

Consolidated Financial Statements 2014/15

voestalpine

ONE STEP AHEAD.

Report of the Supervisory Board on the business year 2014/15

During the business year 2014/15, the Supervisory Board fulfilled its responsibilities under the law and the Articles of Incorporation, holding six plenary sessions, three meetings of the Audit Committee, and two meetings of the General Committee. The Management Board provided comprehensive information both orally and in written form regarding the state of business and the situation of the company.

The Annual Financial Statements and the Group's Consolidated Financial Statements as of March 31, 2015 were audited by Grant Thornton Unitreu GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, which was engaged as mandated by Section 270 of the Austrian Commercial Code (*Unternehmensgesetzbuch, UGB*). The audits 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 of the Austrian Commercial Code, conform to the statutory regulations. 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 the Consolidated Management Report is consistent with the Consolidated Financial Statements.

After they had been considered by the Audit Committee, on June 2, 2015, the Supervisory Board reviewed and approved the Annual Financial Statement as of March 31, 2015. The Annual Financial Statements are herewith deemed adopted pursuant to Section 96 (4) of the Austrian Stock Corporation Act (*Aktiengesetz*). Furthermore, after they had been considered by the Audit Committee, the Supervisory Board acknowledged and approved the Management Report as well as the Consolidated Financial Statements together with the Consolidated Management Report and the Corporate Governance Report.

The Corporate Governance Report was also audited by Grant Thornton Unitreu GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, within the scope of the annual external review of voestalpine AG's compliance with the C and R rules of the Corporate Governance Code, and it was determined that the report is in agreement with actual circumstances and the rules have been 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 has been established that the business year 2014/15 has ended with a net profit of EUR 175,000,000.00; it is being recommended that a dividend of EUR 1.00 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 2, 2015

voestalpine AG

Consolidated statement of financial position

 for the year ended March 31, 2015

Assets

	Notes	04/01/2013 ¹	03/31/2014 ¹	03/31/2015
A. Non-current assets				
Property, plant and equipment	9	4,553,777	4,741,829	5,328,422
Goodwill	10	1,470,165	1,472,259	1,472,881
Other intangible assets	11	320,294	336,221	345,284
Investments in entities consolidated according to the equity method	12	233,982	214,732	219,093
Other financial assets	12	108,718	90,667	77,652
Deferred tax assets	13	342,212	312,335	328,895
		7,029,148	7,168,043	7,772,227
B. Current assets				
Inventories	14	2,839,481	2,883,693	2,977,451
Trade and other receivables	15	1,658,445	1,621,021	1,667,888
Other financial assets	12	473,329	429,718	412,826
Cash and cash equivalents	16	1,092,567	532,406	464,505
		6,063,822	5,466,838	5,522,670
Total assets		13,092,970	12,634,881	13,294,897

¹ Business year 2013/14 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements under „B. Summary of accounting policies / General information.“

In thousands of euros

Equity and liabilities

	Notes	04/01/2013 ¹	03/31/2014 ¹	03/31/2015
A. Equity				
Share capital		313,309	313,309	313,309
Capital reserves		472,533	470,837	471,916
Hybrid capital		993,948	993,948	497,900
Reserve for own shares		-4,743	-1,497	-1,497
Other reserves		16,103	-92,078	74,084
Retained earnings		3,217,449	3,512,147	3,682,440
Equity attributable to equity holders of the parent		5,008,599	5,196,666	5,038,152
Non-controlling interests		67,298	64,932	64,395
	17	5,075,897	5,261,598	5,102,547
B. Non-current liabilities				
Pensions and other employee obligations	18	991,675	1,015,315	1,252,072
Provisions	19	113,769	99,184	70,417
Deferred tax liabilities	13	189,609	187,403	180,964
Financial liabilities	20	2,558,642	2,596,772	3,004,643
		3,853,695	3,898,674	4,508,096
C. Current liabilities				
Provisions	19	605,697	497,910	513,598
Tax liabilities		60,745	58,292	77,191
Financial liabilities	20	1,371,758	831,826	890,172
Trade and other payables	21	2,125,178	2,086,581	2,203,293
		4,163,378	3,474,609	3,684,254
Total equity and liabilities		13,092,970	12,634,881	13,294,897

¹ Business year 2013/14 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements under „B. Summary of accounting policies / General information.“

In thousands of euros

voestalpine AG

Consolidated statement of cash flows 2014/15

	Notes	2013/14 ¹	2014/15
Operating activities			
Profit for the period		503,428	594,238
Adjustments	24	662,587	581,480
Changes in working capital			
Change in inventories		-102,325	-65,196
Change in receivables and liabilities		-22,646	-30,537
Change in provisions		-106,444	39,890
		-231,415	-55,843
Cash flows from operating activities		934,600	1,119,875
Investing activities			
Additions of other intangible assets, property, plant and equipment		-883,237	-1,061,346
Income from disposals of assets		43,667	33,491
Cash flows from the acquisition of control of subsidiaries		-18,382	-52,060
Cash flows from the loss of control of subsidiaries		660	124,784
Additions/divestments of other financial assets		74,564	27,142
Cash flows from investing activities		-782,728	-927,989
Financing activities			
Dividends paid		-212,764	-229,973
Dividends paid non-controlling interests		-10,485	-13,998
Disposals of own shares		1,571	0
Change of non-controlling interests		-6,728	-9,868
Redemption hybrid bond	17	0	-500,000
Change in non-current financial liabilities		60,694	410,413
Change in current financial liabilities		-527,911	53,865
Cash flows from financing activities		-695,623	-289,561
Net decrease/increase in cash and cash equivalents			
		-543,751	-97,675
Cash and cash equivalents, beginning of year		1,092,567	532,406
Net exchange differences		-16,410	29,774
Cash and cash equivalents, end of year	16	532,406	464,505

¹ Business year 2013/14 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements under „B. Summary of accounting policies / General information.“

