



# Financial Year 2011/12

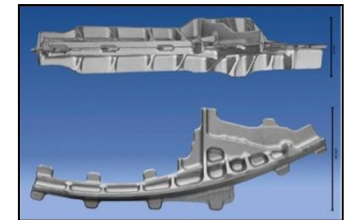
Investor Relations  
May 2012

# voestalpine Group

## Business concept

### First choice for high tech steel solutions

- **Steel** is – and will always be - the **base of voestalpine Group**
- Our **downstream strategy** is strongly driving evolution from a steel maker to a **processing and technology group**
- We offer **custom made solutions** based on most advanced products and perfect service
- We focus on **strategic markets** with utmost technological and quality requirements, such as energy and mobility (automotive, railway and aircraft industry)
- **Long term relationships** with customers, suppliers and R&D-institutions are key drivers for innovation and progression



### Number 3 in Europe by size – market cap

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## Actualities not expected from a “steel company”

Amongst others we deliver parts, components and complete solutions for

- **Space programs**
  - Starter housing for Ariane Spaceship / Europe
  - Special sections for Space Shuttle / USA
- **Aircraft industry**
  - Different parts of special steel for airplanes
  - Aluminium stringers of airplane bodies
  - Titanium seat tracks of Boeing Dreamliner
- **Special engineering**
  - Turn-key high speed turnout systems
  - Hot box detectors for high speed trains



**Steel is the base, demanding customized solutions are our business**

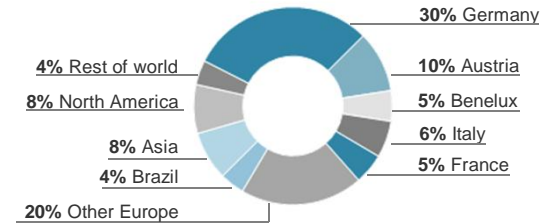
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## Global footprint

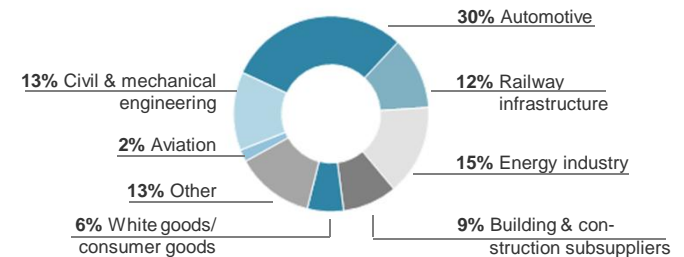


### Business Year 2011/12

#### Revenue by regions



#### Revenue by industries



**No significant exposure to ailing countries and industries**

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## Leading position in core segments



Steel Division	Special Steel Division	Metal Engineering Division (formerly Railway Systems)	Profilform Division	Automotive Division
<b>Top European player</b>	<b>Global leadership</b>	<b>Global leadership</b>	<b>Global leadership</b>	<b>Top European player</b>
Top three European supplier of high quality sheet and global top position in heavy plate for the most demanding applications.	Worldwide leader in tool steel. Leading position in high-speed steel and forgings.	European market leader for rails and processed wire, world market leader for turnouts and complete railway systems; leading position in welding consumables and seamless tubes.	Worldwide market leader in special sections and custom rollforming; leading position in precision strip.	Top three European player in the automotive supply industry for special components.

as of April 1, 2012

**Metal Forming Division**

**Global leadership**

**Leading worldwide provider of high-quality metal processing solutions, in particular special sections and precision steel coil as well as special components for the automobile industry**

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## Highlights



- Uneven development of global markets in FY 2011/12
  - Softening of dynamics in growth regions, in particular in China and Brazil
  - US market showing marked improvement
  - Europe – with exception of export oriented countries – suffering from debt and Euro-crises
  
- Within this challenging environment, voestalpine Group
  - raised turnover by 10% to over 12 €bn
  - stabilized “clean” EBIT figure at above 900 €m
  - reduced Gearing from 57.8% to 53.5%
  - generated Free cash flow of 341 €m

