Consolidated Financial Statements 2013/14

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ONE STEP AHEAD.

Report of the Supervisory Board on the business year 2013/14

During the business year 2013/14, the Supervisory Board fulfilled its responsibilities under the law and the Articles of Incorporation, holding five plenary sessions, three meetings of the Audit Committee, and one meeting 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, 2014 were audited by Grant Thornton Unitreu GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, which was engaged as mandated by Section 270 of the Austrian Commercial Code (Unternehmensgesetzbuch, UGB). The audits did not give rise to any objections and showed that the Annual Financial Statements and the Consolidated Financial Statements, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as mandated by Section 245a of the Austrian Commercial Code, conform to the statutory regulations. The auditor issued an unqualified audit opinion both for the Annual Financial Statements and the Consolidated Financial Statements and confirmed that the Management Report is consistent with the Annual Financial Statements and the Consolidated Management Report is consistent with the Consolidated Financial Statements.
After having been brought to the attention of the Audit Committee, on June 3, 2014, the Supervisory Board reviewed and approved the Annual Financial Statement as of March 31, 2014. 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 brought to the attention of 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. Compliance with the C rules of the Code pertaining to the auditor (Rules 77 to 83) was reviewed by the law firm WOLF THEISS Rechtsanwälte GmbH. This review also confirmed compliance with the rules.
It has been established that the business year 2013/14 has ended with a net profit of EUR 164,000,000.00; it is being recommended that a dividend of EUR 0.95 per dividend-bearing share be paid to the shareholders and that the remaining amount be carried forward.

The Supervisory Board

Dr. Joachim Lemppenau
(Chairman)

Linz, June 3, 2014

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Consolidated statement of financial position for the year ended March 31, 2014

Assets

	Notes	03/31/2013	03/31/2014
A. Non-current assets			
Property, plant and equipment	9	4,580,658	4,771,962
Goodwill	10	1,470,165	1,472,259
Other intangible assets	11	320,874	336,691
Investments in associates	12	156,387	133,399
Other financial assets	12	109,207	91,061
Deferred tax assets	13	343,621	313,559
		6,980,912	**7,118,931**
B. Current assets			
Inventories	14	2,876,876	2,937,212
Trade and other receivables	15	1,655,559	1,619,156
Other financial assets		473,329	429,718
Cash and cash equivalents	16	1,092,671	532,480
		6,098,435	**5,518,566**
Total assets		**13,079,347**	**12,637,497**

In thousands of euros

Equity and liabilities

	Notes	03/31/2013	03/31/2014
A. Equity			
Share capital		313,309	313,309
Capital reserves		472,533	470,837
Hybrid capital		993,248	993,248
Reserve for own shares		–4,743	–1,497
Other reserves		16,103	–93,618
Retained earnings		3,217,504	3,513,853
Equity attributable to equity holders of the parent		**5,007,954**	**5,196,132**
Non-controlling interests		67,298	64,879
	17	**5,075,252**	**5,261,011**
B. Non-current liabilities			
Pensions and other employee obligations	18	1,004,660	1,028,892
Provisions	19	113,769	99,184
Deferred tax liabilities	13	189,609	187,403
Financial liabilities	20	2,558,804	2,596,892
		3,866,842	**3,912,371**
C. Current liabilities			
Provisions	19	612,237	504,702
Tax liabilities		60,747	58,293
Financial liabilities	20	1,324,609	806,176
Trade and other payables	21	2,139,660	2,094,944
		4,137,253	**3,464,115**
Total equity and liabilities		**13,079,347**	**12,637,497**

In thousands of euros

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Consolidated statement of cash flows 2013/14

	Notes	2012/13	2013/14
Operating activities			
Profit for the period		521,928	522,892
Adjustments	24	574,989	652,541
Changes in working capital			
Change in inventories		85,801	–118,449
Change in receivables and liabilities		179,817	–33,788
Change in provisions		–40,603	–106,193
		225,015	**–258,430**
Cash flows from operating activities		**1,321,932**	**917,003**
Investing activities			
Additions of other intangible assets, property, plant and equipment		–740,125	–891,176
Income from disposals of assets		9,452	43,671
Cash flows from the acquisition of control of subsidiaries		–86,094	–18,382
Cash flows from the loss of control of subsidiaries		1,527	660
Additions/divestments of other financial assets		–14,403	78,609
Cash flows from investing activities		**–829,643**	**–786,618**
Financing activities			
Dividends paid		–220,036	–212,763
Dividends paid non-controlling interests		–7,968	–10,485
Disposals of own shares		4,886	1,571
Change of non-controlling interests		–39,685	–6,728
Capital increase/shareholder contribution		78,807	0
Change in non-current financial liabilities		585,487	60,652
Change in current financial liabilities		–476,211	–506,413
Cash flows from financing activities		**–74,720**	**–674,166**
Net decrease/increase in cash and cash equivalents		**417,569**	**–543,781**
Cash and cash equivalents, beginning of year		677,229	1,092,671
Net exchange differences		–2,127	–16,410
Cash and cash equivalents, end of year	16	**1,092,671**	**532,480**

In thousands of euros

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Consolidated income statement 2013/14

	Notes	2012/13[1]	2013/14
Revenue	1, 2	**11,524,401**	**11,227,955**
Cost of sales		–9,221,018	–8,938,379
Gross profit		**2,303,383**	**2,289,576**
Other operating income	3	371,667	360,588
Distribution costs		–964,606	–976,534
Administrative expenses		–570,623	–589,025
Other operating expenses	4	–296,725	–292,266
Profit from operations (EBIT)		**843,096**	**792,339**
Share of profit of associates	5	15,362	11,956
Finance income	6	63,284	40,528
Finance costs	7	–267,083	–188,818
Profit before tax (EBT)		**654,659**	**656,005**
Tax expense	8	–132,731	–133,113
Profit for the period		**521,928**	**522,892**
Attributable to:			
Equity holders of the parent		444,872	448,086
Non-controlling interests		4,436	3,174
Share planned for hybrid capital owners		72,620	71,632
Basic and diluted earnings per share (euros)	30	**2.61**	**2.60**

[1] Business year 2012/13 retroactively adjusted in accordance with IAS 19 (revised).

In thousands of euros

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Consolidated statement of comprehensive income 2013/14

	Notes	2012/13[1]	2013/14
Profit for the period		**521,928**	**522,892**
Items of other comprehensive income that will be reclassified to profit or loss			
Hedge accounting		9,294	–1,254
Currency translation		–2,472	–107,906
Share of result of associates		5,218	–3,772
Subtotal of items of other comprehensive income that will be reclassified to profit or loss		**12,040**	**–112,932**
Items of other comprehensive income that will not be reclassified to profit or loss			
Actuarial gains/losses		–126,553	–28,016
Actuarial gains/losses of associates		–285	–160
Subtotal of items of other comprehensive income that will not be reclassified to profit or loss		**–126,838**	**–28,176**
Other comprehensive income for the period, net of income tax		**–114,798**	**–141,108**
Total comprehensive income for the period		**407,130**	**381,784**
Attributable to:			
Equity holders of the parent		331,147	310,176
Non-controlling interests		3,363	–24
Share planned for hybrid capital owners		72,620	71,632
Total comprehensive income for the period		**407,130**	**381,784**

[1] Business year 2012/13 retroactively adjusted in accordance with IAS 19 (revised).

In thousands of euros

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Consolidated statement of changes in equity 2013/14

	Share capital	Capital reserves	Hybrid capital	Reserve for own shares
Balance as of April 1, 2012	**307,132**	**405,664**	**992,096**	**–15,686**
Profit for the period	**0**	**0**	**0**	**0**
Items of other comprehensive income that will be reclassified to profit or loss				
Hedge accounting	0	0	0	0
Currency translation	0	0	0	0
Share of result of associates	0	0	0	0
Subtotal of items of other comprehensive income that will be reclassified to profit or loss	**0**	**0**	**0**	**0**
Items of other comprehensive income that will not be reclassified to profit or loss				
Actuarial gains/losses	0	0	0	0
Actuarial gains/losses of associates	0	0	0	0
Subtotal of items of other comprehensive income that will not be reclassified to profit or loss	**0**	**0**	**0**	**0**
Other comprehensive income for the period, net of income tax	**0**	**0**	**0**	**0**
Total comprehensive income for the period	**0**	**0**	**0**	**0**
Own shares acquired/disposed	0	–6,057	0	10,943
Dividends	0	0	0	0
Dividends to hybrid capital owners	0	0	0	0
Changes in hybrid capital	0	0	1,152	0
Capital increase	6,177	72,958	0	0
Share-based payment	0	–32	0	0
Other changes	0	0	0	0
	6,177	**66,869**	**1,152**	**10,943**
Balance as of March 31, 2013 = Balance as of April 1, 2013	**313,309**	**472,533**	**993,248**	**–4,743**
Profit for the period	**0**	**0**	**0**	**0**
Items of other comprehensive income that will be reclassified to profit or loss				
Hedge accounting	0	0	0	0
Currency translation	0	0	0	0
Share of result of associates	0	0	0	0
Subtotal of items of other comprehensive income that will be reclassified to profit or loss	**0**	**0**	**0**	**0**
Items of other comprehensive income that will not be reclassified to profit or loss				
Actuarial gains/losses	0	0	0	0
Actuarial gains/losses of associates	0	0	0	0
Subtotal of items of other comprehensive income that will not be reclassified to profit or loss	**0**	**0**	**0**	**0**
Other comprehensive income for the period, net of income tax	**0**	**0**	**0**	**0**
Total comprehensive income for the period	**0**	**0**	**0**	**0**
Own shares acquired/disposed	0	–1,675	0	3,246
Dividends	0	0	0	0
Dividends to hybrid capital owners	0	0	0	0
Share-based payment	0	–21	0	0
Other changes	0	0	0	0
	0	**–1,696**	**0**	**3,246**
Balance as of March 31, 2014	**313,309**	**470,837**	**993,248**	**–1,497**

Other reserves					
Translation reserve	Hedging reserve	Retained earnings	Total attributable to equity holders of the parent	Non-controlling interests	Total equity
18,375	**–16,021**	**3,074,375**	**4,765,935**	**70,356**	**4,836,291**
0	**0**	**517,492**	**517,492**	**4,436**	**521,928**
0	9,294	0	9,294	0	9,294
–1,451	0	0	–1,451	–1,021	–2,472
5,218	0	0	5,218	0	5,218
3,767	**9,294**	**0**	**13,061**	**–1,021**	**12,040**
0	0	–126,501	–126,501	–52	–126,553
0	0	–285	–285	0	–285
0	**0**	**–126,786**	**–126,786**	**–52**	**–126,838**
3,767	**9,294**	**–126,786**	**–113,725**	**–1,073**	**–114,798**
3,767	**9,294**	**390,706**	**403,767**	**3,363**	**407,130**
0	0	0	4,886	0	4,886
0	0	–135,121	–135,121	–8,070	–143,191
0	0	–99,710	–99,710	0	–99,710
0	0	–3,952	–2,800	0	–2,800
0	0	0	79,135	0	79,135
0	0	0	–32	0	–32
688	0	–8,794	–8,106	1,649	–6,457
688	**0**	**–247,577**	**–161,748**	**–6,421**	**–168,169**
22,830	**–6,727**	**3,217,504**	**5,007,954**	**67,298**	**5,075,252**
0	**0**	**519,718**	**519,718**	**3,174**	**522,892**
0	–1,254	0	–1,254	0	–1,254
–104,695	0	0	–104,695	–3,211	–107,906
–3,772	0	0	–3,772	0	–3,772
–108,467	**–1,254**	**0**	**–109,721**	**–3,211**	**–112,932**
0	0	–28,029	–28,029	13	–28,016
0	0	–160	–160	0	–160
0	**0**	**–28,189**	**–28,189**	**13**	**–28,176**
–108,467	**–1,254**	**–28,189**	**–137,910**	**–3,198**	**–141,108**
–108,467	**–1,254**	**491,529**	**381,808**	**–24**	**381,784**
0	0	0	1,571	0	1,571
0	0	–155,178	–155,178	–8,688	–163,866
0	0	–42,790	–42,790	0	–42,790
0	0	0	–21	0	–21
0	0	2,788	2,788	6,293	9,081
0	**0**	**–195,180**	**–193,630**	**–2,395**	**–196,025**
–85,637	**–7,981**	**3,513,853**	**5,196,132**	**64,879**	**5,261,011**

In thousands of euros

voestalpine AG

Notes to the consolidated financial statements 2013/14

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, 2014, (including comparative figures for the year ended March 31, 2013) have been prepared pursuant to Sec. 245a (1) of the Austrian Commercial Code (Unternehmensgesetzbuch, UGB) in accordance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standard Board (IASB) and adopted by the European Union.

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

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

The Management Board of voestalpine AG approved the consolidated financial statements and authorized the consolidated financial statements for submission to the Supervisory Board on May 26, 2014.

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.

The following new and revised Standards were adopted for the first time in the business year 2013/14:

Standard	**Content**	**Effective date**[1]
IFRS 13	Fair Value Measurement	January 1, 2013
IFRS 7, amendments	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities	January 1, 2013
IAS 12, amendments	Income Taxes – Deferred Tax: Recovery of Underlying Assets	January 1, 2013
IAS 1, amendments	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income	July 1, 2012
IAS 19, amendments	Employee Benefits	January 1, 2013
Various Standards	Annual Improvements to International Financial Reporting Standards, 2009–2011 Cycle (Exception: amendments related to IAS 32 are early adopted)	January 1, 2013

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

IFRS 13 defines the concept of fair value, provides a framework for measuring fair value in a single Standard, and prescribes the disclosures related to the measurement of fair value. There are additional notes and disclosures in the consolidated financial statements of voestalpine AG as a result of the first-time application of IFRS 13.

As a result of the amendments to IFRS 7, new provisions governing disclosures for offsetting financial instruments have been included in the statement of financial position. This change had no impact on the consolidated financial statements of voestalpine AG as of March 31, 2014.

