. If the risks and rewards associated with ownership of a non-controlling interest have already been transferred at the time the majority interest was acquired, an acquisition of 100% of the entity is assumed. Where 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 Group capital reserves with no effect on profit or loss (double credit approach).

Open put options, which are charged against equity, had a fair value of EUR 0.0 million (2010/11: EUR 2.5 million) as of March 31, 2012.

E. Explanations and other disclosures

1. Revenue

The breakdown of the revenue is reported as follows:

	2010/11	2011/12
Revenue invoiced	10,772.4	11,844.1
Revenue from construction contracts	181.3	214.1
Revenue	**10,953.7**	**12,058.2**

In millions of euros

2. Operating segments

The voestalpine Group operates in six reportable segments: Steel Division, Special Steel Division, Metal Engineering Division (until March 31, 2012 Railway Systems Division), Profilform Division, Automotive 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 a top-three European supplier of high-quality strip steel and heavy plate for the most demanding applications. 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 a global market leader in tool steel. Furthermore, it has a leading position in the high-speed steel and the special forging segments. The Special Steel Division manufactures long steel products, medium-wide strip steel, open-die forgings, and drop forgings. The main customer group is the tool industry, which mainly supplies the automotive industry and the consumer goods industry. The division's second foothold is energy technology—from exploration to components for gas and steam turbines. Furthermore, the Special Steel Division is a global supplier of the aviation industry.

The Metal Engineering Division manufactures the world's widest range of high-quality rails and turnout products, rod wire, drawn wire, prestressing steel, seamless tubes, welding filler materials, and semi-finished products. voestalpine is global technology leader in the railway systems sector. 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 Profilform Division combines the tube and section production activities of the voestalpine Group. It manufactures welded tubes and hollow sections, open standard sections, and all types of custom roll forming of special tubes and sections. In addition, the division also produces high-bay racking systems and components for road safety. The division is the global market leader in the special sections and the custom-rollforming segments as well as a leader in precision strip steel. It focuses on supplying the construction and automotive supply industries as well as the transportation, storage, and furniture industries.

The Automotive Division combines all activities of the voestalpine Group involving the processing of steel and other materials, such as plastics and composite material, into components, modules, and systems for the automotive industry. It focuses on body-in-white components, precision parts, and safety technology components. The Automotive Division has become a top-three European player for special components in the automotive supply industry.

Starting April 1, 2012, the Automotive Division and Profilform Division will be amalgamated to create the Metal Forming Division.

The holding company, several Group financing companies and raw materials purchasing companies as well as the group-IT companies are included in 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 the profit from operations (EBIT) to measure the performance of the segments because it is commonly used in the steel and steel processing industry as a comparative measure of financial performance. In addition, the voestalpine Group considers it a widely accepted indicator for measuring the Group's profitability.

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

Operating segments

	Steel Division		Special Steel Division		Metal Engineering Division	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
Segment revenue	3,839.3	4,130.3	2,631.3	2,945.0	2,723.3	2,955.6
Of which revenue with third parties	3,545.7	3,815.4	2,567.0	2,875.9	2,688.3	2,919.4
Of which revenue with other segments	293.6	314.9	64.3	69.1	35.0	36.2
EBITDA	594.7	456.9	388.1	429.7	422.4	210.3
Depreciation and amortization of property, plant and equipment and intangible assets	223.2	230.4	179.6	156.8	113.5	113.3
Of which impairment	0.0	0.0	7.7	0.6	0.0	0.1
Of which reversal of impairment	0.0	0.0	0.0	0.3	0.0	1.9
Profit from operations (EBIT)	371.5	226.5	208.5	272.9	308.9	96.9
EBIT margin	9.7%	5.5%	7.9%	9.3%	11.3%	3.3%
Share of profit of associates	15.9	14.8	0.0	0.0	7.7	–0.2
Interest and similar income	1.9	1.7	14.3	18.2	3.9	47.0
Interest and similar expenses	57.9	67.7	53.1	57.2	32.4	37.3
Income tax expense	–67.7	–26.7	–52.5	–74.2	–74.5	–13.2
Profit for the period	270.0	154.1	118.9	156.9	213.5	94.9
Segment assets	3,610.3	3,652.0	4,095.0	4,007.9	2,428.6	2,552.1
Of which investments in associates	92.6	99.3	0.0	0.0	18.5	16.7
Net financial debt	802.5	1,026.4	728.4	647.6	402.2	432.3
Investments in property, plant and equipment and intangible assets	152.6	196.9	87.5	128.1	94.7	129.1
Employees (excl. temporary personnel and apprentices)	9,605	9.683	11,364	11,524	10,078	10,446

[1] Since April 1, 2011, the two subsidiaries voestalpine Rohstoffbeschaffungs GmbH and Importkohle Gesellschaft m.b.H are no longer being managed and reported within the Steel Division. In these consolidated financial statements, the two entities were allocated to the operating segment Other. The preceding year's comparative figures were adjusted accordingly.

	Profilform Division		Automotive Division		Other		Reconciliation		Total Group	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
	1,139.3	1,251.5	1,040.1	1,224.6	1,586.6	1,869.4	–2,006.2	–2,318.2	10,953.7	12,058.2
	1,109.7	1,220.5	1,037.4	1,221.4	5.6	5.6	0.0	0.0	10,953.7	12,058.2
	29.6	31.0	2.7	3.2	1,581.0	1,863.8	–2,006.2	–2,318.2	0.0	0.0
	159.5	167.0	121.1	109.2	–55.9	–68.7	–24.3	–2.5	1,605.6	1,301.9
	41.5	40.3	57.1	50.7	5.9	6.2	0.0	0.0	620.8	597.7
	0.0	0.0	2.7	0.3	0.0	0.0	0.0	0.0	10.4	1.0
	0.0	0.0	3.4	0.0	0.0	0.0	0.0	0.0	3.4	2.2
	118.0	126.6	64.0	58.5	–61.8	–74.8	–24.3	–2.4	984.8	704.2
	10.4%	10.1%	6.2%	4.8%					9.0%	5.8%
	0.0	0.0	0.0	0.0	5.7	4.7	0.8	0.8	30.1	20.1
	2.6	1.3	1.4	1.2	128.6	169.9	–106.3	–174.6	46.4	64.7
	18.2	17.7	11.6	14.2	218.8	291.8	–108.5	–191.6	283.5	294.3
	–27.5	–30.4	–2.4	–12.6	33.0	70.3	5.2	–4.3	–186.4	–91.1
	75.4	79.6	51.5	33.6	626.9	929.1	–761.6	–1,034.9	594.6	413.3
	1,083.7	1,116.0	930.2	905.4	9,554.8	9,621.1	–8,626.2	–9,242.4	13,076.4	12,612.1
	0.0	0.0	0.0	0.0	2.3	3.1	29.4	30.3	142.8	149.4
	151.6	171.7	228.6	244.4	443.9	117.9	–44.1	–54.6	2,713.1	2,585.7
	52.3	55.4	28.0	54.4	5.3	8.8	0.0	0.0	420.4	572.7
	4,200	4,205	4,789	5,117	664	674	0	0	40.700	41,649

In millions of euros

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

EBITDA	2010/11	2011/12
Net exchange differences incl. result from valuation of derivatives	–3.5	–0.9
Value adjustments for receivables/waiver of receivables	–18.5	–1.7
Consolidation	–1.9	0.8
Other	–0.4	–0.7
EBITDA – Total reconciliation	**–24.3**	**–2.5**

In millions of euros

EBIT	2010/11	2011/12
Net exchange differences incl. result from valuation of derivatives	–3.5	–0.9
Value adjustments for receivables/waiver of receivables	–18.5	–1.7
Consolidation	–1.9	0.8
Other	–0.4	–0.6
EBIT – Total reconciliation	**–24.3**	**–2.4**

In millions of euros

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

Geographical information

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

	Austria		European Union		Other countries	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
External revenue	1,079.4	1,213.4	6,834.7	7,482.2	3,039.6	3,362.6
Non-current assets	4,225.4	4,174.3	1,537.0	1,537.7	547.6	556.7
Investments in property, plant and equipment and intangible assets	271.3	363.6	109.8	143.9	39.3	65.2

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

	2010/11	2011/12
Gains on disposal of property, plant and equipment	6.3	12.4
Income from reversal of provisions	37.8	48.7
Exchange profits and income from the valuation of derivatives	47.8	60.9
Other operating income	242.1	232.0
	334.0	**354.0**

In millions of euros

In the business year 2011/12, operating income of EUR 92.1 million (2010/11: EUR 105.1 million) from the sale of products not generated in the course of ordinary activities is included in other operating income.

4. Other operating expenses

	2010/11	2011/12
Taxes other than income taxes	15.6	19.7
Losses on disposal of property, plant and equipment	4.1	2.5
Exchange losses and expenses from the valuation of derivatives	43.4	67.4
Other operating expenses	206.1	424.4
	269.2	**514.0**

In millions of euros

In the business year 2011/12, expenses of EUR 149.7 million (2010/11: EUR 117.7 million) from operating products not generated in the course of ordinary activities are included in other operating expenses.

Moreover, other operating expenses include expenditure in the amount of EUR 204.8 million for risks associated with the antitrust proceedings regarding suppliers in the railway sector as well as the planned closure of TSTG Schienen Technik GmbH & Co KG.

5. Share of profit of associates

	2010/11	2011/12
Income from associates	30.1	21.3
Expenses from associates	0.0	–1.2
	30.1	**20.1**

In millions of euros

Income from associates is primarily attributable to METALSERVICE S.P.A., Ningxia Kocel Steel Foundry Co. Ltd., Scholz Austria GmbH, and VA Intertrading Aktiengesellschaft.

6. Finance income

	2010/11	2011/12
Income from investments	5.0	7.6
Of which from affiliated companies	3.5	5.6
Income from other long-term securities and loans	2.9	2.9
Of which from affiliated companies	0.0	0.3
Other interest and similar income	43.5	61.8
Of which from affiliated companies	0.6	0.2
Income from disposals and fair value measurements of investment at fair value through profit or loss	2.7	7.3
	54.1	**79.6**

In millions of euros

7. Finance costs

	2010/11	2011/12
Expenses from other financial assets		
Net loss from fair value measurement of investment at fair value through profit or loss	4.1	0.3
Expenses from affiliated companies	0.0	0.0
Other expenses	0.5	4.9
	4.6	**5.2**
Other interest and similar expenses	283.5	294.3
Of which from affiliated companies	0.3	0.4
	288.1	**299.5**

In millions of euros

8. Income tax

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

	2010/11	2011/12
Current tax expense	**163.6**	**106.4**
Effective tax expense	161.4	108.7
Adjustments of taxes from previous periods	2.2	–2.3
Deferred tax expense	**22.8**	**–15.3**
Origination/reversal of temporary differences	44.9	–7.1
Impact of changes in tax rates	–0.5	0.2
Recognition of tax losses from previous periods	–21.6	–8.4
	186.4	**91.1**

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:

	2010/11		2011/12	
Profit before tax		**781.0**		**504.4**
Income tax using the Austrian corporate tax rate	25.0%	195.3	25.0%	126.1
Difference to foreign tax rates	1.1%	8.5	2.6%	13.1
Non-taxable income and expenses	1.4%	11.1	–3.4%	–17.0
Non-taxable income from participations	–1.1%	–8.8	–1.5%	–7.4
Effects of depreciation of investments and utilization of previously unrecognized losses carried forward	0.5%	4.0	–4.5%	–22.8
Taxes from previous periods	0.3%	2.7	–1.5%	–7.5
Own shares	0.1%	0.8	0.2%	1.0
Hybrid bond	–2.3%	–18.2	–3.6%	–18.0
Other differences	–1.1%	–9.0	4.8%	23.6
Effective Group tax rate (%)/income tax expense	**23.9%**	**186.4**	**18.1%**	**91.1**

In millions of euros

In Austria, dividends (interest) on hybrid capital represent a tax-deductible expense. The tax reduction is recognized through profit and loss and results in a decrease of the Group income tax expenses.

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	2,454.8	7,670.2	923.7	594.1	11,642.8
Accumulated depreciation and impairment	–1,165.7	–5,316.1	–675.5	–1.5	–7,158.8
Carrying amount as of April 1, 2010	**1,289.1**	**2,354.1**	**248.2**	**592.6**	**4,484.0**
Gross carrying amount	2,542.6	8,159.7	926.8	275.6	11,904.7
Accumulated depreciation and impairment	–1,222.5	–5,612.5	–698.2	–0.1	–7,533.3
Carrying amount as of March 31, 2011	**1,320.1**	**2,547.2**	**228.6**	**275.5**	**4,371.4**
Gross carrying amount	2,581.0	8,526.1	958.7	297.7	12,363.5
Accumulated depreciation and impairment	–1,275.1	–5,974.7	–735.4	0.0	–7,985.2
Carrying amount as of March 31, 2012	**1,305.9**	**2,551.4**	**223.3**	**297.7**	**4,378.3**

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, 2012:

	Land, land rights, and buildings	Plant and equipment	Fixtures and fittings	Advance payments and plant under construction	Total
Carrying amount as of April 1, 2010	**1,289.1**	**2,354.1**	**248.2**	**592.6**	**4,484.0**
Changes in the scope of consolidated financial statements	0.8	0.0	0.0	0.8	1.6
Additions	20.6	171.4	41.6	176.6	410.2
Transfers	67.1	413.1	–0.7	–493.7	–14.2
Disposals	–1.2	–3.2	–1.9	–2.4	–8.7
Depreciation	–61.8	–392.0	–60.9	0.0	–514.7
Impairment	–0.3	–7.6	0.0	0.0	–7.9
Reversal of impairment	3.4	0.0	0.0	0.0	3.4
Net exchange differences	2.4	11.4	2.3	1.6	17.7
Carrying amount as of March 31, 2011	**1,320.1**	**2,547.2**	**228.6**	**275.5**	**4,371.4**
Changes in the scope of consolidated financial statements	–0.6	–0.9	0.1	0.4	–1.0
Additions	40.0	267.8	50.0	201.6	559.4
Transfers	14.9	148.6	5.2	–175.2	–6.5
Disposals	–11.3	–2.1	–1.7	–3.0	–18.1
Depreciation	–61.3	–404.2	–58.6	0.0	–524.1
Impairment	–0.4	–0.6	0.0	0.0	–1.0
Reversal of impairment	1.3	0.8	0.1	0.0	2.2
Net exchange differences	3.2	–5.2	–0.4	–1.6	–4.0
Carrying amount as of March 31, 2012	**1,305.9**	**2,551.4**	**223.3**	**297.7**	**4,378.3**

In millions of euros

As of March 31, 2012, restrictions on the disposal of property, plant and equipment amounted to EUR 10.4 million (March 31, 2011: EUR 11.2 million). Furthermore, as of March 31, 2012, commitments for the purchase of property, plant and equipment amounted to EUR 271.4 million (March 31, 2011: EUR 179.9 million).