In thousands of euros

voestalpine AG

Consolidated statement of comprehensive income 2014/15

Consolidated income statement 2014/15

	Notes	2013/14 ¹	2014/15
Revenue	1, 2	11,077,233	11,189,487
Cost of sales		-8,867,127	-8,917,413
Gross profit		2,210,106	2,272,074
Other operating income	3	359,133	454,384
Distribution costs		-953,151	-975,425
Administrative expenses		-586,153	-603,089
Other operating expenses	4	-293,610	-321,779
Share of profit of entities consolidated according to the equity method	5	52,112	60,165
Profit from operations (EBIT)		788,437	886,330
Finance income	6	40,643	44,002
Finance costs	7	-188,244	-189,386
Profit before tax (EBT)		640,836	740,946
Tax expense	8	-137,408	-146,708
Profit for the period		503,428	594,238
Attributable to:			
Equity holders of the parent		446,435	536,070
Non-controlling interests		3,174	8,835
Share planned for hybrid capital owners		53,819	49,333
Basic and diluted earnings per share (euros)	30	2,59	3,11

Consolidated other comprehensive income 2014/15

	Notes	2013/14 ¹	2014/15
Profit for the period		503,428	594,238
Items of other comprehensive income that will be reclassified to profit or loss			
Cash flow hedges		-1,254	22,385
Net investment hedges		0	10,356
Currency translation		-107,906	127,376
Share of result of entities consolidated according to the equity method		-2,232	9,819
Subtotal of items of other comprehensive income that will be reclassified to profit or loss		-111,392	169,936
Items of other comprehensive income that will not be reclassified to profit or loss			
Actuarial gains/losses		-27,861	-184,270
Actuarial gains/losses of entities consolidated according to the equity method		-315	-2,290
Subtotal of items of other comprehensive income that will not be reclassified to profit or loss		-28,176	-186,560
Other comprehensive income for the period, net of income tax		-139,568	-16,624
Total comprehensive income for the period		363,860	577,614
Attributable to:			
Equity holders of the parent		310,065	515,630
Non-controlling interests		-24	12,651
Share planned for hybrid capital owners		53,819	49,333
Total comprehensive income for the period		363,860	577,614

¹ Business year 2013/14 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements under „B. Summary of accounting policies / General information.“

In thousands of euros

voestalpine AG

Consolidated
statement of changes in equity 2014/15

	Share capital	Capital reserves	Hybrid capital	Reserve for own shares
Balance as of April 1, 2013¹	313,309	472,533	993,948	-4,743
Profit for the period	0	0	0	0
Items of other comprehensive income that will be reclassified to profit or loss				
Cash flow hedges	0	0	0	0
Currency translation	0	0	0	0
Share of result of entities consolidated according to the equity method	0	0	0	0
Subtotal of items of other comprehensive income that will be reclassified to profit or loss	0	0	0	0
Items of other comprehensive income that will not be reclassified to profit or loss				
Actuarial gains/losses	0	0	0	0
Actuarial gains/losses of entities consolidated according to the equity method	0	0	0	0
Subtotal of items of other comprehensive income that will not be reclassified to profit or loss	0	0	0	0
Other comprehensive income for the period, net of income tax	0	0	0	0
Total comprehensive income for the period	0	0	0	0
Own shares acquired/disposed	0	-1,675	0	3,246
Dividends	0	0	0	0
Dividends to hybrid capital owners	0	0	0	0
Tax effect from transactions with hybrid capital owners	0	0	0	0
Share-based payment	0	-21	0	0
Other changes	0	0	0	0
	0	-1,696	0	3,246
Balance as of March 31, 2014 = Balance as of April 1, 2014	313,309	470,837	993,948	-1,497
Profit for the period	0	0	0	0
Items of other comprehensive income that will be reclassified to profit or loss				
Cash flow hedges	0	0	0	0
Net investment hedges	0	0	0	0
Currency translation	0	0	0	0
Share of result of entities consolidated according to the equity method	0	0	0	0
Subtotal of items of other comprehensive income that will be reclassified to profit or loss	0	0	0	0
Items of other comprehensive income that will not be reclassified to profit or loss				
Actuarial gains/losses	0	0	0	0
Actuarial gains/losses of entities consolidated according to the equity method	0	0	0	0
Subtotal of items of other comprehensive income that will not be reclassified to profit or loss	0	0	0	0
Other comprehensive income for the period, net of income tax	0	0	0	0
Total comprehensive income for the period	0	0	0	0
Dividends	0	0	0	0
Redemption hybrid bond	0	0	-500,000	0
Dividends to hybrid capital owners	0	0	0	0
Tax effect from transactions with hybrid capital owners	0	0	0	0
Share-based payment	0	997	0	0
Other changes	0	82	3,952	0
	0	1,079	-496,048	0
Balance as of March 31, 2015	313,309	471,916	497,900	-1,497

¹ Business year 2013/14 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements under „B. Summary of accounting policies / General information.“

Other reserves		Retained earnings	Total attributable to equity holders of the parent	Non-controlling interests	Total equity
Translation reserve	Hedging reserve				
22,830	-6,727	3,217,449	5,008,599	67,298	5,075,897
0	0	500,254	500,254	3,174	503,428
0	-1,254	0	-1,254	0	-1,254
-104,695	0	0	-104,695	-3,211	-107,906
-3,772	1,540	0	-2,232	0	-2,232
-108,467	286	0	-108,181	-3,211	-111,392
0	0	-27,874	-27,874	13	-27,861
0	0	-315	-315	0	-315
0	0	-28,189	-28,189	13	-28,176
-108,467	286	-28,189	-136,370	-3,198	-139,568
-108,467	286	472,065	363,884	-24	363,860
0	0	0	1,571	0	1,571
0	0	-155,178	-155,178	-8,688	-163,866
0	0	-42,790	-42,790	0	-42,790
0	0	17,813	17,813	0	17,813
0	0	0	-21	0	-21
0	0	2,788	2,788	6,346	9,134
0	0	-177,367	-175,817	-2,342	-178,159
-85,637	-6,441	3,512,147	5,196,666	64,932	5,261,598
0	0	585,403	585,403	8,835	594,238
0	22,385	0	22,385	0	22,385
0	10,356	0	10,356	0	10,356
123,602	0	-143	123,459	3,917	127,376
14,785	-4,966	0	9,819	0	9,819
138,387	27,775	-143	166,019	3,917	169,936
0	0	-184,169	-184,169	-101	-184,270
0	0	-2,290	-2,290	0	-2,290
0	0	-186,459	-186,459	-101	-186,560
138,387	27,775	-186,602	-20,440	3,816	-16,624
138,387	27,775	398,801	564,963	12,651	577,614
0	0	-163,799	-163,799	-8,385	-172,184
0	0	0	-500,000	0	-500,000
0	0	-66,174	-66,174	0	-66,174
0	0	12,278	12,278	0	12,278
0	0	0	997	0	997
0	0	-10,813	-6,779	-4,803	-11,582
0	0	-228,508	-723,477	-13,188	-736,665
52,750	21,334	3,682,440	5,038,152	64,395	5,102,547