The amendments to IAS 1 require that the items of other comprehensive income are grouped according to whether they will be recycled later into the income statement or not. The presentation of the statement of comprehensive income was adjusted accordingly.

As a result of the amendments to IAS 19, the corridor method is being eliminated and finance costs will be determined on a net basis. Furthermore, past service cost must be recognized immediately through profit or loss in the future, and additional disclosures are required with regard to defined benefit plans. In the voestalpine Group, actuarial gains and losses from severance and pension obligations have already been recognized directly in equity in the year in which they are incurred. The amendments to IAS 19 result in a change in the accounting treatment of expected return on plan assets of voestalpine AG. Up to March 31, 2013, in the voestalpine Group the expected return on plan assets was reported based on the underlying contracts with the pension funds in EBIT or in financial income; now it is recognized in full under net financial income.

The relevant line items were retroactively adjusted for the business year 2012/13 to reflect the following adjustments due to the amendments to IAS 19:

Adjustments to the income statement

	2012/13
Cost of sales	–4.3
Distribution costs	–1.6
Administrative expenses	–4.2
Other operating expenses	–0.4
EBIT	**–10.5**
Net interest cost of employee benefits	10.5
Profit for the period	**0.0**

In millions of euros

The application of the other new standards does not have a significant 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 2013/14:

Standard	Content	Effective date[1]
IFRS 10	Consolidated Financial Statements	January 1, 2014
IFRS 11	Joint Arrangements	January 1, 2014
IFRS 12	Disclosure of Interests in Other Entities	January 1, 2014
IAS 27, new version	Separate Financial Statements	January 1, 2014
IAS 28, new version	Investments in Associates and Joint Ventures	January 1, 2014
IAS 32, amendments	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	January 1, 2014
IAS 36, amendments	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets	January 1, 2014
IAS 39, amendments	Novation of Derivatives and Continuation of Hedge Accounting	January 1, 2014
various Standards, amendments	Amendments to IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements, and IFRS 12, Disclosure of Interests in Other Entities – Transition Guidance	January 1, 2014
various Standards, amendments	Amendments to IFRS 10, Consolidated Financial Statements, IFRS 12, Disclosure of Interests in Other Entities, and IAS 27, Separate Financial Statements – Investment Entities	January 1, 2014

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

IFRS 10 comprehensively redefines the concept of control. This should create a uniform basis for defining the consolidated group. This Standard replaces the provisions of the previous IAS 27 "Consolidated and Separate Financial Statements" for consolidated financial statements.

IFRS 11 governs the accounting of entities that jointly control an arrangement that is classified either as a joint venture or a joint operation. This Standard replaces IAS 31 "Interests in Joint Ventures" and eliminates the possibility of proportionate consolidation of joint ventures, whereby these are to be included in the consolidated group in the future using equity method accounting. IAS 28 now includes the provisions for associates and joint ventures that are measured based on the equity method under IFRS 11. Starting with business year 2014/15, the results of entities consolidated according to the equity method will be reported under EBIT. voestalpine Tubulars GmbH and voestalpine Tubulars GmbH & Co KG shall be proportionately consolidated by March 31, 2014, and, beginning with the business year 2014/15, the equity method shall be applied. The currently eleven associates, which were already previously accounted for using the equity method, shall also be recognized in EBIT. Disclosures regarding proportionately consolidated companies can be found under item C. Scope of consolidated financial statements.

IFRS 12 includes the disclosure requirements for subsidiaries, joint arrangements, associates, and unconsolidated structured entities, which will result in a range of additional disclosures in the consolidated financial statements of voestalpine AG.

Changes to IFRS 10, IFRS 11, and IFRS 12 were published in June 2012 in order to clarify the content and scope of certain guidelines regarding their first-time application.

Changes to IFRS 10, IFRS 12, and IAS 27 were published in October 2012 in order to create an exception for qualified investment entities from the regulation requiring consolidation of subsidiaries.

The amendments to IAS 32 clarify the requirements for offsetting financial instruments in the statement of financial position; as a result, new provisions governing disclosures have been added to IFRS 7.

The changes to IAS 36 represent a correction of disclosure requirements regarding the recoverable amount for non-financial assets that were changed to a greater extent than intended in connection with IFRS 13.

Due to the change to IAS 39, the novation of a hedging instrument to a central counterparty as a result of statutory requirements does not result in a dissolution of a hedge relationship under certain conditions.

The Group did not early adopt these Standards. With the exception of the described effects of IFRS 11, material effects of the new and revised Standards on voestalpine AG's consolidated financial statements are not expected.

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	**03/31/2013**	**03/31/2014**
USD	1.2805	1.3788
GBP	0.8456	0.8282
BRL	2.5703	3.1276
SEK	8.3553	8.9483
PLN	4.1804	4.1719

Average annual rate	**2012/13**	**2013/14**
USD	1.2869	1.3401
GBP	0.8147	0.8435
BRL	2.5891	3.0162
SEK	8.6150	8.7396
PLN	4.1653	4.2043

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 assessment of the recoverability of financial instruments cannot be derived from active markets, it is determined using alternative actuarial models. The underlying parameters used in the determination of the fair values are based partially on assumptions concerning the future.
- The valuation of existing severance payment and pension obligations is based on assumptions regarding interest rate, retirement age, life expectancy, and future salary/wage increases.
- 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 20.6 million (2012/13: EUR 28.6 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 130.0 million (2012/13: EUR 125.6 million) in the business year 2013/14.

Property, plant and equipment

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

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

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

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

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

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

Leases

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

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

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

Goodwill

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

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

Other intangible assets

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

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

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

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

Cash-generating units 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 the 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 market 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. Deferred tax liabilities are recognized for write-downs on investments claimed as tax deductions in Austria for the event that there are any possible future obligations to reverse the write-downs.

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

Inventories

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

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

Emission certificates

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

In the case of under-allocation, amounts for CO_2 emission certificates are included in the other provisions. The measurement is based on the rate prevailing on the reporting date (or the carrying amount) of the relevant certificates.

Trade and other receivables

Trade and other receivables are stated at amortized cost. Credit insurance is acquired to cover individually identifiable risks. Non-interest- or low-interest-bearing receivables with a remaining period of more than one year are recognized at their discounted present value. Sold receivables, 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.

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

Severance obligations

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

Defined contribution plans

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

Defined benefit plans

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

Longevity is the central (and only) risk within these defined benefit pension obligations. All calculations are made using the most recent mortality tables and even a substantial reduction in mortality would affect the DBO by less than 5% as of the reporting date. Other risks, such as the risk of rising costs of medical services, do not affect the obligations.

Almost all pension obligations within the Group cover vested claims.

Austria

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

Germany

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

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

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

Netherlands

Pension rights of active members and beneficiaries are accommodated by a defined contribution plan. Pension entitlements of former employees and retirees are based upon a percentage of the total salary in any year of service. Benefits are paid through a commercial insurance company and the indexation of benefits is set by the industry's pension fund. The employer may need to make additional payments to the insurer if returns of the funds held by the commercial insurer are insufficient to finance the agreed benefit increases. This scheme with the substantial obligations was closed for future participation of new entrants as of January 1, 2013.

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

	2012/13	2013/14
Interest rate (%)	3.50	3.25
Salary/wage increases (%)[1]	3.00	3.00
Pension benefit increases (%)[1]	2.25	2.25
Retirement age men/women		
Austria	max. 62 years	max. 62 years
Germany	63–67 years	63–67 years
Netherlands	65–67 years	65–67 years
Mortality tables		
Austria	AVÖ 2008-P	AVÖ 2008-P
Germany	Richttafeln 2005 G	Richttafeln 2005 G
Netherlands	AG2012-2062	AG2012-2062

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

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

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

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.

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%. In business years 2012/13 and 2013/14, an additional 0.3% and 0.27%, respectively, of the total amount of wages and salaries needed for the collective agreement pay increase for 2012 and 2013, respectively, were used to provide shares under the participation plan for those Austrian Group companies whose initial participation in the employee stock ownership plan had begun at a later date.

The Works Council and each company shall execute an agreement for implementation of the Austrian employee stock ownership plan. Shares are acquired by the voestalpine Mitarbeiterbeteiligung Privatstiftung (a private foundation for the Company's employee shareholding scheme), which transfers the shares to employees according to the wages and salaries they have waived. The value of the consideration provided is independent of price fluctuations. Therefore, IFRS 2 does not apply to the allocation of shares based on lower collective bargaining agreements.

An international participation model was developed for Group companies outside Austria, which was initially implemented in several companies in Great Britain and Germany in the business year 2009/10. Due to very positive experience gained in these pilot projects, the model was expanded in these two countries and introduced step by step in the Netherlands, in Poland, and in Belgium in the following business years. In the business year 2013/14, a total of 64 companies participated in the international employee stock ownership program in these five countries.

On March 31, 2014, the voestalpine Mitarbeiterbeteiligung Privatstiftung held approximately 14.0% (March 31, 2013: 14.4%) of voestalpine AG's shares in trust for employees.

C. Scope of consolidated financial statements

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

Subsidiaries are entities controlled by the Group. Control exists when the 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.

Proportionately consolidated companies are included in the consolidated financial statements with the following proportionate amounts:

	03/31/2013	03/31/2014
Non-current assets	28.6	31.4
Current assets	100.4	93.9
	129.0	**125.3**
Equity	80.0	83.8
Non-current provisions and liabilities	13.1	13.7
Current provisions and liabilities	35.9	27.8
	129.0	**125.3**

	2012/13	2013/14
Revenue	295.2	277.2
Cost of sales	213.3	197.9
Profit for the period	53.6	53.6

In millions of euros

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

	03/31/2013	03/31/2014
Non-current assets	354.0	340.7
Current assets	689.3	438.0
	1,043.3	**778.7**
Equity	408.8	349.2
Non-current provisions and liabilities	103.1	147.9
Current provisions and liabilities	531.4	281.6
	1,043.3	**778.7**
	2012/13	**2013/14**
Revenue	2,433.2	1,098.7
Profit for the period	47.9	34.4

In millions of euros

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

	Full consolidation	Proportionate consolidation	Equity-Methode
As of April 1, 2013	**291**	**2**	**12**
Acquisitions	5		
Change in consolidation method			
Acquisitions	8		1
Disposals	–1		
Reorganizations	–6		–1
Divestments or disposals	–2		–1
As of March 31, 2014	**295**	**2**	**11**
Of which foreign companies	233	0	6

Additions resulting from the change in the consolidation method include a fund of funds that was fully consolidated as of April 1, 2013. The effect on the consolidated financial statements can be considered immaterial and negligible.

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 2013/14:

Name of entity	Date of deconsolidation
Full consolidation in the business year 2012/13	
Stratford Joists Limited	June 30, 2013
Digvijay Steels Private Limited	February 18, 2014
ASSAB International Aktiebolag	March 31, 2014
Reorganization	
EIFELER POLITEC GMBH	April 1, 2013
BÖHLER-UDDEHOLM HÄRTEREITECHNIK GmbH	April 1, 2013
voestalpine Profilform Beteiligung GmbH	April 1, 2013
Böhler Uddeholm Precision Steel AB	April 1, 2013
Böhler Uddeholm Service Center AB	April 1, 2013
Böhler Uddeholm Saw Steel AB	April 1, 2013
Equity method in the business year 2012/13	
VA Intertrading Aktiengesellschaft	September 12, 2013
Reorganization	
Industrie-Logistik-Linz GmbH & Co KG	July 3, 2013

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 2013/14:

Name of entity	Interest in %	Date of initial consolidation
Full consolidation		
Bohler Pacific Pte. Ltd.	100.000%	April 1, 2013
Caseli GmbH	100.000%	April 1, 2013
Eifeler France S.a.r.l.	100.000%	December 20, 2013
Maruti Weld Pvt Ltd	100.000%	December 20, 2013
Trafilerie di Cittadella S.p.A.	90.000%	June 1, 2013
V 54-Fonds	97.192%	April 1, 2013
VA OMV Personalholding GmbH	100.000%	March 31, 2014
vaps Personalservice GmbH	100.000%	March 31, 2014
voestalpine BWG ltd.	100.000%	April 1, 2013
voestalpine Funding International GmbH	100.000%	April 1, 2013
voestalpine Texas Holding LLC	100.000%	April 2, 2013
voestalpine Texas LLC	100.000%	April 2, 2013
voestalpine Wire Technology GmbH	100.000%	October 22, 2013
Equity method		
Industrie-Logistik-Linz GmbH	37.000%	July 3, 2013

Additions to the scope of consolidated financial statements of fully consolidated entities include five acquisitions, four newly established subsidiaries, and the consolidation of four entities not previously included in the scope of the consolidated financial statements.

In accordance with IFRS 3, the acquired companies are included in the consolidated financial statements at the fair value carried forward of the acquired assets, liabilities, and contingent liabilities determined as of the acquisition date, including depreciation and amortization as appropriate. The carrying amount of the non-controlling interests is determined based on the fair values carried forward for the assets and liabilities acquired. In accordance with IFRS 3, property, plant and equipment, intangible assets, inventories as well as provisions, and consequently the item goodwill, shall be considered provisional due to uncertainties in their valuation.

The increase of majority interests is treated as a transaction between owners. The difference between the costs of acquisition for the additional shares and the pro-rated carrying value of the non-controlling interests is recognized directly in equity. During the reporting period, EUR 6.2 million (2012/13: EUR 14.9 million) was paid for the acquisition of non-controlling interests or provisions were formed for the payment thereof. Non-controlling interests amounting to EUR 4.1 million (2012/13: EUR 7.7 million) were derecognized, and the remaining amount of EUR 2.1 million (2012/13: EUR 7.2 million) was charged directly in equity.

Put options granted to non-controlling shareholders in exchange for their shares in Group companies are recorded in the statement of financial position as liabilities stated at fair value. If the risks and rewards associated with ownership of a non-controlling interest have already been transferred at the time the majority interest was acquired, an acquisition of 100% of the entity is assumed. If, however, the risks and rewards have not been transferred, the non-controlling interest continues to be shown in equity. The liability is covered by a direct transfer from retained earnings with no effect on profit or loss (double credit approach).

