

1st Half 2016/17

Press Conference, November 9, 2016

Welcome!



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Results and Highlights 1st Half 2016/17

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1st Half of 2016/17 – Market environment

- Moderate economic recovery in Europe despite Brexit and other potential threats
- Waning momentum in North America
- Slowing of negative trend in Brazil
- Continuing recessive development in Russia
- Stabilization of growth in China
- Excellent market environment in the automotive and aerospace industries
- Railway infrastructure and consumer goods industries stable
- No trend reversal in energy (oil & natural gas)



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1st Half of 2016/17 – Highlights

- Significant improvement in results from Q1 to Q2 2016/17 (EBITDA: +11.1%; EBIT: +20.1%)
- Year-to-year comparison (H1 2015/16 to H1 2016/17) significantly impacted by positive non-recurring effects in the previous year
- Revenue at EUR 5.4 billion compared to EUR 5.8 billion in the previous year (-6.5%)
- Operating result (EBITDA) fell by 21% from EUR 892 million to EUR 705 million (adjusted: -6.6% from EUR 755 million to EUR 705 million)
- Profit from operations (EBIT) from EUR 575 million to EUR 369 million (-35.9%) (adjusted: -16.3% from EUR 450 million to EUR 376 million)
- HBI plant in Texas opened after construction period of two and a half years





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Overview of financial key figures 1st Half of 2016/17

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Overview of key figures for 1st Half of 2016/17

Adjusted figures

In millions of euros	H1 2015/16	H1 2016/17	Change (in %)	H1 2015/16*	H1 2016/17*	Change (in %)
Revenue	5,787	5,408	-6.5	5,787	5,408	-6.5
Operating result (EBITDA)	892	705	-21.0	755	705	-6.6
EBITDA margin	15.4	13.0		13.0	13.0	
Profit from operations (EBIT)	575	369	-35.9	450	376	-16.3
EBIT margin	9.9	6.8		7.8	7.0	
Profit after tax	421	234	-44.5	290	239	-17.6
Employees (full-time equivalent)	48,719	48,786	+0.1			
CAPEX	647	471	-27.3			

* Adjusted for non-recurring effects due to changes in consolidation (Metal Engineering Division)

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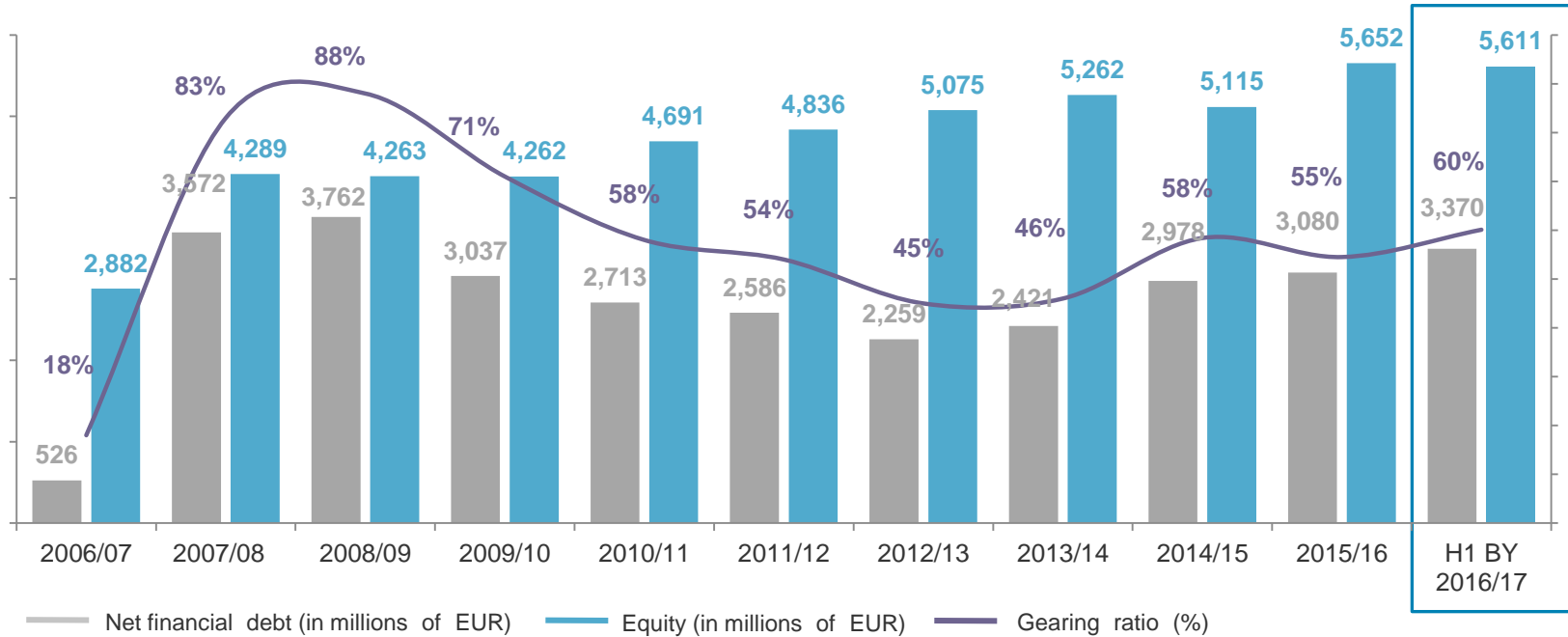
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Figures Q1 vs. Q2 BY 2016/17 (adjusted)

