

voestalpine AG

ADHOC – STATEMENT

voestalpine withstanding deteriorating economic environment

Due to the concentration on technology-intensive most demanding market segments, voestalpine achieved broadly stable earnings in an undoubtedly challenging economic environment in the business year 2015/16.

Economically, Europe was able to continue the moderate recovery trend, whereas North America showed easing dynamics towards the end of the business year, Brazil and Russia stayed in deep recession. Structural changes in the Chinese economy led to a slowdown of its growth-rates, resulting in global price pressure for commodities (mainly steel) because of massive oversupply.

The general downward trend of raw material prices continued in 2015/16; mainly the slump of the oil-price led to substantial pressure on the earnings of the Special Steel and the Metal Engineering Divisions (excluding non-recurring items), which could not be fully offset by an outstanding performance of other market segments (such as railway infrastructure). The Steel Division managed to again increase its earnings despite the challenging environment, thanks to its ambitious cost-cutting and efficiency improvement program; the Metal Forming Division improved earnings even more pronounced due to the strong automotive demand and its internationalization strategy.

Despite investments on record level (EUR 1,311 million), voestalpine achieved a positive free cash flow (before dividend) and was therefore able to improve its gearing ratio to 54.5% from 58.2% last year.

The dividend proposal to the AGM is EUR 1.05 per share, an increase of EUR 0.05 compared to last year.

The results of the business year 2015/16 as well as those of business year 2014/15 are impacted by non-recurring items (changes of consolidation in Metal Engineering Division in 2015/16 and sale of assets in Metal Forming Division in 2014/15 respectively). In addition to these non-recurring items, impairment losses of EUR 38.8 million, EBIT-effective in the 4th Quarter of the business year 2015/16, were included as a consequence of negative market trends affecting the business unit Seamless Tubes (Metal Engineering Division), in particular due to the substantial fall of the oil and gas price.

For reason of comparison of the operational developments, financial figures excluding non-recurring items in both business years are shown besides the IFRS-data.

Key figures of voestalpine Group

(acc. IFRS; in EURm)	FY 2014/15* 04/01/2014– 03/31/2015	FY 2015/16 04/01/2015– 03/31/2016	Change in %
Revenue	11,189.5	11,068.7	-1.1
EBITDA	1,530.1	1,583.4	+3.5
EBITDA margin in %	13.7	14.3	
EBIT	886.2	888.8	+0.3
EBIT margin in %	7.9	8.0	
Profit before tax	739.0	751.3	+1.7
Profit for the period**	595.0	602.1	+1.2
EPS (in EUR)	3.18	3.35	+5.3
Gearing ratio in % (03/31)	58.2	54.5	

* Business Year 2014/15 retroactively adjusted.

** Before deduction of non-controlling interests and interest on hybrid capital.

Figures adjusted by special items from changes of consolidation:

(acc. IFRS; in EURm)	ADJUSTED FY 2014/15* 04/01/2014 – 03/31/2015	ADJUSTED FY 2015/16 04/01/2015– 03/31/2016	ADJUSTED Change in %
EBITDA	1,468.2	1,445.8	-1.5
EBITDA margin in %	13.1	13.1	
EBIT	841.0	814.4	-3.2
EBIT margin in %	7.5	7.4	
Profit before tax	693.8	676.8	-2.5
Profit for the period**	552.6	509.8	-7.7
EPS (in EUR)	2.94	2.64	-10.2

* Business Year 2014/15 retroactively adjusted.

** Before deduction of non-controlling interests and interest on hybrid capital.

Additional information as well as the Annual Report 2015/16 of voestalpine AG as of the effective date of March 31, 2016 is available on our website www.voestalpine.com under the category "Investors". If you have any questions, please contact our Investor Relations Team +43/50304/15-9949