In thousands of euros

voestalpine AG

Notes to the consolidated financial statements 2014/15

A. General information and corporate purpose

voestalpine AG and its Group companies (hereinafter referred to as the "Group") are primarily engaged in the production, processing, and distribution of materials made of steel and in research and development in the areas of metallurgy, metal processing, and materials technology.

voestalpine AG is the Group's ultimate parent company and prepares the consolidated financial statements. It is registered in the Commercial Register of Linz and has its registered office in voestalpine-Strasse 1, 4020 Linz, Austria. The shares of voestalpine AG are listed on the stock exchange in Vienna, Austria.

The consolidated financial statements for the year ended March 31, 2015, (including comparative figures for the year ended March 31, 2014) have been prepared pursuant to Sec. 245a (1) of the

Austrian Commercial Code (*Unternehmensgesetzbuch, UGB*) in accordance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standard Board (IASB) and adopted by the European Union.

The consolidated financial statements are presented in euros (= functional currency of the parent company) rounded to the nearest thousand.

The consolidated income statement has been prepared using the cost-of-sales method.

The Management Board of voestalpine AG approved the consolidated financial statements and authorized the consolidated financial statements for submission to the Supervisory Board on May 22, 2015.

B. Summary of accounting policies

General information

The accounting policies applied to the consolidated financial statements are consistent with those of the previous year with the exceptions listed below.

The following new and revised standards were adopted for the first time in the business year 2014/15:

Standard	Content	Effective date ¹
IFRS 10	Consolidated Financial Statements	January 1, 2014
IFRS 11	Joint Arrangements	January 1, 2014
IFRS 12	Disclosure of Interests in Other Entities	January 1, 2014
IAS 27, new version	Separate Financial Statements	January 1, 2014
IAS 28, new version	Investments in Associates and Joint Ventures	January 1, 2014
IAS 32, amendments	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	January 1, 2014
IAS 36, amendments	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets	January 1, 2014
IAS 39, amendments	Novation of Derivatives and Continuation of Hedge Accounting	January 1, 2014
IFRS 10, IFRS 11 and IFRS 12, amendments	Amendments to IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements, and IFRS 12, Disclosure of Interests in Other Entities – Transition Guidance	January 1, 2014
IFRS 10, IFRS 12 and IAS 27, amendments	Amendments to IFRS 10, Consolidated Financial Statements, IFRS 12, Disclosure of Interests in Other Entities, and IAS 27, Separate Financial Statements – Investment Entities	January 1, 2014

¹ These standards are applicable to reporting periods beginning on or after the effective date.

IFRS 10 comprehensively redefines the concept of control. This is intended to create a uniform basis for defining the consolidated group. This standard replaces the provisions of the previous IAS 27 "Consolidated and Separate Financial Statements" for consolidated financial statements.

IFRS 11 governs the accounting of entities that jointly control an arrangement that is classified either as a joint venture or a joint operation. This standard replaces IAS 31 "Interests in Joint Ventures" and eliminates the possibility of proportionate consolidation of joint ventures; these are to be included in the consolidated group in the future using equity method accounting. IAS 28 now includes the provisions for associates and joint ventures that are measured based on the equity method under IFRS 11. Starting with the business year 2014/15, the results of entities consolidated according to the equity method are reported under EBIT in the consolidated financial statements. Amended disclosure in EBIT reflects the operational nature of investments accounted for using the equity method. Analogous to corporations, the annual profits (net including taxes) of partnerships included in the consolidated financial statements according to the equity method are also recorded under EBIT. voestalpine Tubulars GmbH and voestalpine Tubulars GmbH & Co KG were proportionately consolidated up to March 31, 2014, and, beginning with the business year 2014/15, the equity method is being applied. The currently seven associates and two further joint ventures, which were already previously accounted for using the equity method, are also recognized in EBIT.

IFRS 12 includes the disclosure requirements for subsidiaries, joint arrangements, associates, and unconsolidated structured entities, which resulted in additional disclosures in the consolidated financial statements of voestalpine AG.

Changes to IFRS 10, IFRS 11, and IFRS 12 were published in June 2012 in order to clarify the content and scope of certain guidelines regarding their first-time application.

Changes to IFRS 10, IFRS 12, and IAS 27 were published in October 2012 in order to create an exception for qualified investment entities from the regulation requiring consolidation of subsidiaries.

The amendments to IAS 32 clarify the requirements for offsetting financial instruments in the statement of financial position; as a result, new provisions governing disclosures have been added to IFRS 7.

The changes to IAS 36 represent a correction of disclosure requirements regarding the recoverable amount for non-financial assets that were changed to a greater extent than intended in connection with IFRS 13.

Due to the change to IAS 39, the novation of a hedging instrument to a central counterparty as a result of statutory requirements does not result in a dissolution of a hedge relationship under certain conditions.

In order to reflect the adjustments caused by the application of IFRS 11 and the change in the method of disclosure for results of entities consolidated according to the equity method (formerly reported as part of the financial result; from April 1, 2014 onward, reported as part of EBIT), the business year 2013/14 was retroactively adjusted. In these consolidated financial

statements, the tax effects on hybrid capital interest and on costs associated with issuing hybrid capital are furthermore reported directly in equity (and no longer in the consolidated statement of comprehensive income) in accordance with IAS 8. These two items were also retroactively adjusted in the comparative period of 2013/14.