As in the previous year, immaterial borrowing costs relating to qualifying assets were capitalized in the reporting period. The calculation was based on an average borrowing cost rate of 4.7% (2010/11: 4.4%).

As of March 31, 2012, the gross carrying amount and accumulated depreciation of investment properties (IAS 40) are reported as follows:

	03/31/2011	03/31/2012
Gross carrying amount	38.5	36.8
Accumulated depreciation and impairment	–11.7	–11.5
Carrying amount	**26.8**	**25.3**

In millions of euros

The following table shows a reconciliation of the carrying amounts of investment properties for the periods presented in the consolidated financial statements as of March 31, 2012:

	2010/11	2011/12
Carrying amount as of April 1	**23.3**	**26.8**
Additions	7.0	0.0
Transfers	0.0	0.3
Disposals	0.0	–1.4
Depreciation	–3.5	–0.4
Carrying amount as of March 31	**26.8**	**25.3**

In millions of euros

Investment properties are measured at cost. Depreciation is recorded in line with the general accounting policies for property, plant and equipment. Based on comparable sales transactions, the market value of these assets is estimated at EUR 26.4 million (March 31, 2011: EUR 29.0 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		
2010/11						
Gross carrying amount	84.6	33.3	1.3	0.0	1.3	120.5
Accumulated depreciation and impairment	–21.2	–17.8	–0.9	0.0	–1.3	–41.2
Carrying amount	**63.4**	**15.5**	**0.4**	**0.0**	**0.0**	**79.3**
2011/12						
Gross carrying amount	81.7	33.1	1.5	0.0	1.0	117.3
Accumulated depreciation and impairment	–21.7	–19.7	–1.0	0.0	–1.0	–43.4
Carrying amount	**60.0**	**13.4**	**0.5**	**0.0**	**0.0**	**73.9**

In millions of euros

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

	Minimum finance lease payments		Discounts on finance lease		Present value of the minimum finance lease payments	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
Less than one year	7.5	11.2	–2.4	–1.7	5.1	9.5
Between one and five years	34.1	25.6	–8.3	–5.8	25.8	19.8
More than five years	30.5	23.4	–4.5	–2.5	26.0	20.9
	72.1	**60.2**	**–15.2**	**–10.0**	**56.9**	**50.2**

In millions of euros

The most significant finance lease agreements for buildings and production plants have a term between five and 22 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:

	2010/11	2011/12
Less than one year	34.5	38.0
Between one and five years	100.7	103.3
More than five years	59.7	48.3
	194.9	**189.6**

In millions of euros

Payments of EUR 47.2 million (2010/11: EUR 41.0 million) under operating leases have been recognized as expenses.

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

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

	2010/11	2011/12
Cost of sales	521.0	513.6
Distribution costs	51.9	38.5
Administrative expenses	36.6	30.0
Other operating expenses	11.3	15.6
	620.8	**597.7**

In millions of euros

Impairment losses and reversal of impairment losses

Impairment losses on property, plant and equipment (primarily due to lower usage thereof) amounting to EUR 1.0 million (March 31, 2011: EUR 7.9 million) were recognized during the reporting period (they affect primarily plant and equipment in the Special Steel Division). These are primarily recognized in the cost of sales.

Reversals of impairment losses on property, plant and equipment amounting to EUR 2.2 million were recognized through profit and loss due to an increase of the fair value during the reporting period (March 31, 2011: EUR 3.4 million in the Automotive Division). The reversals of impairment losses mainly affect the Metal Engineering Division. These are recognized primarily in other operating income.

10. Goodwill

	03/31/2010	03/31/2011	03/31/2012
Gross carrying amount	1,435.8	1,435.0	1,436.6
Impairment loss	–15.4	–15.4	–15.4
Carrying amount	**1,420.4**	**1,419.6**	**1,421.2**

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, 2012:

	Goodwill
Carrying amount as of April 1, 2010	**1,420.4**
Net exchange differences	–0.8
Carrying amount as of March 31, 2011	**1,419.6**
Changes in the scope of consolidated financial statements	0.4
Net exchange differences	1.2
Carrying amount as of March 31, 2012	**1,421.2**

In millions of euros

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the following cash-generating units:

	2010/11	2011/12
Total Steel Division	**160.2**	**160.2**
High Performance Metals	621.7	622.8
Special Forging	14.0	14.0
Total Special Steel Division	**635.7**	**636.8**
Turnout technology	129.9	123.7
Rail technology	25.2	31.9
Steel	25.8	25.8
Welding Consumables	169.4	169.4
Total Metal Engineering Division	**350.3**	**350.8**
Tubes and Sections	46.0	46.0
Storage Technology	11.2	11.2
Precision Strip	103.8	103.8
Total Profilform Division	**161.0**	**161.0**
Precision Parts and Safety Technology	16.9	16.9
Laser-Welded Blanks	4.5	4.5
Large Pressed Parts	20.9	20.9
Structural Parts	70.1	70.1
Total Automotive Division	**112.4**	**112.4**
voestalpine Group	**1,419.6**	**1,421.2**

In millions of euros

With regard to the value in use, goodwill is reviewed for impairment applying the discounted cash flow method. The calculation is performed on the basis of cash flows before tax of a medium-term business plan as of the beginning of March. This medium-term business plan is based on historical data as well as on assumptions regarding the expected future market performance. The Group's planning assumptions are extended to include sectoral planning assumptions. Intra-group evaluations are complemented by external market studies. 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). Cash flows are discounted using a pre-tax WACC of 8.4% (2010/11: 8.4%).

Both external market forecasts for the sale of flat steel products in Europe and internal sales forecasts were used for the three-year medium-term business plan of the Steel Division. The production plan reflects the sales forecasts. On the procurement side, the assumptions regarding raw materials according to global market forecasts were adjusted by factors that are specific to the Group. In the calculation of impairment, the last plan year was used as a basis to determine the cash flows in the perpetual annuity. It is presumed that the perpetual annuity will have a growth rate of 1%.

The impairment tests in the Special Steel Division are based on a detailed three-year planning period. A growth rate of 1% across the board was presumed. The three-year medium-term business plan of the Special Steel Division was prepared taking the regional circumstances in the core markets into consideration and also incorporating the economic circumstances of the industrial segments that are most important for the companies of the division. The external forecasts were adjusted using internal estimates. Changes in the prices of pre-materials can be largely passed on to the customers.

The three-year medium-term business plan was also used for the impairment tests of the cash generating units (CGU) of the Metal Engineering Division (until March 31, 2012 Railway Systems Division). The perpetual annuity is based on the last plan year. With the exception of the Welding Consumables CGU (1% growth factor), no growth factor was assumed. Market expectations for the most important sales regions and customer industries, sourced from external market studies and supplemented by internal forecasts regarding the development of competition and market share, were used as the basis for the planning of the Welding Consumables CGU. Planning in the steel, turnout technology, and rail technology CGUs is based on external market forecasts and the anticipated demand from the most important customers, adjusted by Group-internal estimates. On the procurement side, global market forecasts regarding the price trend for raw materials and pre-materials, adjusted by factors that are specific to the Group, were used for all CGUs in the Metal Engineering Division.

In the Profilform Division, sales planning assumptions are based on market estimates for the most important customer industries and industry sectors, taking special external market studies into consideration (e.g., Global Truck Report) as well as the market expectations of the most important customers. Forecasts of international research institutes were used as a basis for assessing the trend of pre-materials prices. The third plan year was used as a basis to determine the perpetual annuity. Growth rates were not used.

The impairment tests for the cash generating units (CGU) of the Automotive Division are based on a detailed three-year planning period of the groups of companies. The division's planning specifications for the individual units are based on medium-term production forecasts for the Pan-European automobile market. External forecasts were revised downward on the basis of internal estimates. Based on the last year of the detailed planning period, a growth factor of 1% is being assumed for the perpetual annuity.

In the absence of any indications to the contrary, the information provided for a division is equally relevant for all CGUs within the respective division.

The calculation showed that there was no impairment of goodwill for the business year 2011/12. A sensitivity analysis showed that with an increase of the discount rate (8.4%) by 10%, the carrying amounts are still covered and there is no need to recognize an impairment loss.

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

	2010/11	2011/12
High Performance Metals	62.5	62.5
Special Steel	149.9	92.9
Total Special Steel Division	**212.4**	**155.4**
Welding Consumables	12.6	12.6
Total Metal Engineering Division	**12.6**	**12.6**
Precision Strip	2.6	2.6
Total Profilform Division	**2.6**	**2.6**
voestalpine Group	**227.6**	**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.

In the previous year, a capital market funding advantage associated with the brand name Böhler-Uddeholm was contained in the brands with an indefinite useful life. In November 2011, the former BÖHLER-UDDEHOLM Aktiengesellschaft was renamed voestalpine Edelstahl GmbH. Therefore, the funding advantage will decline continuously over the long term. The depreciation period is ten years.

11. Other intangible assets

	Brands	Other	Advance payments	Total
Gross carrying amount	227.6	1,036.2	0.9	1,264.7
Accumulated amortization and impairment	0.0	–802.3	0.0	–802.3
Carrying amount as of April 1, 2010	**227.6**	**233.9**	**0.9**	**462.4**
Gross carrying amount	227.6	1,044.6	1.4	1,273.6
Accumulated amortization and impairment	0.0	–893.7	0.0	–893.7
Carrying amount as of March 31, 2011	**227.6**	**150.9**	**1.4**	**379.9**
Gross carrying amount	227.6	1,053.5	3.5	1,284.6
Accumulated amortization and impairment	–2.3	–960.3	0.0	–962.6
Carrying amount as of March 31, 2012	**225.3**	**93.2**	**3.5**	**322.0**

In millions of euros

The column "Brands" contains brands with an indefinite useful life amounting to EUR 170.6 million. No impairments have arisen.

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, 2012:

	Brands	Other	Advance payments	Total
Carrying amount as of April 1, 2010	**227.6**	**233.9**	**0.9**	**462.4**
Changes in the scope of consolidated financial statements	0.0	–1.1	0.0	–1.1
Additions	0.0	7.3	0.8	8.1
Transfers	0.0	9.5	–0.3	9.2
Disposals	0.0	0.0	0.0	0.0
Amortization	0.0	–95.6	0.0	–95.6
Impairment	0.0	–2.5	0.0	–2.5
Net exchange differences	0.0	–0.6	0.0	–0.6
Carrying amount as of March 31, 2011	**227.6**	**150.9**	**1.4**	**379.9**
Changes in the scope of consolidated financial statements	0.0	0.6	0.0	0.6
Additions	0.0	10.3	1.4	11.7
Transfers	0.0	1.7	0.8	2.5
Disposals	0.0	–0.3	0.0	–0.3
Amortization	–2.3	–70.4	0.0	–72.7
Net exchange differences	0.0	0.4	–0.1	0.3
Carrying amount as of March 31, 2012	**225.3**	**93.2**	**3.5**	**322.0**

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.

12. Investments in associates and other financial assets

	Investments in affiliated companies	Invest-ments in associates	Other invest-ments	Securities	Loans granted	Advance payments	Total
Gross carrying amount	24.3	129.0	61.2	85.1	11.8	0.0	311.4
Accumulated depreciation	–7.5	–2.5	–2.2	–3.9	–1.6	0.0	–17.7
Carrying amount as of April 1, 2010	**16.8**	**126.5**	**59.0**	**81.2**	**10.2**	**0.0**	**293.7**
Gross carrying amount	19.6	143.2	59.8	85.4	10.4	0.0	318.4
Accumulated depreciation	–7.5	–0.4	–2.2	–4.9	–1.9	0.0	–16.9
Carrying amount as of March 31, 2011	**12.1**	**142.8**	**57.6**	**80.5**	**8.5**	**0.0**	**301.5**
Gross carrying amount	19.2	149.8	57.0	80.0	17.8	0.2	324.0
Accumulated depreciation	–7.1	–0.4	–2.2	–3.0	–1.4	0.0	–14.1
Carrying amount as of March 31, 2012	**12.1**	**149.4**	**54.8**	**77.0**	**16.4**	**0.2**	**309.9**

In millions of euros

	Investments in affiliated companies	Investments in associates	Other investments	Securities	Loans granted	Advance payments	Total
Carrying amount as of April 1, 2010	**16.8**	**126.5**	**59.0**	**81.2**	**10.2**	**0.0**	**293.7**
Changes in the scope of consolidated financial statements	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additions	0.0	17.2	2.0	0.5	1.2	0.0	20.9
Transfers	–3.8	0.0	0.0	–0.1	–0.3	0.0	–4.2
Disposals	–0.4	0.0	–3.4	–0.2	–2.3	0.0	–6.3
Depreciation	–0.5	0.0	0.0	–0.9	–0.3	0.0	–1.7
Net exchange differences	0.0	–0.9	0.0	0.0	0.0	0.0	–0.9
Carrying amount as of March 31, 2011	**12.1**	**142.8**	**57.6**	**80.5**	**8.5**	**0.0**	**301.5**
Changes in the scope of consolidated financial statements	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additions	0.3	4.3	0.3	0.5	10.0	0.2	15.6
Transfers	–0.2	0.0	–1.0	0.0	–0.3	0.0	–1.5
Disposals	0.0	0.0	–2.1	–5.4	–2.3	0.0	–9.8
Depreciation	–0.1	0.0	0.0	–0.2	–0.3	0.0	–0.6
Revaluation	0.0	0.0	0.0	1.6	0.8	0.0	2.4
Net exchange differences	0.0	2.3	0.0	0.0	0.0	0.0	2.3
Carrying amount as of March 31, 2012	**12.1**	**149.4**	**54.8**	**77.0**	**16.4**	**0.2**	**309.9**

In millions of euros

Loans granted comprise the following items:

	03/31/2010	03/31/2011	03/31/2012
Loans to affiliated companies	1.3	1.1	1.1
Loans to associates	0.0	0.0	0.0
Loans to other investments	0.0	0.0	0.0
Other loans	8.4	6.9	12.5
Other receivables from financing	0.5	0.5	2.8
	10.2	**8.5**	**16.4**

In millions of euros

Other current investments include shares in the V54 investment fund amounting to EUR 316.8 million (March 31, 2011: EUR 321.4 million), EUR 60.0 million (March 31, 2011: EUR 115.6 million) in another liquidity fund, and other securities amounting to EUR 29.8 million (March 31, 2011: EUR 16.6 million).

