Letter to Shareholders
1st Quarter 2012/13

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voestalpine Group Key Figures

In millions of euros	**Q 1 2011/12** 04/01– 06/30/2011	**Q 1 2012/13** 04/01– 06/30/2012	Change in %
Revenue	3,051.5	3,050.6	–0.0
Profit from operations before depreciation (EBITDA)	462.9	375.0	–19.0
EBITDA margin	15.2%	12.3%	
Profit from operations (EBIT)	317.6	230.7	–27.4
EBIT margin	10.4%	7.6%	
Profit before tax (EBT)	271.8	185.1	–31.9
Profit for the period[1]	209.6	144.9	–30.9
EPS – Earnings/share (euros)	1.13	0.74	–34.5
Investments in tangible and intangible assets and interests	117.0	134.6	15.0
Depreciation	145.3	144.3	–0.7
Capital employed	8,245.6	8,098.0	–1.8
Equity	4,878.3	4,980.8	2.1
Net financial debt	2,779.6	2,484.2	–10.6
Net financial debt in % of equity (gearing)	57.0%	49.9%	
Employees (full-time equivalent)	45,161	46,075	2.0

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

Ladies and Gentlemen:

These days, our room to maneuver with regard to describing our economic expectations is becoming more and more narrow from quarter to quarter. It is becoming increasingly difficult to find something new in the outlook for the coming months because both the political and economic mood, which is colored by the same negative issues, has created a heavy burden—both factually and emotionally—for the development of the economy. This now applies not only to Europe but increasingly to the situation in other global economic regions.

Sovereign debt crisis, euro crisis, growth crisis, and overcapacities are buzz words that dominate the description of the current condition of the economy—not only in Europe. It is the fundamental, structural problems that the political officials and business and industry leaders must face, not just the classic operational challenges that an economic downturn brings with it. And it will no longer suffice to bet on the hope principle—a tried and true tactic, especially in Europe.

Structural problems can only be solved by making structural changes and not by taking a wait-and-see attitude and—in the best-case scenario—by reactive behavior. And ultimately—to stay in Europe for the sake of this discussion—this means to become absolutely clear on whether Europe is prepared to stay on the path toward confederation, toward the "United States of Europe," or not—with all of the consequences that this entails.
Just as the USA will have to accept the fact that debt problems cannot always be solved by more debt (even though this is the doctrine that so many Nobel Prize winners preach). And the threshold countries will have to accept that lavish economic growth, low inflation, cheap money, and external economic stability of their currencies are competing goals that require a certain amount of balance among them.

It is not our objective as a corporation to prescribe strategies to political leaders, but it is our duty to vigorously point out that the stuff of which the current crisis is made represents a fertile breeding ground for growing protectionism and the increasing willingness to hand over subsidies. On this path, transparent markets and global, free competition fall by the wayside. It is necessary to once again point out with all possible emphasis that it is essential for industry to have stable and predictable framework conditions in order to plan its long-term investments. If these conditions are not fulfilled, then sooner or later, jobs, prosperity, and social harmony and stability will be lost. And especially European politicians must be emphatically reminded of one more thing: since national budgets and the financial sector are to a large degree going to be ripe for restructuring for years, they should not endanger the existence of the last remaining, solid pillar of their economies—the real economy—by constantly creating new conditions and requirements that weaken its ability to compete on a global level. The development of the economy by itself is enough of a challenge for business and industry.

Linz, August 7, 2012

The Management Board

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

Highlights

- In the last months, the macroeconomic environment has significantly deteriorated.
- Sovereign debt discussion and weakening of growth momentum dominate economic mood.
- Broadly-based customer behavior marked by caution and a wait-and-see attitude.
- Nevertheless, the capacity of the voestalpine Group continues to be fully utilized in all major business segments, including the Steel Division.
- Despite significantly more difficult framework conditions, at EUR 3,050.6 million, revenue in the first quarter stable compared to the previous year (EUR 3,051.5 million).
- Due to the marked economic downturn, operating results decline: EBITDA –19.0% from EUR 462.9 million to EUR 375.0 million, EBIT –27.4% from EUR 317.6 million to EUR 230.7 million.
- At EUR 144.9 million, net income 30.9% lower than in the previous year (EUR 209.6 million).
- After EUR –62.3 million in the first quarter of the previous year, free cash flow now clearly positive at EUR 92.2 million.
- Compared to March 31, 2012, equity increases from EUR 4,836 million to EUR 4,981 million.
- Net financial debt decreases by 4% from EUR 2,586 million as of March 31, 2012 to EUR 2,484 million.
- Gearing ratio (net financial debt as a percentage of equity) falls compared to the end of the previous business year from 53.5% to 49.9%.
- Number of employees (full-time equivalent) rises slightly by 2% from 45,161 to 46,075 employees.

Interim Management Report

Market environment

In the early part of the business year 2012/13, the main trends that have prevailed for several quarters continued largely unchanged. Issues such as the sovereign debt crisis—primarily in Europe, but increasingly in the USA as well—were widely discussed in the past months, but no solutions have been found at the political level that would result in a sustainable stabilization of the markets. Against this background, downward trends have been detected even in the economies of Northern and Western Europe, which had been stable thus far, while the economic landscape in Southern Europe continues to drift at a very weak level.
While this spring, the economic data from the USA defied this mood and provided some basis for optimism, since early summer, we have seen a slowdown of this momentum. Additionally, the signs suggesting a slackening of the exceptionally dynamic economic development in the threshold countries, which are so important for global economic growth—specifically, China and Brazil, and most particularly India—have most recently been confirmed.
The resulting uncertainty on the part of market participants affected the individual industries to varying degrees. While the European automobile industry's mass market was confronted with massive declines in sales, demand in the premium segment—particularly in Germany—still remained high as of the middle of the year. Throughout the first quarter of 2012/13, demand from the energy exploration sector was still robust at a solid level, and the mechanical engineering and aviation sectors were able to continue the satisfactory development that had marked the previous periods. The market environment in the railway infrastructure segment remained equally constant, although it was the high quality segment (premium grades) that sustained the development in the rail sector; the market for standard rails continues to be dominated by overcapacities and price wars. Most recently, there were signs for a slight recovery in the white goods and consumer goods markets. The construction sector, however, continues to stagnate in most European countries.

Business performance of the voestalpine-Group

Despite this quite challenging overall economic climate, the revenue generated by the voestalpine Group in the first quarter of the business year 2012/13 of EUR 3,050.6 million was almost equal to the revenue in the very positive first quarter of the previous year (EUR 3,051.5 million). This is primarily due to a new quarterly record in generated revenue set by the Metal Engineering Division (previously Railway Systems Division), as the Steel, Special Steel, and Metal Forming Divisions all reported slight declines. The consistent level of revenue year to year makes it abundantly clear that the broad-based regional and sectoral set-up of the voestalpine Group enables it to maintain a largely stable level of revenue even in economically difficult periods.
The operating results, however, could not match the previous year's levels. In the first quarter of 2012/13, EBITDA fell by 19.0%, decreasing from EUR 462.9 million to EUR 375.0 million, which corresponds to an EBITDA margin of 12.3% (previous year: 15.2%). At EUR 230.7 million, EBIT was 27.4% below the comparative figure of the previous year (EUR 317.6 million), resulting in an EBIT margin that fell in the first quarter of 2012/13 from 10.4% to 7.6%.
The decline in the operating results, which affected all the divisions—albeit to differing

degrees—reflects the macroeconomic environment, which has deteriorated significantly compared to the previous year. This change has been particularly noticeable on the European steel market. While demand and price trends in the first quarter of the previous year were still affected by a strong inventory-building cycle due to the more positive growth expectations, the market environment in the current business year has thus far been characterized by falling demand, prices that have been trending down, and increasing structural overcapacities. The fact that the Steel Division has specialized in the top quality and technology segments enabled it to maintain full utilization of its production capacity and relatively stable prices, but overall, this sector's operating results nevertheless plunged due to the weak market, dropping by almost one half compared to the previous year. A quarter-to-quarter comparison showed a much more stable development; the same applies to the trend over the entire business year in the three processing divisions, which have a greater proximity to the end customer and are thus less cyclical.