The consequences of the described retroactive adjustments are as follows:

Change in the consolidated statement of financial position

04/01/2013	Values as originally reported	Adjustment	Values retroactively adjusted
Total assets	13,079.3	13.7	13,093.0
thereof Property, plant and equipment	4,580.6	-26.8	4,553.8
thereof Other intangible assets	320.9	-0.6	320.3
thereof Investments in entities consolidated according to the equity method	156.4	77.6	234.0
thereof Other financial assets non-current	109.2	-0.5	108.7
thereof Deferred tax assets	343.6	-1.4	342.2
thereof Inventories	2,876.9	-37.4	2,839.5
thereof Trade and other receivables	1,655.5	2.9	1,658.4
thereof Cash and cash equivalents	1,092.7	-0.1	1,092.6
Total equity and liabilities	13,079.3	13.7	13,093.0
thereof Equity	5,075.2	0.7	5,075.9
thereof Pensions and other employee obligations	1,004.6	-12.9	991.7
thereof Financial liabilities non-current	2,558.8	-0.2	2,558.6
thereof Provisions current	612.2	-6.5	605.7
thereof Financial liabilities current	1,324.6	47.1	1,371.7
thereof Trade and other payables	2,139.7	-14.5	2,125.2

In millions of euros

Change in the consolidated statement of financial position

03/31/2014	Values as originally reported	Adjustment	Values retroactively adjusted
Total assets	12,637.5	-2.6	12,634.9
thereof Property, plant and equipment	4,772.0	-30.1	4,741.9
thereof Other intangible assets	336.7	-0.5	336.2
thereof Investments in entities consolidated according to the equity method	133.4	81.3	214.7
thereof Other financial assets non-current	91.0	-0.4	90.6
thereof Deferred tax assets	313.5	-1.2	312.3
thereof Inventories	2,937.2	-53.5	2,883.7
thereof Trade and other receivables	1,619.1	1.9	1,621.0
thereof Cash and cash equivalents	532.5	-0.1	532.4
Total equity and liabilities	12,637.5	-2.6	12,634.9
thereof Equity	5,261.0	0.6	5,261.6
thereof Pensions and other employee obligations	1,028.9	-13.6	1,015.3
thereof Financial liabilities non-current	2,596.9	-0.1	2,596.8
thereof Provisions current	504.7	-6.8	497.9
thereof Financial liabilities current	806.2	25.6	831.8
thereof Trade and other payables	2,094.9	-8.3	2,086.6

In millions of euros

Change in the consolidated income statement

2013/14	Values as originally reported	Adjustment	Values retroactively adjusted
Revenue	11,227.9	-150.7	11,077.2
Cost of sales	-8,938.3	71.2	-8,867.1
Gross profit	2,289.6	-79.5	2,210.1
Other operating income	360.6	-1.5	359.1
Distribution costs	-976.5	23.4	-953.1
Administrative expenses	-589.1	2.9	-586.2
Other operating expenses	-292.3	-1.3	-293.6
Share of profit of entities consolidated according to the equity method	0.0	52.1	52.1
EBIT	792.3	-3.9	788.4
Share of profit of entities consolidated according to the equity method	12.0	-12.0	0.0
Finance income	40.5	0.1	40.6
Finance costs	-188.8	0.6	-188.2
Profit before tax (EBT)	656.0	-15.2	640.8
Income tax expense	-133.1	-4.3	-137.4
Profit for the period	522.9	-19.5	503.4
Attributable to:			
Equity holders of the parent	448.1	-1.7	446.4
Non-controlling interests	3.2	0.0	3.2
Share planned for hybrid capital owners	71.6	-17.8	53.8
Basic and diluted earnings per share (euros)	2.60	-0.01	2.59

In millions of euros

The positive income tax expense effect on hybrid capital interest of EUR 17.8 million in the business year 2013/14 has now been recognized retroactively directly in equity rather than in the statement of comprehensive income.

Change in the consolidated statement of comprehensive income

2013/14	Values as originally reported	Adjustment	Values retroactively adjusted
Profit for the period	522.9	-19.5	503.4
Items of other comprehensive income that will be subsequently reclassified to profit or loss			
Cash flow hedges	-1.2	0.0	-1.2
Currency translation	-107.9	0.0	-107.9
Share of profit of entities consolidated according to the equity method	-3.8	1.6	-2.2
Subtotal of items of other comprehensive income that will be subsequently reclassified to profit or loss	-112.9	1.6	-111.3
Items of other comprehensive income that will not be reclassified to profit or loss			
Actuarial gains/losses	-28.0	0.1	-27.9
Share of profit of entities consolidated according to the equity method – Actuarial gains/losses	-0.2	-0.1	-0.3
Subtotal of items of other comprehensive income that will not be reclassified to profit or loss	-28.2	0.0	-28.2
Other comprehensive income for the period, net of income tax	-141.1	1.6	-139.5
Total comprehensive income for the period	381.8	-17.9	363.9
Attributable to:			
Equity holders of the parent	310.2	-0.1	310.1
Non-controlling interests	0.0	0.0	0.0
Share planned for hybrid capital owners	71.6	-17.8	53.8
Total comprehensive income for the period	381.8	-17.9	363.9

In millions of euros

Change in the consolidated statement of cash flows

2013/14	Values as originally reported	Adjustment	Values retroactively adjusted
Operating activities			
Profit for the period	522.9	-19.5	503.4
Adjustments	652.5	10.1	662.6
Changes in working capital	-258.4	27.0	-231.4
Cash flows from operating activities	917.0	17.6	934.6
Cash flows from investing activities	-786.6	3.9	-782.7
Cash flows from financing activities	-674.2	-21.5	-695.7
Net decrease/increase in cash and cash equivalents	-543.8	0.0	-543.8
Cash and cash equivalents, beginning of period	1,092.7	-0.1	1,092.6
Net exchange differences	-16.4	0.0	-16.4
Cash and cash equivalents, end of period	532.5	-0.1	532.4

In millions of euros

With the exception of the described effects of IFRS 11, the new and revised standards had no material effects on voestalpine AG's consolidated financial statements.