Current and non-current securities amounting to EUR 151.6 million (March 31, 2011: EUR 195.2 million) are pledged for investment loans granted by the European Investment Bank.

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	
	03/31/2011	03/31/2012	03/31/2011	03/31/2012
Non-current assets	42.8	28.3	100.7	122.4
Current assets	33.2	83.1	62.8	52.2
Non-current provisions and liabilities	110.8	109.5	25.7	29.8
Current provisions and liabilities	42.2	43.4	35.3	33.3
Losses carried forward	71.3	62.9	0.0	0.0
Netting of deferred taxes to the same tax authority	–132.3	–155.6	–132.3	–155.6
	168.0	**171.6**	**92.2**	**82.1**
Intercompany profit elimination (netted)	22.1	19.6	0.0	0.0
Hidden reserves (netted)	0.0	0.0	125.5	106.1
Acquisition-related tax credit	180.6	162.5	0.0	0.0
Other	12.5	16.1	19.3	15.8
Net deferred taxes	**383.2**	**369.8**	**237.0**	**204.0**

In millions of euros

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

Deferred tax assets on losses carried forward in the amount of EUR 62.9 million (March 31, 2011: EUR 71.3 million) were recognized. As of March 31, 2012, there is a total of unused tax losses of approximately EUR 172.0 million (corporate income tax) (March 31, 2011: total of approximately EUR 53.5 million), for which no deferred tax asset has been recognized. Up to 2022, approximately EUR 35.1 million of tax loss carryforwards (corporate income tax) will expire.

Deferred tax assets and liabilities in the amount of EUR 7.9 million (March 31, 2011: EUR 5.5 million) for items recognized directly in equity were also recognized in equity with no effect on profit or loss during the reporting period.

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

	Change 2010/11	03/31/2011	Change 2011/12	03/31/2012
Deferred taxes on actuarial gains/losses	7.2	51.6	9.3	60.9
Deferred taxes on hedge accounting	–1.7	6.7	–1.4	5.3
Total of deferred taxes recognized in equity (Other comprehensive income)	**5.5**	**58.3**	**7.9**	**66.2**

In millions of euros

14. Inventories

	03/31/2011	03/31/2012
Raw materials and supplies	947.4	922.9
Work in progress	787.8	823.9
Finished goods	854.0	941.3
Merchandise	217.2	245.6
As yet unbillable services	6.3	7.2
Advance payments	11.4	11.8
	2,824.1	**2,952.7**

In millions of euros

Write-downs to the lower net realizable value amounting to EUR 96.2 million (March 31, 2011: EUR 78.6 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 683.8 million. Inventories of EUR 3.2 million (March 31, 2011: EUR 3.1 million) are pledged as security for liabilities. An amount of EUR 7,152.6 million (March 31, 2011: EUR 6,403.3 million) has been recognized as cost of materials.

15. Trade and other receivables

	03/31/2011	Of which over one year	03/31/2012	Of which over one year
Trade receivables	1,360.3	5.7	1,427.8	3.6
Receivables from affiliated companies	10.4	0.0	10.4	0.0
Receivables from other investments	41.7	0.0	47.4	0.0
Other receivables and other assets	297.4	7.7	288.8	10.2
	1,709.8	**13.4**	**1,774.4**	**13.8**

In millions of euros

Trade receivables include the following receivables from construction contracts:

	03/31/2011	03/31/2012
Aggregate amount of costs incurred up to the reporting date	118.5	153.3
Aggregate amount of accrued profits up to the reporting date	8.6	18.8
Aggregate amount of incurred losses up to the reporting date	–2.0	–5.6
Gross receivables from construction contracts	**125.1**	**166.5**
Less amount of advances received	–87.0	–105.4
Receivables from construction contracts	**38.1**	**61.1**

In millions of euros

Revenue from construction contracts amounts to EUR 214.1 million in the business year 2011/12 (2010/11: EUR 181.3 million).

16. Cash and cash equivalents

	03/31/2011	03/31/2012
Cash on hand, cash at banks, checks	1,233.4	677.2

In millions of euros

17. Equity

Share capital
(incl. disclosures in accordance with Sec. 240 of the Austrian Commercial Code (UGB))
The share capital remained unchanged during the reporting period. As of March 31, 2012, the share capital amounts to EUR 307,132,044.75 and is divided into 169,049,163 ordinary no-par value shares. All shares are fully paid up.

Under Sec. 4 (2) 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 152,521,231.38 by issuing up to 83,949,516 ordinary no-par value bearer shares (about 49.66%) up to June 30, 2014, against cash contributions and/or, if necessary, by excluding shareholders' subscription rights in full or in part, (i) against contributions in kind, including but not limited to contributions of equity interests, companies, businesses, or business units, and/or (ii) to be issued to employees, executives, and members of the Management Board of the Company or an affiliated company under an employee stock ownership plan or stock option plan (authorized capital increase). The Management Board did not exercise this authority during the reporting period.

Under 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 145,345,668.35 by issuing up to 80,000,000 ordinary no-par value bearer shares (= 47.32%) for issuance to creditors of financial instruments within the meaning of Sec. 174 of the Austrian Stock Corporation Act (convertible bonds, income bonds, or participation rights); the Management Board was authorized to issue these shares during the Annual General Meeting on July 1, 2009 (contingent capital increase). During the reporting period, the Management Board did not exercise the authority granted on July 1, 2009 to issue financial instruments within the meaning of Sec. 174 of the Austrian Stock Corporation Act.

During the Annual General Meeting on July 7, 2010, the Management Board was authorized to repurchase own shares up to December 31, 2012, representing no more than 10% of the respective share capital. The repurchase price may not be more than 20% below or 10% above the average stock exchange price of the shares on the three market trading days prior to the repurchase. The Management Board did not exercise this authority during the reporting period.

Capital reserves mainly include the share premium (net of capital funding costs), 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 equity in the year in which they are incurred.

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

The hedging reserve comprises gains and losses from the effective portion of the cash flow hedges. The cumulative gains or losses 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, 2012, has changed as follows:

	Number of no-par value shares	Number of own shares	Number of shares outstanding
Balance as of April 1, 2010	**169,049**	**658**	**168,391**
Additions			0
Disposals		–190	190
Balance as of March 31, 2011	**169,049**	**468**	**168,581**
Additions			0
Disposals		–168	168
Balance as of March 31, 2012	**169,049**	**300**	**168,749**

In thousands of shares

Hybrid capital

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

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

Non-controlling interests

The non-controlling interests as of March 31, 2012, result primarily from non-controlling interests in the VAE Group, voestalpine Railpro B.V., and Danube Equity AG.

18. Pensions and other employee obligations

	03/31/2011	03/31/2012
Provisions for severance payments	436.1	441.8
Provisions for pensions	289.8	307.8
Provisions for long-service bonuses	107.3	103.3
	833.2	**852.9**

In millions of euros

Provisions for severance payments

	2010/11	2011/12
Present value of defined benefit obligation (DBO) as of April 1	**424.6**	**436.1**
Service costs for the period	11.6	9.8
Interest costs for the period	21.6	20.1
Changes in the scope of consolidated financial statements	0.0	0.0
Severance payments	–32.8	–32.0
Actuarial gains (–)/losses (+)	11.1	7.8
Present value of defined benefit obligation (DBO) as of March 31	**436.1**	**441.8**

In millions of euros

	03/31/2008	03/31/2009	03/31/2010	03/31/2011	03/31/2012
Present value of defined benefit obligation (DBO)	447.8	444.3	424.6	436.1	441.8
Actuarial gains (+)/losses (–) due to parameter changes in %	2.7%	3.5%	–2.4%	–2.7%	0.0%

In millions of euros

Provisions for pensions

	2010/11	2011/12
Present value of defined benefit obligation (DBO) as of April 1	**671.2**	**713.4**
Service costs for the period	8.4	9.6
Interest costs for the period	34.2	33.7
Changes in the scope of consolidated financial statements	0.0	0.0
Pension payments	–27.0	–30.0
Net exchange differences	3.7	4.8
Actuarial gains (–)/losses (+)	22.9	31.4
Present value of defined benefit obligation (DBO) as of March 31	**713.4**	**762.9**
Plan assets as of March 31	–423.6	–455.1
Provisions for pensions as of March 31	**289.8**	**307.8**

In millions of euros

As of March 31, 2012, the present value of the defined benefit obligations amounts to EUR 762.9 million (March 31, 2011: EUR 713.4 million), with EUR 529.5 million (March 31, 2011: EUR 480.3 million) thereof wholly or partly funded; EUR 233.4 million (March 31, 2011: EUR 233.1 million) are unfunded.

	2010/11	2011/12
Plan assets as of April 1	**348.2**	**423.6**
Expected return for the period	20.3	23.9
Actuarial gains (+)/losses (–)	11.2	8.7
Net exchange differences	1.2	3.7
Changes in the scope of consolidated financial statements	0.0	0.0
Employer contributions	59.4	15.2
Pension payments	–16.7	–20.0
Plan assets as of March 31	**423.6**	**455.1**

In millions of euros

	03/31/2008	03/31/2009	03/31/2010	03/31/2011	03/31/2012
Present value of defined benefit obligation (DBO)	616.8	595.4	671.2	713.4	762.9
Plan assets	–337.9	–297.0	–348.2	–423.6	–455.1
	278.9	**298.4**	**323.0**	**289.8**	**307.8**
Actuarial gains (+)/losses (–) due to parameter changes in %	1.3%	7.4%	–7.3%	–4.3%	–1.9%

In millions of euros

The major categories of plan assets for the periods presented in the consolidated financial statements as of March 31, 2012, are as follows:

	2010/11	2011/12
Equity instruments	28.1%	28.7%
Debt instruments	49.1%	51.2%
Property	6.2%	4.6%
Other	16.6%	15.5%
	100.0%	**100.0%**

The plan assets include own shares with a fair value of EUR 1.0 million (March 31, 2011: EUR 2.2 million).

The average expected return is determined by the portfolio structure of the plan assets, empirical data, as well as estimates of future investment returns. The calculation of the provisions for pensions was based on an expected interest rate of 6% on plan assets. The actual interest rate was 7.7%.

The amount recognized as an expense in the income statement for defined contribution plans is EUR 21.1 million (2010/11: EUR 20.5 million).

Provisions for long-service bonuses

	2010/11	2011/12
Present value of defined benefit obligation (DBO) as of April 1	**105.5**	**107.3**
Service costs for the period	5.2	5.4
Interest costs for the period	5.2	4.8
Changes in the scope of consolidated financial statements	0.0	0.0
Long-service bonus payments	–9.2	–8.1
Actuarial gains (–)/losses (+)	0.6	–6.1
Present value of defined benefit obligation (DBO) as of March 31	**107.3**	**103.3**

In millions of euros

	03/31/2008	03/31/2009	03/31/2010	03/31/2011	03/31/2012
Present value of defined benefit obligation (DBO)	112.6	111.9	105.5	107.3	103.3

In millions of euros

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

	2010/11	2011/12
Service costs for the period	25.2	24.8
Interest costs for the period	61.0	58.6
Expected return on plan assets for the period	–20.3	–23.9
Expenses/revenue recognized in the income statement	**65.9**	**59.5**

In millions of euros

Interest costs for the period are recognized in the finance costs. The balance of the other two items is included in the functional areas of cost of sales, distribution costs, and administrative expenses and to a negligible extent in the functional area of other operating expenses.

19. Provisions

	Balance as of 04/01/2011	Changes in the scope of consolidated financial statements	Net exchange differences	Use	Reversal	Addition	Balance as of 03/31/2012
Non-current provisions							
Other personnel expenses	24.2	0.0	0.0	–8.1	–0.7	44.6	60.0
Warranties and other risks	6.7	0.0	0.0	–2.1	–0.1	–1.8	2.7
Other non-current provisions	52.4	0.0	–0.2	–2.2	–8.7	27.3	68.6
	83.3	**0.0**	**–0.2**	**–12.4**	**–9.5**	**70.1**	**131.3**
Current provisions							
Unused vacation entitlements	100.7	0.0	0.0	–63.5	0.0	73.5	110.7
Other personnel expenses	136.3	0.0	0.3	–137.6	–2.5	144.2	140.7
Warranties and other risks	54.1	–0.2	0.0	-12.4	–12.3	21.0	50.2
Onerous contracts	20.0	0.0	0.1	–11.4	–4.7	39.2	43.2
Other current provisions	91.0	0.0	0.2	–86.0	–15.7	296.8	286.3
	402.1	**–0.2**	**0.6**	**–310.9**	**–35.2**	**574.7**	**631.1**
	485.4	**–0.2**	**0.4**	**–323.3**	**–44.7**	**644.8**	**762.4**

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.

Current and non-current provisions include a provision amounting to EUR 205.0 million for risks associated with the antitrust proceedings regarding suppliers in the railway sector in Germany as well as the planned closure of TSTG Schienen Technik GmbH & Co KG.

The provision for the EU antitrust fine of voestalpine Austria Draht GmbH from the previous year amounting to EUR 17.1 million has been continued unchanged. Legal action was taken against the fine before the European General Court.

In the proceeding to review the cash settlement for the minority shareholders of BÖHLER-UDDEHOLM Aktiengesellschaft, on November 24, 2011, a settlement was reached. Approval of the settlement by the appropriate court was issued in early May 2012. Provisions amounting to EUR 36.9 million were recognized as of March 31, 2012 for payments to the former minority shareholders (base amount and interest) as well as for court and attorney's fees. The base amount was offset directly against equity. The associated interest expenditure was recognized in the income statement under finance costs.