### voestalpine Group in figures

	Sales (€m)	EBIT (€m)	EBIT (%)
<b>Q1</b> FY 11/12	3,052	318	10.4
<b>Q2</b> FY 11/12	2,926	214	7.3
<b>Q3</b> FY 11/12	2,899	145	5.0
<b>Q4</b> FY 11/12	<b>3,181</b>	<b>28*</b>	<b>0.9</b>
<b>Q1 – Q4</b> FY 11/12	<b>12,058</b>	<b>704*</b>	<b>5.8</b>
<b>Q1 – Q4</b> FY 10/11	10,954	985	9.0

\* including one-offs of 205 €m in Metal Engineering Division

# Steel Division

## Business development



- Throughout FY 2011/12 difficult demand/supply-situation for European steel industry
  - Customers increasingly cautious from Q2 FY 2011/12 after solid start into FY 2011/12
  - Trough of cost-price margin in autumn/winter 2011 due to lagging effect of declining raw material costs
  - Rebound in order intake since turn of the year
- Focus on premium segment stabilizing outstanding position of voestalpine Steel Division
  - Automotive, energy, machine building on solid level
  - Building/construction, household appliance still lagging behind

### Steel Division in figures

	Sales (€m)	EBIT (€m)	EBIT (%)
<b>Q1</b> FY 11/12	1,038	101	9.8
<b>Q2</b> FY 11/12	978	60	6.1
<b>Q3</b> FY 11/12	995	10	1.0
<b>Q4</b> FY 11/12	1,119	56	5.0
<b>Q1 – Q4</b> FY 11/12	<b>4,130</b>	<b>227</b>	<b>5.5</b>
<b>Q1 – Q4</b> FY 10/11	3,839	372	9.7



# Special Steel Division

## Business development



- Extended volumes in FY 2011/12 due to debottlenecking and widely full utilization rates
- Global exposure of Special Steel Division supporting favourable development
  - Stable strong situation in most important single market Germany, however Southern Europe lagging behind
  - US exceeds expectations whereas Asia showing only modest progress
  - South America stable on average levels
- Encouraging order intake from automotive, oil & gas exploration and aircraft segments
- Consumer goods and machine building industries on solid level as well
- Demand from power plant construction still weak
- Solid order intake indicates stable development in H1 FY 2012/13

### Special Steel Division in figures (past ppa)

	Sales (€m)	EBIT (€m)	EBIT (%)
<b>Q1</b> FY 11/12	751	83	11.0
<b>Q2</b> FY 11/12	713	59	8.3
<b>Q3</b> FY 11/12	702	55	7.8
<b>Q4</b> FY 11/12	<b>779</b>	<b>76</b>	<b>9.8</b>
<b>Q1 – Q4</b> FY 11/12	<b>2,945</b>	<b>273</b>	<b>9.3</b>
<b>Q1 – Q4</b> FY 10/11	2,631	209	7.9



# Metal Engineering Division (formerly Division Railway Systems)

## Business development



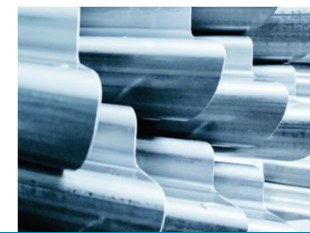
- Overall business environment for Metal Engineering Division unchanged attractive, but Q4 FY 2011/12 effected by one-off
  - Provision of 205 €m for closure of standard rails production in Duisburg and for the rail cartel case in Germany
  - “Clean” EBIT in Q4 FY 2011/12: 67 €m (EBIT-margin 9.2%)
- Premium rails business continuously strong, standard rails massively impacted by overcapacity in Europe
- Firm demand from turnout system business in European core markets, development in US, South Africa, Brazil & Australia solid as well
- Fairly stable market conditions for wire and welding consumables
- On going brisk demand for seamless tubes
- Further portfolio optimization to secure stable earnings in FY 2012/13

### Metal Engineering Division in figures

	Sales (€m)	EBIT (€m)	EBIT (%)
<b>Q1</b> FY 11/12	753	92	12.2
<b>Q2</b> FY 11/12	752	80	10.6
<b>Q3</b> FY 11/12	724	63	8.7
<b>Q4</b> FY 11/12	<b>727</b>	<b>-138</b>	<b>-19.0</b>
<b>Q1 – Q4</b> FY 11/12	<b>2,956</b>	<b>97</b>	<b>3.3</b>
<b>Q1 – Q4</b> FY 10/11	2,723	309	11.3