The following standards are already published as of the reporting date, but their application was not yet mandatory for the business year 2014/15 or they have not been adopted by the European Union:

Adopted by the European Union as of the reporting date:

Standard	Content	Effective date ¹
IAS 19, amendments	Defined Benefit Plans: Employee Contributions	July 1, 2014
Various standards, amendments	Annual Improvements to International Financial Reporting Standards, 2010–2012 Cycle	July 1, 2014
Various standards, amendments	Annual Improvements to International Financial Reporting Standards, 2011–2013 Cycle	July 1, 2014

¹ These standards are applicable to reporting periods beginning on or after the effective date.

Published by IASB but not adopted by the European Union as of the reporting date:

Standard	Content	Effective date according to IASB ¹
IAS 1, amendments	Disclosure initiative	January 1, 2016
IAS 16 and IAS 38, amendments	Clarification of Acceptable Methods of Depreciation and Amortization	January 1, 2016
IAS 16 and IAS 41, amendments	Agriculture: Bearer Plants	January 1, 2016
IAS 27, amendments	Equity Method in Separate Financial Statements	January 1, 2016
Various standards, amendments	Annual Improvements to International Financial Reporting Standards, 2012–2014 Cycle	January 1, 2016
IFRS 10 and IAS 28, amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 1, 2016
IFRS 10, IFRS 12 and IAS 28, amendments	Investment Entities: Applying the Consolidation Exception	January 1, 2016
IFRS 11, amendments	Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016
IFRS 14	Regulatory Deferral Accounts	January 1, 2016
IFRS 15	Revenue from Contracts with Customers	January 1, 2017
IFRS 9	Financial Instruments	January 1, 2018

¹ These standards are applicable to reporting periods beginning on or after the effective date.

These standards—in so far as they have been adopted by the European Union—are not being adopted early by the Group. From today's perspective, material effects of the new and revised standards on the voestalpine Group's financial situation and profitability are not expected.

The use of automated calculation systems may result in rounding differences.

Basis of consolidation

The annual financial statements of fully consolidated entities are prepared using uniform accounting policies. For entities included using the equity method (associates and joint ventures), local accounting policies and different reporting dates (see "Investments" appendix to the notes) are maintained due to considerations regarding cost and benefit if the relevant amounts are immaterial.

In the case of initial consolidation, assets, liabilities, and contingent liabilities are measured at their fair value at the date of acquisition. Any excess of the cost of acquisition over the net of the assets acquired and liabilities assumed is recognized as goodwill. If the net of the assets acquired and liabilities assumed exceeds the cost of acquisition, the difference is recognized at the time of acquisition in profit or loss. The hidden reserves and/or hidden losses attributed to the non-controlling interests are also accounted for.

All intra-group profits, receivables and payables, income and expenses are eliminated.

Foreign currency translation

In accordance with IAS 21, annual financial statements in foreign currencies that are included in the consolidated financial statements are translated into euros using the functional currency

method. The relevant national currency is the functional currency in all cases since, from a financial, economic, and organizational perspective, these entities all operate independently. Assets and liabilities have been translated using the exchange rate on the reporting date. Income and expenses have been translated using the average exchange rate for the business year.

Equity is translated using the historical exchange rate. Currency translation differences are recognized directly in equity in the currency translation reserve.

In the separate financial statements of consolidated entities, foreign currency transactions are translated into the functional currency of the entity using the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from translation at the transaction date and reporting date are recognized in the consolidated income statement.

Currency exchange rates (ECB fixing) of key currencies have changed as follows:

Closing exchange rate	03/31/2014	03/31/2015
USD	1.3788	1.0759
GBP	0.8282	0.7273
BRL	3.1276	3.4958
SEK	8.9483	9.2901
PLN	4.1719	4.0854
Average annual rate	2013/14	2014/15
USD	1.3401	1.2683
GBP	0.8435	0.7852
BRL	3.0162	3.1171
SEK	8.7396	9.2278
PLN	4.2043	4.1863

Uncertainties in accounting estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires the management to make accounting estimates and assumptions that may significantly affect the recognition and measurement of assets and liabilities, the recognition of other obligations as of the reporting date, and the recognition of income and expenses during the business year.

The following assumptions bear a significant risk of causing a material adjustment to assets and liabilities within further periods:

- **Recoverability of assets**

The assessment of the recoverability of intangible assets, goodwill as well as property, plant and equipment is based on assumptions concerning the future. The determination of the recoverable amount in the course of an impairment test is based on various assumptions, such as future net cash flows and discount rates. The net cash flows correspond to the amounts in the most current business plan at the time of the preparation of financial statements. See therefore Chapter B. Summary of accounting policies, section impairment testing of goodwill, other intangible assets, and property, plant and equipment, as well as the Chapters 9. Property, plant and equipment, 10. Goodwill, and 11. Other intangible assets.
- **Recoverability of financial instruments**

Where the assessment of the recoverability of financial instruments cannot be derived from active markets, it is determined using alternative actuarial models. The underlying parameters used in the determination of the fair values are based partially on assumptions concerning the future. See therefore Chapter B. Summary of accounting policies, section financial instruments, as well as Chapter 23. Financial instruments.
- **Pensions and other employee obligations**

The valuation of existing severance payment and pension obligations is based on assumptions regarding interest rate, retirement age, life expectancy, and future salary/wage increases. See therefore Chapter B. Summary of accounting policies, section pensions and other employee obligations, as well as Chapter 18. Pensions and other employee obligations.
- **Assets and liabilities associated with acquisitions**

Estimates associated with determining the fair value of identified assets, liabilities, and contingent considerations are required in the context of acquisitions. All available information about the situation at the acquisition date is applied in this procedure. The fair values of buildings and land are typically determined by external experts or experts within the Group. Intangible assets are measured using appropriate valuation methods depending on the type of asset and the availability of information. These measurements are closely connected with assumptions about the future development of estimated cash flows as well as the applied discount rates.

Information concerning acquisitions that take place during the reporting period is reported under Chapter D. Acquisitions and other additions to the scope of consolidated financial statements.
- **Other provisions**

Other provisions due to present obligations arising from past events, which lead to an outflow of resources embodying economic benefits, are stated at the amount that reflects the most probable value based on a reliable estimate. Provisions are discounted where the effect is material. For details concerning provisions see Chapter B. Summary of accounting policies, section other provisions, as well as Chapter 19. Provisions.