Open put options, which are charged against equity, had a fair value of EUR 5.7 million (March 31, 2013: EUR 10.0 million) as of March 31, 2014. Due to possible changes in the shareholder structure, in one case, the multiplicator method and/or the discounted cash flow method applied in the previous year were replaced by valuation using the pro rata carrying amount of equity. In another case, the discounted cash flow method was applied in accordance with the contractual maximum limits. Input factors in the discounted cash flow method include but are not limited to the medium-term business plan and the discount rate.

The Steel Division has increased its share in the VA OMV Personalholding GmbH from 50% to 100% as a result of the discontinuation of a common basis for doing business. After recording an upward revaluation of the former shares amounting to EUR 0.8 million in financial income, negative goodwill amounting to EUR 0.8 million was recognized in EBIT within the scope of first-time consolidation.

The Metal Engineering Division acquired the Italian company Trafilerie di Cittadella S.p.A. in the first quarter of the business year 2013/14. voestalpine Böhler Welding Group GmbH (CGU Welding Consumables) thus holds 90% of the shares of this company that specializes in the manufacture of high-quality seamless flux cored wire, which is especially suited for welding high-strength, cryogenic, and high-temperature steels, whose product characteristics are the result of the unique production process. Trafilerie di Cittadella S.p.A., which has 60 employees, generated annual revenue of EUR 13.7 million in 2012. The acquisition enhances the expertise of the CGU Welding Consumables with regard to flux cored wire. In December 2013, the CGU Welding Consumables of the Metal Engineering Division acquired the Indian company Maruti Weld Pvt Ltd, which is headquartered in Delhi. The 180-employee-strong company, which specializes in manufacturing welding electrodes, generated annual revenue of EUR 6.7 million in 2012 and is among the top ten companies on the Indian welding technology market. For voestalpine, this acquisition represents yet another expansion of its product portfolio in the welding technology segment and provides an outstanding, regional production base for the penetration of the Indian growth market. These are the main reasons for the goodwill paid.

The strategically important acquisition of Eifeler France S.a.r.l. was completed in December 2013 by the Special Steel Division; this is part of the acquisition of a total of nine companies of the Eifeler Group in Germany, Switzerland, and the USA in March 2013. Eifeler France S.a.r.l., which has 15 employees, reports annual revenue of EUR 1.6 million. With the expertise available in the companies acquired from the Eifeler Group, the position of the Special Steel Division as worldwide market and technology leader in tool steel can be enhanced even further. The second acquisition during business year 2013/14 by the Special Steel Division involved Rieckermann Steeltech Ltd. (Shanghai) and P.M. Technology Ltd. (Shenzhen). The division acquired these production and service sites in China, which employ a total of around 100 employees, as part of an asset deal. These acquisitions have expanded the distribution network in China and strengthened the division's local presence in the field of sophisticated special materials for oil and gas production, the energy and fuel sectors as well as the aviation industry.

These acquisitions had the following effects on the consolidated financial statements:

	Recognized values	Fair value adjustments	Carrying amounts
Non-current assets	19.7	5.7	14.0
Current assets	24.7	0.0	24.7
Non-current provisions and liabilities	–3.9	–0.8	3.1
Current provisions and liabilities	–19.6	0.0	–19.6
Net assets	**20.9**	**4.9**	**16.0**
Increase in non-controlling interests	–0.6		
Goodwill/negative goodwill	3.0		
Costs of acquisition	**23.3**		
Cash and cash equivalents acquired	–1.0		
Non-cash items	–0.9		
Net cash outflow	**21.4**		

In millions of euros

Since their initial consolidation, these acquisitions have contributed revenue of EUR 21.8 million to consolidated revenue. Their share of the Group's profit for the period was EUR –0.8 million for the same period. The consolidated revenue would have been EUR 9.8 million higher and the Group's profit for the period would have been EUR 0.6 million higher if the acquisitions had been consolidated as of April 1, 2013.

Fair values were applied for trade receivables in the amount of EUR 2.9 million and other receivables in the amount of EUR 0.3 million as part of the acquisition of Trafilerie di Cittadella S.p.A. For Eifeler France S.a.r.l., trade receivables in the amount of EUR 0.2 million were acquired. The acquisition of Maruti Weld Pvt Ltd transferred trade receivables in the amount of EUR 0.6 million and other receivables in the amount of EUR 0.1 million. Trade receivables in the amount of EUR 4.3 million and other receivables in the amount of EUR 0.5 million of newly consolidated vaps Personalservice GmbH were consolidated for the first time. Any receivables associated with all the acquisitions that are likely to be uncollectible are considered immaterial and negligible.

Acquisition-related costs of EUR 0.5 million were recognized under other operating expenses and EUR 0.1 million under cost of sales for these acquisitions.

With regard to the aforementioned acquisitions, it is not expected that portions of the recognized goodwill are deductible for corporate income tax purposes.

E. Explanations and other disclosures

1. Revenue

The breakdown of the revenue is reported as follows:

	2012/13	2013/14
Revenues from the sale of products (including services)	11,318.1	10,995.9
Revenue from construction contracts	206.3	232.1
Revenue	**11,524.4**	**11,228.0**

In millions of euros

2. Operating segments

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

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

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

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

The Metal Forming Division is a leading global provider of high-quality metal processing solutions in the segments of special sections, precision strip steel, and special components for the automotive and aviation industries. The Metal Forming Division is a leading global manufacturer of welded tubes and hollow sections, open special sections, and custom-made special tubes as well as precision parts of the highest quality. The division provides the automotive industry and well-respected suppliers with a complete range of pressed parts in the body-in-white segment as well as highly innovative structural components. Additionally, it produces cold-rolled special strip steel with a high degree of dimensional stability, extremely tight tolerances, and excellent surface qualities. The division is also a provider of sophisticated product solutions in the segments of high-bay warehouses, system racks, and road safety as well as for the energy and heating industries.

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

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

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

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

Operating segments

	Steel Division		Special Steel Division	
	2012/13	2013/14	2012/13	2013/14
Segment revenue	3,921.7	3,809.7	2,748.4	2,627.9
Of which revenue with third parties	3,655.2	3,520.9	2,704.5	2,576.9
Of which revenue with other segments	266.5	288.8	43.9	51.0
EBITDA	446.3	392.9	366.8	358.5
Depreciation and amortization of property, plant and equipment and intangible assets	231.4	232.9	145.0	134.1
Of which impairment	0.0	0.0	0.2	0.0
Of which reversal of impairment	0.0	0.0	0.4	0.0
EBIT	214.9	160.0	221.8	224.4
EBIT margin	5.5%	4.2%	8.1%	8.5%
Share of profit of associates	11.4	9.1	0.0	0.0
Interest and similar income	1.9	0.8	12.6	7.5
Interest and similar expenses	51.7	34.5	44.5	41.9
Income tax expense	–31.0	–18.2	–57.3	–57.5
Profit for the period	152.1	117.1	134.5	137.1
Segment assets	3,684.8	3,880.4	4,025.8	3,871.1
Of which investments in associates	104.4	102.1	0.0	0.0
Net financial debt	1,011.9	1,210.9	806.3	784.1
Investments in property, plant and equipment and intangible assets	276.9	447.4	256.8	181.5
Employees (full-time equivalent)	10,676	11,192	12,721	12,885

[1] Business year 2012/13 retroactively adjusted in accordance with IAS 19 (revised);
see adjustments to the income statement chapter B. Summary of accounting policies – General information.

	Metal Engineering Division		Metal Forming Division		Other		Reconciliation		Total Group	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
	2,913.6	2,830.7	2,310.2	2,356.9	1,380.9	1,492.2	–1,750.4	–1,889.4	11,524.4	11,228.0
	2,877.9	2,795.9	2,279.0	2,325.5	7.8	8.8	0.0	0.0	11,524.4	11,228.0
	35.7	34.8	31.2	31.4	1,373.1	1,483.4	–1,750.4	–1,889.4	0.0	0.0
	432.8	435.3	255.5	276.4	–73.3	–77.9	3.2	–2.5	1,431.3	1,382.7
	114.9	118.2	90.0	94.1	6.9	11.1	0.0	0.0	588.2	590.4
	0.3	3.5	0.1	2.3	0.0	0.0	0.0	0.0	0.6	5.8
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0
	317.9	317.2	165.5	182.3	–80.1	–89.1	3.1	–2.5	843.1	792.3
	10.9%	11.2%	7.2%	7.7%					7.3%	7.1%
	0.9	1.5	0.0	0.0	2.2	0.6	0.9	0.8	15.4	12.0
	2.9	2.3	3.2	3.0	101.0	91.0	–78.8	–75.4	42.8	29.2
	33.6	28.8	25.7	23.1	181.2	129.2	–75.5	–77.2	261.2	180.3
	–78.4	–77.1	–31.9	–36.1	66.2	55.6	–0.3	0.2	–132.7	–133.1
	209.6	215.3	111.6	126.1	290.4	654.4	–376.3	–727.1	521.9	522.9
	2,659.3	2,570.5	1,947.1	2,011.2	10,268.5	10,192.4	–9,506.2	–9,888.1	13,079.3	12,637.5
	19.0	16.8	0.0	0.0	0.8	1.8	32.2	12.7	156.4	133.4
	291.5	405.6	490.2	426.9	–340.4	–448.9	–0.3	28.5	2,259.2	2,407.1
	164.9	172.2	142.5	130.6	9.5	12.3	0.0	–0.5	850.6	943.5
	11,374	11,845	10,853	11,416	727	775	0	0	46,351	48,113

In millions of euros

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

EBITDA	**2012/13**	**2013/14**
Net exchange differences incl. result from valuation of derivatives	4.4	–3.2
Consolidation	–1.1	–0.8
Other	–0.1	1.5
EBITDA – Total reconciliation	**3.2**	**–2.5**

In millions of euros

EBIT	**2012/13**	**2013/14**
Net exchange differences incl. result from valuation of derivatives	4.4	–3.2
Consolidation	–1.1	–0.8
Other	–0.2	1.5
EBIT – Total reconciliation	**3.1**	**–2.5**

In millions of euros

All other key figures contain solely the effects of consolidation.

Geographical information

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

	Austria		**European Union**		**Other countries**	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
External revenue	1,161.6	1,121.0	7,111.0	6,989.6	3,251.8	3,117.4
Non-current assets	4,274.7	4,444.5	1,627.7	1,634.4	598.2	620.3
Investments in property, plant and equipment and intangible assets	511.5	607.1	243.4	182.0	95.7	154.4

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

	2012/13	2013/14
Gains on disposal and appreciation of intangible assets, property, plant and equipment	5.6	15.7
Income from reversal of provisions	75.6	75.4
Exchange profits and income from the valuation of derivatives	42.0	27.7
Other operating income	248.5	241.8
	371.7	**360.6**

In millions of euros

In the business year 2013/14, operating income of EUR 81.9 million (2012/13: EUR 98.0 million) from the sale of products not generated in the course of ordinary activities is included in other operating income.

4. Other operating expenses

	2012/13[1]	2013/14
Taxes other than income taxes	16.1	19.5
Losses on disposal of property, plant and equipment	2.9	24.9
Exchange losses and expenses from the valuation of derivatives	35.3	29.0
Other operating expenses	242.4	218.9
	296.7	**292.3**

[1] Business year 2012/13 retroactively adjusted in accordance with IAS 19 (revised); see adjustments to the income statement chapter B. Summary of accounting policies – General information.

In millions of euros

5. Share of profit of associates

	2012/13	2013/14
Income from associates	17.1	13.8
Expenses from associates	–1.7	–1.8
	15.4	**12.0**

In millions of euros

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

6. Finance income

	2012/13	2013/14
Income from investments	8.0	8.2
Of which from affiliated companies	6.3	1.5
Income from other long-term securities and loans	1.2	10.0
Of which from affiliated companies	0.0	0.0
Other interest and similar income	41.6	19.2
Of which from affiliated companies	0.2	0.2
Income from disposals and fair value measurements of investment at fair value through profit or loss	12.5	3.1
	63.3	**40.5**

In millions of euros

7. Finance costs

	2012/13[1]	2013/14
Expenses from other financial assets		
Valuation of securities	2.4	4.9
Expenses from affiliated companies	0.0	0.2
Other expenses	3.5	3.4
	5.9	**8.5**
Other interest and similar expenses	261.2	180.3
Of which from affiliated companies	0.2	0.1
	267.1	**188.8**

[1] Business year 2012/13 retroactively adjusted in accordance with IAS 19 (revised); see adjustments to the income statement chapter B. Summary of accounting policies – General information.

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).

