

## voestalpine reports significant increase in earnings after first nine months of the business year

- At EUR 8.26 billion, revenue is stable (previous year: EUR 8.27 billion)
- Operating result (EBITDA) rose by 8.8% to EUR 1.09 billion
- At EUR 627 million, profit from operations (EBIT) 10.2% higher than last year's figure
- In the first nine months of 2014/15, earnings were positively impacted by non-recurring effects of EUR 67 million (EBITDA) and EUR 45 million (EBIT)
- Adjusted EBITDA and EBIT were also 2.1 and 2.3% respectively above last year's figures
- Improvement of 19.4% of profit before tax (going from EUR 444 million to EUR 531 million) and an increase of 26.6% of the profit for the period (going from EUR 350 million to EUR 443 million)
- EUR 550 million HBI project in Texas is being implemented on schedule

Although the development of the global economy was very inconsistent in 2014 and, after a relatively optimistic start, was marked by an increasingly sober mood from the summer months onward, the steel-based technology and capital goods group voestalpine reported a significant increase in earnings in the first three quarters of the business year 2014/15 (April 1 to December 31, 2014). "The current performance of our company once again shows that the consistently implemented international strategy of extending the value chain based on premium products enables a level of earnings that ensures stability at an above average level, especially under economically challenging framework conditions," says Wolfgang Eder, CEO and Chairman of the Management Board of voestalpine AG.

### Stable revenue, improvement in all reporting categories

At EUR 8.26 billion, the revenue of the voestalpine Group remained at a stable level in a year-to-year comparison (EUR 8.27 billion). The operating result (EBITDA) improved by 8.8% from EUR 1.0 billion to EUR 1.09 billion. It should be noted that, due to divestments, figures for the second quarter include non-recurring effects amounting to EUR 67 million. Even excluding these effects, EBITDA rose by 2.1% to EUR 1.02 billion. The EBITDA margin therefore rose from 12.1% in the previous year to 13.2% (or 12.4% without non-recurring effects) in the current year. During the same period, profit from operations (EBIT) improved compared to the previous year by 10.2%, going from EUR 569 million to EUR 627 million. Adjusted by the non-recurring effect of EUR 45 million resulting from the aforementioned extraordinary income, EBIT rose by 2.3% to EUR 582 million. The adjusted EBIT margin thus increased to 7.1% compared to 6.9% in the previous year.

In a year-to-year comparison, profit before tax rose significantly by 19.4% from EUR 444 million to EUR 531 million. Even after exclusion of the non-recurring effects of EUR 45 million, profit before tax improved by 9.3% to EUR 485 million. Profit for the period even gained 26.6%, going from EUR 350 million to EUR 443 million. Adjusted by the non-recurring effects, profit for the period comes to EUR 399 million (+ 14.2% compared to the previous year). Earnings per share in the current

## **voestalpine AG**

business year are EUR 2.28, more than one third higher than the comparable figure of EUR 1.69 in the previous business year.

Equity fell by 2%, from EUR 5.12 billion as of December 31, 2013 to EUR 5.01 billion as of December 31, 2014. The decrease is due to the refinancing of hybrid bond 2007, which is recognized in equity, by corporate bond 2014, which is reported as part of borrowed capital. This measure also had an impact on net financial debt, which increased in a year-to-year comparison by 19.4% from EUR 2.58 billion (adjusted retroactively) to EUR 3.09 billion. The increase corresponds precisely to the volume of the hybrid bond 2007 of EUR 500 million. Due to these deliberately undertaken changes in the financing structure, the gearing ratio (net financial debt in percent of equity) of 46% (retroactively adjusted) went up to 61.6%. As was the case in the previous year the voestalpine Group has 46,500 employees.

### **Outlook for the current business year 2014/15 is unchanged**

In the development of the global economic trends, the beginning of 2015 does not bring much that is new: continuing strong economic data from the USA and a stable development in China are contrasted by a stagnating economy in Brazil and Japan. Under the current political and economic circumstances, Russia will continue to face a significant recession for some time to come. Despite this proliferation of positive economic signals, it would be premature to assume that this equals a beginning recovery in Europe; the political and economic uncertainties are still too great. But there is a certain chance that in the course of the second half of 2015 there will be at least a slight economic recovery.

Against this backdrop and assuming stable capacity utilization in all of the most important business segments, the outlook for the voestalpine Group is unchanged. "Even without taking positive non-recurring effects into consideration, in the business year 2014/15, the Group can again expect an operating result (EBITDA) and profit from operations (EBIT) that are somewhat higher than the level of the past business year," states Eder.

### **The voestalpine Group**

The voestalpine Group is a steel-based technology and capital goods group that operates worldwide. With around 500 Group companies and locations in more than 50 countries and on all five continents, the Group has been listed on the Vienna Stock Exchange since 1995. With its top-quality products, the Group is one of the leading partners to the automotive and consumer goods industries in Europe and to the oil and gas industries worldwide. The voestalpine Group is also the world market leader in turnout technology, special rails, tool steel, and special sections. In the business year 2013/14, the voestalpine Group reported revenue of EUR 11.2 billion and an operating result (EBITDA) of EUR 1.4 billion; it had around 48,100 employees worldwide.

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