With a financial result that has remained stable compared to the previous year, in the first quarter of the business year 2012/13, the profit before tax was EUR 185.1 million, 31.9% below last year's figure of EUR 271.8 million. The profit for the period (net income) was EUR 144.9 million after EUR 209.6 million in the first quarter of the last business year (–30.9%).
Equity increased from EUR 4,878.3 million to EUR 4,980.8 million. Concurrently, due to positive free cash flow that amounted to EUR 92.2 million, net financial debt was reduced to EUR 2,484.2 million, compared to EUR 2,779.6 million in the same period of the previous year and compared to EUR 2,585.7 million in the immediately preceding quarter. As a result, the first quarter of the business year 2012/13 saw another significant decline in the gearing ratio (net financial debt in percent of equity) to 49.9%, down from 57.0% (as of the end of the first quarter of 2011/12) and from 53.5% (as of the end of the immediately preceding quarter) respectively.
As of June 30, 2012, the workforce of the voestalpine Group consisted of 46,075 employees (full-time equivalent). Compared to the first quarter of 2011/12 (45,161 employees), this corresponds to a significant increase, although the total workforce declined compared to the immediately preceding quarter (46,473 employees).

Quarter-to-quarter business performance of the voestalpine Group

In millions of euros	Q 1 2011/12 04/01–06/30/2011	Q 2 2011/12 07/01–09/30/2011	Q 3 2011/12 10/01–12/31/2011	Q 4 2011/12[2] 01/01–03/31/2012	Q 1 2012/13 04/01–06/30/2012
Revenue	3,051.5	2,926.2	2,899.5	3,181.0	3,050.6
EBITDA	462.9	361.3	293.8	183.9	375.0
EBITDA margin	15.2%	12.3%	10.1%	5.8%	12.3%
EBIT	317.6	213.8	145.0	27.8	230.7
EBIT margin	10.4%	7.3%	5.0%	0.9%	7.6%
Profit before tax	271.8	171.5	90.5	–29.4	185.1
Profit for the period[1]	209.6	136.5	65.3	1.9	144.9
Employees (full-time equivalent)	45,161	45,944	45,144	46,473	46,075

[1] Before non-controlling interests and interest on hybrid capital.
[2] Operating results during the fourth quarter of the business year 2011/12 negatively impacted by non-recurring effects (setting aside of provisions)—EBITDA before non-recurring effects at EUR 388.9 million, EBIT before non-recurring effects at EUR 232.8 million.

Steel Division

In millions of euros	Q1 2011/12 04/01–06/30/2011	Q1 2012/13 04/01–06/30/2012	Change in %
Revenue	1,038.3	999.8	–3.7
EBITDA	155.9	108.7	–30.3
EBITDA margin	15.0%	10.9%	
EBIT	101.3	52.2	–48.5
EBIT margin	9.8%	5.2%	
Employees (full-time equivalent)	10,382	10,459	0.7

Market environment and business development

The market environment at the end of the previous business year largely continued unchanged in the first quarter of 2012/13. The economic situation is characterized by a level of demand that is largely stable, although it is inconsistent depending on the customer industry. While the Steel Division was able to increase earnings as of short-term contracts entered into in early April 2012, the prices on the spot market declined again in the course of the first quarter of 2012/13 as a result of more cautious order patterns. Quickly implemented short-term capacity adjustments by the European steel industry in response to the harsher market conditions were not able, however, to initiate a reversal of the trend.
Due to its consistent differentiation vis-à-vis the competition by focusing on the top product and quality segments and its stable customer structure with its concentration on long-term partnerships, the Steel Division was able to almost fully utilize its production capacity in the first quarter of the business year 2012/13.
During this period, the situation in the division's various customer industries can be summarized as follows. The European automobile industry, especially the German manufacturers, continued to experience a solidly favorable trend in the premium segment that is of primary importance for the voestalpine Group, although the pressure on mass market manufacturers rose considerably. The white goods industry remained largely stable at a moderate level, while the construction and construction supply industries continued their weak trend due to the tense situation of government budgets and commensurately cautious investment activity in the public sector. The energy sector that is particularly important for the heavy plate segment experienced high demand from the oil and gas industries, although the momentum in the line-pipe segment most recently slowed somewhat. Due to the roll-back of public subsidies for alternative energies, the wind power segment has not yet recovered, but it is still at a satisfactory level, at least in the voestalpine top product quality segment.
The same applies for the mechanical engineering segment, which has not been able to match the sometimes two-digit growth rates of the past years, but the trend is still very positive as it is driven mainly by the favorable development of German manufacturers. The tube and section industry has remained unchanged at a moderate but stable level. There have been hardly any changes in the market environment of the steel trade and Steel Service Center segments, which have been difficult due to their volatility.

In Europe overall, the steel industry continues to experience very significant structural overcapacity, particularly for standard grades. The cutbacks in production and prospects of new cutbacks have not had any effect on the market thus far.

Development of the key figures

Revenue and operating result of the Steel Division in the first quarter of 2012/13 were down due to

the difficult market environment. While revenue fell only slightly by 3.7% from EUR 1,038.3 million to EUR 999.8 million, the operating result (EBIT) dropped almost by half from EUR 101.3 million in the first quarter of 2011/12 to EUR 52.2 million. The level of prices and delivery volumes fell compared to the same quarter of the previous year, which adversely affected the operating result, as did the costs for fuel and energy, which rose due to inflation. As a result, the EBIT margin fell from 9.8% in the first quarter of 2011/12 to 5.2% in the first quarter of 2012/13.
As of June 30, 2012, the Steel Division had 10,459 employees (full-time equivalent), thus increasing its workforce compared to the previous year (10,382) by 0.7%.