In millions of euros	Q1 2015/16	Q2 2015/16	Q1 2016/17	Q2 2016/17	Change (in %)
Revenue	3,002	2,785	2,772	2,635	-4.9
Operating result (EBITDA)	389	366	334	371	+11.1
EBITDA margin (%)	13.0	13.1	12.0	14.1	
Profit from operations (EBIT)	237	213	172	205	+19.5
EBIT margin (%)	7.9	7.6	6.2	7.8	

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Development of gearing ratio





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Current issues and outlook

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Opening of HBI plant in Texas

Largest ever US investment by an Austrian company
Largest and most advanced facility of its kind worldwide
Full capacity utilization ensured for the next four years

Basic investment:	EUR 550 million / USD 740 million*
Capacity:	2 million tonnes of HBI annually → 40% own needs / 60% external customers
Construction period:	28 months
Start of production:	September 28, 2016
Jobs:	190
Deep-sea port:	5 million tonnes of material handled annually



* Exchange rate at the beginning of the project in 2014

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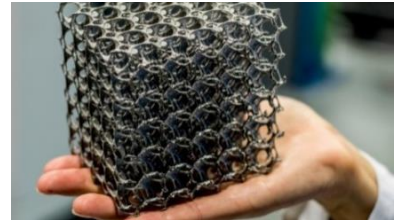
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ONE STEP AHEAD.

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International highlights in 1st Half of 2016/17

- **Start of first phs-directform plant in Schwäbisch-Gmünd (July 2016)**
 - Production of ultra-high-strength lightweight body parts in single process step
- **Third expansion phase at automotive plant in Cartersville, Georgia, USA**
 - Investment > USD 60 million; new production hub in Birmingham, Alabama
- **Opening of Metal Additive Manufacturing Center, Düsseldorf (Sept. 2016)**
 - Know-how center for powdered metal, component design, and 3D printing
- **Completion of world's largest site for blank production in Linz (Sept. 2016)**
 - 20 million laser-welded automotive blanks annually
- **Successful warm commissioning of Donawitz wire rod mill**
 - The most modern wire rod mill in Europe – Industry 4.0 standard



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Outlook for BY 2016/17

- Short-term improvement of the global economic situation **unlikely**
 - **Brexit** and escalating **political crises** in the Middle East reduce likelihood of rapid economic revival
 - Nevertheless, **continued growth** of 1.8% in the **EU**
 - **Waning momentum** in the **USA**
 - **China on growth trajectory** – stable at 6.5%
 - **Trend reversal in Brazil** as a result of political change (?)
- **Core markets**, especially **automotive**, remain **strong**
- First signs of **easing in oil & natural gas sector**

BY 2016/17: EBIT expected to approximate and EBITDA expected to match previous business year's figures (adjusted)



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