20. Financial liabilities

	Up to one year		Over one year	
	03/31/2011	03/31/2012	03/31/2011	03/31/2012
Bank loans and bonds	1,359.4	1,732.8	3,001.5	1,921.2
Liabilities from finance leases	5.1	9.5	51.8	40.7
Liabilities from affiliated companies	20.6	22.3	0.0	0.0
Liabilities from other investments	22.8	14.8	0.1	0.1
Other payables and liabilities	20.1	19.8	17.2	8.7
	1,427.9	**1,799.2**	**3,070.6**	**1,970.7**

In millions of euros

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

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

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.

21. Trade and other payables

	03/31/2011	03/31/2012
Prepayments received on orders	65.9	74.6
Trade payables	1,113.2	1,146.4
Liabilities from bills payable	491.0	423.4
Liabilities from affiliated companies	6.4	5.6
Liabilities from other investments	3.9	4.1
Other liabilities from taxes	114.6	109.0
Other liabilities related to social security	42.0	41.7
Other payables and other liabilities	359.6	303.1
	2,196.6	**2,107.9**

In millions of euros

22. Contingent liabilities

	03/31/2011	03/31/2012
Obligations from bills payable	0.1	3.1
Surety bonds and guarantees	2.9	11.4
Other contingent liabilities	4.5	0.0
	7.5	**14.5**

In millions of euros

23. Financial instruments

General information

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

The Group also uses derivative financial instruments. These instruments mainly include interest rate swaps and forward exchange transactions. These derivative financial instruments are used to hedge interest rate and currency risks and risks from fluctuations in raw materials 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 Group's maximum sustainable gearing ratio has been set at 70% and may only be exceeded for a limited period of time. The net financial debt to EBITDA ratio may not exceed 3.0. All growth measures and capital market transactions are based on these ratios.

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

	03/31/2011	03/31/2012
Gearing ratio in %	57.8%	53.5%
Net financial debt to EBITDA ratio	1.7	2.0

Financial risk management – Corporate finance organization

Financial risk management also includes the area of raw material risk management. Financial risk management is organized centrally with respect to policy-making power, strategy determination, and target definition. The existing policies include targets, principles, duties, and responsibilities for both the Group treasury and individual Group companies. In addition, they govern the areas of pooling, money market, credit and securities management, currency, interest rate, 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 all business processes are additionally audited once a year by an external auditor.

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

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

voestalpine AG holds securities and current investments as a liquidity reserve. As of March 31, 2012, non-restricted securities amounted to EUR 312.3 million (March 31, 2011: EUR 318.9 million) and current investments to EUR 677.2 million (March 31, 2011: EUR 1,233.4 million).

Additionally, adequate credit lines that are callable at any time exist with domestic and foreign banks. These credit lines have not been drawn. In addition to the possibility of exhausting these financing arrangements, a contractually guaranteed liquidity reserve of EUR 800 million (2010/11: EUR 150 million) is available to bridge any economic downturns.

The sources of financing are managed on the basis of the principle of bank independence. Financing is currently being provided by approximately 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 performed during the business year 2011/12.

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	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
Bonds	111.0	399.8	399.7	0.0	496.0	496.5
Bank loans	1,248.4	1,333.0	2,092.4	1,231.3	13.4	193.4
Trade payables	1,113.1	1,146.0	0.0	0.4	0.0	0.0
Liabilities from finance leases	5.1	9.5	25.8	19.8	26.0	20.9
Other financial liabilities	20.1	19.8	17.2	8.6	0.0	0.1
Total liabilities	**2,497.7**	**2,908.1**	**2,535.1**	**1,260.1**	**535.4**	**710.9**

In millions of euros

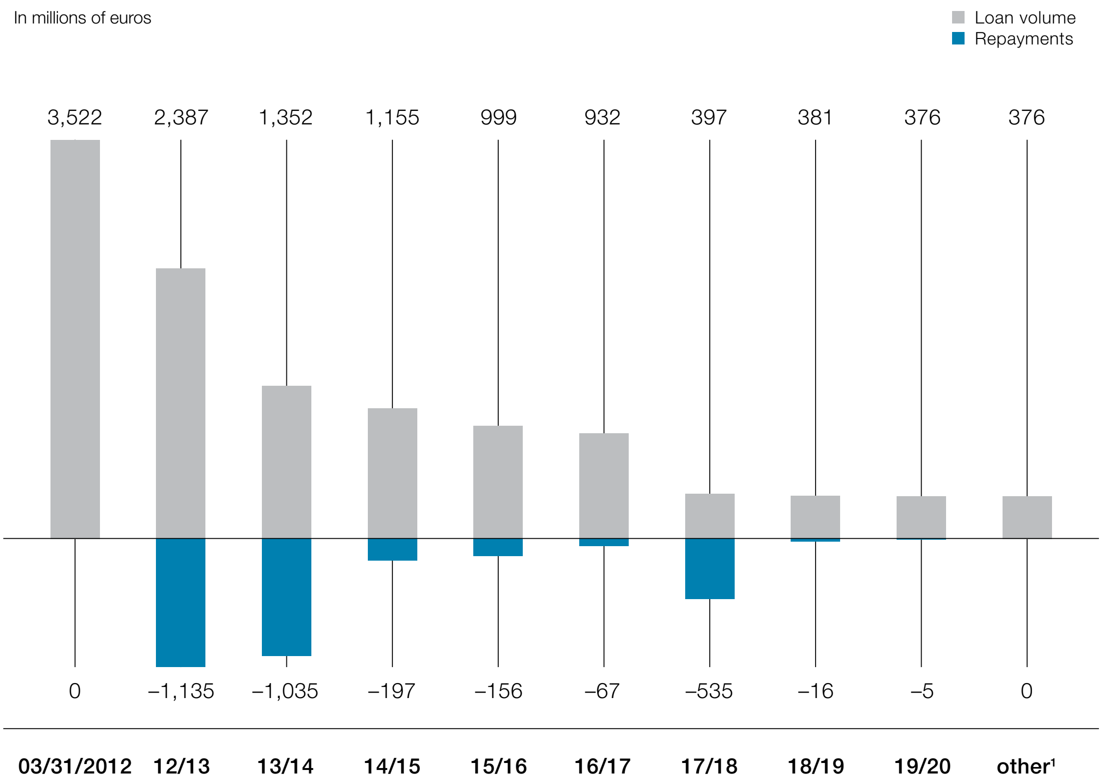
As estimated as of the reporting date, the following (prospective) interest charges correspond to these existing liabilities:

	Due within one year		Due between one and five years		Due after more than five years	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
Interest on bonds	65.3	58.8	130.1	95.1	47.6	23.8
Interest on bank loans	114.4	113.9	181.9	113.8	3.9	2.1
Interest on trade payables	0.0	0.0	0.0	0.0	0.0	0.0
Interest on liabilities from finance leases	2.4	1.7	8.3	5.8	4.5	2.5
Interest on other financial liabilities	0.0	0.8	0.0	0.3	0.0	0.0
Total interest charges	**182.1**	**175.2**	**320.3**	**215.0**	**56.0**	**28.4**

In millions of euros

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

Loan portfolio maturity structure



[1] Contains EUR 376.0 million of revolving export loans

Credit risk

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

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

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

Receivables that are past due but not impaired

	03/31/2011	03/31/2012
Up to 30 days past due	145.3	174.9
31 to 60 days past due	39.5	44.8
61 to 90 days past due	13.5	25.3
91 to 120 days past due	7.2	10.8
More than 120 days past due	18.2	19.7
Total	**223.7**	**275.5**

In millions of euros

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

Impairment for receivables

	2010/11	2011/12
Opening balance as of April 1	**45.4**	**46.5**
Additions	17.5	9.9
Net exchange differences	–0.4	0.0
Changes in the scope of consolidated financial statements	–0.1	0.6
Reversal	–9.3	–9.6
Use	–6.6	–5.6
Closing balance as of March 31	**46.5**	**41.8**

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	NR
Bonds	80	175	141	19	14
Money market investments excl. account credit balances	0	154	285	0	0
Derivatives[1]	0	8	18	2	0

[1] Only positive market value

In millions of euros

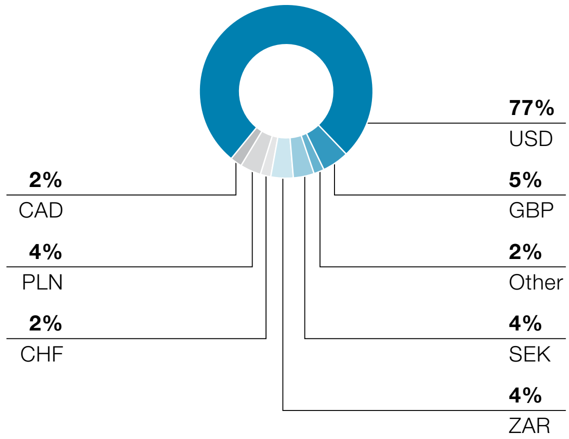
Currency risk

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

An initial hedge is provided by naturally covered items where, for example, trade receivables in USD are offset by liabilities for the purchase of raw materials (USD netting). The use of derivative hedging instruments is another possibility. voestalpine AG hedges budgeted (net) foreign currency payments over the next 12 months. Longer-term hedging occurs only for contracted projects. The hedging ratio is between 50% and 100%. The further in the future the cash flow lies, the lower the hedging ratio.

The net requirement for USD was USD 1,555.1 million in the business year 2011/12. The increase compared to the previous year (USD 1,143.9 million) was due to the rise in quantities and prices of raw materials purchased as well as higher sales prices. 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 2011/12 (net)



Based on the Value-at-Risk calculation, as of March 31, 2012, 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]	–397.58	–22.09	32.81	17.75	7.55	5.91	26.51	16.17
VaR (95%/year)	67.49	3.68	6.80	2.31	1.24	1.09	3.09	2.84

[1] Unhedged planned positions for the business year 2012/13

In millions of euros

Taking into account the correlation between the different currencies, the resulting portfolio risk is EUR 66.0 million (March 31, 2011: EUR 69.0 million).

Interest rate risk

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

The primary objective of interest rate management is to optimize interest expenses while taking the risk into consideration.

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 2.8 million (2010/11: EUR 6.4 million).

The weighted average interest rate for asset positions is 0.85% (2010/11: 1.35%) with a duration of 0.82 years (2010/11: 0.64 years) – including money market investments – and 3.53% (2010/11: 4.57%) for liability positions with a duration of 1.42 years (2010/11: 1.46 years).

	Position[1]	Weighted average interest rate	Duration (years)	Average capital commitment (years)[2]	Sensitivity to a 1% change in the interest rate[1]	Cash flow risk[1]
Assets	1,165.6	0.85%	0.82	0.88	–8.0	–9.3
Liabilities	–3,659.6	3.53%	1.42	2.86	80.4	12.1
Net	–2,494.0				72.4	2.8

[1] In millions of euros
[2] Excluding revolving export loans of EUR 376.0 million

The present value risk determined using the Value-at-Risk calculation for March 31, 2012, is equal to EUR 8.3 million (2010/11: EUR 29.7 million) for positions on the assets side given a 1% change in the interest rate and EUR 79.5 million (2010/11: EUR 199.4 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 71.2 million (2010/11: EUR 169.7 million).

The asset positions include EUR 399.0 million (previous year: EUR 407.4 million) of investments in the V47 and V54 funds of funds. 96.2% of the fund assets are invested in bonds and money market securities in euros or in cash in the three sub-funds V101, V102, and V103 and in three special funds as follows:

Funds	Investment currency	
Sub-fund V101	EUR 131.5 million	with a duration of 0.65
Sub-fund V102	EUR 123.0 million	with a duration of 2.15
Sub-fund V103	EUR 114.2 million	with a duration of 4.03
Special funds	EUR 15.2 million	(only included in V54)

The funds of funds include EUR 15.1 million in equities (3.7% of fund assets), which are divided among two global equity funds with different investment approaches (March 31, 2011: EUR 16.2 million, 3.9% of fund assets).

For reasons of credit risk management, an amount of EUR 60.0 million (March 31, 2011: EUR 115.6 million) has been invested in daily realizable, externally managed money market funds and other securities with an A rating as a replacement for money market investments.

In the business year 2011/12, the following gains in the funds of funds were recorded:

Funds of funds	Performance
V47	4.94%
V54	4.60%

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 9.4 million (2010/11: net profit EUR 6.9 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 as of March 31, 2012:

	Nominal value (in millions of euros)	Fair value (in millions of euros)	Of which accounted for in equity	Maturity
Forward exchange transactions (incl. currency swaps)	711.4	12.9	4.1	< 2 years
Interest rate derivatives	1,799.0	–23.4	–25.5	< 7 years
Commodity swaps	25.6	0.5	0.0	< 2 years
Total	**2,536.0**	**–10.0**	**–21.4**	

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

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

- If the hedged asset or liability is already recognized in the statement of financial position or an obligation not recorded in the statement of financial position is hedged, the unrealized profits and losses from the hedged transaction are recognized through profit and loss. At the same time, the hedged item is reported at fair value, regardless of its initial valuation method. The resulting unrealized profits and losses are offset with the unrealized results of the hedged transaction in the income statement, so that in total, only the ineffective portion of the hedged transaction is reported in profit or loss for the period (fair value hedges).

- If a future transaction is hedged, the effective portion of the unrealized profits and losses accumulated up to the reporting date is recognized directly in equity. The ineffective portion is recognized through profit and loss. When the transaction that is hedged results in the recognition of an asset or a liability in the statement of financial position, the amount recognized in equity is taken into account when the carrying amount of this item is determined. Otherwise, the amount reported in equity is recognized through profit or loss in accordance with the income effectiveness of the future transaction or the existing obligation (cash flow hedges).

In the business year 2011/12, 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.

Net gains of foreign currency and interest rate derivatives (cash flow hedges) amounting to EUR 25.3 million (2010/11: EUR –16.7 million) were recognized through profit and loss in the reporting period.

Losses amounting to EUR 2.6 million (2010/11: profits amounting to EUR 2.8 million) on raw material hedges, which are designated as fair value hedges, were recognized through profit and loss. Gains for the corresponding hedged items amounting to EUR 2.6 million (2010/11: losses amounting to EUR 2.8 million) were also recognized through profit and loss.

