

**voestalpine gets a boost in earnings in the first quarter of 2015/16**

- Higher revenue and a significant rise in earnings due to positive operating results and non-recurring effects
- Revenue goes up from EUR 2.83 billion in the first quarter of 2014/15 to EUR 3.0 billion in the quarter under review, an increase of 6.2%
- Operating result (EBITDA) up by 45% from EUR 364 million to EUR 527 million (minus non-recurring effects to EUR 389 million, + 7%); adjusted EBITDA margin improved slightly from 12.9% to 13%
- Profit from operations (EBIT) up by 69% from EUR 218 million to EUR 369 million (minus non-recurring effects to EUR 237 million, +8.5%); at 7.9%, adjusted EBIT margin higher than the previous year's figure of 7.7%
- At EUR 329 million profit before tax 71% above the previous year's figure (minus non-recurring effects: EUR 197 million, + 2.3%); profit for the period up by 93% to EUR 289 million (minus non-recurring effects: EUR 152 million, +1.1%)
- Compared to the previous business year, the number of employees goes up by 2.5% to 48.700 (FTE)
- Construction of the direct reduction plant in Corpus Christi, Texas, on schedule

In the first three months of the business year 2015/16, the voestalpine Group continued its successful performance with regard to both revenue and earnings. "Our consistent specialization in technologically highly sophisticated, top-quality products and increased focus on growth markets outside of Europe again contributed to a substantial improvement in earnings in the first quarter of 2015/16," stated Dr. Wolfgang Eder, Chairman of the Management Board and CEO of voestalpine AG. Revenue generated by the voestalpine Group in the first quarter of 2015/16 (April 1, to June 30, 2015) rose by 6.2% compared to the previous year from EUR 2.83 billion to EUR 3.0 billion. This increase is due, on one hand, to the very good operational development of the Steel and Special Steel Divisions, and on the other, to the initial full consolidation of revenue generated by voestalpine Tubulars GmbH & Co KG Kindberg, Austria and CNTT Chinese New Turnout Technologies., Ltd., Quinhuangdao, China (both companies are part of the Metal Engineering Division) in the consolidated annual financial statements. Previously, the companies were consolidated at equity, i.e., their revenue was not included in the voestalpine annual financial statements at all and their earnings were included proportionately. The joint venture agreements executed with the respective partners were renegotiated so that both companies are now fully included in the voestalpine consolidated financial statements as of the beginning of the business year 2015/16. The resulting non-recurring effects impacted EBITDA with EUR 138 million and EBIT with EUR 132 million.

In the first quarter of 2015/16, the voestalpine Group achieved an operating result (EBITDA) of EUR 527 million; compared to the previous year's figure of EUR 364 million, this corresponds to an increase of 45%. Even adjusted for the non-recurring effects, there is a gain in EBITDA of 7% to

EUR 389 million. The adjusted EBITDA margin in the first quarter of 2015/16 is therefore 13.0% compared to 12.9% in the previous year. All four divisions of the voestalpine Group contributed equally to the increase in EBITDA adjusted for non-recurring effects, with the Steel Division showing the largest boost in earnings at 17.6%. Profit from operations (EBIT) rose from EUR 218 million in the previous year to EUR 369 million EUR, a boost of 69% (adjusted for non-recurring effects: EUR 237 million, +8.5%). The resulting EBIT margin of 7.9% is also above the figure for the first quarter of 2014/15 (7.7%).

At EUR 329 million, profit before tax was up by 71% in the first quarter of 2015/16 compared to the same period in the previous year (193 million EUR); this figure includes non-recurring effects amounting to EUR 132 million. Even reduced by these non-recurring effects, the figure is EUR 197 million, 2.3% above the previous year's figure. Profit for the period climbed by 93% from EUR 150 million to EUR 289.4 million. Due to the specific way that non-recurring effects are taxed, profit for the period in the first quarter of 2015/16 includes extraordinary contributions amounting to EUR 137.7 million, resulting in an adjusted profit for the period of EUR 151.7 million (+1.1%, previous year: EUR 150 million).

In a year-to-year comparison, equity increased by 2.6% to EUR 5.6 billion. In addition to the aforementioned changes in consolidation, the rise in equity was also due to the capital increase of 1.45% of share capital, which was undertaken in April 2015 for the purpose of expanding the employee shareholding program. Net financial debt increased in a year-to-year comparison by 23% to EUR 2.98 billion, due to the refinancing of hybrid bond 2007, however, it remained constant compared to the reporting date of March 31, 2015 (EUR 2.98 billion). The gearing ratio (net financial debt in percent of equity) fell during the first quarter of the business year from 58.4% to 53.6%. As of the reporting date of June 30, 2015, the voestalpine Group had 48.653 employees (FTE) (+2.5%).

### **Stable and positive outlook for the current business year 2015/16**

The economic development in the first months of the business year 2015/16 was characterized by a slight uptrend in Europe and continuing good demand in North America, regionally differing trends in Asia, and a definite downward trend in Brazil. In the first quarter of 2015/16, the voestalpine Group profited especially from an outstanding level of demand from the automobile industry, the railway infrastructure sector, and the aviation industry. For the remaining course of the business year, it can be assumed that there will be little change in both the regional and the industry-specific performance; in particular, there are no signs for a reinvigoration of the energy sector, including the oil and natural gas industries. However, the fact that the European Union is expected to come close to economic growth of around 2% for the first time in a number of years should have a positive effect.

“Against this backdrop and considering the largely stable fundamental economic trends in our most important customer industries, the performance of the voestalpine Group in the coming months should be marked by almost full capacity utilization in practically all business sectors,” says Eder. “It can be anticipated that the increasing differentiation resulting from the ongoing enhancement of the product portfolio with regard to both technology and quality along with the EUR 900-million program to optimize earnings that is gradually taking effect will enable further improvement of both the operating result (EBITDA) and profit from operations (EBIT)—before any non-recurring effects and changes in the scope of consolidation.”

## **voestalpine AG**

### **The voestalpine Group**

The voestalpine Group is a steel-based technology and capital goods group that operates worldwide. With around 500 Group companies and locations in more than 50 countries and on all five continents, the Group has been listed on the Vienna Stock Exchange since 1995. With its top-quality products, the Group is one of the leading partners to the automotive and consumer goods industries in Europe and to the oil and gas industries worldwide. The voestalpine Group is also the world market leader in turnout technology, special rails, tool steel, and special sections. In the business year 2014/15, the voestalpine Group reported revenue of EUR 11.2 billion and an operating result (EBITDA) of EUR 1.5 billion; it had around 47.500 employees worldwide.

### **Please direct your inquiries to**

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