# Profilform Division

## Business development



- Marked improvement in profitability in Q4 FY 2011/12 after dampened sales over summer & autumn 2011
- Solid performance of tubes & sections over whole business year 2011/12
  - Steady high demand from commercial vehicle and agricultural machinery sectors in European & US core markets and in growth regions like India, China
  - Negative impact on solar energy business from constraints of subsidies in Europe
  - Room for improvement in construction industry
- Storage technology benefiting from project boom
- Precision strip unchanged strongest segment

### Profilform Division in figures

	Sales (€m)	EBIT (€m)	EBIT (%)
<b>Q1</b> FY 11/12	330	41	12.5
<b>Q2</b> FY 11/12	302	23	7.6
<b>Q3</b> FY 11/12	295	27	9.0
<b>Q4</b> FY 11/12	<b>324</b>	<b>36</b>	<b>11.0</b>
<b>Q1 – Q4</b> FY 11/12	<b>1,252</b>	<b>127</b>	<b>10.1</b>
<b>Q1 – Q4</b> FY 10/11	1,139	118	10.4

# Automotive Division

## Business development



- Export oriented OEMs drive positive development of European car production
  - Strong US and Asian markets more than offsetting weaker sales in Southern Europe in CY 2011
  - Premium car producers – of major importance for voestalpine – main beneficiaries
- Some recovery of commercial vehicle industry in FY 2011/12, but still behind pre-crisis level
- Tendency of globalization of European automotive producers speeding up
- Automotive Division strengthens global presence
  - New greenfield investments in U.S., China, South Africa, Romania and Germany
  - Capital expenditure bolstered by long term contracts

### Automotive Division in figures

	Sales (€m)	EBIT (€m)	EBIT (%)
<b>Q1</b> FY 11/12	293	19	6.3
<b>Q2</b> FY 11/12	292	11	3.8
<b>Q3</b> FY 11/12	302	14	4.5
<b>Q4</b> FY 11/12	<b>338</b>	<b>15</b>	<b>4.6</b>
<b>Q1 – Q4</b> FY 11/12	<b>1,225</b>	<b>59</b>	<b>4.8</b>
<b>Q1 – Q4</b> FY 10/11	1,040	64	6.2