Special Steel Division

In millions of euros	Q1 2011/12 04/01–06/30/2011	Q1 2012/13 04/01–06/30/2012	Change in %
Revenue	750.7	735.7	–2.0
EBITDA	120.6	104.9	–13.0
EBITDA margin	16.1%	14.3%	
EBIT	82.7	68.8	–16.8
EBIT margin	11.0%	9.3%	
Employees (full-time equivalent)	12,032	12,348	2.6

Market environment and business development

In the first quarter of 2012/13, business development of the Special Steel Division was slightly down compared to the immediately preceding quarter (fourth quarter 2011/12); in comparison to the first three—very strong—months of the previous business year, however, performance fell more markedly. This is due primarily to significantly more cautious order patterns on the part of many customers, which is the result of increasing growth concerns in a number of threshold countries on one hand, and on the other, of the situation in Europe that continues to be volatile. Overall, the Special Steel Division nevertheless achieved a satisfactory result in the first quarter of 2012/13, although it must be said, that the pressure in some of its most important markets has gained significantly in intensity.
Thus far, the business year 2012/13 has continued to see solid demand in the automotive (with the exception of the commercial vehicle segment), oil and gas exploration, mechanical engineering, consumer goods, and aviation sectors. Performance of the energy equipment segment, however, has continued to be weak.
In the product categories, the performance of specialities in special steel, such as anti-magnetic drill collars for oil and gas production continued to be stable. Demand for tool steel was somewhat invigorated in the last several months, while demand for high-speed steel has been recently trending downward. The market environment for special steels for the aviation industry and oil and gas production as well as powder-metallurgical special steels and nickel-based alloys has continued to be robust. In the past months, demand for special structural steel has been weak as this segment has been significantly affected by cautious customer behavior in the energy equipment segment.
Comparing the performance of the most important sales regions of the Special Steel Division, growth in Brazil in the last quarter has become considerably weaker and Asia has also experienced a slowdown in growth. The development of the market has been largely stable in the USA and in Europe north of the Alps, particularly Germany, while uncertainty has been increasingly evident in the Southern European markets due to the sovereign debt crisis and its effects on the real economy.

Overall, capacities in the production companies of the Special Steel Division have been well utilized in the first quarter of the current business year, in other words, for the most part, they are being fully utilized. From today's vantage point, however, some selected adjustments in our capacities will be necessary in the course of the business year.

Development of the key figures

The Special Steel Division was largely able to continue the stable development, which had predominated during the previous quarters, in the early part of the business year 2012/13, although it was not able to match the outstanding results of the first quarter of the previous year. The optimization measures, which had been implemented consistently in the past years, had a stabilizing effect on earnings in a market environment that has become more challenging. Therefore, revenue of the Special Steel Division fell only marginally (by 2.0%) compared to the previous year, going from EUR 750.7 million to EUR 735.7 million; the higher average revenue was able to mostly compensate the declining delivery volumes. As far as operating results are concerned, however, the downward trend was more significant; EBIT was at EUR 68.8 million, 16.8% below last year's figure of EUR 82.7 million. As a result, the EBIT margin fell from 11.0% to 9.3%.
As of June 30, 2012, the Special Steel Division had 12,348 employees (full-time equivalent), an increase of 2.6% compared to the same reporting date in the previous year (12,032 employees).

Metal Engineering Division

In millions of euros	Q1 2011/12 04/01–06/30/2011	Q1 2012/13 04/01–06/30/2012	Change in %
Revenue	752.8	805.6	7.0
EBITDA	120.7	111.4	–7.7
EBITDA margin	16.0%	13.8%	
EBIT	92.2	83.8	–9.1
EBIT margin	12.2%	10.4%	
Employees (full-time equivalent)	11,165	11,291	1.1

Market environment and business development

In the early part of the business year 2012/13, the performance of the Metal Engineering Division continued at a solid level as the high-quality products and demanding markets that the division specializes in are comparatively less severely affected by fluctuations in the economy. Nevertheless, the division was unable to fully match the comparative figures of the outstanding first quarter of the previous business year.
As a result of the execution of a number of large orders for premium qualities from the BRIC countries, the capacity of the Rail Technology business segment was very well utilized and, at the same time, the price level was quite satisfactory. In the first quarter of 2012/13, production of standard rails at the Duisburg site, which is slated to be closed, was operating with two shifts that were fully utilized. However, due to aggressive competition, prices were still not at a positive level. Viewed regionally, particularly the countries in Southern Europe have significantly reduced their investments in railway infrastructure due to their sovereign debt situation.
As a result of its strong worldwide presence, the Turnout Technology business segment continues to make a substantial contribution to the good performance of the Metal Engineering Division. It reports revenue at a high level, although the operating result has declined slightly. Reduced demand in Europe was compensated by a gratifying level of orders from North America, Brazil, South Africa, and Australia. Additionally, after a

sharp drop in orders during the 2011 calendar year, China saw improved order patterns in the high-speed sector.
The Seamless Tube business segment continued to record robust sales in the last quarter due to brisk investment activity in the oil and gas segment, particularly in North America and the Middle East. The Wire business segment reported a stable earnings situation in the first quarter of 2012/13, although demand declined slightly. The Welding Technology business segment was characterized by an improved market environment for medium- and high-grade alloys, however, the market for standard grades did not fare as well.

Development of the key figures

The key figures of the Metal Engineering Division in the first quarter of 2012/13 continued to be at a satisfactory level. Good capacity utilization in the rail segment, especially in comparison to the immediately preceding quarters, made a significant contribution to the division's revenue that exceeded the EUR 800 million mark for the first time in a single quarter. At EUR 805.6 million, revenue was 7.0% higher than the figure achieved in the first quarter of 2011/12 (EUR 752.8 million).
Because of the global nature of its operations and its diversification with regard to business fields and customer segments, the Metal Engineering Division was able to easily compensate temporary weaknesses in individual segments. While most recently the Wire and Welding Consumables segments were showing a slight downward trend, the Seamless Tube business segment surpassed the already high expectations. As a result, with an operating result of EUR 83.8 million (previous year: EUR 92.2 million) the division was able to maintain a two-digit EBIT margin of 10.4% (previous year: 12.2%).
As of the reporting date of June 30, 2012, the Metal Engineering Division had 11,291 employees (full-time equivalent). Compared to the previous year (11,165 employees), this corresponds to an increase of 1.1%.

Metal Forming Division

In millions of euros	Q1 2011/12[1] 04/01–06/30/2011	Q1 2012/13 04/01–06/30/2012	Change in %
Revenue	622.5	611.1	–1.8
EBITDA	82.3	68.5	–16.8
EBITDA margin	13.2%	11.2%	
EBIT	59.6	46.1	–22.7
EBIT margin	9.6%	7.5%	
Employees (full-time equivalent)	10,915	11,272	3.3

[1] Comparison data 2011/12 was adjusted accordingly.

Market environment and business development

The business segments of the Metal Forming Division, which was newly formed as of April 1, 2012 by merging the previous Profilform and Automotive Divisions in order to enhance global competitive advantage and presence, were operating in a generally favorable market environment in the first quarter of 2012/13, although it was no longer as dynamic as it had been.
Performance in the Tubes & Sections business segment, especially special sections, continued to be satisfactory. This applies particularly to agricultural machinery as well as the bus and commercial vehicle sectors, where the customer base, which had been developed over many years, provided stability in a market environment that was shaped by an overall weaker trend. Apart from a few delays with regard to some major orders, the aviation industry reported a solid

level of orders. The solar industry, however, has significantly reduced its investment activity, especially in Europe.

The Automotive Body Parts business segment continued to experience full capacity utilization in the first quarter of 2012/13, however, in some areas, such as laser-welded blanks, there has been a slight decline in orders. In the past quarter, the European premium automobile manufacturers continued to enjoy a very good level of orders, sustained by consistently high demand from the BRIC countries, while the mass market segment, which is of lesser importance for the division, suffered from massive underutilization of capacity.

In the Precision Strip business segment, which until recently had experienced long delivery times of up to one year due to a shortage of capacity and pre-materials, the delivery times have now leveled out and are back to normal.

In the first quarter of 2012/13, the Material Handling business segment recorded very good performance in storage technology, with incoming orders already ensuring full capacity utilization at least until the end of this calendar year.

