

# REPORT OF THE SUPERVISORY BOARD ON THE BUSINESS YEAR 2017/18

During the business year 2017/18, the Supervisory Board fulfilled its responsibilities under both the law and the Articles of Incorporation, holding five plenary sessions, three meetings of the Audit Committee, and one meeting of the Executive Committee. The Management Board provided comprehensive information both orally and in written form regarding the development of the Company's business and its position.

In addition to ongoing reports on the Group's current economic and financial position, these meetings dealt in particular with corporate acquisitions, core elements of the digital transformation of the voestalpine Group, succession planning as well as matters involving raw material supplies, innovation, and information technology. The Audit Committee dealt especially with the preparation and review of the Company's Consolidated and Individual Financial Statements, the preparation of the recommendation for the appointment of an auditor as well as topics related to the internal control system, the risk management system, and Internal Auditing. Please refer to the Consolidated Corporate Governance Report 2017/18 for further information on the composition and workings of the Supervisory Board and its committees. The Annual Financial Statements and the Consolidated Financial Statements as of March 31, 2018, were audited by Grant Thornton Unitreu GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, Austria, which was engaged as mandated by Section 270 Austrian Commercial Code (*Unternehmensgesetzbuch – UGB*). The auditor attended all three meetings of the Audit Committee and was available for questions and discussions.

The audit did not give rise to any objections and showed that the Annual Financial Statements and the Consolidated Financial Statements, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as mandated by Section 245a UGB, conform to the statutory requirements. The auditor issued an unqualified audit opinion both for the Annual Financial Statements and the Consolidated Financial Statements and confirmed that the Management

Report is consistent with the Annual Financial Statements and that the Consolidated Management Report is consistent with the Consolidated Financial Statements.

Following the Audit Committee's review of the financials, on June 5, 2018, the Supervisory Board reviewed and approved the Annual Financial Statements as of March 31, 2018. The Annual Financial Statements are herewith deemed adopted pursuant to Section 96 (4) Austrian Stock Corporation Act (*Aktiengesetz – AktG*). Again following the Audit Committee's review, the Supervisory Board reviewed and approved the Management Report as well as the Consolidated Financial Statements together with the Consolidated Management Report and the Consolidated Corporate Governance Report.

The Consolidated Corporate Governance Report was also audited by Grant Thornton Unitreu GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, as part of the annual external review of voestalpine AG's compliance with the Corporate Governance Code, and it was determined that the Report is consistent with the facts on the ground and that the rules are being complied with. Compliance with the C rules of the Code pertaining to the auditor (Rules 77 to 83) was reviewed by the law firm, WOLF THEISS Rechtsanwälte GmbH & Co KG. This review also confirmed compliance with the rules.

It is established hereby that the business year 2017/18 has ended with a net profit of EUR 247,000,000.00; it is being proposed that a dividend of EUR 1.40 per dividend-bearing share be paid to the shareholders and that the remaining amount be carried forward.

The Supervisory Board

Dr. Joachim Lemppenau  
(Chairman)

Linz, June 5, 2018

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