# Financial overview

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## Consolidated overview

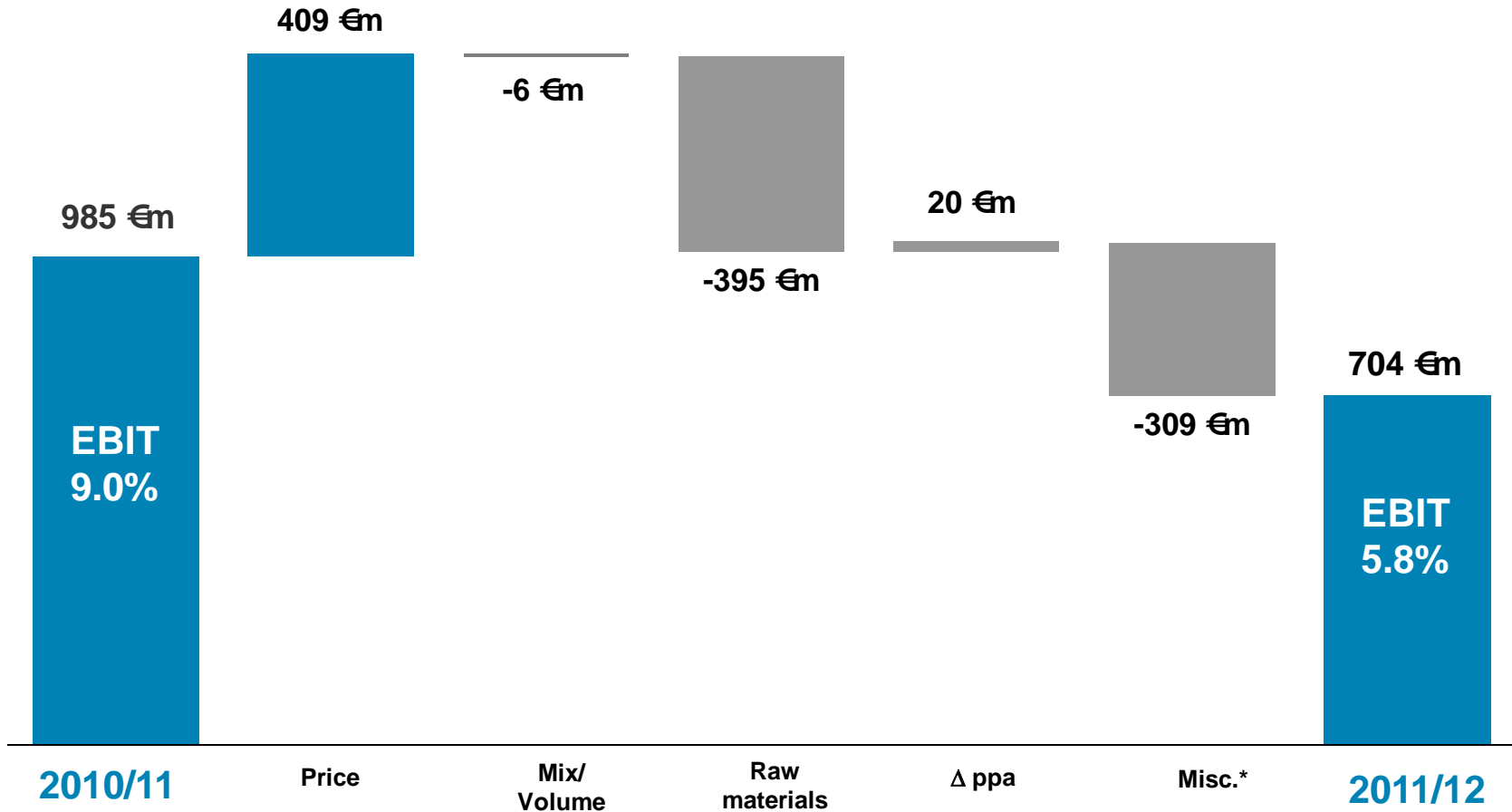
		FY 2010/11	FY 2011/12	YoY in %
<b>Sales</b>	€m	10,954	<b>12,058</b>	10.1
<b>EBITDA</b>	€m	1,606	<b>1,302</b>	-18.9
<b>% of Sales</b>	%	14.7	<b>10.8</b>	
<b>EBIT</b>	€m	985	<b>704</b>	-28.5
<b>% of Sales</b>	%	9.0	<b>5.8</b>	
<b>EBT</b>	€m	781	<b>504</b>	-35.4
<b>Net Profit</b>	€m	595	<b>413</b>	-30.5
<b>EPS*</b>	€	3.04	<b>1.98</b>	
<b>Investments**</b>	€m	423	<b>575</b>	35.9
<b>Depreciation</b>	€m	621	<b>598</b>	-3.7
<b>Employees***</b>		45,260	<b>46,473</b>	