Viewed regionally, business development in North America is stable at a satisfactory level, while the momentum of the Brazilian market has mostly recently slowed down. The situation in Europe continued to be very inconsistent. While there has not been an uptick in demand from Southern Europe or—due to high financing costs for private investments—from Russia, the markets in Northern and Central Europe have been fulfilling expectations for a stable performance. The British market, which is especially important for the sections segment, has also recently shown a noticeable recovery.

Development of the key figures

In the first quarter of the business year 2012/13, the operating result of the Metal Forming Division is being reported for the first time since the division was formed. Therefore, the previous year's figures were adjusted accordingly for better comparability.

As a result of the solid business performance, at EUR 611.1 million, the revenue in the first quarter of 2012/13 has been maintained at a mostly stable level compared to the previous year (EUR 622.5 million). As there was a slight economic slowdown during the first quarter, the operating results have declined. EBIT fell compared to the very strong comparative figure in the previous year by 22.7%, going from EUR 59.6 million to EUR 46.1 million, with the EBIT margin dropping from 9.6% to 7.5%.

As of the reporting date of June 30, 2012, the Metal Forming Division had 11,272 employees (full-time equivalent). This corresponds to an increase of 357 employees or 3.3% compared to the previous year (10,915).

Antitrust proceedings relative to railway superstructure material

In the antitrust proceedings relative to railway superstructure material, in early July, the German Federal Cartel Office (Bundeskartellamt) imposed fines totaling EUR 124.5 million on four manufacturers and suppliers of rails for having entered into anti-competitive agreements to the detriment of Deutsche Bahn AG. EUR 8.5 million of these fines were levied against companies belonging to the voestalpine Group. This means that the German Federal Cartel Office has thus confirmed voestalpine's status of cooperating witness for the major part of the proceedings and the comparatively small fine concerns marginal segments only. Now that official notice of the fine has been made, the antitrust proceedings involving for the most part Deutsche Bahn have been resolved. At a later date, the German Federal Cartel Office will examine the deliveries of rails and turnouts to regional and local customers. From today's perspective, it is still too early to estimate when we can count on a final decision regarding these additional issues.
The provisions created for the antitrust proceedings and associated actions and costs as well as for the closure of TSTG Schienen Technik GmbH & Co KG in the annual financial statements 2011/12 in the amount of EUR 205 million are still considered to be sufficient.

Closure of TSTG Schienen Technik GmbH & Co KG

After the decision to close the rail production of TSTG Schienen Technik GmbH & Co KG in Duisburg, management is involved in ongoing information and advisory discussions with the Works Council. The closure will be finalized in the course of the 2013 calendar year.

Business transactions with associated companies or parties

Information regarding business transactions with associated companies and parties is available in the Notes.

Investments

After a phase of reduced investment activity that spanned several years, the voestalpine Group intends to expand these activities in the current business year. The first quarter of 2012/13 already showed growth in this area compared to the same period of the previous year, with investments rising by 15.0% from EUR 117.0 million to EUR 134.6 million, due to higher expenditures in the Special Steel Division (by more than 60%) and the Metal Engineering Division (by more than 50%).

Investment expenditures in the Steel Division, on the other hand, fell by 6.3% from EUR 55.4 million to EUR 51.9 million, largely as a result of the fact that the extensive investment program "L6" had been completed by the end of the previous business year. The main current investment projects are the continuous annealing line, which is being implemented on schedule, as well as investments to replace legacy equipment in the LD steel plant. Additionally, investment expenditures for blast furnace replacement equipment and expansion have been approved but are still in the planning phase; the primary focus of these projects will be the replacement of the cowpers and a new coal injection system.
In the heavy plate segment, construction of a new pusher-type furnace will be completed shortly; at the same time, construction of a new roll stand is just getting off the ground. In May 2012, equipment was installed in the new Steel Service Center in Giurgiu, Romania, so that production was able to begin on schedule in June.

The Special Steel Division reported the most significant increase in investment expenditures by 61.3%. At EUR 20.0 million, its expenditures were almost two thirds higher than those of the previous year (EUR 12.4 million). Investments in the current business year will be focused on completion of the expansion of production capacity for powder-metallurgical steels at the Kapfenberg (Austria) site as well as on the new concept for the special steel plant in Wetzlar (Germany), where a four-year investment program is planned to comprehensively improve not only productivity and quality, but also environmental protection and occupational safety. Expansions and additions in the division's sales companies are currently on schedule in the pre-processing and heat treatment segments as well as with regard to sawing capacity in order to advance our long-term, strategic focus on a consistent improvement along the entire value chain and a continuing enhancement of the service quality.

With a plus of 52.4%, the Metal Engineering Division also recorded a significant rise in its investments compared to the first quarter of the previous year, going from EUR 21.2 million to EUR 32.3 million. The main focus was on preparations for the lining of a blast furnace in Donawitz, which will be completed by the fall of 2012. In order to be able to fill customer demands over the summer despite this complex project that will run for several months, a build-up of reserves of pre-materials (billets and blooms for the processing of steel to rails, turnouts, wire, and seamless tubes) began in the first quarter of 2012/13.

At 28.8 million, investments in the Metal Forming Division were 10.3% above those in the same period of the previous year (EUR 26.1 million). Driven by customer demand, the focus is on the expansion of production capacity in the growth markets and the technologically demanding product segments. In the first quarter of 2012/13, construction of the site for production of special sections in the vicinity of Shanghai began; production launch is planned for the business year 2013/14. Additionally, a production facility for the forming of phs-ultraform® steel in Schmölln, Germany is also being built. The international expansion of the Automotive Body Parts business segment is also proceeding on schedule at several already existing Group locations outside of Europe.

Despite the increases described herein, investment expenditures of the voestalpine Group in the first quarter of the business year 2012/13 are still slightly under the level of depreciation, which has remained practically unchanged compared to the previous year.

Acquisitions

In the business year 2012/13 thus far, there has been one comparatively small expansion, which, however, is strategically important for the Metal Engineering Division's Wire business segment: voestalpine Austria Draht GmbH expanded its activities in wire processing by acquiring 54% of CPA Filament GmbH from the Austrian Steinklauber Group. A new facility for the production of ultra-high-tensile fine wire (up to 0.08 mm) will be jointly erected in Fürstenfeld (Styria) within the scope of a joint venture. It is scheduled to be commissioned by the end of 2012.

Further expansion is planned in stages for the next several years. Both partners are contributing comprehensive expertise to the collaboration: voestalpine has extensive materials technology expertise, experience in metallurgical technology, and can take advantage of synergy benefits from the proximity of its own steel plant in Donawitz and broad-based collaboration opportunities within the Group. The expertise of the Steinklauber Group as a plant manufacturer and technology leader is in the production of high-tensile fine wire and cord. By the time all expansion plans have been completed, the new company is expected to generate a revenue of about EUR 70 to 80 million.

Employees

As of June 30, 2012, the voestalpine Group had 46,075 employees (full-time equivalent [FTE]). Compared to the previous year's figure (45,161 employees), this corresponds to a plus of 2.0%, which is due primarily to an increase in core staff by 1.9% from 40,939 to 41,719 employees. As of the end of the first quarter of 2012/13, there were an additional 4,189 employees designated as temporary staff; this represents an increase of 4.8% or 191 employees compared to the previous year. Additionally, as of June 30, 2012, 1,266 apprentices were being trained worldwide, in other words, 35 young people (or 2.7%) less than in the previous year (1,301).

