

voestalpine significantly improves result in the first quarter of 2014/15

- After first three months, revenue is at EUR 2.83 billion (previous year: EUR 2.9 billion), a minus of -2.4%
- At EUR 364 million, operating result (EBITDA) precisely at the previous year's level; EBITDA margin increases from 12.6% to 12.9%
- At EUR 218 million, profit from operations (EBIT) slightly below previous year's figure of EUR 222 million (-1.4%), with a stable margin of 7.7%
- In a year-to-year comparison, both profit before tax (EUR 193 million) and profit for the period (EUR 154 million) see substantial gains (+10.2% and +12.2% respectively)
- Earnings per share go up by 13.2% from EUR 0.68 to EUR 0.77
- Headcount rises to 47,500 (+2%)
- Almost full capacity utilization in all four divisions
- Construction of the HBI project in the USA begins after successful completion of all approval processes

"Despite ongoing inconsistent economic trends in the most important economic regions worldwide, the voestalpine Group's results in the first quarter of the business year 2014/15 continued to be solid," says Wolfgang Eder, CEO and Chairman of the Management Board of voestalpine AG. In a year-to-year comparison, the technology and capital goods group succeeded in maintaining the revenue in the first quarter (April 1 – June 30, 2014) at a practically constant level (EUR 2.83 billion). The slight decline by 2.4% in comparison to the previous year (EUR 2.9 billion) is largely due to lower pre-material costs and structural changes within the Metal Engineering Division (closure of standard rail production in Duisburg). The development of revenue in the other divisions was mostly stable, although the Steel Division and the Special Steel Division faced slightly lower revenue due to the generally deflationary market environment (falling raw materials costs); the Metal Forming Division, on the other hand, saw slightly higher revenue.

In a year-to-year comparison, the operating result (EBITDA) was constant, with the previous year's figure of EUR 363.5 million being surpassed by EUR 0.2 million. Therefore, based on the current figure of EUR 363.7 million, the EBITDA margin in the first quarter of 2014/15 is at 12.9% (compared to 12.6% in the previous year). Due to increased depreciation and amortization, profit from operations (EBIT) declined slightly; at EUR 218.4 million, it is EUR 4 million below the previous year's figure of EUR 222 million. At 7.7%, the EBIT margin remained precisely the same as in the first quarter of the previous year. As a result of a drop in gross debt, combined with lower financing costs and a more favorable development of invested liquidity reserves, profit before tax increased significantly to EUR 193 million in the first quarter of the business year 2014/15, compared to EUR 175 million in the first quarter of the previous year, a plus of more than 10%.

Due to a slightly lower tax rate, profit for the period grew by 12.2% to currently EUR 154 million (previous year: EUR 138 million). In a year-to-year comparison, earnings per share rose by 13.2%, going from EUR 0.68 to EUR 0.77. Building on these results, equity rose as of June 30, 2014 in a

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year-to-year comparison by 5% to EUR 5.4 billion. Net financial debt increased in a year-to-year comparison by 7.1% to EUR 2.4 billion; however, it remained constant compared to the closing date for the previous business year (EUR 2.4 billion). The gearing ratio (net financial debt in percent of equity) fell during the first quarter of the business year to 44.7%. As of June 30, 2014, the voestalpine Group had around 47,500 employees (FTE), an increase of 2% compared to the previous year's figure.

Inconsistent economic development; stable outlook for the current business year

The development of the global economy continued to be inconsistent in the first months of the business year 2014/15, with the major trends being the slowdown in growth rates in the emerging markets on one hand and on the other, performance in the mature economies that was better than anticipated. The upward economic trend in the European Union received a boost from improved demand from within Europe, and North America continued to demonstrate a strong economic performance. After a somewhat weaker trend in the early part of the year, China is back to a stable development at a solid level. In Brazil, on the other hand, structural weaknesses and a restrictive financial policy have dampened growth.

Indications of future demand from the most important customer industries point to a development that ranges from stable to moderately positive for the year. For the voestalpine Group, the current development of the economy means practically full capacity utilization in all four divisions. The current order situation is very sound, and it is not expected that anything will change in the second half of the calendar year. "Assisted by the first positive effects of the EUR 900 million program to optimize earnings over the next three years, from the current vantage point, it can be anticipated that the operating result (EBITDA) and the profit from operations (EBIT) of the voestalpine Group will be somewhat higher than the figures for the past business year," Eder says.

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 has around 47.500 employees worldwide.

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