\* Based on average number of shares

\*\* Fixed assets and acquisitions

\*\*\* Per 31.03., full-time equivalent

# EBIT development 2010/11 vs. 2011/12



\*Thereof -205 €m provision in Metal Engineering Division

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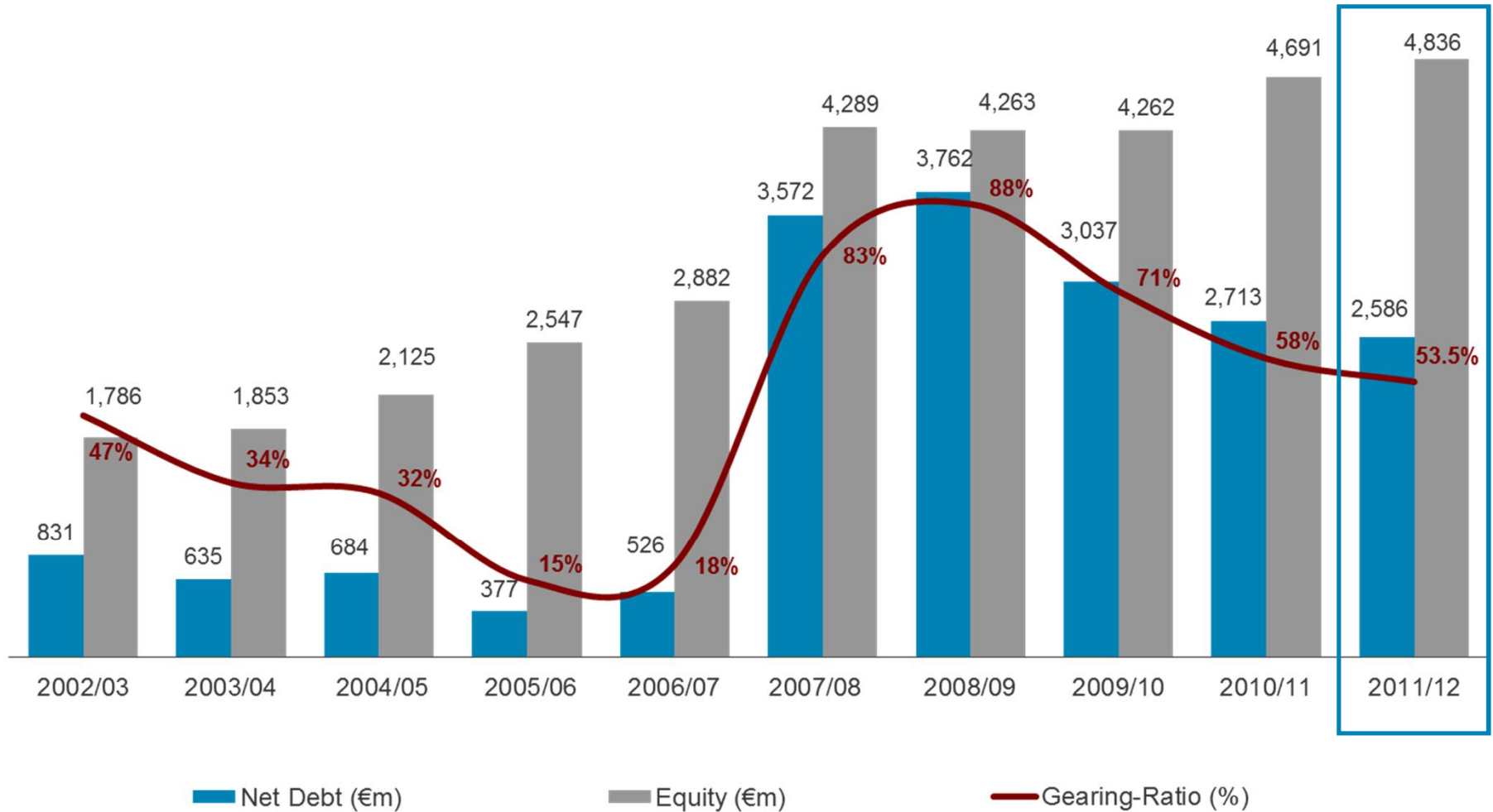
## Cash flow 2010/11 vs. 2011/12

		2010/11	2011/12
<b>Cash flow from result</b>	€m	1,195	994
<b>Changes in working capital</b>	€m	-237	-137
<b>Cash flow from operating activities</b>	€m	958	857
<b>Cash flow from investing activities</b>	€m	-450	-516
<b>Free cash flow</b>	€m	508	341