	2012/13	2013/14
Current tax expense	**93.5**	**96.7**
Effective tax expense	95.8	97.0
Adjustments of taxes from previous periods	–2.1	0.4
Recognition of tax losses from prior periods	–0.2	–0.7
Deferred tax expense	**39.2**	**36.4**
Origination/reversal of temporary differences	37.3	37.6
Adjustments of taxes from previous periods	2.1	–3.2
Impact of changes in tax rates	–3.3	1.0
Recognition of tax losses from prior periods	3.1	1.0
	132.7	**133.1**

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:

	2012/13		2013/14	
Profit before tax		**654.7**		**656.0**
Income tax using the Austrian corporate tax rate	25.0%	163.7	25.0%	164.0
Difference to foreign tax rates	0.6%	3.7	1.6%	10.8
Non-taxable income and expenses	–3.1%	–20.5	–2.6%	–17.0
Non-taxable income from investments	–0.8%	–5.4	–0.6%	–4.2
Effects of depreciation of investments and utilization of previously unrecognized losses carried forward and non-recognition of losses carried forward, respectively	0.5%	3.5	–1.2%	–7.8
Taxes from previous periods	0.0%	0.1	–0.4%	–2.8
Own shares	0.1%	0.5	0.0%	0.2
Hybrid bond	–2.8%	–18.0	–2.7%	–18.0
Other differences	0.8%	5.1	1.2%	7.9
Effective Group tax rate (%)/income tax expense	**20.3%**	**132.7**	**20.3%**	**133.1**

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	2,581.0	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 April 1, 2012	**1,305.9**	**2,551.4**	**223.3**	**297.7**	**4,378.3**
Gross carrying amount	2,672.0	8,834.5	998.9	464.3	12,969.7
Accumulated depreciation and impairment	–1,329.9	–6,289.1	–769.8	–0.2	–8,389.0
Carrying amount as of March 31, 2013	**1,342.1**	**2,545.4**	**229.1**	**464.1**	**4,580.7**
Gross carrying amount	2,723.8	8,960.8	1,026.4	676.5	13,387.5
Accumulated depreciation and impairment	–1,364.4	–6,472.0	–778.6	–0.5	–8,615.5
Carrying amount as of March 31, 2014	**1,359.4**	**2,488.8**	**247.8**	**676.0**	**4,772.0**

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, 2014:

	Land, land rights, and buildings	Plant and equipment	Fixtures and fittings	Advance payments and plant under construction	Total
Carrying amount as of April 1, 2012	**1,305.9**	**2,551.4**	**223.3**	**297.7**	**4,378.3**
Changes in the scope of consolidated financial statements	1.3	19.1	0.7	3.7	24.8
Additions	47.9	228.4	55.4	391.2	722.9
Transfers	52.7	165.9	9.4	–227.7	0.3
Disposals	–2.5	–2.3	–1.7	–0.3	–6.8
Depreciation	–62.3	–413.9	–58.5	–0.1	–534.8
Impairment	0.0	–0.6	0.0	0.0	–0.6
Reversal of impairment	0.0	0.0	0.4	0.0	0.4
Net exchange differences	–0.9	–2.6	0.1	–0.4	–3.8
Carrying amount as of March 31, 2013	**1,342.1**	**2,545.4**	**229.1**	**464.1**	**4,580.7**
Changes in the scope of consolidated financial statements	7.9	5.3	2.3	0.4	15.9
Additions	67.6	249.9	68.0	488.8	874.3
Transfers	53.1	186.7	17.0	–261.2	–4.4
Disposals	–22.3	–24.8	–3.1	–3.7	–53.9
Depreciation	–64.4	–425.4	–60.5	–0.1	–550.4
Impairment	–2.8	–2.8	–0.2	0.0	–5.8
Reversal of impairment	0.0	0.0	0.0	0.0	0.0
Net exchange differences	–21.8	–45.5	–4.8	–12.3	–84.4
Carrying amount as of March 31, 2014	**1,359.4**	**2,488.8**	**247.8**	**676.0**	**4,772.0**

In millions of euros

As of March 31, 2014, restrictions on the disposal of property, plant and equipment amounted to EUR 19.2 million (March 31, 2013: EUR 26.9 million). Furthermore, as of March 31, 2014, commitments for the purchase of property, plant and equipment amounted to EUR 509.3 million (March 31, 2013: EUR 426.4 million).

Borrowing costs related to qualifying assets in the amount of EUR 9.2 million (2012/13: EUR 3.1 million) were capitalized in the reporting period. The calculation was based on an average borrowing cost rate of 4.0% (2012/13: 4.7%).

As of March 31, 2014, the gross carrying amount and accumulated depreciation of investment properties (IAS 40) are reported as follows:

	03/31/2013	**03/31/2014**
Gross carrying amount	47.0	25.0
Accumulated depreciation and impairment	–19.6	–9.9
Carrying amount	**27.4**	**15.1**

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, 2014:

	2012/13	**2013/14**
Carrying amount as of April 1	**25.3**	**27.4**
Additions	10.2	0.5
Disposals	–1.5	–10.9
Depreciation	–6.6	–1.9
Carrying amount as of March 31	**27.4**	**15.1**

In millions of euros

Investment properties are measured at cost. Depreciation is recorded in line with the general accounting policies for property, plant and equipment. Based on comparable sales transactions, the market value of these assets is estimated at EUR 16.8 million (March 31, 2013: EUR 28.1 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		
2012/13						
Gross carrying amount	75.5	40.4	1.9	0.0	1.0	118.8
Accumulated depreciation and impairment	–23.2	–22.9	–1.1	0.0	–1.0	–48.2
Carrying amount	**52.3**	**17.5**	**0.8**	**0.0**	**0.0**	**70.6**
2013/14						
Gross carrying amount	69.6	37.8	2.6	1.0	1.0	112.0
Accumulated depreciation and impairment	–27.9	–24.5	–1.2	0.0	–1.0	–54.6
Carrying amount	**41.7**	**13.3**	**1.4**	**1.0**	**0.0**	**57.4**

In millions of euros

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

	Minimum finance lease payments		Discounts on finance lease payments		Present value of the minimum finance lease payments	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
Less than one year	8.3	7.5	–1.8	–1.7	6.5	5.8
Between one and five years	25.7	21.4	–5.3	–4.9	20.4	16.5
More than five years	21.0	17.1	–1.7	–0.8	19.3	16.3
	55.0	**46.0**	**–8.8**	**–7.4**	**46.2**	**38.6**

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:

	2012/13	2013/14
Less than one year	41.3	45.0
Between one and five years	105.4	104.8
More than five years	46.0	52.9
	192.7	**202.7**

In millions of euros

Payments of EUR 53.9 million (2012/13: EUR 49.2 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

	2012/13	2013/14
Cost of sales	521.5	529.5
Distribution costs	27.3	19.4
Administrative expenses	24.0	22.3
Other operating expenses	15.4	19.2
	588.2	**590.4**

In millions of euros

Impairment losses and reversal of impairment losses

In the Metal Engineering Division in the period under review, impairment losses on property, plant and equipment amounting to EUR 3.5 million were recognized for obsolete plant, equipment, and buildings. They are recognized under other operating expenses. In the Metal Forming Division, impairment losses on property, plant and equipment amounting to EUR 2.3 million were recognized as provisions of possible losses on sales. They are recognized under cost of sales and other operating expenses. In the same period of the previous year, impairment losses (primarily due to obsolescence) on property, plant and equipment (relating to plant and machinery in the Metal Engineering Division and the Special Steel Division) amounting to EUR 0.6 million were reported. They are recognized primarily in the cost of sales.

No reversals of impairment losses on property, plant and equipment were recognized during the reporting period. In the same period of the previous year, reversals of impairment losses on property, plant and equipment amounting to EUR 0.4 million were recognized as income due to an increase of fair value in the Special Steel Division. They are recognized in other operating income.

10. Goodwill

	03/31/2012	03/31/2013	03/31/2014
Gross carrying amount	1,436.6	1,485.6	1,487.7
Impairment loss	–15.4	–15.4	–15.4
Carrying amount	**1,421.2**	**1,470.2**	**1,472.3**

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, 2014:

	Goodwill
Carrying amount as of April 1, 2012	**1,421.2**
Changes in the scope of consolidated financial statements	48.3
Disposals	–0.1
Net exchange differences	0.8
Carrying amount as of March 31, 2013	**1,470.2**
Changes in the scope of consolidated financial statements	3.9
Net exchange differences	–1.8
Carrying amount as of March 31, 2014	**1,472.3**

In millions of euros

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the following cash-generating units:

	2012/13	2013/14
Total Steel Division	**160.1**	**160.1**
HPM Production	378.8	378.8
Value Added Services	306.9	305.2
Total Special Steel Division	**685.7**	**684.0**
Steel	25.8	25.8
Rail Technology	31.9	31.9
Turnout Systems	123.9	123.9
Welding Consumables	169.4	173.2
Total Metal Engineering Division	**351.0**	**354.8**
Tubes & Sections	63.0	63.0
Automotive Body Parts	84.0	84.0
Precision Strip	103.8	103.8
Warehouse & Rack Solutions	11.2	11.2
Heating & Installation Components	11.4	11.4
Total Metal Forming Division	**273.4**	**273.4**
voestalpine Group	**1,470.2**	**1,472.3**

In millions of euros

With regard to the value in use, goodwill is reviewed for impairment applying the discounted cash flow method. The calculation is performed on the basis of cash flows before tax of a three-year medium-term business plan as of the beginning of March. This medium-term business plan is based on historical data as well as on assumptions regarding the expected future market performance. The Group's planning assumptions are extended to include sectoral planning assumptions. Intra-group evaluations are complemented by external market studies. The capital costs are calculated as the weighted average cost of equity and the weighted average cost of borrowed capital and using the capital asset pricing model (weighted average costs of capital). Cash flows are discounted using a pre-tax WACC of 7.98% (2012/13: 7.96%). Country risk is taken into account through a cash flow premium/discount specific to the CGU.

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

External market and economic forecasts for the sale of flat steel products in Europe were used for the three-year medium-term business plan of the CGU Steel Division. Due to positive feedback from individual customer segments, some quality-related adjustments were made. The production plan reflects the sales forecasts. With respect to procurement, the assumptions regarding raw materials according to global market forecasts were taken as a basis for planning. The three-year medium-term business plan was extended by one year to present a sustainable steady-state status for the calculation of the perpetual annuity. The perpetual annuity is based on an expected growth rate of 1%. The country-specific cash flow premium is 3.49%.

The three-year medium-term business plan for the CGU High Performance Metals (HPM) Production was prepared under consideration of both the CGU's strategic orientation and the regional conditions in the core markets and reflects the general economic environment of the most important industry segments for the companies of this CGU. The internal forecasts and estimates—in particular with regard to the components business that targets sophisticated metallurgical applications in the aerospace, oil and natural gas, energy engineering, and automotive industries—rely on external sources of information and are largely consistent with them. Changes in the cost of input materials due to the price of alloys can mostly be passed on to customers. The last plan year was used to calculate the perpetual annuity based on a growth factor of 1%. The country-specific cash flow discount is 3.23%.

The planning for the CGU Value Added Services was based on both the general economic environment of the relevant industry segments as well as the growth forecasts in the regional sales markets. The optimization of the value creation chain that had already been initiated in the past and the continuation of the oil and natural gas strategy, which is contributing to a significant improvement of the market position, have played a positive role in the planning. Changes in this CGU's material costs due to alloy prices can also be passed on to the market through so-called "alloy surcharges." The perpetual annuity begins with the third plan year and is also based on a growth factor of 1%. The country-specific cash flow discount is 6.88%.

The planning process of the CGU Turnout Systems was based on the three-year detailed budgets and market forecasts of the individual companies belonging to the CGU. The planning also reflects their expectations with respect to the development of their respective general market environment and the volume of their customers' estimated demand. With regard to the most important factor cost developments, general forecasts of the development of personnel expenses and internal assumptions on the development of steel prices were integrated into the budgets. The perpetual annuity begins with the third plan year and is based on a growth factor of 1%. The country-specific cash flow discount is 7.50%.

In addition to the generally applicable forecasts for economic growth in the relevant core markets, in particular the development and potential in the focus industries defined for the segment were taken into account for the three-year medium-term business plan for the CGU Welding Consumables. The discounted cash flow method used in the course of the impairment tests is applied using a perpetual annuity based on the last detailed planning period. A growth factor of 1% was applied for the perpetual annuity. The country-specific cash flow discount is 7.03%.

The cash flow forecasts for the CGU Automotive Body Parts are based on the regional growth forecasts and/or the medium-term production forecasts for the pan-European automobile market, particularly for the European premium brand automakers. External forecasts were adjusted upward based on internal estimates. The last plan year was used to calculate the perpetual annuity based on a growth factor of 1%. The country-specific cash flow premium is 2.34%.

The three-year medium-term business plan for the CGU Precision Strip was prepared under consideration of the general regional conditions in the core markets and reflects the general economic environment of the most important industry segments for the companies of this CGU. The external forecasts were supplemented by internal estimates. For the most part, internal estimates are based on external forecasts and were adjusted downward. The last plan year was used to calculate the perpetual annuity based on a growth factor of 1%. The country-specific cash flow premium is 3.21%.

The value of all goodwill was confirmed by the impairment tests. A sensitivity analysis showed that the carrying amounts of each CGU would still be covered if the interest rate were to rise from 7.98% to 8.98% and there is no need to recognize an impairment loss. Furthermore, the cash flow sensitivity analysis showed that if the cash flows are reduced by 10%, the carrying amounts of each CGU are still covered and there is no need to recognize an impairment loss.

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

	2012/13	2013/14
Special Steel Division	**155.4**	**155.4**
Welding Consumables	12.6	12.6
Total Metal Engineering Division	**12.6**	**12.6**
Precision Strip	2.6	2.6
Total Metal Forming Division	**2.6**	**2.6**
voestalpine Group	**170.6**	**170.6**

In millions of euros

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

11. Other intangible assets

	Brands	Other	Advance payments or in progress	Total
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 April 1, 2012	**225.3**	**93.2**	**3.5**	**322.0**
Gross carrying amount	227.6	1,081.0	14.6	1,323.2
Accumulated amortization and impairment	–8.1	–994.2	0.0	–1,002.3
Carrying amount as of March 31, 2013	**219.5**	**86.8**	**14.6**	**320.9**
Gross carrying amount	227.6	1,087.0	43.1	1,357.7
Accumulated amortization and impairment	–13.8	–1,007.2	0.0	–1,021.0
Carrying amount as of March 31, 2014	**213.8**	**79.8**	**43.1**	**336.7**

In millions of euros

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

The following table shows a reconciliation of the carrying amounts of other intangible assets for the periods presented in the consolidated financial statements as of March 31, 2014:

	Brands	**Other**	**Advance payments or in progress**	**Total**
Carrying amount as of April 1, 2012	**225.3**	**93.2**	**3.5**	**322.0**
Changes in the scope of consolidated financial statements	0.0	24.5	0.0	24.5
Additions	0.0	12.4	14.4	26.8
Transfers	0.0	3.3	–3.3	0.0
Disposals	0.0	–0.1	0.0	–0.1
Amortization	–5.8	–46.6	0.0	–52.4
Net exchange differences	0.0	0.1	0.0	0.1
Carrying amount as of March 31, 2013	**219.5**	**86.8**	**14.6**	**320.9**
Changes in the scope of consolidated financial statements	0.0	4.7	0.0	4.7
Additions	0.0	15.4	29.1	44.5
Transfers	0.0	4.2	–0.5	3.7
Disposals	0.0	0.0	0.0	0.0
Amortization	–5.7	–28.5	0.0	–34.2
Net exchange differences	0.0	–2.8	–0.1	–2.9
Carrying amount as of March 31, 2014	**213.8**	**79.8**	**43.1**	**336.7**

In millions of euros

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

As of March 31, 2014, commitments for the acquisition of intangible assets amounted to EUR 3.3 million (March 31, 2013: EUR 0.2 million). Additions to "Advance payments or in progress" contain EUR 23.0 million (March 31, 2013: EUR 13.2 million) in capitalized development costs for a software project intended to depict cross-company business processes and business processes that have been harmonized within the Steel Division.