Negative fair values amounting to EUR 5.7 million (2010/11: positive fair values amounting to EUR 10.7 million) previously recorded in the reserve for foreign exchange hedges were recognized through profit and loss during the reporting period; positive fair values amounting to EUR 4.1 million (2010/11: negative fair values amounting to EUR 5.7 million) were allocated to the reserve. The reserve for interest hedges decreased by EUR 4.3 million (2010/11: EUR 25.3 million increased) following changes in the fair values of the hedges.

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

	Total contractual cash flows		Contractual cash flows					
			< 1 year		> 1 year and < 5 years		> 5 years	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
Interest derivatives								
Assets	4.5	4.6	2.8	2.8	1.7	1.3	0.0	0.5
Liabilities	–25.7	–30.1	–6.7	–15.9	–19.0	–12.5	0.0	–1.7
	–21.2	**–25.5**	**–3.9**	**–13.1**	**–17.3**	**–11.2**	**0.0**	**–1.2**
Currency derivatives								
Assets	1.5	5.5	1.0	5.5	0.5	0.0	0.0	0.0
Liabilities	–7.2	–1.4	–7.2	–1.4	0.0	0.0	0.0	0.0
	–5.7	**4.1**	**–6.2**	**4.1**	**0.5**	**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		
Categories	Loans and receivables	Financial assets measured at fair value through profit or loss		
		Held for trading (derivatives)	Other	Total
Assets 2010/11				
Other financial assets – non-current	8.5		150.2	158.7
Trade and other receivables	1,697.7	12.1		1,709.8
Other financial assets – current			453.6	453.6
Cash and cash equivalents	1,233.4			1,233.4
Carrying amount	**2,939.6**	**12.1**	**603.8**	**3,555.5**
Fair value	**2,939.6**	**12.1**	**603.8**	**3,555.5**
Assets 2011/12				
Other financial assets – non-current	16.6		143.9	160.5
Trade and other receivables	1,772.5	1.9		1,774.4
Other financial assets – current			406.6	406.6
Cash and cash equivalents	677.2			677.2
Carrying amount	**2,466.3**	**1.9**	**550.5**	**3,018.7**
Fair value	**2,466.3**	**1.9**	**550.5**	**3,018.7**

In millions of euros

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

Classes	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value	
Categories	**Financial liabilities measured at amortized cost**	**Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)**	**Total**
Liabilities 2010/11			
Financial liabilities – non-current	3,070.6		3,070.6
Financial liabilities – current	1,427.9		1,427.9
Trade and other payables	2,154.3	48.1	2,202.4
Carrying amount	**6,652.8**	**48.1**	**6,700.9**
Fair value	**6,716.0**	**48.1**	**6,764.1**
Liabilities 2011/12			
Financial liabilities – non-current	1,970.7		1,970.7
Financial liabilities – current	1,799.2		1,799.2
Trade and other payables	2,101.4	12.1	2,113.5
Carrying amount	**5,871.3**	**12.1**	**5,883.4**
Fair value	**5,954.7**	**12.1**	**5,966.8**

In millions of euros

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

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

	Level 1	Level 2	Level 3	Total
2010/11				
Financial assets				
Financial assets measured at fair value through profit or loss				
Held for trading (derivatives)		12.1		12.1
Other	534.1		69.7	603.8
	534.1	**12.1**	**69.7**	**615.9**
Finacial liabilities				
Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)		48.1		48.1
	0.0	**48.1**	**0.0**	**48.1**
Total	**534.1**	**60.2**	**69.7**	**664.0**
2011/12				
Financial assets				
Financial assets measured at fair value through profit or loss				
Held for trading (derivatives)		1.9		1.9
Other	483.6		66.9	550.5
	483.6	**1.9**	**66.9**	**552.4**
Finacial liabilities				
Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)		12.1		12.1
	0.0	**12.1**	**0.0**	**12.1**
Total	**483.6**	**14.0**	**66.9**	**564.5**

In millions of euros

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

Financial instruments that are classified as Level 3 declined in the reporting period from EUR 69.7 million to EUR 66.9 million. The change is primarily the result of consolidation and the disposal of previously non-consolidated entities.

The table below shows net gains and losses on categories of financial instruments:

	2010/11	2011/12
Loans and receivables	34.8	55.7
Held for trading (derivatives)	–7.6	25.7
Other	5.7	11.9
Financial liabilities	–212.6	–223.6

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:

	2010/11	2011/12
Total interest income	41.7	54.2
Total interest expense	–217.0	–220.8

In millions of euros

The impairment loss on financial instruments measured at amortized cost amounts to EUR 13.2 million (2010/11: EUR 23.8 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.

	2010/11	2011/12
Interest received	43.5	61.8
Interest paid	236.2	248.5
Taxes paid	76.2	167.7

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

	2010/11	2011/12
Depreciation, amortization, and impairment	619.0	593.7
Result from sale of assets	–1.3	–7.7
Changes in pensions and other employee obligations, non-current provisions, and deferred taxes	5.3	24.0
Other non-cash income and expenses	–23.0	–29.0
	600.0	**581.0**

In millions of euros

Cash flows from operating activities include dividend income of EUR 22.7 million (2010/11: EUR 15.0 million) from associates and other investments.

Cash flows from investing activities include inflows of cash and cash equivalents in the amount of EUR 0.0 million (2010/11: EUR 2.6 million) from initial consolidation of previously non-consolidated subsidiaries. The sale of a subsidiary resulted in an outflow of cash and cash equivalents from cash flows from investing activities of EUR 0.0 million (2010/11: EUR 0.1 million) and an inflow of the sale price in the amount of EUR 1.4 million (2010/11: EUR 2.8 million).

Share purchases from non-controlling shareholders will be shown in cash flow from financing activities from the business year 2011/12 onward. The preceding year's figures were adjusted accordingly.

25. Related party disclosures

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

	2010/11		2011/12	
	With proportionately consolidated entities	With entities consolidated according to the equity method and non-consolidated subsidiaries	With proportionately consolidated entities	With entities consolidated according to the equity method and non-consolidated subsidiaries
Revenue	86.9	453.1	126.2	427.3
Material expenses	8.4	192.5	11.3	186.9
Other operating expenses	0.0	35.6	0.0	35.9
	03/31/2011		03/31/2012	
Trade and other receivables	14.8	109.4	11.4	100.0
Financial liabilities/trade and other payables	28.4	53.1	17.0	37.1

In millions of euros

The receivables and liabilities with entities consolidated according to the equity method and 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 terms and are presented as follows:

	03/31/2011	03/31/2012
Cash and cash equivalents	86.3	88.4
Financial liabilities/trade and other payables	256.2	222.0
Guarantees received	29.2	2.1

In millions of euros

In the business year 2011/12, 873 temporary employees (2010/11: 862) from a company reported under other investments were employed to cover short-term personnel shortages.

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

Management Board

The fixed compensation of the Management Board is determined by the 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 135% of the annual gross salary for members of the Management Board and to 175% 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 the profit from operations (EBIT) and return on capital employed (ROCE). Specific target amounts are determined periodically (generally for a period of three years) by the 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. In addition to submitting a long-term strategy concept for the voestalpine Group, in the business year 2011/12, an explicit, precisely quantified reduction of the gearing was agreed as the qualitative target.

The amount of the contractually approved company pension depends on the length of service for members of the Management Board Dr. Eder, Dipl.-Ing. Hirschmanner, Dipl.-Ing. Mülner, Dipl.-Ing. Mag. Ottel, and Mag. Spreitzer. 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 Dipl.-Ing. Rotter and Dipl.-Ing. Dr. Kainersdorfer; thereby 15% of his 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 0.2 million (2010/11: EUR 0.2 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 reporting period:

	Current fixed compen-sation	Current variable compen-sation	Compen-sation payments	Share-based payments	Total
Dr. Wolfgang Eder	0.8	1.0		1.1	**2.9**
Dipl.-Ing. Franz Hirschmanner (until 03/31/2012)	0.6	0.6	3.5	1.1	**5.8**
Dipl.-Ing. Josef Mülner (until 06/30/2011)	0.2	0.2	1.2	0.9	**2.5**
Dipl.-Ing. Dr. Franz Kainersdorfer (as from 07/01/2011)	0.3	0.4			**0.7**
Mag. Dipl.-Ing. Robert Ottel	0.6	0.6		1.2	**2.4**
Dipl.-Ing. Franz Rotter	0.6	0.5			**1.1**
Mag. Wolfgang Spreitzer (until 03/31/2012)	0.6	0.6	2.6	0.9	**4.7**
2011/12	**3.7**	**3.9**	**7.3**	**5.2**	**20.1**
2010/11	3.7	5.1	1.3	0.0	10.1

In millions of euros

The current compensation of the Management Board of voestalpine AG in the reporting period fell compared to the business year 2010/11 due to a decline of the variable salary components from a total of EUR 8.8 million to EUR 7.6 million.

In the reporting period, three members of the Management Board retired. Compensation payments in the amount of EUR 7.3 million were made for severance payments, applying the Salaried Employees Act mutatis mutandis, and as compensation for early contract termination.

Within the scope of a five-year stock option program, which ended as of June 30, 2011, all eligible members of the Management Board exercised all the options in the business year 2011/12. The share-based compensation resulted in payments totaling EUR 5.2 million. Regarding information on the share-based payment (stock option program), we refer to Item 27.

Defined benefit (current service costs) and defined contribution pension expense for members of the Management Board amounted to EUR 0.3 million (2010/11: EUR 0.3 million) in the reporting period.

At the reporting date, the outstanding balance of the variable compensation was EUR 2.9 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 divided in proportion to the assigned fractions of 100% for the Chairman, 75% for the Vice-Chairman, and 50% for all other members, with a minimum compensation of EUR 20,000 for the Chairman, EUR 15,000 for the Vice-Chairman, and EUR 10,000 for all other members of the Supervisory Board. Compensation is limited to a multiple of four times the stated amounts. Additionally, members of the Supervisory Board receive an attendance honorarium amounting to EUR 500 per Supervisory Board meeting.

According to this regulation, the shareholders' representatives in the Supervisory Board received the following compensation for the business year 2011/12: Dr. Joachim Lemppenau (Chairman): EUR 80,000 (2010/11: EUR 80,000); Dr. Ludwig Scharinger (Vice-Chairman): EUR 60,000 (2010/11: EUR 60,000); all other shareholders' representatives: EUR 40,000 (2010/11: EUR 40,000). The members of the Supervisory Board nominated by the Works Council do not receive any compensation.

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

The compensation of the Supervisory Board (incl. attendance honorarium) totaled EUR 0.4 million (2010/11: EUR 0.4 million) in the business year 2011/12. Payment of the compensation of the Supervisory Board for the business year 2011/12 is carried out at the latest 14 days after the Annual General Meeting on July 4, 2012. No advances or loans were granted to members of the Supervisory Board of voestalpine AG.

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

As legal counsel to voestalpine AG, the law firm Binder Grösswang Rechtsanwälte GmbH, of which Dr. Michael Kutschera (member of the Supervisory Board) is partner, provided legal advisory services relative to the minority shareholder squeeze-out procedure related to BÖHLER-UDDEHOLM Aktiengesellschaft in the reporting period 2011/12. Fees for this matter are invoiced at the general hourly rates of the law firm of Binder Grösswang Rechtsanwälte GmbH applicable at the time. For the business year 2011/12, total net fees of EUR 89,791.00 (2010/11: EUR 59,410.84) were incurred for services provided by the law firm of Binder Grösswang Rechtsanwälte GmbH.

26. Employee information

Total personnel expenses include the following items:

	2010/11	2011/12
Wages	917.7	991.1
Salaries	816.9	847.1
Expenses for severance payments	25.4	26.1
Expenses for pensions	22.5	24.6
Expenses for statutory benefits and payroll-based contributions	401.6	431.1
Other social security expenses	49.0	91.3
	2,233.1	**2,411.3**

In millions of euros

Total number of employees

	Reporting date		Average	
	03/31/2011	03/31/2012	2010/11	2011/12
Workers	25,533	26,225	24,840	25,848
Salaried employees	15,167	15,424	15,099	15,321
Apprentices	1,330	1,263	1,522	1,430
	42,030	**42,912**	**41,461**	**42,599**

27. Share-based payments

Stock option plan

A stock option plan was resolved by the Management Board and approved by the Supervisory Board of the Company in the business year 2006/07. The vesting period ended June 30, 2008. The members of the Management Board Dr. Eder, Dipl.-Ing. Hirschmanner, Dipl.-Ing. Mülner, Dipl.-Ing. Mag. Ottel and Mag. Spreitzer were granted a total of 900,000 options and executives were granted 3,309,795 options. The options and the right to exercise the options were not transferable. The options could be exercised if the participant was a current employee or officer of voestalpine AG or a Group company.

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

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

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

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

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

During the reporting period, the outstanding options developed as follows:

	2010/11	2011/12
Outstanding options as of April 1	**3,855,330**	**2,655,247**
Expired options	–12,000	–66,570
Exercised options	–1,188,083	–2,588,677
Outstanding options as of March 31	**2,655,247**	**0**

Option exercises averaged an option price of EUR 5.5 per option. In the business year 2011/12, the members of the Management Board of voestalpine AG exercised 900,000 options at an average option price of EUR 5.73 per option.

28. Expenses for the Group auditor

Expenses for the Group auditor are structured as follows:

	2010/11	2011/12
Expenses for the audit of the financial statements	0.2	0.2
Expenses for other certifications	0.9	0.9
Expenses for tax consulting services	0.0	0.0
Expenses for other services	0.0	0.0
	1.1	**1.1**

In millions of euros

29. Disclosures of transactions not recorded in the statement of financial position in accordance with Sec. 266 (2a) of the Austrian Commercial Code (UGB)

Trade receivables amounting to EUR 691.0 million (March 31, 2011: EUR 614.2 million) were sold and derecognized. With regard to factoring, credit insured trade receivables are assigned to banks at 100% of their nominal value, whereby the acquiring banks assume the default risk (del credere risk and political risk); moreover, the power of disposition is transferred to the buyer of the receivables. The seller assumes a contingent liability in the amount of the deductible (mostly 10%) of the credit insurance. At the reporting date, the maximum risk from the contingent liability amounts to EUR 69.1 million (March 31, 2011: EUR 68.3 million).