Note: As already presented in the Annual Report 2011/12, as of the end of this business year, we switched to the "full-time equivalent" indicator (FTE) to achieve better comparability of the data with other international groups and to ensure greater informative value of the development of employee numbers within the Group itself. With the "FTE" indicator, one full-time employee corresponds to a full-time equivalent of one; part-time employees are taken into account on a pro-rata basis corresponding to their working hours.

Research and development

In the business year 2012/13, the voestalpine Group has a new record budget of EUR 132 million for the development of products and processes. Its research activities are directed toward the long-term expansion of quality and technology leadership, particularly in the defined growth industries of mobility and energy as well as further process optimization with regard to energy and raw materials efficiency and another reduction in emissions.

The top priority is a holistic view of products over their entire life cycle, from the raw materials used to production and finally, to the recycling phase; this includes establishing an overarching ecological context in order to develop additional optimization potential. By developing new steel grades and improving existing ones on an ongoing basis, the voestalpine Group is striving to achieve a sustainable increase in energy efficiency of the finished products. This applies to lightweight automobile construction, which enables substantially lower CO_2 emissions due to the significant reduction in weight, as well as to new applications in the energy sector that make considerably higher efficiency possible in both the conventional sector and for renewable sources of energy.

The Group project "voestalpine Future Markets," which is slated to run for several years, deals with the coordinated identification and utilization of innovative technologies spanning the Group's entire value chain and includes a number of new developments with regard to wind power that are being vigorously pursued. In collaboration with well-respected external partners and research institutions, a prototype of a maintenance-free lattice tower for wind power installations was developed within the scope of a recent project. Its objective was to eliminate the high maintenance requirements, which placed traditional lattice towers at a disadvantage compared to other methods of construction, by deploying new joining processes and utilizing innovative special sections. Furthermore, the new modular concept stands out due to its significant advantages in the sectors of transport and logistics by providing substantial economies in materials, a more lightweight construction, improved stability, and overall, a considerable increase in efficiency. The prototype is currently in the test phase.

Furthermore, the voestalpine Group is a leading participant of a number of research projects at the EU level, which are driven by industry; the subject of these projects is the ecological potential of steel. These long-term projects are focused on the sectors of mobility and energy.

Environment

In the Annual Report 2011/12, the comprehensive measures that the voestalpine Group is currently implementing with great consistency in all important segments of emissions reduction and efficiency of resources management were already presented in detail.

Therefore, the current developments in the most significant environmental projects at both the national and the EU level will be highlighted in the following:

CO_2 emissions certificate trading/post-Kyoto regime: After publication in May 2011 of the European benchmark figures for the steel industry for the period from 2013 to 2020, implementation on the national level in Austria was initiated by way of a directive of the Austrian Ministry of the Environment. The defined allocation mechanism was subsequently contested before the European Court of Justice by the European steel association EUROFER and a number of its member companies, including voestalpine AG. The complaints, which were filed in July 2011, were directed particularly toward the specific CO_2 emissions requirements that cannot be achieved with today's technical possibilities. The European Court of

Justice dismissed the complaints as inadmissible for formal reasons with its ruling of June 4, 2012 without undertaking a substantive examination of the content; however, at the same time, it pointed out that each affected company has the possibility of filing a complaint at the national level. Currently, the chances of success of such a step are being examined, however, rulings on individual cases will not be able to achieve the equal treatment on a European level that was sought by the original complaint.

"Roadmaps 2050" represent the central element of the overall EU strategy for the development of a low-carbon economy. They aim to reduce the CO_2 emissions within the EU by 80% to 95% measured against the level in 1990 by 2050, move to CO_2-free production of electricity, and radically remake infrastructure and transport fleets. The concrete definition of reduction scenarios to achieve this objective as well as the assessment at the industry level have yet to be established. The European steel association EUROFER has decided to develop its own specific sectoral roadmap by the end of 2012 that will highlight the importance of the material steel for European society as well as its contribution to climate protection. However, the contributions of the steel industry will be effective only if there are no further encroachments into existing certificate trading, which drive prices upward, or if the emissions reduction goals are not made drastically more stringent, as this would rob the industry of its viability.

Life cycle assessment (LCA): Customers, competitors, and decision makers are increasingly focusing on the comprehensive life cycle assessment (LCA). The term "eco-balance" is often used in this context. LCA is the systematic analysis of the environmental effects of products and processes with a comprehensive evaluation of their impact over their entire life cycle.
All of the effects of a product on humans and the environment during production, utilization phase, and disposal—including recycling—are analyzed by way of the LCA. The crucial advantage of the LCA is that the ecological effects are viewed holistically instead of merely examining individual and isolated phases.
voestalpine supports providing the life cycle concept with a legal basis by way of political action, and it is actively involved in the development of the appropriate European and international rules and regulations. This is currently being accomplished primarily by setting up an internal work group that is comprised of representatives of the Steel and Special Steel Divisions and of all the company functions that are most important for the LCA, such as Purchasing, Marketing, Production, R&D, Sales, and Environment. The responsibility of the work group is to observe the developments and coordinate the various LCA activities on one hand, including the required data management, as well as the active participation in LCA projects on the other hand within the scope of national and international work groups and advocacy groups, such as EUROFER and the World Steel Association.

With regard to the topics of the REACH (EU Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals) and the Industrial Emissions Directive 2010/75/EU, which have been discussed in detail in previous publications, the status has remained largely unchanged and we therefore refer to the recent reports in the business year 2011/12.

Outlook

Only two months after the outlook for 2012/13 set forth in the Annual Report for the business year 2011/12, it is impossible not to repeat oneself. No matter how much we wanted things to be different considering the not very optimistic forecasts, from the current perspective the economic expectations remain under pressure across the board. There are no major changes, neither with regard to the regional outlook nor concerning the outlook for the various sectors.

