Press Release February 7, 2013

The voestalpine Group demonstrates a high degree of stability despite challenging times

- **Compared to the third quarter of 2011/12, operating result (EBITDA) for the third quarter up by 10% and profit from operations (EBIT) up by 20%**
- **At EUR 8.7 billion, revenue for the first nine months of the business year almost unchanged compared to the 2011/12 (EUR 8.9 billion)**
- **In a year-to-year comparison, slight decline of the operating result (EBITDA) for the first three quarters from EUR 1.12 billion to EUR 1.05 billion (-5.9%)**
- **After three quarters, EBITDA margin of 12.2% only slightly below the previous year's figure (12.6%)**
- **Equity surpasses the EUR 5 billion mark for the first time, gearing ratio under 50%**
- **Expectations for the business year 2012/13 unchanged**

"Despite the fact that the economic environment continues to be challenging, the voestalpine Group was able to maintain its revenue during the first nine months of the current business year at a largely stable level and keep the decline of the operating result down within narrow bounds," stated Wolfgang Eder, Chairman of the Management Board and CEO of voestalpine AG. From April 1, 2012 to December 31, 2012, the Group's revenue was EUR 8.7 billion, a moderate drop of 2.5% (EUR 8.9 billion in 2011/12) in a year-to-year comparison. At EUR 1.05 billion, the operating result (EBITDA) for the first three quarters was 5.9% below the previous year's figure of EUR 1.12 billion; this corresponds to an EBITDA margin of 12.2% (previous year: 12.6%). The development of profit from operations (EBIT) was largely analogous; at EUR 615 million, it is 9% below the figure for the same period of the previous year (EUR 676 million). Therefore, the EBIT margin fell from 7.6% to 7.1%. With a mostly stable financial performance and tax result, profit before tax and profit for the period were analogous to profit from operations (profit before tax minus 11.3%, going from EUR 534 million to EUR 474 million and profit for the period minus 10%, going from EUR 411 million to EUR 370 million). Because profit for the period and free cash flow performed positively, equity rose to more than EUR 5 billion for the first time and the gearing ratio fell to below 50%.

In the third quarter, operating result rises significantly compared to the previous year

Despite the fact that revenue fell from EUR 2.9 billion to EUR 2.7 billion, the operating result (EBITDA) for the third quarter rose in a year-to-year comparison by 10% from EUR 294 million to EUR 322 million and profit from operations (EBIT) went up by 20% from EUR 145 million to EUR 174 million, due primarily to the much stronger performance of the Steel Division. Therefore, the EBITDA margin was 11.8% (compared to 10.1% in the third quarter of 2011/12), and the EBIT margin was 6.4% (previous year: 5.0%).

The Metal Engineering Division reports definite growth in the first nine months of the business year

Looking at the individual divisions, a highly differentiated picture emerges. Due to its broad business portfolio, parts of which are less sensitive to economic trends, the Metal Engineering Division (includes railway systems, turnout technology, specially treated wire, oilfield tubes, and welding technology) was able to increase its revenue by 0.5% to EUR 2.2 billion, while the other divisions faced declines in revenue of 4% to 5%, which were largely the result of weak market environments in important industry segments (automobile industry, energy sector).

Equity above the EUR 5 billion mark for the first time; gearing ratio under 50%; slight decrease in the workforce; investments increase substantially

Equity increased from EUR 4.87 billion as of December 31, 2011 to EUR 5.04 billion as of the end of 2012, and during the same period, net financial debt fell by 16% from EUR 3.0 billion to EUR 2.5 billion. Therefore, the gearing ratio (net financial debt in percent of equity) dropped from 61.3% to 49.8%. As of the reporting date December 31, 2012, the voestalpine Group had 44,700 employees (full-time equivalent, including apprentices and temporary personnel), a decrease of 1%. As of the end of 2012, around 3,000 employees (FTE) were employed as temporary staff (minus 30%). At 1,594. the number of apprentices being trained in the voestalpine Group is approximately at the same level as in the previous year (1,603). In the first nine months of the year, investments rose in the voestalpine Group compared to the same period of the previous year by 41% from EUR 354 million to EUR 498 million in accordance with the previously announced significant expansion of the Group's investment activities.

Both industry and some economic regions continued to be under pressure in 2012

The first nine months of the business year were characterized by an overall economic situation both in Europe and in the most important overseas markets that was challenging, and the situation became even more dire in some industrial segments in the fall of 2012. The situation in the European automobile industry in the second half of the calendar year was especially affected by lower sales figures. Viewed globally, the energy sector, in particular, emerged as increasingly inconsistent. While energy exploration continued its dynamic performance, both pipeline and power plant construction was marked by subdued demand. The mechanical engineering sector continued to develop at quite a solid level, while the weak trend in the construction industry continued. The development in Europe in those customer industries that depend directly on the buying behavior of end consumers (with the exception of the automobile industry) was relatively stable. This applies particularly to the white goods and consumer goods segments, which most recently actually showed indications of a revival. The aerospace market continued to show satisfactory growth as did the railway infrastructure market, especially overseas.