30. Events after the reporting period

No significant events have occured after the reporting period.

31. Earnings per share

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

	2010/11	2011/12
Profit attributable to equity holders of the parent	**512,745**	**333,506**
Issued ordinary shares (average)	169,049,163	169,049,163
Effect of own shares held (average)	–513,338	–338,299
Weighted average number of outstanding ordinary shares	**168,535,825**	**168,710,864**
Diluted and basic (undiluted) earnings per share (euros)	**3.04**	**1.98**

In thousands of euros

32. Dividend

In accordance with the Austrian Stock Corporation Act, the appropriation of net profit is based on the annual financial statements of voestalpine AG as of March 31, 2012. These financial statements show net retained profits of EUR 136.0 million. The Management Board proposes a dividend of EUR 0.80 per share (2010/11: EUR 0.80).

Linz, May 16, 2012

The Management Board

Wolfgang Eder   Herbert Eibensteiner   Franz Kainersdorfer   Robert Ottel   Franz Rotter

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, 2011 to March 31, 2012. These consolidated financial statements comprise the consolidated balance sheet as of March 31, 2012, 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, 2012, 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, 2012 and of its financial performance and its cash flows for the fiscal year from April 1, 2011 to March 31, 2012 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 16, 2012

Grant Thornton Unitreu GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Univ.-Doz. Dr. Walter Platzer

Dr. Franz Schiessel

Certified Public 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 (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 16, 2012

The Management Board

Wolfgang Eder	Herbert Eibensteiner	Franz Kainersdorfer	Robert Ottel	Franz Rotter
Chairman of the Management Board	Member of the Management Board	Member of the Management Board	Member of the Management Board	Member of the Management Board

voestalpine AG

Investments

Steel Division

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Stahl GmbH	AUT	100.000%	voestalpine AG	KV
Breuckmann GmbH	DEU	100.000%	voestalpine Stahl GmbH	KV
Logistik Service GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Anarbeitung GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Eurostahl GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Giesserei Linz GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Giesserei Traisen GmbH	AUT	100.000%	voestalpine Giesserei Linz GmbH	KV
voestalpine Grobblech GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Personalberatung GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Stahl Service Center GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Standortservice GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Steel Service Center Polska Sp. z o.o.	POL	100.000%	voestalpine Stahl Service Center GmbH	KV
voestalpine Steel Service Center Romania SRL	ROU	100.000%	voestalpine Stahl Service Center GmbH	KV
GEORG FISCHER FITTINGS GmbH[1]	AUT	49.000%	voestalpine Stahl GmbH	KE
Herzog Coilex GmbH[2]	DEU	25.100%	voestalpine Stahl Service Center GmbH	KE
Industrie-Logistik-Linz GmbH & Co KG[1]	AUT	37.000%	voestalpine Stahl GmbH	KE
Jiaxing NYC Industrial Co., Ltd[1]	CHN	51.000%	voestalpine Giesserei Linz GmbH	KE
Kühne + Nagel Euroshipping GmbH[1]	DEU	49.000%	Logistik Service GmbH	KE
METALSERVICE S.P.A.[1]	ITA	40.000%	voestalpine Stahl Service Center GmbH	KE
Ningxia Kocel Steel Foundry Co. Ltd.[1]	CHN	49.043%	voestalpine Giesserei Linz GmbH	KE
Scholz Austria GmbH[1]	AUT	25.883%	voestalpine Stahl GmbH	KE
Scholz Austria GmbH[1]	AUT	4.727%	voestalpine Stahl Donawitz GmbH & Co KG	KE
Scholz Austria GmbH[1]	AUT	3.401%	BÖHLER Edelstahl GmbH & Co KG	KE
Wuppermann Austria Gesellschaft m.b.H.[1]	AUT	30.000%	voestalpine Stahl GmbH	KE
Austrian Center of Competence in Mechatronics GmbH	AUT	33.333%	voestalpine Stahl GmbH	K0

[1] For companies consolidated according to the equity method marked [1], the reporting date of December 31 applies.
[2] For the company consolidated according to the equity method marked [2], the reporting date of September 30 applies.

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

Special Steel Division

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Edelstahl GmbH	AUT	100.000%	voestalpine AG	KV
Aceros Boehler del Ecuador S.A.	ECU	1.753%	BOHLER-UDDEHOLM COLOMBIA S.A.	KV
Aceros Boehler del Ecuador S.A.	ECU	98.247%	voestalpine Edelstahl GmbH	KV
Aceros Boehler del Peru S.A.	PER	2.500%	BÖHLER Edelstahl GmbH & Co KG	KV
Aceros Boehler del Peru S.A.	PER	95.000%	voestalpine Edelstahl GmbH	KV
Aceros Boehler del Peru S.A.	PER	2.500%	BÖHLER Edelstahl GmbH	KV
ACEROS BOEHLER UDDEHOLM S.A.	ARG	94.378%	voestalpine Edelstahl GmbH	KV
ACEROS BOEHLER UDDEHOLM S.A.	ARG	5.622%	BÖHLER Edelstahl GmbH	KV
Aceros Bohler Uddeholm, S.A. de C.V.	MEX	100.000%	voestalpine Edelstahl GmbH	KV
ACOS BOHLER-UDDEHOLM DO BRASIL LTDA.	BRA	100.000%	voestalpine Edelstahl GmbH	KV
Aktiebolaget Finansa	SWE	100.000%	Uddeholms AB	KV
ASSAB Celik ve Isil Islem A.S.	TUR	99.888%	voestalpine Edelstahl GmbH	KV
ASSAB Celik ve Isil Islem A.S.	TUR	0.036%	Böhler Grundstücks GmbH & Co. KG	KV
ASSAB Celik ve Isil Islem A.S.	TUR	0.036%	BÖHLER-UDDEHOLM Immobilien GmbH	KV
ASSAB Celik ve Isil Islem A.S.	TUR	0.036%	BÖHLER Edelstahl GmbH	KV
ASSAB Celik ve Isil Islem A.S.	TUR	0.003%	Uddeholm Holding AB	KV
ASSAB International Aktiebolag	SWE	100.000%	voestalpine Edelstahl GmbH	KV
ASSAB Pacific Pte.Ltd.	SGP	100.000%	voestalpine Edelstahl GmbH	KV
ASSAB SRIPAD STEELS LIMITED	IND	70.000%	voestalpine Edelstahl GmbH	KV
ASSAB Steels (China) Ltd.	CHN	100.000%	ASSAB Steels (HK) Ltd.	KV
ASSAB Steels (HK) Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Steels (Korea) Co., Ltd.	KOR	85.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Steels (Malaysia) Sdn Bhd	MYS	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Steels (Taiwan) Ltd.	TWN	82.500%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Steels (Thailand) Ltd.	THA	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Steels Singapore (Pte) Ltd.	SGP	90.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Technology (Malaysia) Sdn Bhd	MYS	100.000%	ASSAB Steels (Malaysia) Sdn Bhd	KV
ASSAB Tooling (Beijing) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Tooling (Dong Guan) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Tooling (Qing Dao) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Tooling (Xiamen) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Tooling Technology (Chongqing) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Tooling Technology (Ningbo) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV

	Domicile of the company	Interest held	Parent company	Type of consolidation
ASSAB Tooling Technology (Shanghai) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
Associated Swedish Steels Aktiebolag	SWE	100.000%	Uddeholms AB	KV
Associated Swedish Steels Phils., Inc.	PHL	92.500%	ASSAB Pacific Pte.Ltd.	KV
Böhler Aktiengesellschaft	DEU	100.000%	voestalpine Edelstahl GmbH	KV
BÖHLER Bleche GmbH	AUT	100.000%	voestalpine Edelstahl GmbH	KV
BÖHLER Bleche GmbH & Co KG	AUT	100.000%	voestalpine Edelstahl GmbH	KV
BÖHLER Edelstahl GmbH	AUT	100.000%	voestalpine Edelstahl GmbH	KV
BÖHLER Edelstahl GmbH & Co KG	AUT	100.000%	voestalpine Edelstahl GmbH	KV
BÖHLER GRUNDSTÜCKS BETEILIGUNGS GMBH	DEU	100.000%	Böhler Aktiengesellschaft	KV
Böhler Grundstücks GmbH & Co. KG[1]	DEU	100.000%	Böhler Aktiengesellschaft	KV
Bohler High Performance Metals Private Limited	IND	100.000%	voestalpine Edelstahl GmbH	KV
Böhler International GmbH	AUT	100.000%	voestalpine Edelstahl GmbH	KV
Böhler Kereskedelmi KFT.	HUN	100.000%	voestalpine Edelstahl GmbH	KV
BÖHLER Schmiedetechnik GmbH	AUT	100.000%	voestalpine Edelstahl GmbH	KV
BÖHLER Schmiedetechnik GmbH & Co KG	AUT	99.999%	voestalpine Edelstahl GmbH	KV
BÖHLER Schmiedetechnik GmbH & Co KG	AUT	0.001%	BÖHLER Schmiedetechnik GmbH	KV
Bohler Uddeholm (Australia) Pty Ltd	AUS	100.000%	voestalpine Edelstahl GmbH	KV
BOHLER UDDEHOLM AFRICA (PTY) LTD	ZAF	100.000%	voestalpine Edelstahl GmbH	KV
Böhler Uddeholm CZ s.r.o.	CZE	100.000%	voestalpine Edelstahl GmbH	KV
Böhler Uddeholm Italia S.p.A.	ITA	100.000%	voestalpine Edelstahl GmbH	KV
BOHLER UDDEHOLM POLSKA Sp. z o.o.	POL	100.000%	voestalpine Edelstahl GmbH	KV
BOHLER UDDEHOLM ROMANIA S.R.L.	ROU	100.000%	voestalpine Edelstahl GmbH	KV
BÖHLER Wärmebehandlung GmbH	AUT	51.000%	voestalpine Edelstahl GmbH	KV
BÖHLERSTAHL Vertriebsgesellschaft m.b.H.	AUT	100.000%	voestalpine Edelstahl GmbH	KV
BOHLER-UDDEHOLM (UK) LIMITED	GBR	100.000%	voestalpine Edelstahl GmbH	KV
Böhler-Uddeholm B.V.	NLD	100.000%	voestalpine Edelstahl GmbH	KV
BOHLER-UDDEHOLM COLOMBIA S.A.	COL	0.009%	BÖHLER Bleche GmbH & Co KG	KV
BOHLER-UDDEHOLM COLOMBIA S.A.	COL	0.009%	BÖHLER Edelstahl GmbH & Co KG	KV
BOHLER-UDDEHOLM COLOMBIA S.A.	COL	90.635%	voestalpine Edelstahl GmbH	KV
BOHLER-UDDEHOLM COLOMBIA S.A.	COL	9.347%	BÖHLER Edelstahl GmbH	KV
Bohler-Uddeholm Corporation	USA	100.000%	voestalpine Edelstahl GmbH	KV
BÖHLER-UDDEHOLM DEUTSCHLAND GMBH	DEU	100.000%	BÖHLER-UDDEHOLM HOLDING GMBH	KV
BÖHLER-UDDEHOLM France S.A.S.	FRA	100.000%	voestalpine Edelstahl GmbH	KV
BÖHLER-UDDEHOLM HÄRTEREITECHNIK GmbH	DEU	100.000%	voestalpine Edelstahl GmbH	KV

	Domicile of the company	Interest held	Parent company	Type of consolidation
BÖHLER-UDDEHOLM HOLDING GMBH	DEU	100.000%	Böhler Aktiengesellschaft	KV
Böhler-Uddeholm Iberica S.A.U.	ESP	100.000%	voestalpine Edelstahl GmbH	KV
Böhler-Uddeholm Ltd.	CAN	100.000%	voestalpine Edelstahl GmbH	KV
Böhler-Uddeholm SLOVAKIA, s.r.o.	SVK	100.000%	voestalpine Edelstahl GmbH	KV
BÖHLER-YBBSTAL Profil GmbH	AUT	100.000%	voestalpine Edelstahl GmbH	KV
BU Beteiligungs-und Vermögensverwaltung GmbH	AUT	100.000%	BÖHLER Edelstahl GmbH	KV
Buderus Edelstahl GmbH	DEU	100.000%	voestalpine Edelstahl GmbH	KV
Buderus Edelstahl Schmiedetechnik GmbH	DEU	100.000%	voestalpine Edelstahl GmbH	KV
DIN ACCIAI S.p.A.	ITA	100.000%	Böhler Uddeholm Italia S.p.A.	KV
Densam Industrial Co. Ltd.	TWN	51.000%	ASSAB Pacific Pte.Ltd.	KV
Densam Industrial Co. Ltd.	TWN	49.000%	ASSAB Steels (Taiwan) Ltd.	KV
Deville Rectification S.A.S.	FRA	100.000%	Buderus Edelstahl GmbH	KV
EDRO Engineering, Inc.	USA	100.000%	Bohler-Uddeholm Corporation	KV
EDRO Specialty Steels GmbH	DEU	75.000%	EDRO Specialty Steels, Inc.	KV
EDRO Specialty Steels, Inc.	USA	100.000%	Bohler-Uddeholm Corporation	KV
ENPAR Sonderwerkstoffe GmbH	DEU	85.000%	voestalpine Edelstahl GmbH	KV
EschmannStahl GmbH & Co. KG[1]	DEU	51.000%	BÖHLER-UDDEHOLM HOLDING GMBH	KV
EschmannStahl GmbH & Co. KG[1]	DEU	49.000%	voestalpine Edelstahl GmbH	KV
Eschmann Textura Internacional – Transformacao de Ferramentas, Unipessoal, LDA	PRT	100.000%	Eschmann Textures International GmbH	KV
Eschmann Textures India Private Limited	IND	99.980%	Eschmann Textures International GmbH	KV
Eschmann Textures India Private Limited	IND	0.020%	Eschmann Textura Internacional – Transformacao de Ferramentas, Unipessoal, LDA	KV
Eschmann Textures International GmbH	DEU	100.000%	voestalpine Edelstahl GmbH	KV
Eschmann Vermögensverwaltung GmbH	DEU	100.000%	voestalpine Edelstahl GmbH	KV
Eschmann-Stahl Portugal-Acos Finos e Transformacao de Ferramentas, Unipessoal Lda. – em Liquidacao	PRT	100.000%	voestalpine Edelstahl GmbH	KV
Gebrüder Böhler & Co. AG	CHE	99.830%	voestalpine Edelstahl GmbH	KV
GMV Eschmann International SAS	FRA	100.000%	Eschmann Textures International GmbH	KV
Grabados Eschmann International S.L.	ESP	100.000%	Eschmann Textures International GmbH	KV
Gravutex Eschmann International Limited	GBR	100.000%	Eschmann Textures International GmbH	KV
IS Intersteel Stahlhandel GmbH	DEU	100.000%	voestalpine Edelstahl GmbH	KV
Jing Ying Industrial Co. Ltd.	TWN	100.000%	Densam Industrial Co. Ltd.	KV
OOO BÖHLER-UDDEHOLM	RUS	100.000%	voestalpine Edelstahl GmbH	KV
PT Assab Steels Indonesia	IDN	100.000%	ASSAB Pacific Pte.Ltd.	KV

[1] These consolidated financial statements represent an exemption for Böhler Grundstücks GmbH & Co. KG and EschmannStahl GmbH & Co. KG in accordance with Sec. 264b of the German Commercial Code (dHGB).