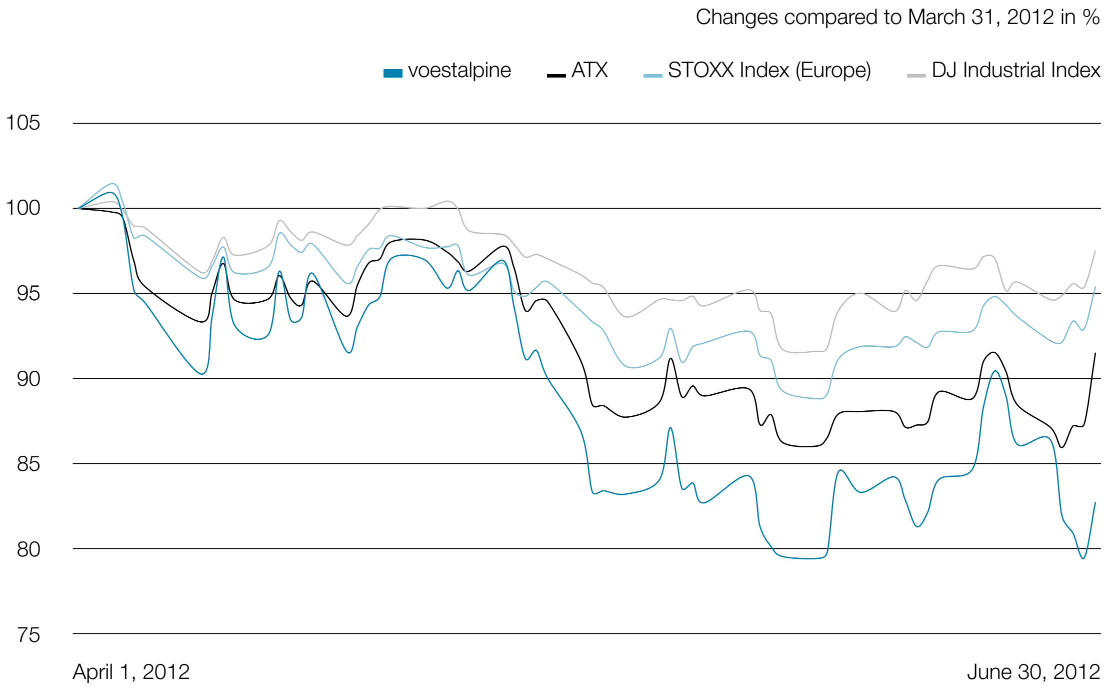
The situation in Europe continues to be dominated by the topics debt and euro crisis, which remain unsolved, and thus, the economic mood is still subdued. For the time being, the threshold countries, China, India, and Brazil, are not showing any signs of returning to their former growth levels, and the economic expectations for the USA are being repeatedly revised. Skepticism is dominating even the most important industries with regard to expectations for the second half of 2012. The construction and construction supply industries have been lingering at a modest level for quite some time; in the automobile industry, production expectations for the rest of the year are being scaled back not just for the mass market; and the energy sector has most recently lost a great deal of its momentum, both in the conventional and the alternative sectors. Demand in the mechanical engineering, aviation, and railway infrastructure sectors continues to be relatively stable, and the market situation for white goods and the consumer goods industry has improved slightly since the early part of the year.

The European steel industry is suffering more than ever from massive structural overcapacities, particularly in the flat products segment. Continuing weak demand combined with falling raw materials prices is resulting in ongoing destructive price wars.
The fact that the Steel Division of the voestalpine Group has spent the last 15 years consistently differentiating itself from the competition, both with regard to technology and quality, is enabling it to achieve both full capacity utilization and satisfactory profits for the coming months.

This confirms yet again how right our longstanding, consistent policy of extending the value chain down to the end user in demanding niche sectors has been. This has enabled the voestalpine Group to develop from a steel production to a leading processing and technology Group in promising, future-oriented market segments. The development of the Special Steel, Metal Engineering, and Metal Forming Divisions, which are active in just such segments, has been comparatively stable, both with regard to revenue and profit. These three divisions generated more than two thirds of the revenue and almost 80% of the operating results during the first quarter of the business year, and, from today's perspective, this should enable us to again attain the previous year's adjusted profit from operations (EBIT) of around EUR 900 million, confirming the forecast made at the beginning of the business year. This presupposes, however, that the economic environment does not experience additional turbulence, for example, an escalation of the euro crisis or a sustained economic slowdown in the threshold countries.

Investor relations

voestalpine AG vs. the ATX and international indices



Price development of the voestalpine share

In 2012, the capital markets overall and cyclical stocks in particular had to deal with an environment that continued to be challenging. The mood on the stock exchanges was also significantly affected by the continuing and intensifying debates about the uncertain prospects of the European Economic Community (sovereign debt crisis, liabilities of the euro countries, stability of the euro, etc.), especially as these problems have still not been permanently solved in a way that would pacify the financial markets. The situation was additionally exacerbated by the leading indicators from Asia, especially China, pointing to a noticeable cooling down of the economic momentum.

Furthermore, expectations for the development of the economy in Germany, which is particularly important for the voestalpine Group, have most recently been downgraded, despite the fact that the state of the German market has been quite robust in the past years. Looking at the economy by sectors, the structural overcapacities in the European steel industry represent an ever increasing burden. The temporary reduction of overcapacities is not a satisfactory solution to create a degree of balance between supply and demand in the long term.

In comparison to the "classic" steel companies, the voestalpine Group has been able to keep any price losses within reasonable limits due to its accelerated path to becoming a global processing and technology Group, which is less and less dependent on the traditional "steel cycle" and is aided by its more stable earnings situation and fundamentals that are quite sound, especially considering the overall economic environment.
Due to the cyclical business model, the price development of the voestalpine share in the first quarter of 2012/13 was more dramatic both in its ups and downs than the average development of the ATX, Stoxx Index Europe, and Dow Jones Industrial indices, although its overall development shows a consistent pattern.
All told, the voestalpine share fell from EUR 25.22 to EUR 20.86 in the first quarter of the business year 2012/13, equaling a loss in value of 17.3%.

Bonds

Hybrid bond (2007–2014)

Within the scope of financing the acquisition of the BÖHLER-UDDEHOLM Aktiengesellschaft, voestalpine AG issued a subordinated hybrid bond in October 2007 with an issue volume of EUR 1 billion and a coupon rate of 7.125%. The earliest possible call option by voestalpine AG is in October 2014. During its first two years, the hybrid bond traded consistently under its initial offering price due to the generally difficult financial and economic situation, reaching its lowest price at 75 (% of the face value) in the spring of 2009. Subsequently, the bond's price started to rise in early 2010. Since then it has continued its very positive development, closing at the end of the first quarter of 2012/13 at about 105 (% of the face value).

Corporate bond 1 (2009–2013)

In order to secure the Group's liquidity, in March 2009, voestalpine AG issued a corporate bond with a volume of EUR 400 million and a coupon rate of 8.75%. The bond will be redeemed in the spring of 2013. Demand for the bond was very strong right from the beginning and about one year after being issued, it reached a high of more than 114 (% of the face value). The price of the bond is trending downward as the time of repayment is approaching. At the end of June 2012, the price was at about 105 (% of the face value).

Corporate bond 2 (2011–2018)

In early February 2011, voestalpine AG successfully placed a seven-year bond issue on the capital market with a coupon rate of 4.75% and a volume of EUR 500 million. Interest in this bond was unusually high so that the order book attained a volume of more than EUR 700 million, much higher than the originally planned transaction of EUR 300 to 400 million. Trading of the bond began on February 3, 2011 in the regulated over-the-counter market of the Vienna Stock Exchange. While the bond price at the beginning of April was still just under the issue price, there were continuous gains leading up to the end of June. The closing price of the security on June 30, 2011 was at 103 (% of the face value).

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

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

Share information

Share capital	EUR 307,132,044.75 divided into 169,049,163 no par value shares
Shares in proprietary possession as of June 30, 2012	242,171 shares
Class of shares	Ordinary bearer shares
Stock identification number	93750 (Vienna Stock Exchange)
ISIN	AT0000937503
Reuters	VOES.VI
Bloomberg	VOE AV

Prices (as of end of day)	
Share price high April 2012 to June 2012	EUR 25.45
Share price low April 2012 to June 2012	EUR 20.03
Share price as of June 30, 2012	EUR 20.86
Initial offering price (IPO) October 1995	EUR 5.18
All-time high price (July 12, 2007)	EUR 66.11
Market capitalization as of June 30, 2012*	EUR 3,520,469,818.16

* Based on total number of shares minus repurchased shares.