Rail production facility in Duisburg will be closed as of the end of 2013

A decision was made in March 2012 to close the TSTG Schienen Technik GmbH & Co KG rail production facility in Duisburg; on February 4, 2013, the negotiations with the Works Council that have been ongoing since that point in time regarding a reconciliation of interests were declared to have failed. Now, the procedure provided for under the law will be undertaken and the parties will appeal to an arbitration tribunal before which negotiations will be continued. Nevertheless, discussions regarding a social compensation plan will be held. The final closure will take place toward the end of the 2013 calendar year once all remaining orders have been fulfilled. 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 was reduced by the amount of the paid fine of EUR 8.5 million. The remaining provisions are still considered to be appropriate. At a later date, the German Federal Cartel Office will examine the deliveries of railway superstructure material 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.

Outlook for the current business year 2012/13 unchanged

While the last calendar quarter of 2012 was still dominated by cautious anticipation with regard to the current business year, the first indications of an economic recovery in China and progress in overcoming the European debt crisis have been increasingly interpreted by various quarters as a positive trend reversal It remains a fact, however, that the sustainability of both the uptrend in China and the beginning of an easing of the European debt dilemma can only be assessed in the further course of the year. Furthermore, it should not be overlooked that growth impulses of any consequence cannot be expected from other important economic regions, such as India and South America, and—even more importantly—the “fiscal cliff” problem in the USA has still not been permanently solved. Against this backdrop, a real step in the direction of a global improvement of the economic situation seems to be quite improbable prior to the second half of 2013. In the short term, however, individual industry segments could see an uptick in demand as a result of inventory cycle effects. As a slightly positive conclusion from what we know today, there are numerous indications that at least the broad-based economic downtrend that we have experienced in the last quarters has come to a stop as of the turn of the year 2012/13.

For the voestalpine Group, expectations for the last quarter of the business year are similar to what we saw in the immediately preceding quarter, whereby both quarters are traditionally affected by significant seasonal effects. The current performance of the voestalpine Group compared to the competition confirms very clearly yet again how right our fundamental strategic policy of the last ten years has been. With the strategy of guiding the Group away from being a “classic” steel company to becoming a specialized technology and industrial goods group with a long value chain and sophisticated niche products differentiates the Group—particularly in difficult economic times—from the competition by its relatively stable profitability that continues to be at a healthy level. “Despite the fact that the economic environment continues to be challenging, from today’s perspective, the Management Board is still anticipating the results for the business year 2012/13 that were predicted in the letter to shareholders for the second quarter, i.e., an operating result (EBITDA) in the range of EUR 1.4 billion and profit from operations (EBIT) of around EUR 800 million, although the conditions for achieving these target figures have become significantly more adverse in recent months,” said Eder.

Key figures of voestalpine Group

(acc. IFRS; in EURm)*	Q3 2011/12 10/01 – 12/31/2011	**Q3 2012/13** 10/01 – 12/31/2012	Change in %
Revenue	2,899.5	**2,719.7**	-6.2
EBITDA	293.8	**321.9**	+9.6
EBITDA margin in %	10.1	**11.8**	
EBIT	145.0	**174.4**	+20.3
EBIT margin in %	5.0	**6.4**	
Profit before tax	90.5	**125.9**	+39.1
Profit for the period**	65.3	**100.0**	+53.1
EPS (in EUR)	0.27	**0.47**	+74.0
Gearing ratio in % (12/31)	61.3	**49.8**	

(acc. IFRS; in EURm)*	Q1-Q3 2011/12 04/01 – 12/31/2011	**Q1-Q3 2012/13 04/01 – 12/31/2012**	Change in %
Revenue	8,877.2	**8,652.5**	-2.5
EBITDA	1,118.0	**1,051.7**	-5.9
EBITDA margin in %	12.6	**12.2**	
EBIT	676.4	**615.1**	-9.1
EBIT margin in %	7.6	**7.1**	
Profit before tax	533.8	**473.7**	-11.3
Profit for the period**	411.4	**369.5**	-10.2
EPS (in EUR)	2.09	**1.83**	-12.4
Gearing ratio in % (12/31)	61.3	**49.8**	

* according to IFRS all results after Purchase Price Allocation (PPA)
** before minority interest and hybrid capital interest

The voestalpine Group

The voestalpine Group is a steelmaking, processing, and technology group that operates worldwide and manufactures, processes, and develops high-quality steel products. With 500 production and sales companies in more than 50 countries on five continents, the Group has been listed on the Vienna Stock Exchange since 1995. With its top-quality flat steel products, the Group is one of the leading partners to the automotive and domestic-appliance industries in Europe and to the oil and gas industries worldwide. The voestalpine Group is also the world market leader in railway switch technology, special rails, tool steel, and special sections. In the 2011/12 business year, the voestalpine Group reported revenue of more than EUR 12 billion and an operating result (EBITDA) of EUR 1.3 billion. It staffs roughly 46,500 employees worldwide.

Please direct your inquiries to

voestalpine AG
Peter Felsbach
spokesman
voestalpine-Straße 1
4020 Linz
Phone: +43/50304/15-2397
peter.felsbach@voestalpine.com
www.voestalpine.com