	Domicile of the company	Interest held	Parent company	Type of consolidation
Sacma Acciai Speciali S.p.A.	ITA	100.000%	Böhler Uddeholm Italia S.p.A.	KV
Uddeholm A/S	DNK	100.000%	voestalpine Edelstahl GmbH	KV
Uddeholm AS	NOR	100.000%	voestalpine Edelstahl GmbH	KV
Uddeholm Eiendom AS	NOR	100.000%	voestalpine Edelstahl GmbH	KV
Uddeholm Holding AB	SWE	100.000%	voestalpine Edelstahl GmbH	KV
Uddeholm K.K.	JPN	100.000%	ASSAB Pacific Pte.Ltd.	KV
Uddeholm Machining Aktiebolag	SWE	100.000%	Uddeholms AB	KV
Uddeholm Oy Ab	FIN	100.000%	voestalpine Edelstahl GmbH	KV
Uddeholm Svenska Aktiebolag	SWE	100.000%	Uddeholms AB	KV
Uddeholms AB	SWE	100.000%	Uddeholm Holding AB	KV
Villares Metals International B.V.	NLD	100.000%	Villares Metals S.A.	KV
Villares Metals S.A.	BRA	100.000%	voestalpine Edelstahl GmbH	KV
voestalpine Treasury Holding GmbH	AUT	100.000%	voestalpine Edelstahl GmbH	KV
ACEROS BOEHLER BOLIVIA S.A.	BOL	98.000%	Aceros Boehler del Peru S.A.	K0
ACEROS BOEHLER BOLIVIA S.A.	BOL	1.000%	voestalpine Edelstahl GmbH	K0
ACEROS BOEHLER BOLIVIA S.A.	BOL	1.000%	BÖHLER Edelstahl GmbH	K0
Bohlasia Steels Sdn. Bhd.	MYS	53.333%	voestalpine Edelstahl GmbH	K0
BÖHLER-UDDEHOLM Immobilien GmbH	AUT	100.000%	voestalpine Edelstahl GmbH	K0
Böhler-Uddeholm Solidaritätsfonds Privatstiftung	AUT	100.000%	BÖHLER Edelstahl GmbH & Co KG	K0
BÖHLER-UDDEHOLM UKRAINE LLC	UKR	100.000%	voestalpine Edelstahl GmbH	K0
BÖHLER-UDDEHOLM ZAGREB d.o.o.	HRV	100.000%	voestalpine Edelstahl GmbH	K0
DEGECANDOR Grundstücksverwaltungsgesell-schaft mbH & Co. Immobilien-Vermietungs KG	DEU	95.000%	Böhler Aktiengesellschaft	K0
Edelstahlwerke Buderus Nederland B.V.	NLD	100.000%	Buderus Edelstahl GmbH	K0
EDRO Limited	CHN	100.000%	EDRO Specialty Steels, Inc.	K0
Eschmann Beteiligungsgesellschaft mbH	DEU	50.977%	BÖHLER-UDDEHOLM HOLDING GMBH	K0
Eschmann Beteiligungsgesellschaft mbH	DEU	49.023%	Eschmann Vermögensverwaltung GmbH	K0
Grundstück-Verwaltungsgesellschaft Gewerbehof Sendling mbH & Co. KG	DEU	62.916%	Böhler Aktiengesellschaft	K0
HOTEL BÖHLERSTERN Gesellschaft m.b.H.	AUT	99.000%	BÖHLER Edelstahl GmbH & Co KG	K0
HOTEL BÖHLERSTERN Gesellschaft m.b.H.	AUT	1.000%	BÖHLER Schmiedetechnik GmbH & Co KG	K0
Schoeller-Bleckmann (UK) Limited	GBR	100.000%	BOHLER-UDDEHOLM (UK) LIMITED	K0
V.K. Italia S.p.A.	ITA	20.000%	Böhler Uddeholm Italia S.p.A.	K0

Metal Engineering Division (until March 31, 2012 Railway Systems Division)

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Bahnsysteme GmbH & Co KG	AUT	100.000%	voestalpine AG	KV
Advanced Railway Systems GmbH	AUT	100.000%	voestalpine HYTRONICS GmbH	KV
Avesta Welding LLC	USA	100.000%	Bohler Welding Group USA Inc.	KV
Böhler Lastechniek Groep Nederland B.V.	NLD	100.000%	Böhler Welding Holding GmbH	KV
BÖHLER Schweißtechnik Austria GmbH	AUT	100.000%	Böhler Welding Holding GmbH	KV
Böhler Schweisstechnik Deutschland GmbH	DEU	100.000%	Böhler Welding Holding GmbH	KV
Böhler Soldaduras S.A. de C.V.	MEX	99.990%	Böhler Welding Holding GmbH	KV
Böhler Soldaduras S.A. de C.V.	MEX	0.010%	Böhler Welding Group Central Eastern Europe GmbH	KV
Böhler Tecnica de Soldagem Ltda.	BRA	100.000%	Böhler Welding Holding GmbH	KV
Bohler Welding Group Canada Ltd.	CAN	100.000%	Böhler Welding Holding GmbH	KV
Böhler Welding Group Central Eastern Europe GmbH	AUT	100.000%	Böhler Welding Holding GmbH	KV
Böhler Welding Group GmbH	AUT	100.000%	Böhler Welding Holding GmbH	KV
Böhler Welding Group Greece S.A.	GRC	100.000%	Böhler Welding Holding GmbH	KV
Bohler Welding Group India Private Limited	IND	99.999%	Böhler Welding Holding GmbH	KV
Bohler Welding Group India Private Limited	IND	0.001%	Böhler Welding Group Central Eastern Europe GmbH	KV
BOHLER WELDING GROUP ITALIA s.p.a.	ITA	100.000%	Böhler Welding Holding GmbH	KV
Bohler Welding Group Middle East FZE	ARE	100.000%	Böhler Welding Holding GmbH	KV
Böhler Welding Group Nordic AB	SWE	100.000%	BÖHLER Schweißtechnik Austria GmbH	KV
Böhler Welding Group Schweiz AG	CHE	100.000%	Böhler Welding Holding GmbH	KV
BOHLER WELDING GROUP SRL	ROU	100.000%	Böhler Welding Group Central Eastern Europe GmbH	KV
Bohler Welding Group UK Limited	GBR	100.000%	Böhler Welding Holding GmbH	KV
Bohler Welding Group USA Inc.	USA	100.000%	Böhler Welding Holding GmbH	KV
Böhler Welding Holding GmbH	DEU	94.500%	voestalpine Bahnsysteme GmbH	KV
Böhler Welding Holding GmbH	DEU	5.500%	BÖHLER-UDDEHOLM HÄRTEREITECHNIK GmbH	KV
Böhler Welding Technology (China) Co. Ltd.	CHN	100.000%	Böhler Welding Holding GmbH	KV
Böhler Welding Trading (Shanghai) Co., Ltd.	CHN	100.000%	Böhler Welding Holding GmbH	KV
Contec GmbH Transportation Systems	DEU	62.376%	voestalpine HYTRONICS GmbH	KV
Control and Display Systems Limited	GBR	60.003%	voestalpine HYTRONICS GmbH	KV
Digvijay Steels Private Limited	IND	50.100%	voestalpine VAE GmbH	KV

	Domicile of the company	Interest held	Parent company	Type of consolidation
FONTARGEN Gesellschaft mit beschränkter Haftung	DEU	100.000%	Böhler Welding Holding GmbH	KV
Groupe Bohler Soudage France S.A.S.	FRA	100.000%	BÖHLER Schweißtechnik Austria GmbH	KV
Grupo Bohler Soldadura Espana S.A.	ESP	100.000%	Böhler Welding Holding GmbH	KV
JEZ Sistemas Ferroviarios S.L.	ESP	50.000%	voestalpine VAE GmbH	KV
LASA Schienentechnik GmbH	DEU	100.000%	voestalpine BWG GmbH & Co. KG	KV
Materiel Ferroviaire d'Arberats SASU	FRA	100.000%	JEZ Sistemas Ferroviarios S.L.	KV
Nortrak-Damy, Cambios de Via, S.A.P.I. de C.V.	MEX	51.007%	voestalpine Nortrak Inc.	KV
OOO Böhler Welding Group Russia	RUS	100.000%	Böhler Welding Holding GmbH	KV
PT Bohler Welding Group South East Asia	IDN	95.000%	Böhler Welding Holding GmbH	KV
PT Bohler Welding Group South East Asia	IDN	5.000%	BÖHLER Schweißtechnik Austria GmbH	KV
Rene Prinsen Spoorwegmaterialen B.V.	NLD	100.000%	voestalpine Railpro B.V.	KV
Soudokay S.A.	BEL	100.000%	Böhler Welding Holding GmbH	KV
SST Signal & System Technik GmbH	DEU	90.000%	voestalpine HYTRONICS GmbH	KV
SST Signal & System Technik GmbH	DEU	10.000%	voestalpine Weichensysteme GmbH	KV
TSF-A GmbH	AUT	50.100%	voestalpine Weichensysteme GmbH	KV
TSTG Schienen Technik GmbH & Co KG[1]	DEU	100.000%	voestalpine Bahnsysteme Beteiligungs-verwaltung Deutschland GmbH	KV
TSTG Schienen Technik Verwaltungs GmbH	DEU	100.000%	voestalpine Bahnsysteme Beteiligungs-verwaltung Deutschland GmbH	KV
VAE Geschäftsführung (Deutschland) GmbH	DEU	100.000%	voestalpine VAE GmbH	KV
VAE Holding (Deutschland) GmbH	DEU	100.000%	voestalpine VAE GmbH	KV
VAE VKN Industries Private Limited	IND	51.000%	voestalpine VAE GmbH	KV
VAE VKN Industries Private Limited	IND	6.000%	JEZ Sistemas Ferroviarios S.L.	KV
VAMAV Vasúti Berendezések Kft.	HUN	50.000%	voestalpine VAE GmbH	KV
voestalpine Austria Draht GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine Bahnsysteme GmbH	AUT	100.000%	voestalpine AG	KV
voestalpine Bahnsysteme Beteiligungsverwaltung Deutschland GmbH	DEU	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine Bahnsysteme Vermögensverwaltungs GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine BWG GmbH & Co. KG[1]	DEU	99.997%	VAE Holding (Deutschland) GmbH	KV
voestalpine BWG GmbH & Co. KG[1]	DEU	0.003%	VAE Geschäftsführung (Deutschland) GmbH	KV

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Draht Finsterwalde GmbH	DEU	100.000%	voestalpine Austria Draht GmbH	KV
voestalpine HYTRONICS GmbH	AUT	100.000%	voestalpine VAE GmbH	KV
voestalpine Kardemir Demiryolu Sistemleri Sanayi ve Ticaret Anonim Sirketi	TUR	50.956%	voestalpine VAE GmbH	KV
voestalpine Kardemir Demiryolu Sistemleri Sanayi ve Ticaret Anonim Sirketi	TUR	0.022%	voestalpine Weichensysteme GmbH	KV
voestalpine Kardemir Demiryolu Sistemleri Sanayi ve Ticaret Anonim Sirketi	TUR	0.022%	Weichenwerk Wörth GmbH	KV
voestalpine Klöckner Bahntechnik GmbH	DEU	100.000%	voestalpine Bahnsysteme Beteiligungs-verwaltung Deutschland GmbH	KV
voestalpine Nortrak Inc.	USA	100.000%	voestalpine VAE GmbH	KV
voestalpine Nortrak Ltd.	CAN	100.000%	voestalpine Nortrak Inc.	KV
voestalpine Rail Center Duisburg GmbH	DEU	100.000%	voestalpine Bahnsysteme Beteiligungs-verwaltung Deutschland GmbH	KV
voestalpine Railpro B.V.	NLD	70.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine Schienen GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine Stahl Donawitz GmbH & Co KG	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine Stahl Donawitz Immobilien GmbH	AUT	100.000%	voestalpine Bahnsysteme Vermögens-verwaltungs GmbH	KV
voestalpine TENS Sp. z o.o.	POL	80.000%	voestalpine HYTRONICS GmbH	KV
voestalpine VAE GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine VAE Africa (Pty) Ltd.	ZAF	100.000%	voestalpine VAE GmbH	KV
voestalpine VAE Apcarom SA	ROU	92.918%	voestalpine VAE GmbH	KV
voestalpine VAE Brasil Produtos Ferroviários Ltda.	BRA	59.000%	voestalpine VAE GmbH	KV
voestalpine VAE Italia S.r.l.	ITA	95.000%	voestalpine VAE GmbH	KV
voestalpine VAE Italia S.r.l.	ITA	5.000%	voestalpine VAE UK Ltd.	KV
voestalpine VAE Legetecha UAB	LTU	66.000%	voestalpine VAE GmbH	KV
voestalpine VAE Polska Sp. z o.o.	POL	100.000%	voestalpine VAE GmbH	KV
voestalpine VAE Railway Systems Pty.Ltd.	AUS	100.000%	voestalpine VAE GmbH	KV
voestalpine VAE Riga SIA	LVA	100.000%	voestalpine VAE GmbH	KV
voestalpine VAE SA (Pty) Ltd.	ZAF	69.000%	voestalpine VAE Africa (Pty) Ltd.	KV
voestalpine VAE Sofia OOD	BGR	51.000%	voestalpine VAE GmbH	KV
voestalpine VAE UK Ltd.	GBR	100.000%	voestalpine VAE GmbH	KV

[1] These consolidated financial statements represent an exemption for TSTG Schienen Technik GmbH & Co KG and voestalpine BWG GmbH & Co. KG in accordance with Sec. 264b of the German Commercial Code (dHGB).