Business year 2011/12	
Earnings per share	EUR 1.98
Dividend per share	EUR 0.80
Book value per share	EUR 28.24

Financial calendar 2012/13	
Letter to shareholders for the second quarter of 2012/13	November 7, 2012
Letter to shareholders for the third quarter of 2012/13	February 7, 2013
Annual Report 2012/13	June 5, 2013
Annual General Shareholders' Meeting	July 3, 2013
Ex-dividend date	July 8, 2013
Dividend payment date	July 15, 2013

voestalpine AG

Financial data 06/30/2012

In accordance with International Financial Reporting Standards (IFRS)

Consolidated statement of financial position

Assets

	03/31/2012	06/30/2012
A. Non-current assets		
Property, plant and equipment	4,378.3	4,370.6
Goodwill	1,421.2	1,422.5
Other intangible assets	322.0	312.2
Investments in associates	149.4	145.3
Other financial assets	160.5	166.7
Deferred tax assets	369.8	364.8
	6,801.2	**6,782.1**
B. Current assets		
Inventories	2,952.7	3,103.5
Trade and other receivables	1,774.4	1,810.6
Other financial assets	406.6	408.5
Cash and cash equivalents	677.2	800.4
	5,810.9	**6,123.0**
Total assets	**12,612.1**	**12,905.1**

In millions of euros

Equity and liabilities

	03/31/2012	06/30/2012
A. Equity		
Share capital	307.1	307.1
Capital reserves	405.7	393.9
Hybrid capital	992.1	992.1
Retained earnings and other reserves	3,061.0	3,215.1
Equity attributable to equity holders of the parent	**4,765.9**	**4,908.2**
Non-controlling interests	70.4	72.6
	4,836.3	**4,980.8**
B. Non-current liabilities		
Pensions and other employee obligations	852.9	853.0
Provisions	131.3	131.3
Deferred tax liabilities	204.0	209.4
Financial liabilities	1,970.6	1,571.6
	3,158.8	**2,765.3**
C. Current liabilities		
Provisions	631.1	563.9
Tax liabilities	78.8	76.3
Financial liabilities	1,799.2	2,273.0
Trade and other payables	2,107.9	2,245.8
	4,617.0	**5,159.0**
Total equity and liabilities	**12,612.1**	**12,905.1**

In millions of euros

Consolidated statement of cash flows

	04/01–06/30/2011	04/01–06/30/2012
Operating activities		
Profit for the period	209.6	144.9
Adjustments	136.8	151.9
Changes in working capital	–288.9	1.0
Cash flows from operating activities	**57.5**	**297.8**
Cash flows from investing activities	**–114.8**	**–218.0**
Cash flows from financing activities	**–337.1**	**43.3**
Net decrease/increase in cash and cash equivalents	**–394.4**	**123.1**
Cash and cash equivalents, beginning of period	1,233.4	677.2
Net exchange differences	0.1	0.1
Cash and cash equivalents, end of period	**839.1**	**800.4**

In millions of euros

Consolidated income statement

	04/01–06/30/2011	04/01–06/30/2012
Revenue	3,051.5	3,050.6
Cost of sales	–2,363.1	–2,432.2
Gross profit	**688.4**	**618.4**
Other operating income	81.7	83.6
Distribution costs	–245.4	–249.7
Administrative expenses	–148.2	–150.5
Other operating expenses	–58.9	–71.1
Profit from operations (EBIT)	**317.6**	**230.7**
Share of profit of associates	5.5	5.1
Finance income	23.3	20.4
Finance costs	–74.6	–71.0
Profit before tax (EBT)	**271.8**	**185.1**
Income tax expense	–62.2	–40.2
Profit for the period	**209.6**	**144.9**
Attributable to:		
Equity holders of the parent	189.9	125.2
Non-controlling interests	1.7	1.7
Share planned for hybrid capital owners	18.0	18.0
Diluted and basic earnings per share (euros)	**1.13**	**0.74**

In millions of euros

Statement of comprehensive income

	04/01–06/30/2011	04/01–06/30/2012
Profit for the period	**209.6**	**144.9**
Other comprehensive income		
Hedge accounting	–1.7	–0.1
Currency translation	–2.0	3.7
Other comprehensive income for the period, net of income tax	**–3.7**	**3.6**
Total comprehensive income for the period	**205.9**	**148.5**
Attributable to:		
Equity holders of the parent	186.6	128.4
Non-controlling interests	1.3	2.1
Share planned for hybrid capital owners	18.0	18.0
Total comprehensive income for the period	**205.9**	**148.5**

In millions of euros

Consolidated statement of changes in equity

	Q1 2011/12			Q1 2012/13		
	Group	Non-controlling interests	Total	Group	Non-controlling interests	Total
Equity as of April 1	**4,617.8**	**73.3**	**4,691.1**	**4,765.9**	**70.4**	**4,836.3**
Total comprehensive income for the period	204.6	1.3	205.9	146.4	2.1	148.5
Dividends to shareholders	–	–6.5	–6.5	–	–6.6	–6.6
Own shares acquired/ disposed	1.4	–	1.4	1.2	–	1.2
Purchase of non-controlling interests	–	–	–	–	6.7	6.7
Stock options	–15.8	–0.2	–16.0	–	–	–
Other changes	–4.4	6.8	2.4	–5.3		–5.3
Equity as of June 30	**4,803.6**	**74.7**	**4,878.3**	**4,908.2**	**72.6**	**4,980.8**

In millions of euros

Notes

These interim consolidated financial statements of voestalpine AG as of June 30, 2012 for the first quarter of the business year 2012/13 were prepared in accordance with IAS 34 – Interim Financial Reporting. The accounting policies are unchanged from the annual consolidated financial statements for the business year 2011/12 with the following exception: the revised version of the IFRS 7 (2010) "Financial Instruments: Disclosures – Transfers of Financial Assets" is being applied for the first time. The amendments do not have a significant impact on the interim consolidated financial statements. Further information on the principles of preparation is provided in the consolidated financial statements as of March 31, 2012, on which these interim consolidated financial statements are based.

As of April 1, 2012, the Automotive Division and Profilform Division were merged to create the Metal Forming Division. The preceding year's comparative figures were adjusted accordingly.

The interim consolidated financial statements are presented in millions of euros (the functional currency of the parent company). The use of automated calculation systems may result in rounding differences.

Unless otherwise stated, comparative information relates to the first quarter of the business year 2011/12 (reporting date: June 30, 2011).

The interim consolidated financial statements have not been audited or reviewed by auditors.

Scope of consolidated financial statements/acquisitions

The changes made in the scope of consolidated financial statements during the reporting period were as follows:

	Full consolidation	Proportionate consolidation	Equity method
As of April 1, 2012	**278**	**2**	**12**
Acquisitions	1		
Change in consolidation method			
Additions	1		
Disposals			
Reorganizations	–3		
Divestments or disposals			
As of June 30, 2012	**277**	**2**	**12**
Of which foreign companies	220	0	5

Notes on the consolidated statement of financial position

The decrease in non-current assets mainly resulted from a lower level of investment activity in the first quarter of the business year 2012/13. Depreciations amounting to EUR 144.3 million exceeded investments that amounted to EUR 134.6 million. Inventories have increased by EUR 150.8 million in comparison to March 31, 2012 due mainly to increasing volumes. As cash and cash equivalents accrued from current operating activities and new loans also exceeded loan repayments in the first quarter of the business year 2012/13, cash and cash equivalents have increased from EUR 677.2 million to EUR 800.4 million.

As of June 30, 2012, voestalpine AG's share capital amounted to EUR 307,132,044.75 (169,049,163 shares). The Company held 242,171 of its own shares as of the reporting date. In the first quarter of the business year 2012/13, the Company sold 57,557 of its own shares.