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	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 April 1, 2012	**12.1**	**149.4**	**54.8**	**77.0**	**16.4**	**0.2**	**309.9**
Gross carrying amount	18.6	158.5	57.1	19.6	28.8	0.0	282.6
Accumulated depreciation	–7.2	–2.1	–4.8	–0.3	–2.6	0.0	–17.0
Carrying amount as of March 31, 2013	**11.4**	**156.4**	**52.3**	**19.3**	**26.2**	**0.0**	**265.6**
Gross carrying amount	17.5	133.8	56.8	6.9	28.0	0.0	243.0
Accumulated depreciation	–7.1	–0.4	–7.9	–0.1	–3.0	0.0	–18.5
Carrying amount as of March 31, 2014	**10.4**	**133.4**	**48.9**	**6.8**	**25.0**	**0.0**	**224.5**

In millions of euros

The following table shows a reconciliation of the carrying amounts of investments in associates and other financial assets for the periods presented in the consolidated financial statements as of March 31, 2014:

	Investments in affiliated companies	Invest-ments in associates	Other invest-ments	Securities	Loans granted	Advance payments	Total
Carrying amount as of April 1, 2012	**12.1**	**149.4**	**54.8**	**77.0**	**16.4**	**0.2**	**309.9**
Changes in the scope of consolidated financial statements	–0.1	0.0	0.0	0.0	0.0	0.0	–0.1
Additions	0.6	3.5	0.0	1.5	12.8	0.0	18.4
Transfers	–0.2	0.0	0.0	–0.1	–0.4	–0.2	–0.9
Disposals	–0.2	0.0	0.0	–59.4	–1.2	0.0	–60.8
Impairment	–0.8	–1.7	–2.5	–0.1	–1.7	0.0	–6.8
Revaluation	0.0	0.0	0.0	0.4	0.4	0.0	0.8
Net exchange differences	0.0	5.2	0.0	0.0	–0.1	0.0	5.1
Carrying amount as of March 31, 2013	**11.4**	**156.4**	**52.3**	**19.3**	**26.2**	**0.0**	**265.6**
Changes in the scope of consolidated financial statements	0.0	0.0	0.0	–12.4	0.0	0.0	–12.4
Additions	0.2	0.0	0.1	0.3	2.7	0.0	3.3
Transfers	–1.2	–16.0	–0.1	–0.1	–0.2	0.0	–17.6
Disposals	0.0	–1.4	–0.3	–0.3	–3.2	0.0	–5.2
Impairment	0.0	–1.8	–3.1	–0.2	–0.5	0.0	–5.6
Revaluation	0.0	0.0	0.0	0.2	0.0	0.0	0.2
Net exchange differences	0.0	–3.8	0.0	0.0	0.0	0.0	–3.8
Carrying amount as of March 31, 2014	**10.4**	**133.4**	**48.9**	**6.8**	**25.0**	**0.0**	**224.5**

In millions of euros

Loans granted comprise the following items:

	03/31/2012	03/31/2013	03/31/2014
Loans to affiliated companies	1.1	0.9	0.9
Loans to associates	0.0	0.0	0.0
Loans to other investments	0.0	0.0	0.0
Other loans	12.5	17.0	14.9
Other receivables from financing	2.8	8.3	9.2
	16.4	**26.2**	**25.0**

In millions of euros

Other current investments include securities of the V54 fund of funds initially consolidated in the business year 2013/14 amounting to EUR 389.5 million (March 31, 2013: shares in the V54 fund EUR 385.1 million), and other securities amounting to EUR 24.2 million (March 31, 2013: EUR 28.2 million). As of March 31, 2013, another liquidity fund was included amounting to EUR 60.0 million.

VA Intertrading Aktiengesellschaft has also been recognized under other current financial investments (previously recognized according to the equity method) as the prerequisites for the application of IFRS 5 provisions have now been met; however, as these are immaterial and negligible, it is not appropriate to list them as a separate line item in the consolidated statement of financial position.

The fund assets of the V54 fund of funds, which represent a carrying amount of current securities amounting to EUR 39.0 million (March 31, 2013: EUR 57.5 million) in the consolidated financial statements, 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	
	03/31/2013	03/31/2014	03/31/2013	03/31/2014
Non-current assets	29.4	27.4	131.9	140.6
Current assets	68.6	66.8	81.0	71.8
Non-current provisions and liabilities	155.9	155.1	28.3	31.7
Current provisions and liabilities	32.3	24.6	14.8	18.0
Losses carried forward	56.4	52.4	0.0	0.0
Netting of deferred taxes to the same tax authority	–169.6	–178.5	–169.6	–178.5
	173.0	**147.8**	**86.4**	**83.6**
Intercompany profit elimination (netted)	19.2	18.7	0.0	0.0
Hidden reserves (netted)	0.0	0.0	102.4	93.4
Acquisition-related tax credit	144.5	126.5	0.0	0.0
Other	6.9	20.6	0.8	10.4
Net deferred taxes	**343.6**	**313.6**	**189.6**	**187.4**

In millions of euros

Pursuant to IAS 12.34, the tax benefit from the acquisition of BÖHLER-UDDEHOLM Aktiengesellschaft is reported as unused tax credit and will be released as deferred tax expense over a period of 14 years with an amount of EUR 18.1 million per year (remaining term 7 years). This is offset by actual tax savings.

With its decision of January 30, 2014, the Higher Administrative Court (Verwaltungsgerichtshof) directed a request for a preliminary ruling to the ECJ (Higher Administrative Court 30/1/2014, EU 2014/0001-1 (2013/15/0186)). Among other issues, this request contained the question of whether, when acquiring a domestic equity interest, goodwill amortization constitutes State aid within the framework of group taxation in Austria as defined by Art. 107 (1) of the Treaty on the Functioning of the European Union (TFEU). The result of the ECJ preliminary ruling proceeding is still open. If goodwill amortization qualifies as "State aid," a reversal could become necessary for a period of up to ten years from the date of granting of State aid. A reversal of the prior tax abatement effect amounting to EUR 169.5 million and a reversal of deferred tax assets amounting to EUR 126.5 million depend on the result of the preliminary ruling proceeding. At this time, the risk of a reversal is viewed as unlikely.

Deferred tax assets on losses carried forward in the amount of EUR 52.4 million (March 31, 2013: EUR 56.4 million) were recognized. As of March 31, 2014, there is a total of unused tax losses of approximately EUR 165.1 million (corporate income tax) (March 31, 2013: total of approximately EUR 158.0 million), for which no deferred tax asset has been recognized. Up to 2024, approximately EUR 44.4 million of tax loss carryforwards (corporate income tax) will expire.

The change in the balance between deferred tax assets and liabilities amounts to EUR 27.9 million. This essentially corresponds to the deferred tax expense of EUR 36.4 million less the deferred tax assets recognized directly in equity in the amount of EUR 9.7 million (March 31, 2013: EUR 39.8 million).

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

	Change 2012/13	03/31/2013	Change 2013/14	03/31/2014
Deferred taxes on actuarial gains/losses	42.9	103.8	9.3	113.1
Deferred taxes on hedge accounting	–3.1	2.2	0.4	2.6
Total of deferred taxes recognized in equity (Other comprehensive income)	**39.8**	**106.0**	**9.7**	**115.7**

In millions of euros

14. Inventories

	03/31/2013	03/31/2014
Raw materials and supplies	870.6	914.3
Work in progress	780.9	847.6
Finished goods	987.2	971.5
Merchandise	218.1	190.8
As yet unbillable services	7.5	7.0
Advance payments	12.6	6.0
	2,876.9	**2,937.2**

In millions of euros

Write-downs to the lower net realizable value amounting to EUR 94.7 million (March 31, 2013: EUR 105.0 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 546.3 million (March 31, 2013: EUR 579.3 million). As of March 31, 2014, no inventories are pledged as security for liabilities (March 31, 2013: EUR 2.4 million). An amount of EUR 6,231.7 million (March 31, 2013: EUR 6,548.0 million) has been recognized as cost of materials.

15. Trade and other receivables

	03/31/2013	Of which over one year	03/31/2014	Of which over one year
Trade receivables	1,313.0	0.9	1,234.6	1.0
Other receivables and other assets	342.6	7.7	384.6	15.8
	1,655.6	**8.6**	**1,619.2**	**16.8**

In millions of euros

Trade receivables include the following receivables from construction contracts:

	03/31/2013	03/31/2014
Aggregate amount of costs incurred up to the reporting date	143.6	135.3
Aggregate amount of accrued profits up to the reporting date	21.5	16.8
Aggregate amount of incurred losses up to the reporting date	–6.6	–8.5
Gross receivables from construction contracts	**158.5**	**143.6**
Less amount of advances received	–92.4	–92.1
Receivables from construction contracts	**66.1**	**51.5**

In millions of euros

Liabilities include the following liabilities from construction contracts:

	03/31/2013	03/31/2014
Aggregate amount of costs incurred up to the reporting date	5.3	13.1
Aggregate amount of accrued profits up to the reporting date	2.5	1.4
Aggregate amount of incurred losses up to the reporting date	0.0	–2.2
Gross liabilities from construction contracts	**7.8**	**12.3**
Less amount of advances received	–13.7	–18.4
Liabilities from construction contracts	**–5.9**	**–6.1**

In millions of euros

Revenue from construction contracts amount to EUR 232.1 million in the business year 2013/14 (2012/13: EUR 206.3 million).

16. Cash and cash equivalents

	03/31/2013	03/31/2014
Cash on hand, cash at banks, checks	1,092.7	532.5

In millions of euros

17. Equity

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

As of March 31, 2014, the share capital amounts to EUR 313,309,235.65 and is divided into 172,449,163 ordinary no-par value shares unchanged compared to the previous year. All shares are fully paid up.

Under Sec. 4 (2) of the Articles of Incorporation, the Management Board of voestalpine AG is authorized up to June 30, 2014 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 48.68%), 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 of voestalpine AG resolved on September 12, 2012, to exercise this authorization to increase voestalpine AG's share capital by issuing 3,400,000 new, no-par value bearer shares, thus increasing the share capital by approximately 2%. This capital increase was recorded in the Commercial Register effective November 24, 2012. During the reporting period, the Management Board did not exercise this authority.

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 (= 46.39%) for issuance to creditors of financial instruments within the meaning of Sec. 174 of the Austrian Stock Corporation Act (Aktiengesetz, AktG) (convertible bonds, income bonds, or participation rights); the Management Board was authorized to issue these shares during the Annual General Meeting on July 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 AktG.

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

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

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

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

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

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

The number of shares outstanding for the periods presented in the consolidated financial statements as of March 31, 2014, has changed as follows:

	Number of no-par value shares	Number of own shares	Number of shares outstanding
Balance as of April 1, 2012	**169,049,163**	**299,728**	**168,749,435**
Additions	3,400,000		3,400,000
Disposals		–209,099	209,099
Balance as of March 31, 2013	**172,449,163**	**90,629**	**172,358,534**
Disposals		–62,032	62,032
Balance as of March 31, 2014	**172,449,163**	**28,597**	**172,420,566**

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 (3-month EURIBOR plus 5.05%). In the first quarter of 2013, voestalpine AG issued a new subordinate undated bond (hybrid bond 2013) with a volume of EUR 500 million following an invitation extended to the holders of the hybrid bond to exchange the bond for a new hybrid bond at a 1:1 ratio. The outstanding nominal value of the hybrid bond 2007 as a result of this exchange is thus EUR 500 million. The coupon of the hybrid bond 2013 is 7.125% until October 31, 2014, 6% from October 31, 2014, to October 31, 2019, the 5-year swap rate +4.93% from October 31, 2019, to October 31, 2024, and the 3-month EURIBOR +4.93% plus a step-up of 1% starting October 31, 2024. The hybrid bond 2013 can be first called in and redeemed by voestalpine AG, but not the creditors, on October 31, 2019. The bond terms of the hybrid bond 2013 largely correspond to those of the hybrid bond 2007, but differ in some aspects. The detailed features of the hybrid bonds are presented in the respective bond terms.

As the hybrid bond satisfies the IAS 32 criteria for equity, the proceeds from the bond issues are recognized as part of equity. Accordingly, coupon payments are also presented as dividend payments.

The issue costs of the new hybrid bond 2013 amounted to EUR 2.8 million. Therefore, equity increased by EUR 497.2 million in the business year 2012/13, resulting in a total stated amount of EUR 993.2 million for the total hybrid capital, taking into account 50% of the amount recognized under hybrid capital in the business year 2011/12 amounting to EUR 496.0 million.

Accrued interest in the amount of EUR 13.7 million was recognized as of the exchange date for that portion of the hybrid bond 2007, which was submitted for exchange (nominal value EUR 500 million). Due to the resulting obligation to pay interest, EUR 14.8 million was recognized as an payable dividend for the remaining portion of the hybrid bond 2007 (nominal value EUR 500 million) and shown as a liability as of the reporting date of March 31, 2013. As of October 31, 2013, EUR 71.3 million was paid out for the two hybrid bonds. Due to the partial payment and recognition as a liability in the previous year, only EUR 42.8 million was deducted from equity in the form of a dividend.

