

voestalpine continues to expand employee shareholding scheme—increase to 14.85%

For years the voestalpine employee shareholding scheme has been regarded as exemplary model throughout Europe. Developed in 2000, the scheme allows employees to participate directly in the success of the company via a foundation, at the same time safeguarding the Group's stable ownership structure. The voestalpine AG Management Board resolved today to increase the company's registered capital by around 1.25% in order to further expand the employee shareholding scheme. Immediately upon completion of the capital increase, the share of voestalpine Mitarbeiterbeteiligung Privatstiftung will increase to a total of 14.85%.

Subject to the approval of the Supervisory Board, voestalpine AG's Management Board resolved on December 3, 2018 to exercise its power to increase the Company's registered capital in accordance with § 4 (2b) of its Articles of Association by issuing 2,200,000 new bearer shares at no par value, thus increasing the registered capital by approximately 1.25%. The issue price was fixed at EUR 29.24 per share. The issue price of the shares corresponds to the closing average market price of the voestalpine share over the 5 trading days prior to the resolution of Management Board adopted on December 3, 2018.

Rise in registered capital to further expand and safeguard employee shareholding

The purpose of issuing the new shares is to further expand and safeguard voestalpine's employee shareholding scheme. The subscription rights of all other shareholders are thus being excluded, and shares may be acquired only by voestalpine Mitarbeiterbeteiligung Privatstiftung, which shall hold the shares for the employees participating in the voestalpine employee shareholding scheme. This notice constitutes neither an offer for sale nor an invitation to submit an offer to purchase voestalpine AG securities. Upon completion of the capital increase, the company's capital stock will be EUR 324,391,840.99 and consist of 178,549,163 individual shares. The capital increase is scheduled for implementation by the end of March 2019.

Employee shareholding scheme already rolled out in another eleven countries

The voestalpine employee shareholding scheme was established 18 years ago as a joint project between the management and Works Council, and was designed to guarantee a stable core ownership structure in the wake of privatization through the Group's IPO. "Over the past years the voestalpine employee shareholding scheme has developed into a model which commands international respect, not least because of its gradual expansion to currently eleven European countries. Share ownership gives our employees the chance to participate directly in the success of the company, whilst at the same time increasing employee identification with the Group," says Wolfgang Eder, Chairman of the Management Board of voestalpine AG.

At present voestalpine Mitarbeiterbeteiligung Privatstiftung (the employee foundation for the Group's employee shareholding scheme) holds around 12.52% of voestalpine AG registered capital. The

voestalpine AG

foundation also exercises the voting rights for around 1.28% privately-held shares belonging to current and former Group employees. After the capital increase this share will rise to 13.58% (including what will then be around 1.27% in private shares). Following the capital increase, voestalpine Mitarbeiterbeteiligung Privatstiftung will hold a total of 14.85% of the voting rights of voestalpine AG. In addition to Austria, the shareholding scheme is currently open to employees in Belgium, the Netherlands, Germany, Switzerland, Great Britain, Italy, Poland, Romania, the Czech Republic, and most recently in Spain and Sweden. More than 25,000 current and former employees from 150 European Group companies now hold a total of just over 24 million shares in voestalpine AG.

Financing the shareholding scheme

In Austria participation is mainly financed through a portion of collective wage increases, and, although to a much lesser degree, bonuses exchanged for shares. Accordingly, the employees receive the number of shares which reflect these contributions. In the international model employees are invited to purchase shares individually each year. The employee shareholding scheme is managed by voestalpine Mitarbeiterbeteiligung Privatstiftung.

The voestalpine Group

In its business segments, voestalpine is a globally leading technology and capital goods group with a unique combination of material and processing expertise. voestalpine, which operates globally, has around 500 Group companies and locations in more than 50 countries on all five continents. It has been listed on the Vienna Stock Exchange since 1995. With its top-quality products and system solutions using steel and other metals, it is one of the leading partners to the automotive and consumer goods industries in Europe as well as to the aerospace and oil & gas industries worldwide. voestalpine is also the world market leader in turnout technology, special rails, tool steel, and special sections. In the business year 2017/18, the Group generated revenue of around EUR 13 billion, with an operating result (EBITDA) of almost EUR 2 billion; it has around 51,600 employees worldwide.

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