■ Income taxes

Income tax expense represents the total of current and deferred tax. Current tax is based on taxable income and is calculated using the tax rates currently applicable. The calculation of deferred taxes is based on the respective local income tax rates that have been enacted or substantively enacted. The recognition and measurement of current and deferred taxes is subject to numerous uncertainties.

The voestalpine Group's international scope means that the Group falls within multiple tax jurisdictions in the respective relevant tax jurisdictions. The tax items presented in the financial statements were established with regard for the particular tax regulations, and, because of their complexity, may possibly support interpretations that vary between taxpayers and local finance authorities. Since varying interpretations of tax laws may lead to additional tax payments for past years as a result of company audits, they are included in the analysis based on the assessment by company management.

Recognition of deferred tax assets is based on the assumption that sufficient taxable profit will be generated in the future to utilize these tax loss carryforwards.

For further information see Chapter B. Summary of accounting policies, section income taxes, as well as the Chapters 8. Income taxes and 13. Deferred taxes.

■ Legal risks

As an internationally active company, the voestalpine Group is subject to legal risks. The results of present or future legal disputes are generally not predictable and may have a material effect on the Group's net assets, financial position, and results of operations. In order to reliably assess the obligations, the basic information and assumptions are continually

reviewed by management and used for further evaluation both internally and by external legal counsel. Provisions are made to cover probably present obligations, including a reliable estimate of legal costs. If the future outflow of resources is not probable, or if the confirmation of actual events is not within the company's control, the option of recording a contingent liability is considered.

Estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates if the determining factors at the reporting date differ from expectations. Revisions to accounting estimates are recognized through profit or loss in the period in which the estimates are revised, and the assumptions are adjusted accordingly.

Recognition of revenue and expenses

Revenue arising from the provision of goods and services is realized when all material risks and rewards arising from the goods or services provided have passed to the buyer. Operating expenses are recognized when goods or services are used or when the expense is incurred.

Investment grants are treated as deferred items and recognized as income over the useful life of the asset. Cost subsidies are recognized on an accrual basis, corresponding to the associated expenses. Government grants of EUR 26.1 million (2013/14: EUR 20.3 million) for capital expenditures, research and development, and promotion of job opportunities were recognized as income during the reporting period. Expenses for research and development amounted to EUR 126.7 million (2013/14: EUR 128.4 million) in the business year 2014/15.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses.

The cost of self-constructed property, plant and equipment includes direct costs and an appropriate portion of indirect materials and indirect labor.

Depreciation is calculated on a straight-line basis over the expected useful lives. Land is not subject to depreciation. Depreciation is based on the following rates:

Buildings	2.0–20.0%
Plant and equipment	3.3–25.0%
Fixtures and fittings	5.0–20.0%

With regard to borrowing costs relating to qualifying assets, for which the commencement date for capitalization is on or after April 1, 2009, the Group capitalizes borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset as part of the cost of that asset. The commencement date for capitalization is the date when expenditures for the asset and borrowing costs are incurred as well as activities are undertaken that are necessary to prepare the asset for its intended use or sale. Previously, the Group immediately recognized all borrowing costs as an expense.

Investment property is measured following the cost model. Useful lives and depreciation methods are identical to property, plant and equipment recognized under IAS 16.

Leases

Leased assets are treated as finance leases when they are considered asset purchases subject to long-term financing in economic terms. All other leased assets are classified as operating leases. Lease payments under operating leases are shown as expenses in the consolidated income statement.

Finance leases are initially recognized as Group assets at fair value or the lower present value of the minimum lease payments at the inception of the lease. The corresponding liabilities to the lessors are recorded under financial liabilities in the consolidated statement of financial position.

Finance leases are depreciated over their expected useful lives on the same basis as comparable assets or, where shorter, over the term of the relevant lease. The Group does not act as a lessor.

Goodwill

All corporate acquisitions are accounted for by applying the purchase method. Goodwill arises from the acquisition of subsidiaries and investments in associates and joint ventures.

Goodwill is allocated to cash-generating units or groups of cash-generating units and, in accordance with IFRS 3, is not amortized, but tested at least annually for impairment. The carrying amount of investments in associates and joint ventures also includes the carrying amount of goodwill.

Negative goodwill arising from an acquisition is immediately recognized as income.

On disposal of a subsidiary, the goodwill associ-

ated with the subsidiary is included in the determination of the profit or loss on disposal based on relative value in accordance with IAS 36.86.

Other intangible assets

Expenses for research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized as an expense as incurred. In accordance with IAS 38.57, development expenditure is capitalized if the relevant criteria are satisfied. Expenditure on internally generated goodwill and brands is recognized as an expense as incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortization and impairment charges. Amortization is charged on a straight-line basis over the expected useful life of the asset. The maximum expected useful lives are as follows:

Backlog of orders	1 year
Customer relations	11 years
Technology	8 years

Impairment testing of goodwill, other intangible assets, and property, plant and equipment

Cash-generating units or groups of cash-generating units that include goodwill and other intangible assets with indefinite useful lives are tested for impairment at least annually. All other assets and cash-generating units are tested for impairment if there are any indications that impairment may have arisen.

For the purpose of impairment testing, assets are

grouped at the lowest levels at which cash flows are independently generated (cash-generating units). Goodwill is allocated to those cash-generating units or groups of cash-generating units that are expected to benefit from synergies of the related business combination and this must be on the lowest level at which the goodwill in question is monitored for internal management purposes.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value less cost to sell and the value in use. Impairment losses recognized with regard to cash-generating units or groups of cash-generating units to which goodwill has been allocated are first applied against the carrying amount of goodwill. Any remaining impairment loss reduces the carrying amounts of the assets of the cash-generating unit on a pro-rata basis. Insofar as the impairment test for goodwill is conducted for a group of cash-generating units, the individual cash-generating units are first tested for impairment and a possible impairment of assets is first recorded at this level.

With the exception of goodwill, impairment losses are reversed when previous indications of impairment no longer exist.