Non-controlling interests

The non-controlling interests as of March 31, 2014, result primarily from non-controlling interests in the V54 Fonds, CGU Turnout Systems, voestalpine CPA Filament GmbH, voestalpine Railpro B.V., ASPAC Group, and Danube Equity AG.

18. Pensions and other employee obligations

	03/31/2013	**03/31/2014**
Provisions for severance payments	494.6	510.5
Provisions for pensions	394.5	400.0
Provisions for long-service bonuses	115.6	118.4
	1,004.7	**1,028.9**

In millions of euros

Provisions for severance payments

	2012/13	2013/14
Present value of defined benefit obligation (DBO) as of April 1	**441.8**	**494.6**
Service costs for the period	10.0	11.4
Interest costs for the period	20.5	16.9
Changes in the scope of consolidated financial statements	0.0	1.6
Severance payments	–29.1	–29.3
Actuarial gains (–)/losses (+) due to changes in financial assumptions	50.5	13.7
Actuarial gains (–)/losses (+) due to experience-based adjustments	0.9	2.8
Other	0.0	–1.2
Present value of defined benefit obligation (DBO) as of March 31	**494.6**	**510.5**

In millions of euros

Provisions for pensions

	Present value of DBO	Plan Assets	Provisions for Pensions
As of April 1, 2012	**762.9**	**–455.1**	**307.8**
Service costs for the period	8.9	0.0	8.9
Net interest for the period	34.8	–21.1	13.7
Return on plan assets (excluding amounts included in net interest)	0.0	–18.8	–18.8
Gains (–)/Losses (+) on plan settlement/curtailment	–28.3	0.0	–28.3
Changes in the scope of the consolidated financial statements	5.2	–2.0	3.2
Pension payments	–31.2	20.9	–10.3
Net exchange differences	2.4	0.2	2.6
Employer contributions/repayments	0.0	–21.1	–21.1
Contributions by plan participants	0.0	–0.2	–0.2
Actuarial gains (–)/losses (+) due to changes in financial assumptions	135.0	0.0	135.0
Actuarial gains (–)/losses (+) due to experience-based adjustments	2.0	0.0	2.0
As of March 31, 2013	**891.7**	**–497.2**	**394.5**

In millions of euros

Provisions for pensions

	Present value of DBO	Plan Assets	Provisions for Pensions
As of April 1, 2013	**891.7**	**–497.2**	**394.5**
Service costs for the period	10.2	0.0	10.2
Net interest for the period	27.8	–15.2	12.6
Return on plan assets (excluding amounts included in net interest)	0.0	–16.0	–16.0
Gains (–)/Losses (+) on plan settlement/curtailment	–21.5	0.0	–21.5
Changes in the scope of the consolidated financial statements	0.0	0.0	0.0
Pension payments	–41.0	25.9	–15.1
Net exchange differences	–5.7	1.7	–4.0
Employer contributions/repayments	0.0	3.0	3.0
Contributions by plan participants	0.0	–1.6	–1.6
Actuarial gains (–)/losses (+) due to changes in financial assumptions	36.6	0.0	36.6
Actuarial gains (–)/losses (+) due to changes of demographic assumptions	1.3	0.0	1.3
Actuarial gains (–)/losses (+) due to experience-based adjustments	–0.9	0.0	–0.9
Plan settlements	–80.3	80.3	0.0
Other	0.9	0.0	0.9
As of March 31, 2014	**819.1**	**–419.1**	**400.0**

In millions of euros

Since January 1, 2013, all future pension entitlements for some Dutch companies are being funded by the industry-wide pension fund (PME). In the business year 2012/13, this resulted in a plan curtailment of the defined benefit plan.

In the current business year, a settlement of the defined benefit plan was implemented for the same group of Group companies with regard to all already vested rights of all active participants. These pension entitlements were transferred to an industry-wide pension fund (PME) and thus to a defined contribution plan. The decision in this regard took effect as of May 15, 2013, and the transfer was completed as of the effective date of July 1, 2013.

The major categories of plan assets for the periods presented in the consolidated financial statements as of March 31, 2014, are as follows:

2012/13

Category	Assets with quoted market price in an active market	Assets without quoted market price in an active market	Assets Total
Debt instruments	49.2%	2.9%	52.1%
Equity instruments	27.0%	0.7%	27.7%
Property	2.3%	2.0%	4.3%
Cash and cash equivalents	3.7%	0.1%	3.8%
Insurance	0.0%	2.3%	2.3%
Other assets	2.8%	7.0%	9.8%
Total	**85.0%**	**15.0%**	**100.0%**

2013/14

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

The plan assets include own shares with a fair value of EUR 1.3 million (March 31, 2013: EUR 1.1 million).

The average expected return is determined by the portfolio structure of the plan assets, empirical data, and estimates of future investment returns. The calculation of the provisions for pensions was based on an expected interest rate of 3.25% on plan assets. The actual interest rate was 6.3%.

The amount recognized as an expense in the income statement for defined contribution plans is EUR 27.0 million (2012/13: EUR 22.9 million).

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

Sensitivities

	Interest rate		Salary/wage increases		Pension increases	
	+1.0%	–1.0%	+0.5%	–0.5%	+0.25%	–0.25%
Pensions	–12.7%	+16.0%	+0.7%	–0.6%	+2.7%	–2.6%
Severance	–10.0%	+11.8%	+5.6%	–5.2%		

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

For the business year 2014/15, the expected contributions to the defined contribution plans amount to EUR 14.0 million.

The interest-weighted, average duration for pension plans is 14.8 years and 11.2 years for severance payments.

Provisions for long-service bonuses

	2012/13	2013/14
Present value of defined benefit obligation (DBO) as of April 1	**103.3**	**115.6**
Service costs for the period	5.4	6.3
Interest costs for the period	4.7	3.8
Changes in the scope of consolidated financial statements	0.0	0.5
Long-service bonus payments	–7.0	–9.6
Actuarial gains (–)/losses (+) due to changes in financial assumptions	9.7	2.7
Actuarial gains (–)/losses (+) due to experience-based adjustments	–0.5	0.0
Other	0.0	–0.9
Present value of defined benefit obligation (DBO) as of March 31	**115.6**	**118.4**

In millions of euros

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

	2012/13	2013/14
Service costs for the period	24.3	27.9
Net interest for the period	38.9	33.3
Gains (–)/Losses (+) on plan settlement/curtailment	–28.3	–21.5
Expenses/revenue recognized in the income statement	**34.9**	**39.7**

In millions of euros

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

19. Provisions

	Balance as of 04/01/2013	Changes in the scope of consolidated financial statements	Net exchange differences	Use	Reversals	Transfers	Additions	Balance as of 03/31/2014
Non-current provisions								
Other personnel expenses	60.5	0.0	–0.1	–40.3	0.0	0.6	20.2	40.9
Warranties and other risks	2.8	0.0	0.0	–1.1	–0.1	0.0	3.0	4.6
Other non-current provisions	50.5	0.0	–0.8	–4.3	–4.3	–0.3	12.9	53.7
	113.8	**0.0**	**–0.9**	**–45.7**	**–4.4**	**0.3**	**36.1**	**99.2**
Current provisions								
Unused vacation entitlements	118.2	1.9	–2.8	–72.9	–0.5	–0.1	81.4	125.2
Other personnel expenses	154.2	0.4	–2.0	–136.9	–11.8	–0.3	149.5	153.1
Warranties and other risks	38.4	0.0	–0.2	–7.6	–6.5	0.0	22.6	46.7
Onerous contracts	34.4	0.0	–0.2	–23.7	–6.6	–0.7	19.3	22.5
Other current provisions	267.0	0.7	–1.1	–158.0	–42.0	1.1	89.5	157.2
	612.2	**3.0**	**–6.3**	**–399.1**	**–67.4**	**0.0**	**362.3**	**504.7**
	726.0	**3.0**	**–7.2**	**–444.8**	**–71.8**	**0.3**	**398.4**	**603.9**

In millions of euros

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

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

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

The provisions recognized in the annual financial statements 2012/13 in the amount of EUR 204.4 million for the antitrust proceedings and associated actions and costs as well as for the closure of TSTG Schienen Technik GmbH & Co KG were reduced in the business year 2013/14 by the amount of the compensatory damages paid for direct and indirect rail deliveries to Deutsche Bahn and by the costs involved in the closure of TSTG Schienen Technik GmbH & Co KG. All the remaining provisions were adjusted in the business year 2013/14 in accordance with the current estimate, resulting in non-recurring income (balance of reversal and appropriation) of EUR 8.1 million, and therefore amount to EUR 76.4 million as of March 31, 2014.

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

20. Financial liabilities

	Up to one year		Over one year	
	03/31/2013	**03/31/2014**	**03/31/2013**	**03/31/2014**
Bank loans and bonds	1,244.7	755.1	2,507.2	2,531.2
Liabilities from finance leases	6.5	5.8	39.7	32.8
Liabilities from affiliated companies	17.2	12.0	0.0	0.0
Liabilities from other investments	47.6	25.7	0.0	0.0
Other payables and liabilities	8.6	7.6	11.9	32.9
	1,324.6	**806.2**	**2,558.8**	**2,596.9**

In millions of euros

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

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

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

21. Trade and other payables

	03/31/2013	03/31/2014
Prepayments received on orders	67.9	72.6
Trade payables	1,074.2	1,100.6
Liabilities from bills payable	456.6	444.3
Other liabilities from taxes	87.9	94.2
Other liabilities related to social security	43.9	47.4
Other payables and other liabilities	409.2	335.8
	2,139.7	**2,094.9**

In millions of euros

22. Contingent liabilities

	03/31/2013	03/31/2014
Obligations from bills payable	3.7	3.5
Surety bonds and guarantees	2.9	1.6
	6.6	**5.1**

In millions of euros

The German Federal Cartel Office (Bundeskartellamt) inspected the business premises of the sales company voestalpine Deutschland GmbH in Munich on February 28, 2013, due to an anonymous tip. The building was searched as a result of the charge of participation in systematic, anti-competitive agreements spanning several years with respect to the supply of strip steel and semi-finished goods to the German automobile industry. After the building was searched, an internal inspection of the company was conducted. No evidence has been found at voestalpine that confirms Federal Cartel Office's charges. Therefore, these charges are not taken into account in these annual financial statements.

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

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

	03/31/2013	03/31/2014
Gearing ratio in %	44.5%	45.8%
Net financial debt to EBITDA ratio	1.6	1.7

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 every two years 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. Market risks are largely hedged by means of derivative financial instruments.

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

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

Liquidity risk – Financing

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

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

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

Financing is 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, 2014, non-restricted securities amounted to EUR 374.7 million (March 31, 2013: EUR 415.8 million). Furthermore, cash and cash equivalents in the amount of EUR 532.5 million (March 31, 2013: EUR 1,092.7 million) are reported in the consolidated financial statements.

Additionally, adequate credit lines that are callable at any time exist with domestic and foreign banks. These credit lines have not been drawn. In addition to the possibility of exhausting these financing arrangements, contractually guaranteed credit lines of EUR 400 million (2012/13: EUR 650 million) are available to bridge any economic downturns.

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

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	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
Bonds	400.0	0.0	497.1	994.1	495.8	0.0
Bank loans	844.7	755.1	1,412.1	1,457.0	102.2	80.1
Trade payables	1,073.9	1,095.1	0.3	5.5	0.0	0.0
Liabilities from finance leases	6.5	5.8	20.4	16.5	19.3	16.3
Other financial liabilities	8.6	7.6	11.8	32.8	0.1	0.1
Total liabilities	**2,333.7**	**1,863.6**	**1,941.7**	**2,505.9**	**617.4**	**96.5**

In millions of euros

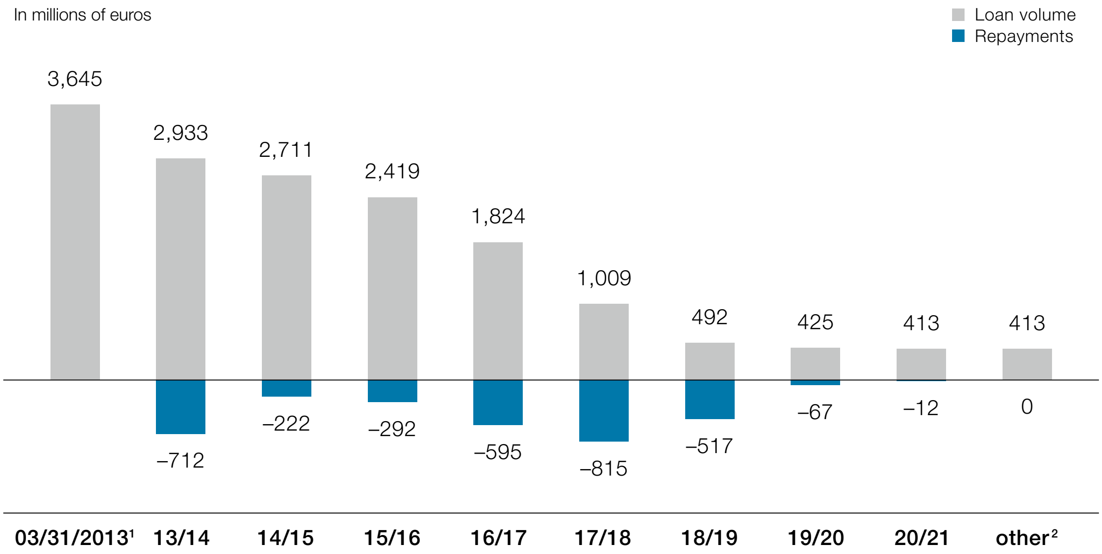
As estimated as of the reporting date, the following (prospective) interest charges correspond to these existing liabilities:

	Due within one year		Due between one and five years		Due after more than five years	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
Interest on bonds	78.8	43.8	175.0	151.3	20.0	0.0
Interest on bank loans	43.6	45.3	86.7	75.3	5.7	4.4
Interest on trade payables	0.0	0.0	0.0	0.0	0.0	0.0
Interest on liabilities from finance leases	1.8	1.7	5.3	4.9	1.7	0.8
Interest on other financial liabilities	0.6	1.1	0.4	0.1	0.0	0.0
Total interest charges	**124.8**	**91.9**	**267.4**	**231.6**	**27.4**	**5.2**

In millions of euros

As of March 31, 2013, the maturity structure of the loan portfolio had the following repayment profile for the next several years:

Loan portfolio maturity structure as of March 31, 2013



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

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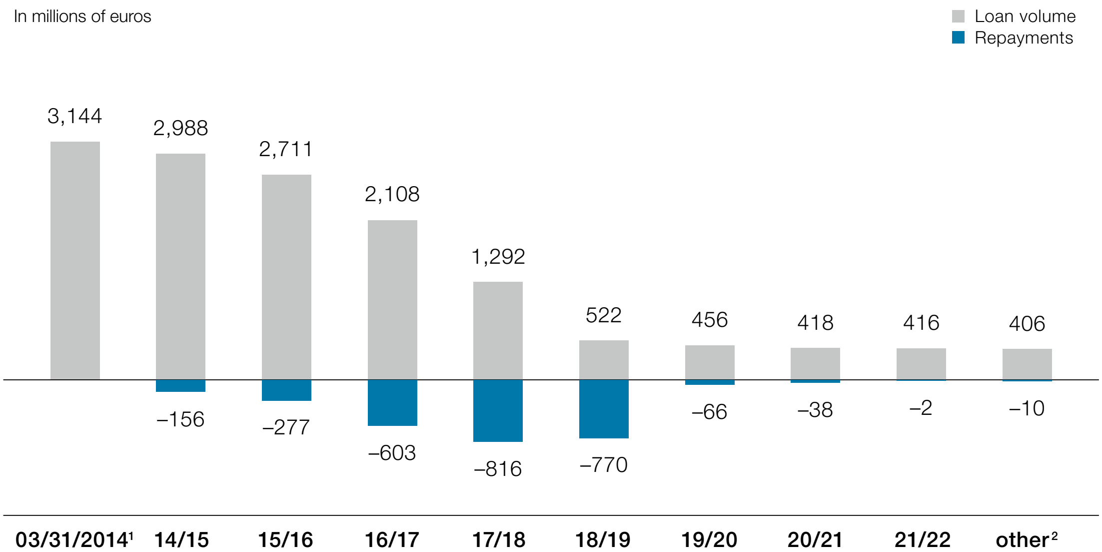
Loan portfolio maturity structure as of March 31, 2014



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

Credit risk

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

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

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

Receivables that are past due but not impaired

	03/31/2013	03/31/2014
Up to 30 days past due	176.0	137.6
31 to 60 days past due	42.4	31.9
61 to 90 days past due	14.5	13.7
91 to 120 days past due	11.7	9.6
More than 120 days past due	25.5	24.3
Total	**270.1**	**217.1**

In millions of euros

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

Impairment for receivables

	2012/13	2013/14
Opening balance as of April 1	**41.8**	**41.4**
Additions	9.3	6.2
Net exchange differences	–0.1	–0.9
Changes in the scope of consolidated financial statements	0.2	–0.2
Reversal	–5.2	–5.0
Use	–4.6	–7.8
Closing balance as of March 31	**41.4**	**33.7**

In millions of euros

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

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

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

Breakdown of investments at financial institutions by rating classes

	AAA	AA	A	BBB	<BBB/NR
Bonds	135.7	135.4	28.6	6.9	5.1
Money market investments excl. account credit balances	0.0	158.0	117.2	2.6	0.0
Derivatives[1]	0.0	0.5	6.5	1.8	0.1

[1] Only positive market value

In millions of euros

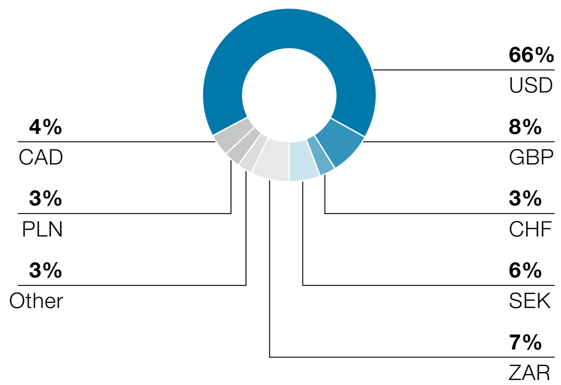
Currency risk

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

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

The net requirement for USD was USD 936.8 million in the business year 2013/14. The increase compared to the previous year (USD 858.7 million) was due to the increase in quantities of raw materials purchased. The remaining foreign currency exposure, resulting primarily from exports to the “non-euro area” and raw material purchases, is significantly lower than the USD risk.

Foreign currency portfolio 2013/14 (net)



Based on the Value-at-Risk calculation, as of March 31, 2014, 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]	–271.7	–6.5	58.7	33.7	53.0	11.7	–37.4	1.3
VaR (95%/year)	40.6	1.0	12.0	4.0	7.7	1.6	4.3	2.0

[1] Unhedged planned positions for the business year 2014/15

In millions of euros

Taking into account the correlation between the different currencies, the resulting portfolio risk is EUR 35.6 million (March 31, 2013: EUR 28.0 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. In order to achieve a natural hedge for interest-bearing positions, the modified duration of assets is closely linked to the modified duration of the liabilities.

The variable-interest positions on the liabilities side significantly exceed the positions on the assets side so that a 1% increase in the money market rate increases the interest expense by EUR 6.5 million (2012/13: EUR 8.2 million decrease).

The weighted average interest rate for asset positions is 1.22% (2012/13: 0.81%) with a duration of 1.31 years (2012/13: 0.89 years)—including money market investments—and 2.86% (2012/13: 4,11%) for liability positions with a duration of 1.96 years (2012/13: 2.07 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	933.6	1.22	1.31	2.0	–9.1	–6.6
Liabilities	–3,260.9	2.86	1.96	3.8	77.8	13.1
Net	–2,327.3				68.7	6.5

[1] In millions of euros
[2] Excluding revolving export loans of EUR 406.1 million

The present value risk determined using the Value-at-Risk calculation for March 31, 2014, is equal to EUR 99.7 million (2012/13: EUR 37.1 million) for positions on the assets side given a 1% change in the interest rate and EUR 393.6 million (2012/13: EUR 267.1 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 293.9 million (2012/13: EUR 230.0 million).

The asset positions include EUR 406.2 million (previous year: EUR 410.3 million) of investments in the V54 fund of funds. 100% of the fund assets are invested in bonds and money market securities in euros or in cash in the three sub-funds V101, V102, and V103 and in various special funds as follows:

Funds	Investment currency	
Sub-fund V101	EUR 63.2 million	with a duration of 4.49
Sub-fund V102	EUR 142.2 million	with a duration of 3.98
Sub-fund V103	EUR 123.1 million	with a duration of 2.91
Special funds	EUR 77.7 million	(only included in V54)

The fund assets of the V54 fund of funds (and/or of its sub-funds and special funds) have been included in the voestalpine AG consolidated financial statements since April 1, 2013 as part of full consolidation.

In addition to the investment fund, there are also securities exposures in the amount of EUR 7.8 million (March 31, 2013: EUR 69.6 million).

In the business year 2013/14, gains in the amount of 1.88% (2012/13: 4.20%) were recorded in the V54 fund of funds.

Securities are measured at fair value. For the determination of the fair value, quoted prices for identical assets or liabilities in active markets (unadjusted) are used. Net profit amounting to EUR 8.2 million (2012/13: EUR 11.2 million) is recognized at fair value through profit or loss for financial instruments that are measured using the fair value option.

Derivative financial instruments

Portfolio of derivative financial instruments:

	Nominal value (in millions of euros)		Market value (in millions of euros)		Of which accounted for in equity		Maturity	
	03/31/ 2013	03/31/ 2014	03/31/ 2013	03/31/ 2014	03/31/ 2013	03/31/ 2014	03/31/ 2013	03/31/ 2014
Forward exchange transactions (incl. currency swaps)	786.6	842.9	8.7	–2.8	6.2	–2.0	< 2 years	< 2 years
Interest rate derivatives	1,539.3	506.5	–11.4	–5.2	–15.2	–8.7	< 7 years	< 6 years
Commodity swaps	15.6	12.0	–1.6	–0.1	0.0	0.0	< 5 years	< 4 years
Total	**2,341.5**	**1,361.4**	**–4.3**	**–8.1**	**–9.0**	**–10.7**		

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

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

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

- If a future transaction is hedged, the effective portion of the unrealized profits and losses accumulated up to the reporting date is recognized directly in 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 2013/14, 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 losses of foreign currency and interest rate derivatives (cash flow hedges) amounting to EUR 3.6 million (2012/13: net losses amounting to EUR 4.6 million) were recognized through profit and loss in the reporting period.

Losses amounting to EUR 0.1 million (2012/13: losses amounting to EUR 1.5 million) on raw material hedges, which are designated as fair value hedges, were recognized through profit and loss. Gains for the corresponding underlying transactions amounting to EUR 0.1 million (2012/13: gains amounting to EUR 1.5 million) were also recognized through profit and loss.

Positive market values amounting to EUR 6.2 million (2012/13: positive market values amounting to EUR 4.1 million) previously recorded in the reserve for foreign exchange hedges were recognized through profit and loss during the reporting period; negative market values amounting to EUR 2.0 million (2012/13: positive market values amounting to EUR 6.2 million) were allocated to the reserve. In business year 2013/14, the reserve for interest rate hedges was increased by EUR 6.5 million due to changes in the fair values. Due to ineffectiveness, negative market values in the amount EUR 10.3 million were transferred through profit or loss from the reserve for interest rate hedges in business year 2012/13. The market values of the remaining interest rate hedges that were applied for cash flow hedging remained the same.

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	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
Interest derivatives								
Assets	9.5	8.7	4.4	3.3	4.6	5.3	0.5	0.1
Liabilities	–24.7	–17.4	–10.7	–5.4	–13.5	–11.9	–0.5	–0.1
	–15.2	**–8.7**	**–6.3**	**–2.1**	**–8.9**	**–6.6**	**0.0**	**0.0**
Currency derivatives								
Assets	6.6	0.4	6.6	0.4	0.0	0.0	0.0	0.0
Liabilities	–0.4	–2.3	–0.4	–2.3	0.0	0.0	0.0	0.0
	6.2	**–1.9**	**6.2**	**–1.9**	**0.0**	**0.0**	**0.0**	**0.0**

In millions of euros

Categories of financial instruments

Classes	Financial assets measured at amortized cost	Financial assets measured at fair value		
Categories	Loans and receivables	Financial assets measured at fair value through profit or loss		
		Held for trading (derivatives)	Other	Total
Assets 2012/13				
Other financial assets – non-current	26.2		83.0	109.2
Trade and other receivables	1,634.9	20.7		1,655.6
Other financial assets – current			473.3	473.3
Cash and cash equivalents	1,092.7			1,092.7
Carrying amount	**2,753.8**	**20.7**	**556.3**	**3,330.8**
Fair value	**2,753.8**	**20.7**	**556.3**	**3,330.8**
Assets 2013/14				
Other financial assets – non-current	25.0		66.1	91.1
Trade and other receivables	1,610.7	8.4		1,619.1
Other financial assets – current			413.8	413.8
Cash and cash equivalents	532.5			532.5
Carrying amount	**2,168.2**	**8.4**	**479.9**	**2,656.5**
Fair value	**2,168.2**	**8.4**	**479.9**	**2,656.5**

In millions of euros

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

The item "Other" in the category "Financial assets measured at fair value through profit or loss" contains securities measured using the fair value option 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 2012/13			
Financial liabilities – non-current	2,558.8		2,558.8
Financial liabilities – current	1,324.6		1,324.6
Trade and other payables	2,119.6	25.2	2,144.8
Carrying amount	**6,003.0**	**25.2**	**6,028.2**
Fair value	**6,105.8**	**25.2**	**6,131.0**
Liabilities 2013/14			
Financial liabilities – non-current	2,596.9		2,596.9
Financial liabilities – current	806.2		806.2
Trade and other payables	2,083.6	16.8	2,100.4
Carrying amount	**5,486.7**	**16.8**	**5,503.5**
Fair value	**5,593.0**	**16.8**	**5,609.8**

In millions of euros

The liabilities measured at amortized cost, whose fair value is stated, fall under level 2. Valuation is performed according to the mark-to-market method, whereby the input parameters for the calculation of the market values are the foreign exchange rates, interest rates, and credit spreads observable on the market. Based on the input parameters, fair values are calculated by discounting estimated future cash flows at typical market interest rates.

The table below analyzes financial assets and financial liabilities that are measured at fair value on a recurring basis. These measurements are based on a fair value hierarchy that categorizes the inputs for the valuation techniques used to measure fair value into three levels.

The three levels are defined as follows:

Inputs

Level 1	Comprises quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Comprises inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Comprises unobservable inputs for the asset or liability.

Level of the fair value hierarchy for recurring fair value measurements

	Level 1	Level 2	Level 3	Total
2012/13				
Financial assets				
Financial assets measured at fair value through profit or loss				
Held for trading (derivatives)		20.7		20.7
Fair value option (securities)	492.6			492.6
Other			63.7	63.7
	492.6	**20.7**	**63.7**	**577.0**
Financial liabilities				
Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)		25.2		25.2
	0.0	**25.2**	**0.0**	**25.2**
2013/14				
Financial assets				
Financial assets measured at fair value through profit or loss				
Held for trading (derivatives)		8.4		8.4
Fair value option (securities)	420.6			420.6
Other			59.3	59.3
	420.6	**8.4**	**59.3**	**488.3**
Financial liabilities				
Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)		16.8		16.8
	0.0	**16.8**	**0.0**	**16.8**

In millions of euros

The underlying assets of the fund of funds initially consolidated in the business year 2013/14 are reported as part of the "fair value option."