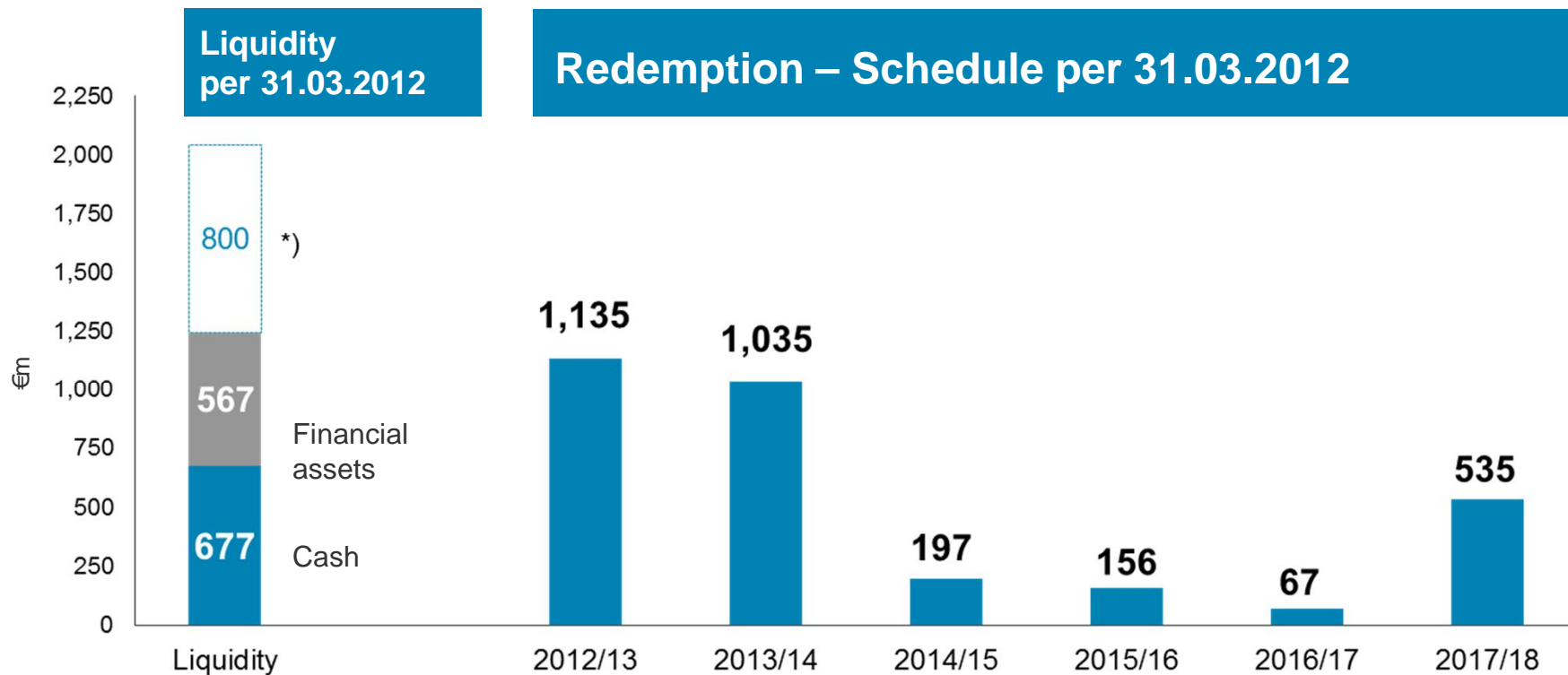
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## Gearing ratio



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## Development liquidity



### Comfortable liquidity position and balanced maturity profile

\*) Syndicated loan (forward): 400 €m, committed lines: 400 €m, closed on November 23, 2011

Additional Liquidity from "Schuldscheindarlehen": 400 €m, closed on May 15, 2012

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## Outlook

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- Increasingly challenging economic situation since autumn 2011
    - Recession in Southern Europe (due to debt-situation and Euro-woes) in combination with increased volatility of Chinese and Brazilian economies lead to uncertainties about further economic rebound of global markets
    - Even stronger than expected growth data from the US and Japan cannot calm nervousness of stock markets and doubts about resilience of financial sector
  - European Steel industry is facing specific challenges
    - Structural overcapacities leading to a lack of pricing power
    - Volatile, but in tendency decreasing raw material prices, put additional pressure on steel prices
  - Downstream activities (accounting for 2/3rd of the business) showing a stable performance and are therefore of increasing strategic and operational importance for voestalpine
- Due to stability in downstream business, voestalpine's earnings for the business year 2012/13 are expected to develop on similar levels as 2011/12
  - Nevertheless, macroeconomic topics are expected to be decisive for economic developments also in FY 2012/13



## IR Contact

Reuters  
VOES.VI

Peter Fleischer

Head of Investor Relations

E-Mail [peter.fleischer@voestalpine.com](mailto:peter.fleischer@voestalpine.com)

Phone +43/50304/15-9949

Bloomberg  
VOE AV

Gerald Resch

Investor Relations Manager

E-Mail [gerald.resch@voestalpine.com](mailto:gerald.resch@voestalpine.com)

Phone +43/50304/15-3152