Financial instruments

Derivative financial instruments are used exclusively by voestalpine AG for the purpose of hedging the foreign currency risk, interest rate risk, and raw materials price risk. Derivative financial instruments are carried at fair value. Hedge accounting in accordance with IAS 39 is used for the majority of the Group's derivative financial

instruments. Gains or losses resulting from changes in the value of derivative financial instruments are recognized either as profit or loss or directly in equity, depending on whether a fair value hedge or cash flow hedge is involved. Hedges of net investments in a foreign operation are reported according to the regulations of cash flow hedges pursuant to IAS 39.102.

Loans and receivables are carried at amortized cost. Since the Group's securities meet the criteria in accordance with IAS 39.9 for application of the fair value option, securities are recognized at fair value through profit or loss. The designation of fair value was selected to convey more useful information because this group of financial assets is managed according to their fair value, as documented in the risk management and investment strategy, and performance is observed and reported by means of fair value. There are no held-to-maturity financial instruments.

Other investments

Investments in subsidiaries, joint ventures, and associates that are not included in the consolidated financial statements by full consolidation or the equity method are reported under other investments. They are held as "available for sale at cost" and measured at cost because these investments do not have a price quoted in an active market, and their fair value cannot be reliably determined. Only the non-consolidated investment in Energie AG Oberösterreich is measured at fair value as "available for sale at fair value" because the fair value of this company can be reliably determined based on the valuation report done once a year for Energie AG Oberösterreich as a whole.

Income taxes

Income tax expense represents the total of current and deferred tax. Current tax is based on taxable income and is calculated using the tax rates currently applicable.

In accordance with IAS 12, all temporary differences between items in the consolidated financial statements and their tax bases are included in deferred taxes. Deferred tax assets on carryforwards of unused tax losses are recognized to the extent that it is probable that future taxable profit will be available against which the tax losses can be utilized.

In accordance with IAS 12.39 and IAS 12.44, deferred taxes on differences resulting from investments in subsidiaries, associates, and joint ventures were not recognized. Deferred tax liabilities are recognized for write-downs on investments claimed as tax deductions in Austria for the event that there are any possible future obligations to reverse the write-downs.

The calculation of deferred taxes is based on the respective local income tax rates that have been enacted or substantively enacted.

Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price less estimated costs of completion and estimated costs necessary to make the sale. In exceptional cases, the replacement cost of raw materials and supplies may serve as the basis of measurement in accordance with IAS 2.32.

The cost of inventories of the same type is determined by the weighted average price method or a similar method. Cost includes directly attributable costs and all pro-rated material and production overheads based on normal capacity utilization. Interest costs, general administrative expenses and distribution costs are not recognized in inventory.

Emission certificates

Free certificates are measured at zero cost over the entire holding period, as the rights have been allocated free of charge. Purchased emission certificates are recorded at actual cost under current assets and measured at fair value at the reporting date (limited by the actual cost).

In the case of under-allocation, amounts for CO₂ emission certificates are included in the other provisions. The measurement is based on the rate prevailing on the reporting date (or the carrying amount) of the relevant certificates.

Trade and other receivables

Trade and other receivables are stated at amortized cost. Credit insurance is acquired to cover individually identifiable risks. Non-interest- or low-interest-bearing receivables with a remaining period of more than one year are recognized at their discounted present value. Sold receivables are derecognized according to the provisions of IAS 39 (see Chapter 28. Disclosures of transactions not recorded in the statement of financial position).

When the outcome of a construction contract pursuant to IAS 11 can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognized by reference to the stage of completion of the contract activity at the end of the reporting period ("percentage of completion method"), measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract cost incurred that is probably recoverable. Contract costs are recognized as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognized as an expense.

Accruals and deferrals are reported under other receivables and other liabilities.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at banks, and checks and are carried at market value.

Pensions and other employee obligations

Pensions and other employee obligations include provisions for severance payments, pensions, and long-service bonuses and are recognized in accordance with IAS 19 using the projected unit credit method.

Actuarial gains and losses from severance and pension provisions are recognized directly in equity in the year in which they are incurred. Actuarial gains and losses from provisions for long-service bonuses are recognized immediately in profit or loss.

Severance obligations

Employees of Austrian entities who started their employment before January 1, 2003, are entitled to receive a severance payment if their employment is terminated by the employer or if they retire. The amount to be paid depends on the number of years of service and the employee's salary or wage at the time employment ends. For employees who started their employment after December 31, 2002, severance obligations are transferred to a contribution-based system. The contributions to external employee pension funds are recognized as expenses.

Defined contribution plans

Defined contribution plans involve no future obligations after the payment of premiums to the managing pension fund or commercial insurance company.

Defined benefit plans

Defined benefit plans guarantee the employee a specified pension. The payment starts after retirement (or death or disability) and is continued until death of the former employee (or death of spouse). Widow's and widower's pensions (50% to 75% of the old age pension) are paid to the surviving spouse until death or remarriage. Orphans' pensions (10% to 20% of the old age pension) are paid to dependent children until the end of their education but only up to the age of 27.

Longevity is the central risk within these defined benefit pension obligations. All calculations are made using the most recent mortality tables. Given a 10% relative decrease or increase in mortality, the DBO of pensions changes by +3.8% or respectively -3.4% on the reporting date. Other risks, such as the risk of rising costs of medical services, do not affect the obligations.

Almost all pension obligations within the Group cover vested claims.

Austria

The amount of the pension is either based on a certain percentage of the final salary depending on the years of service or on a valorized fixed amount per year of service. The predominant part of the defined benefit pension obligations is transferred to a pension fund although the obligation for subsequent payments remains within the company.

Germany

The different pension plans in Germany derive the amount of the pension from the following basics:

- A certain percentage of the final salary depending on the years of service
- An increasing percentage of a fixed target pension depending on the years of service
- A fixed pension amount
- A fixed, valorized amount per year of service linked to the average salary within the company
- A fixed, valorized amount per year of service

A small part of the pension rights are financed by insurers although the obligations themselves remain within the companies.