The derivative transactions (Level 2) are marked to market by determining the value that would be realized if the hedging position were closed out (liquidation method). The observable currency exchange rates and raw materials prices as well as the interest rates are the input for the calculation of fair values. Fair values are calculated based on the inputs by discounting expected future cash flows at typical market interest rates.

There were no transfers between Level 1 and Level 2, nor any reclassifications into or out of Level 3, during the reporting period. The reconciliation of Level 3 financial assets measured at fair value from the opening balance to the closing balance is depicted as follows:

Level 3 – Financial assets measured at fair value through profit or loss

	2012/13	2013/14
Opening balance	**66.9**	**63.7**
Total of gains/losses recognized in the income statement:		
Finance costs/Finance income	–2.6	–3.1
Total of gains/losses recognized in the other comprehensive income:		
Currency translation	0.0	0.0
Additions	0.0	0.3
Disposals	–0.6	–1.6
Closing balance	**63.7**	**59.3**

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 and negligible. The underlying fair value calculation provided for the purpose of comparison is based on valuation methods that are market value- or net present value-oriented, with carrying amount multiples of comparable listed entities and any available budget plans serving as input factors.

Significant sensitivities in the determination of fair values can result from changes in the underlying market data of comparable entities and the input factors used to determine net present value (in particular discount rates, long-term forecasts, plan data, etc.).

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

	2012/13	2013/14
Loans and receivables	38.0	21.3
Held for trading (derivatives)	5.7	–3.8
Other	16.3	5.4
Financial liabilities	–200.3	–126.9

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:

	2012/13	2013/14
Total interest income	40.5	16.4
Total interest expense	–203.8	–128.3

In millions of euros

The impairment loss on financial instruments measured at amortized cost amounts to EUR 12.1 million (2012/13: EUR 14.8 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.

	2012/13	2013/14
Interest received	41.6	19.2
Interest paid	185.5	177.5
Taxes paid	115.2	100.1

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

	2012/13	2013/14
Depreciation, amortization, and impairment	593.5	595.0
Result from sale of assets	–2.1	9.4
Changes in pensions and other employee obligations, non-current provisions, and deferred taxes	–1.4	11.1
Other non-cash income and expenses	–15.0	37.0
	575.0	**652.5**

In millions of euros

Cash flows from operating activities include dividend income of EUR 16.9 million (2012/13: EUR 21.3 million) from associates and other investments.

Cash flows from investing activities include inflows of cash and cash equivalents in the amount of EUR 3.9 million (2012/13: EUR 20.5 million) from initial consolidation of acquired and/or newly consolidated companies and outflows of the purchase price in the amount of EUR 22.3 million (2012/13: EUR 106.6 million). The sale of subsidiaries resulted in an outflow of cash and cash equivalents from cash flows from investing activities of EUR 0.0 million (2012/13: EUR 0.1 million) and an inflow of the sale price in the amount of EUR 0.7 million (2012/13: EUR 1.6 million).

Long-term loans in the amount of EUR 294.9 million (2012/13: EUR 1,477.9 million) were taken out in the business year 2013/14. Borrowings, bonds, debt obligations, and loans with an original term of more than one year in the amount of EUR 772.3 million (2012/13: EUR 1,347.8 million) were redeemed.

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 and are included in the following items of the consolidated financial statements:

	2012/13		2013/14	
	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	114.8	370.5	116.8	366.6
Material expenses	10.5	201.0	9.7	186.6
Other operating expenses	0.0	35.3	0.0	24.5
	03/31/2013		03/31/2014	
Trade and other receivables	12.3	93.1	9.7	71.3
Financial liabilities/trade and other payables	50.4	56.5	28.7	46.0

In millions of euros

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 and can be depicted as follows:

	03/31/2013	03/31/2014
Cash and cash equivalents	168.0	39.3
Financial liabilities/trade and other payables	207.8	112.2
Guarantees received	4.6	4.8

In millions of euros

The non-inclusion of non-consolidated entities in the consolidated financial statements has no significant impact on the Group's net assets, financial position, 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 200% of the annual gross salary for members of the Management Board and to 250% of the annual gross salary for the Chairman of the Management Board. If the agreed target values for quantitative targets are achieved exactly, 60% of the maximum bonus applies; if the agreed target values for qualitative targets are achieved, 20% of the maximum bonus applies. The over-achievement of the targets is taken into consideration proportionately until the maximum bonus is reached. The target amounts for the quantitative targets are EBIT and the return on capital employed (ROCE). Specific target amounts are determined periodically (for a period of three years) by the General Committee of the Supervisory Board in consultation with the Management Board. Its basis of calculation is independent of the respective budget and the three-year medium-term business plan, i.e., budget compliance does not mean achieving a bonus. Qualitative targets agreed in the business year 2013/14 were the submission of a CSR report and achievement of savings of EUR 180 million through divisional and Group-wide cost optimization programs.

The amount of the contractually approved company pension depends on the length of service for members of the Management Board Dr. Eder, Dipl.-Ing. Mag. Ottel, and Dipl.-Ing. Eibensteiner. The amount of the annual pension equals 1.2% of the last annual gross salary for each year of service. The pension benefit cannot exceed 40% of the last annual gross salary (without variable compensation). A defined contribution arrangement was made with the members of the Management Board Dipl.-Ing. Rotter and Dipl.-Ing. Dr. Kainersdorfer; whereby 15% of their annual gross salary (without bonuses) is paid by the Company into the pension fund.

The members of the Management Board receive severance benefits at the time of termination of their employment by way of analogous application of the Salaried Employees Act (Angestelltengesetz).

For the members of the Management Board (as well as for executives) and for the members of the Supervisory Board there is a D&O insurance, the costs of which amounting to EUR 0.1 million (2012/13: EUR 0.1 million) are borne by the entity.

The compensation paid to the members of the Management Board of voestalpine AG is comprised as follows for the reporting period:

	Current fixed compensation	Current variable compensation	Total
Dr. Wolfgang Eder	0.87	1.73	**2.60**
Dipl.-Ing. Herbert Eibensteiner	0.64	0.90	**1.54**
Dipl.-Ing. Dr. Franz Kainersdorfer	0.64	0.92	**1.56**
Mag. Dipl.-Ing. Robert Ottel	0.64	0.92	**1.56**
Dipl.-Ing. Franz Rotter	0.64	0.92	**1.56**
2013/14	**3.43**	**5.39**	**8.82**
2012/13	3.16	4.29	7.45

In millions of euros

It should be noted that Dr. Eder's variable compensation for the business year 2013/14 includes a long-service bonus of EUR 0.14 million as he has been with the company for 35 years.

In addition to the remuneration in accordance with the above table, the following service costs (personnel expenses) are recognized in the consolidated financial statements for members of the members of the Management Board with defined benefit pension agreements: Dr. Eder EUR 0.00 million (2012/13: EUR 0.00 million), Mag. Dipl.-Ing. Ottel EUR 0.17 million (2012/13: EUR 0.11 million), and Dipl.-Ing. Eibensteiner EUR 0.11 million (2012/13: EUR 0.05 million). The following additional pension costs are recognized in the consolidated financial statements for members of the Management Board with defined contribution pension agreements: Dipl.-Ing. Rotter EUR 0.09 million (2012/13: EUR 0.09 million) and Dipl.-Ing. Dr. Kainersdorfer EUR 0.09 million (2012/13: EUR 0.08 million). Pension payments amounting to EUR 0.71 million (2012/13: EUR 0.41 million) were paid by the pension fund for former members of the Management Board with defined benefit pension agreements. Due to the more detailed information about the pension costs, the previous year's figures were properly adjusted in the above table.

At the reporting date, the outstanding balance of the variable compensation was EUR 3.90 million (2012/13: EUR 3.46 million). No advances or loans were granted to the members of the Management Board of voestalpine AG.

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

Supervisory Board

Under Sec. 15 of the Articles of Incorporation, the members of the Supervisory Board of voestalpine AG receive 0.1% of the profit for the period reported in the approved consolidated financial statements as compensation. The total amount is distributed in accordance with an allocation key as follows: 100% for the Chairman, 75% for the Vice-Chairman, and 50% for all other members, with a minimum compensation of EUR 20,000 for the Chairman, EUR 15,000 for the Vice-Chairman, and EUR 10,000 for all other members of the Supervisory Board. Compensation is limited to a multiple of four times the stated amounts. Additionally, members of the Supervisory Board receive an attendance honorarium amounting to EUR 500 per Supervisory Board meeting.

According to this regulation, the shareholders' representatives on the Supervisory Board received the following compensation for the business year 2013/14: Dr. Joachim Lemppenau (Chairman): EUR 80,000 (2012/13: EUR 80,000); Dr. Heinrich Schaller (Vice-Chairman as of July 5, 2012): EUR 60,000 (2012/13: EUR 45,000); all other shareholders' representatives: EUR 40,000 (2012/13: EUR 40,000). The members of the Supervisory Board nominated by the Works Council do not receive any compensation.

The annual compensation of members of the Supervisory Board and the mode of calculation have been definitively regulated by the Articles of Incorporation since the 2006 Annual General Meeting and do not require a separate resolution by the Annual General Meeting every year.

The compensation of the Supervisory Board (incl. attendance honorarium) totaled EUR 0.4 million (2012/13: EUR 0.4 million) in the business year 2013/14. Payment of the compensation of the Supervisory Board for the business year 2013/14 is carried out at the latest 14 days after the Annual General Meeting on July 2, 2014. 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 a partner, provided legal advisory services relative to matters concerning stock corporation and capital market law and corporate law issues in respect to an Austrian joint venture company in the reporting period 2013/14. Fees for these matters were invoiced at the general hourly rates of the law firm of Binder Grösswang Rechtsanwälte GmbH applicable at the time. For the business year 2013/14, total net fees of EUR 102,483.67 (2012/13: EUR 35,420.83) were incurred for services provided by the law firm of Binder Grösswang Rechtsanwälte GmbH.

26. Employee information

Total number of employees

	Reporting date		Average	
	03/31/2013	**03/31/2014**	**2012/13**	**2013/14**
Workers	26,317	27,436	26,146	26,800
Salaried employees	15,761	16,439	15,515	16,007
Apprentices	1,351	1,405	1,421	1,460
	43,429	**45,280**	**43,082**	**44,267**

The average number of employees includes 596 employees (2012/13: 563 employees) at proportionately consolidated entities. The amounts stated for the proportionately consolidated entities are already presented proportionately (49.995%). The personnel expenses included in these consolidated financial statements amount to EUR 2,579.4 million (2012/13: EUR 2,482.5 million[1]).

27. Expenses for the Group auditor

Expenses for the Group auditor are structured as follows:

	2012/13	**2013/14**
Expenses for the audit of the financial statements	0.2	0.2
Expenses for other certifications	1.1	1.0
Expenses for tax consulting services	0.0	0.0
Expenses for other services	0.0	0.0
	1.3	**1.2**

In millions of euros

[1] Business year 2012/13 retroactively adjusted in accordance with IAS 19 (revised); see adjustments to the income statement chapter B. Summary of accounting policies – General information.

28. Disclosures of transactions not recorded in the statement of financial position

Trade receivables amounting to EUR 674.2 million (March 31, 2013: EUR 709.4 million) were sold and derecognized. With regard to factoring, credit insured and non-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 of credit insured trade receivables generally assumes a contingent liability in the amount of the deductible (range between 10% and 30%) of the credit insurance. Since the likelihood of a liability claim in event of default is extremely low, the fair value of this risk is assessed at zero. At the reporting date, the maximum risk from the contingent liability amounts to EUR 62.2 million (March 31, 2013: EUR 69.3 million).

29. Events after the reporting period

As of September 12, 2013, the voestalpine Group announced that over the next three years it will gradually sell its 38.5% interest in VA Intertrading Aktiengesellschaft to an investor. Due to a lack of synergies, a business relationship between the voestalpine Group and VA Intertrading Aktiengesellschaft has not existed recently. As of September 12, 2013, a purchase agreement was signed with the purchaser, Calexco S.a.r.l., Luxembourg, thereby successfully concluding the sale. A purchase price in the low two-digit millions was agreed for the 38.5% interest. With the approval from antitrust authorities as of April 30, 2014, a 30.57 percent interest in VA Intertrading Aktiengesellschaft was divested immediately, with the remaining 7.93% to follow in the next three years. In accordance with the structure of this transaction, voestalpine AG will remain a non-controlling stakeholder in VA Intertrading Aktiengesellschaft until 2017.

30. Earnings per share

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

	2012/13	2013/14
Profit attributable to equity holders of the parent	**444,872**	**448,086**
Issued ordinary shares (average)	170,749,163	172,449,163
Effect of own shares held (average)	–160,339	–36,683
Weighted average number of outstanding ordinary shares	**170,588,824**	**172,412,480**
Diluted and basic (undiluted) earnings per share (euros)	**2.61**	**2.60**

In thousands of euros

31. Appropriation of net profit

In accordance with the Austrian Stock Corporation Act, the appropriation of net profit is based on the annual financial statements of voestalpine AG as of March 31, 2014. These financial statements show net retained profits of EUR 164.0 million. The Management Board proposes a dividend of EUR 0.95 per share (2012/13: EUR 0.90).

Linz, May 26, 2014

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, 2013 to March 31, 2014. These consolidated financial statements comprise the consolidated balance sheet as of March 31, 2014, 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, 2014, 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, 2014 and of its financial performance and its cash flows for the fiscal year from April 1, 2013 to March 31, 2014 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 26, 2014

Grant Thornton Unitreu GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Josef Töglhofer m.p.　　Mag. Alexandra Winkler-Janovsky m.p.

Austria Chartered Accountants

This report is a translation of the original report in German, which is solely valid.

Management Board statement in accordance with Sec. 82 (4) of the Stock Exchange Act (Börsegesetz, BörseG)

The Management Board of voestalpine AG confirms to the best of its knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group Management Report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

Linz, May 26, 2014

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