Effective October 16, 2007, voestalpine AG issued a hybrid bond subordinated to all other creditors with a total issue volume of EUR 1 billion. The bond has an indefinite term and a 7.125% coupon rate. The Company may defer coupon payments if no dividends are being paid. The first call option is after seven years, at which time voestalpine AG (but not the bond holders) may either call the bond at par or extend it at a higher, but variable, coupon rate. This hybrid bond is recognized as a component of equity under IAS 32.

Profit for the period amounting to EUR 144.9 million has contributed to the increase in equity. For the business year 2011/12, a dividend per share of EUR 0.80 was decided upon at the Annual General Meeting on July 4, 2012; the dividend will be distributed in the second quarter of the business year 2012/13.

Non-current loans developed according to our redemption schedule and non-current financial liabilities therefore declined to EUR 1,571.6 million.

Notes on the consolidated income statement

Revenue for the period from April 1 to June 30, 2012 totaled EUR 3,050.6 million, remaining approximately constant compared to the same period of the preceding year (EUR 3,051.5 million). In the first quarter of the business year 2012/13, profit from operations (EBIT) reached EUR 230.7 million compared to EUR 317.6 million for the first three months of the business year 2011/12. After consideration of the financial result and taxes, profit for the period amounted to EUR 144.9 million compared to EUR 209.6 million for the first quarter of the preceding year.

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

	04/01–06/30/2011	04/01–06/30/2012
Profit attributable to equity holders of the parent (in millions of euros)	189.9	125.2
Weighted average number of issued ordinary shares (millions)	168.6	168.8
Diluted and basic (undiluted) earnings per share (euros)	**1.13**	**0.74**

Operating segments

The following tables contain information on the operating segments of the voestalpine Group for the first quarter of the business year 2012/13 and business year 2011/12, respectively[1]:

First quarter 2012/13

	Steel Division 04/01–06/30/2012	**Special Steel Division** 04/01–06/30/2012
Segment revenue	999.8	735.7
of which revenue with third parties	930.6	720.6
of which revenue with other segments	69.2	15.1
EBITDA	108.7	104.9
Profit from operations (EBIT)	52.2	68.8
EBIT margin	5.2%	9.3%
Segment assets	3,681.3	4,021.0
Employees (full-time equivalent)	10,459	12,348

First quarter 2011/12

	Steel Division 04/01–06/30/2011	**Special Steel Division** 04/01–06/30/2011
Segment revenue	1,038.3	750.7
of which revenue with third parties	961.6	733.6
of which revenue with other segments	76.7	17.1
EBITDA	155.9	120.6
Profit from operations (EBIT)	101.3	82.7
EBIT margin	9.8%	11.0%
Segment assets	3,785.7	4,111.4
Employees (full-time equivalent)	10,382	12,032

[1] As of April 1, 2012, the Automotive Division and Profilform Division were merged to create the Metal Forming Division. The preceding year's comparative figures were adjusted accordingly. Furthermore, the Railway Systems Division was renamed Metal Engineering Division as of April 1, 2012.

	Metal Engineering Division 04/01–06/30/2012	Metal Forming Division 04/01–06/30/2012	Other 04/01–06/30/2012	Reconciliation 04/01–06/30/2012	Total Group 04/01–06/30/2012
	805.6	611.1	425.7	–527.3	3,050.6
	795.5	602.8	1.1	0.0	3,050.6
	10.1	8.3	424.6	–527.3	0.0
	111.4	68.5	–21.2	2.7	375.0
	83.8	46.1	–22.8	2.6	230.7
	10.4%	7.5%			7.6%
	2,525.7	1,941.8	9,765.3	–9,030.0	12,905.1
	11,291	11,272	705	0	46,075

In millions of euros

	Metal Engineering Division 04/01–06/30/2011	Metal Forming Division 04/01–06/30/2011	Other 04/01–06/30/2011	Reconciliation 04/01–06/30/2011	Total Group 04/01–06/30/2011
	752.8	622.5	446.7	–559.5	3,051.5
	742.0	613.1	1.2	0.0	3,051.5
	10.8	9.4	445.5	–559.5	0.0
	120.7	82.3	–17.8	1.2	462.9
	92.2	59.6	–19.3	1.1	317.6
	12.2%	9.6%			10.4%
	2,511.8	1,952.6	9,223.4	–8,574.9	13,010.0
	11,165	10,915	667	0	45,161

In millions of euros

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

EBITDA

	04/01–06/30/2011	04/01–06/30/2012
Net exchange differences incl. result from valuation of derivatives	1.3	2.2
Value adjustments for receivables/debt waiver	0.1	0.4
Consolidation	–0.3	–1.1
Other	0.1	1.2
EBITDA – Total reconciliation	**1.2**	**2.7**

In millions of euros

EBIT

	04/01–06/30/2011	04/01–06/30/2012
Net exchange differences incl. result from valuation of derivatives	1.3	2.2
Value adjustments for receivables/debt waiver	0.1	0.4
Consolidation	–0.3	–1.1
Other	0.0	1.1
EBIT – Total reconciliation	**1.1**	**2.6**

In millions of euros

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

Notes on the consolidated statement of cash flows

The lower operating result led to a decrease in cash flow before capital changes from EUR 346.4 million to EUR 296.8 million. Taking the change in working capital into consideration, cash flows from operating activities amounted to EUR 297.8 million in comparison to the first quarter of the preceding year (EUR 57.5 million); this represents a significant increase. After the deduction of EUR 218.0 million in cash flows from investing activities and taking into account cash flows from financing activities amounting to EUR 43.3 million (mainly new loans), the resulting change in cash and cash equivalents (without net exchange differences) amounts to EUR 123.1 million.

Seasonality and cyclicality

We refer to the relevant explanations in the Interim Management Report.

Business transactions with associated companies or parties

Business transactions in the form of deliveries and services are carried out with associated Group companies within the scope of operational activities. These business transactions are implemented exclusively based on normal market terms.

There were no changes in transactions with associated companies and persons as set forth in the last annual financial report, which significantly affected the Company's financial situation or its net operating profit during the first three months of the current business year.

Antitrust proceedings relative to railway superstructure material

In the antitrust proceedings relative to railway superstructure material, in early July, the German Federal Cartel Office (Bundeskartellamt) imposed fines totaling EUR 124.5 million on four manufacturers and suppliers of rails for having entered into anti-competitive agreements to the detriment of Deutsche Bahn AG. EUR 8.5 million of these fines were levied against companies belonging to the voestalpine Group. This means that the German Federal Cartel Office has thus confirmed voestalpine's status of cooperating witness for the major part of the proceedings and the comparatively small fine concerns marginal segments only. Now that official notice of the fine has been made, the antitrust proceedings involving for the most part Deutsche Bahn have been resolved. At a later date, the German Federal Cartel Office will examine the deliveries of rails and turnouts to regional and local customers. From today's perspective, it is still too early to estimate when we can count on a final decision regarding these additional issues. The provisions created for the antitrust proceedings and associated actions and costs as well as for the closure of TSTG Schienen Technik GmbH & Co KG in the annual financial statements 2011/12 in the amount of EUR 205.0 million are still considered to be appropriate.

Please note that we are invoking the safeguard clause according to which detailed information about provisions is not provided if this could seriously and adversely impact the Company's interests.

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