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine WBN B.V.	NLD	100.000%	voestalpine VAE GmbH	KV
voestalpine Weichensysteme GmbH	AUT	100.000%	voestalpine VAE GmbH	KV
WBG Weichenwerk Brandenburg GmbH	DEU	100.000%	voestalpine BWG GmbH & Co. KG	KV
Weichenwerk Wörth GmbH	AUT	70.000%	voestalpine Weichensysteme GmbH	KV
voestalpine Tubulars GmbH	AUT	50.000%	voestalpine Bahnsysteme Vermögens-verwaltungs GmbH	KQ
voestalpine Tubulars GmbH & Co KG	AUT	49.985%	voestalpine Bahnsysteme Vermögens-verwaltungs GmbH	KQ
voestalpine Tubulars GmbH & Co KG	AUT	0.010%	voestalpine Tubulars GmbH	KQ
CNTT Chinese New Turnout Technologies Co., Ltd.[1]	CHN	29.070%	voestalpine VAE GmbH	KE
CNTT Chinese New Turnout Technologies Co., Ltd.[1]	CHN	20.930%	voestalpine BWG GmbH & Co. KG	KE
Burbiola S.A.	ESP	50.000%	JEZ Sistemas Ferroviarios S.L.	K0
DRAHT + STAHL GmbH	DEU	30.930%	voestalpine Draht Finsterwalde GmbH	K0
gibSOFT GmbH	DEU	75.000%	SST Signal & System Technik GmbH	K0
Liegenschaftsverwaltungs GmbH	AUT	100.000%	voestalpine Bahnsysteme Vermögens-verwaltungs GmbH	K0
KW PenzVAEE GmbH	AUT	49.000%	voestalpine Weichensysteme GmbH	K0
VAE Murom LLC	RUS	50.000%	voestalpine VAE GmbH	K0
voestalpine BWG ltd.	CHN	100.000%	voestalpine BWG GmbH & Co. KG	K0
voestalpine Schienentechnik Beteiligungs GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	K0
voestalpine Stahl Donawitz GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	K0
VOEST-ALPINE TUBULAR CORP.	USA	100.000%	voestalpine Tubulars GmbH	K0
voestalpine Tubulars Middle East FZE	ARE	100.000%	voestalpine Tubulars GmbH	K0
voestalpine VAE TS d.o.o. Nis	SRB	70.000%	voestalpine VAE GmbH	K0

Profilform Division

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Profilform GmbH	AUT	100.000%	voestalpine AG	KV
BOHLER-UDDEHOLM Precision Strip LLC	USA	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
BÖHLER-UDDEHOLM Precision Strip GmbH	AUT	100.000%	voestalpine Profilform GmbH	KV
Böhler Uddeholm Precision Steel AB	SWE	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Böhler-Uddeholm Precision Strip AB	SWE	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Böhler Uddeholm Precision Strip Trading (Suzhou) Co., Ltd	CHN	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Böhler Uddeholm Saw Steel AB	SWE	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Böhler Uddeholm Service Center AB	SWE	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Compania de Industria y Comercio, S.A. de C.V.	MEX	99.999%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Compania de Industria y Comercio, S.A. de C.V.	MEX	0.001%	voestalpine Profilform GmbH	KV
Global Rollforming Corporation	USA	100.000%	voestalpine Profilform GmbH	KV
Metsec plc	GBR	100.000%	VOEST-ALPINE KREMS U.K. plc	KV
Nedcon Bohemia s.r.o.	CZE	100.000%	Nedcon Groep N.V.	KV
Nedcon France SASU	FRA	100.000%	Nedcon Groep N.V.	KV
Nedcon Groep N.V.	NLD	100.000%	voestalpine Profilform GmbH	KV
Nedcon Lagertechnik GmbH	DEU	100.000%	Nedcon Groep N.V.	KV
Nedcon Magazijninrichting B.V.	NLD	100.000%	Nedcon Groep N.V.	KV
Nedcon USA Inc.	USA	100.000%	Nedcon Groep N.V.	KV
Roll Forming Corporation	USA	100.000%	Global Rollforming Corporation	KV
SADEF N.V.	BEL	100.000%	voestalpine Profilform GmbH	KV
Servitroquel – Notting, S.A. Unipersonal	ESP	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Sharon Custom Metal Forming, Inc.	USA	100.000%	Global Rollforming Corporation	KV
Société Automatique de Profilage (SAP)	FRA	100.000%	voestalpine Profilform GmbH	KV
Société Profilafroid	FRA	100.000%	voestalpine Profilform GmbH	KV

[1] For the company consolidated according to the equity method marked [1], the reporting date of December 31 applies.

	Domicile of the company	Interest held	Parent company	Type of consolidation
Stratford Joists Limited	GBR	100.000%	Metsec plc	KV
VOEST-ALPINE KREMS U.K. plc	GBR	100.000%	voestalpine Profilform GmbH	KV
voestalpine Krems Finaltechnik GmbH	AUT	100.000%	voestalpine Profilform GmbH	KV
voestalpine Krems GmbH	AUT	100.000%	voestalpine Profilform GmbH	KV
voestalpine Meincol S.A.	BRA	100.000%	voestalpine Profilform GmbH	KV
voestalpine Präzisionsprofil GmbH	DEU	90.000%	voestalpine Profilform Beteiligung GmbH	KV
voestalpine Präzisionsprofil GmbH	DEU	10.000%	voestalpine Profilform GmbH	KV
voestalpine Profilform Beteiligung GmbH	AUT	100.000%	voestalpine Profilform GmbH	KV
voestalpine PROFILFORM s.r.o.	CZE	100.000%	voestalpine Profilform GmbH	KV
voestalpine Straßensicherheit GmbH	AUT	100.000%	voestalpine Profilform GmbH	KV
ZAO voestalpine Arkada Profil	RUS	100.000%	voestalpine Profilform Beteiligung GmbH	KV
EURACIER	FRA	20.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	K0
Gemeinnützige Donau-Ennstaler Siedlungs-Aktiengesellschaft	AUT	33.333%	voestalpine Krems GmbH	K0
Martin Miller Blansko, spol.s.r.o. (in Liquidation)	CZE	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	K0
Martin Miller North America, Inc.	USA	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	K0
Metal Sections Limited	GBR	100.000%	Metsec plc	K0
Munkfors Värmeverk Aktiebolag	SWE	40.000%	Böhler-Uddeholm Precision Strip AB	K0
SADEF FRANCE S.A.R.L.	FRA	90.000%	SADEF N.V.	K0
SADEF FRANCE S.A.R.L.	FRA	10.000%	voestalpine Krems GmbH	K0
voestalpine Arkada Zapad IP	BLR	100.000%	ZAO voestalpine Arkada Profil	K0

Automotive Division

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

[1] These consolidated financial statements represent an exemption for Polynorm Immobilien GmbH & Co. KG in accordance with Sec. 264b of the German Commercial Code (dHGB).

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine HTI Beteiligungs GmbH	AUT	100.000%	voestalpine Rotec GmbH	KV
voestalpine Polynorm B.V.	NLD	100.000%	voestalpine Automotive Netherlands Holding B.V.	KV
voestalpine Polynorm GmbH & Co. KG[1]	DEU	100.000%	Polynorm GmbH	KV
voestalpine Polynorm Plastics B.V.	NLD	100.000%	voestalpine Polynorm Van Niftrik B.V.	KV
voestalpine Polynorm Van Niftrik B.V.	NLD	100.000%	voestalpine Polynorm B.V.	KV
voestalpine Rotec AB	SWE	100.000%	voestalpine Rotec GmbH	KV
voestalpine Rotec France S.A.	FRA	100.000%	voestalpine Rotec GmbH	KV
voestalpine Rotec GmbH	AUT	100.000%	voestalpine Automotive GmbH	KV
voestalpine Rotec GmbH & Co. KG[1]	DEU	98.996%	voestalpine HTI Beteiligungs GmbH	KV
voestalpine Rotec GmbH & Co. KG[1]	DEU	1.004%	voestalpine Rotec GmbH	KV
voestalpine ROTEC Iberica S.A.	ESP	100.000%	voestalpine Rotec GmbH	KV
voestalpine Rotec Incorporated	USA	100.000%	voestalpine Rotec GmbH	KV
voestalpine Rotec Limited	GBR	100.000%	voestalpine Rotec GmbH	KV
voestalpine Rotec Sp. z.o.o	POL	100.000%	voestalpine Rotec GmbH	KV
voestalpine Stamptec Birkenfeld GmbH[2]	DEU	100.000%	STAMPTEC-Holding GmbH	KV
voestalpine Stamptec Böhmenkirch GmbH & Co. KG[1]	DEU	100.000%	voestalpine Automotive GmbH	KV
voestalpine Stamptec France	FRA	99.998%	STAMPTEC France SAS	KV
voestalpine Stamptec GmbH[2]	DEU	100.000%	STAMPTEC-Holding GmbH	KV

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Stamptec Holding GmbH	AUT	100.000%	voestalpine Automotive GmbH	KV
voestalpine Stamptec Nagold GmbH & Co. KG[1]	DEU	99.667%	voestalpine Stamptec Holding GmbH	KV
voestalpine Stamptec Nagold GmbH & Co. KG[1]	DEU	0.333%	voestalpine Automotive GmbH	KV
voestalpine Stamptec Pfaffenhofen GmbH & Co. KG[1]	DEU	99.933%	voestalpine Stamptec Holding GmbH	KV
voestalpine Stamptec Pfaffenhofen GmbH & Co. KG[1]	DEU	0.067%	voestalpine Automotive GmbH	KV
voestalpine Stamptec Romania S.R.L.	ROU	50.000%	voestalpine Stamptec Böhmenkirch GmbH & Co. KG	KV
voestalpine Stamptec Romania S.R.L.	ROU	50.000%	voestalpine Stamptec Birkenfeld GmbH	KV
voestalpine Stamptec Schmölln GmbH[2]	DEU	100.000%	voestalpine Stamptec GmbH	KV
W E M E F A Horst Christopeit GmbH	DEU	100.000%	Flamco STAG Behälterbau GmbH	KV
Entwicklungsgesellschaft Gügling Ost GmbH & Co. KG	DEU	6.000%	Polynorm GmbH	K0
Entwicklungsgesellschaft Gügling Verwaltungs GmbH	DEU	100.000%	Polynorm GmbH	K0
Polynorm Immobilien Beteiligungs-GmbH	DEU	100.000%	voestalpine Polynorm B.V.	K0
voestalpine Polynorm Beteiligungsgesellschaft m.b.H.	DEU	100.000%	voestalpine Polynorm GmbH & Co. KG	K0
voestalpine Polynorm Plastics Limited	GBR	100.000%	voestalpine Polynorm B.V.	K0
voestalpine Stamptec Beteiligungs GmbH	DEU	100.000%	voestalpine Stamptec Böhmenkirch GmbH & Co. KG	K0

[1] These consolidated financial statements represent an exemption for voestalpine Polynorm GmbH & Co. KG, 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).

Other companies

	Domicile of the company	Interest held	Parent company	Type of consolidation
Danube Equity AG	AUT	71.373%	voestalpine AG	KV
Importkohle Gesellschaft m.b.H.	AUT	100.000%	voestalpine Rohstoffbeschaffungs GmbH	KV
voestalpine Dienstleistungs- und Finanzierungs GmbH	DEU	100.000%	voestalpine Finanzierungs Holding GmbH	KV
voestalpine Finanzierungs GmbH	AUT	100.000%	voestalpine Finanzierungs Holding GmbH	KV
voestalpine Finanzierungs Holding GmbH	AUT	100.000%	voestalpine AG	KV
voestalpine group-IT AB	SWE	100.000%	voestalpine group-IT GmbH	KV
voestalpine group-IT GmbH	AUT	100.000%	voestalpine AG	KV
voestalpine group-IT GmbH	DEU	100.000%	voestalpine group-IT GmbH	KV
voestalpine group-IT Tecnologia da Informacao Ltda.	BRA	100.000%	voestalpine group-IT GmbH	KV
voestalpine Rohstoffbeschaffungs GmbH	AUT	100.000%	voestalpine AG	KV
APK-Pensionskasse Aktiengesellschaft[1]	AUT	19.110%	voestalpine AG	KE
APK-Pensionskasse Aktiengesellschaft[1]	AUT	10.082%	voestalpine Edelstahl GmbH	KE
VA Intertrading Aktiengesellschaft[1]	AUT	38.500%	voestalpine AG	KE
Donauländische Baugesellschaft m.b.H.	AUT	100.000%	voestalpine AG	K0
Intesy Business & IT Solutions Pty Ltd	AUS	100.000%	voestalpine group-IT GmbH	K0
voestalpine Insurance Services GmbH	AUT	100.000%	voestalpine AG	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
KE Equity method
K0 No consolidation

Glossary

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

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

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

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

Borrowed capital. Inclusive term for provisions, trade and other payables, posted on the liabilities side of the statement of financial position.

Borrowed capital ratio. Ratio of borrowed capital recorded on the statement of financial position to total assets (the higher the ratio, the higher the debt burden).

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.

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

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

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.

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

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

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

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

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

Return on equity. 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 (until business year 2008/09, EBIT to capital employed), that is, profit generated by the capital invested.

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

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.

Contact & Imprint

Contact
voestalpine AG, Corporate Communications
T. +43/50304/15-2090, F. +43/50304/55-8981
presse@voestalpine.com

voestalpine AG, Investor Relations
T. +43/50304/15-3152, F. +43/50304/55-5581
investorrelations@voestalpine.com

www.voestalpine.com

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

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

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ONE STEP AHEAD.