Netherlands

Pension rights of active members and beneficiaries are accommodated by a defined contribution plan. Pension entitlements of former employees and retirees are based upon a percentage of the total salary in any year of service. Benefits are paid through a commercial insurance company and the indexation of benefits is set by the indus-

try's pension fund. The employer may need to make additional payments to the insurer if returns of the funds held by the commercial insurer are insufficient to finance the agreed benefit increases. This scheme with the substantial obligations was closed for future participation of new entrants as of January 1, 2013.

The calculation of employee benefits in all countries where the Group has material operations is based on the following parameters:

	2013/14	2014/15
Interest rate (%)	3.25	1.50
Salary/wage increases (%) ¹	3.00	3.00
Pension benefit increases (%) ¹	2.25	2.25
Retirement age men/women		
Austria	max. 62 years	max. 62 years
Germany	63–67 years	63–67 years
Netherlands	65–67 years	65–67 years
Mortality tables		
Austria	AVÖ 2008-P	AVÖ 2008-P
Germany	Richttafeln 2005 G	Richttafeln 2005 G
Netherlands	AG2012–2062	AG2014

¹ Recognition only for salary-dependent and/or value-guaranteed commitments.

Net interest expenses resulting from employee benefits are included in the consolidated income statement under finance costs.

Obligations from long-service bonuses

In most of the Austrian Group companies, employees are entitled to payment of a long-service bonus, which is based either on a collective agreement or a provision in a works agreement. This is a one-time payment when the anniversary of service has been reached; depending on the length of service, the bonus generally amounts to between one monthly salary and three monthly salaries.

Other provisions

Other provisions due to present obligations arising from past events, which lead to an outflow of resources embodying economic benefits, are stated at the amount that reflects the most probable value based on a reliable estimate. Provisions are discounted where the effect is material.

The assumptions that underlie the provisions are reviewed on an ongoing basis. The actual figures can deviate from the assumptions if the underlying circumstances as of the reporting date have not developed as expected. As soon as better information is available, changes are recognized through profit and loss and the assumptions are adjusted accordingly.

Please note that we are invoking the safeguard clause in accordance with IAS 37.92, according to which information about provisions is not provided if this could seriously and adversely impact the Company's interests.

Contingent liabilities

Contingent liabilities are present obligations arising from past events, where it is not probable that an outflow of resources will be required to settle the obligation, or possible obligations arising from past events whose existence or non-existence depends on less certain future events, which are not within the company's full control. When, in extremely rare cases, an existing debt cannot be stated in the statement of financial position as a provision because a reliable estimate of the debt is not possible, a contingent liability shall also be recognized.

With regard to possible obligations, we wish to point out that in accordance with IAS 37.92 information about contingent liabilities is not provided if this could seriously and adversely impact the Company's interests.

Liabilities

Liabilities, except liabilities from derivative financial instruments, are stated at amortized cost.

Employee stock ownership plan

The employee stock ownership plan in Austrian Group companies is based on the appropriation of a part of the salary and wage increase due to collective bargaining agreements over several business years. For the first time in the business year 2000/01, employees received voestalpine AG shares in return for a 1% lower salary or wage increase.

In each of the business years 2002/03, 2003/04, 2005/06, 2007/08, 2008/09, and 2014/15, between 0.3% and 0.5% of the total amount of wages and salaries required for the increase were used to provide voestalpine AG shares to employees. The actual amount is calculated from the monthly amount of wages and salaries waived, based on November 1, 2002, 2003, 2005, 2007, 2008, and 2014, applying an annual increase of 3.5%. In business years 2012/13 and 2013/14, an additional 0.3% and 0.27%, respectively, of the total amount of wages and salaries needed for the collective agreement pay increase for 2012 and 2013, respectively, were used to provide shares under the participation plan for those Austrian Group companies whose initial participation in the employee stock ownership plan had begun at a later date.

The Works Council and each company shall execute an agreement for implementation of the Austrian employee stock ownership plan. Shares are acquired by the voestalpine Mitarbeiterbeteiligung Privatstiftung (a private foundation for the

Company's employee shareholding scheme), which transfers the shares to employees according to the wages and salaries they have waived. The value of the consideration provided is independent of price fluctuations. Therefore, IFRS 2 does not apply to the allocation of shares based on lower collective bargaining agreements.

An international participation model was developed for Group companies outside Austria, which was initially implemented in several companies in Great Britain and Germany in the business year 2009/10. Due to very positive experience gained in these pilot projects, the model was expanded in these two countries and introduced step by step in the Netherlands, in Poland, in Belgium, in the Czech Republic and in Italy, in the following business years. In the business year 2014/15, a total of 67 companies participated in the international employee stock ownership program in these seven countries.

On March 31, 2015, the voestalpine Mitarbeiterbeteiligung Privatstiftung held approximately 13.6% (March 31, 2014: 14.0%) of voestalpine AG's shares in trust for employees.

C. Scope of consolidated financial statements

The consolidated Group (see "Investments" appendix to the notes) is defined in accordance with IFRS. In addition to the annual financial statements of voestalpine AG, the consolidated financial statements also include the financial statements of entities controlled by voestalpine AG (and its subsidiaries). Entities controlled by voestalpine AG which are not included in the financial statements of voestalpine AG, are negligible, both individually and collectively.

Subsidiaries are entities controlled by the Group. Control exists when the voestalpine Group has the power over the investee, is exposed to variable returns and has the ability to use its power over the investee to affect the amount of the investor's returns. The annual financial statements of subsidiaries are included in the consolidated financial statements as of the point in time at which the Group acquires control over the subsidiary and extends to the point in time at which the Group ceases to exercise control over the subsidiary.

Associates are entities over which the voestalpine Group has significant influence through participating in the financial and operating policy decisions, but not control or joint control of those policies. Joint ventures are joint arrangements in which partner companies (the voestalpine Group and one or more partners) exercise joint control over the arrangement and possess rights to the company's net assets. The annual financial statements of associates and joint ventures are included in the consolidated financial statements using the equity method from the acquisition date until disposal date. The Group's associates and joint ventures are listed in the "Investments" appendix to the notes.

Changes in scope of consolidated financial statements

The scope of consolidated financial statements changed as follows during the business year under review:

	Full consolidation	Proportionate consolidation	Equity method
As of April 1, 2014 as originally reported	295	2	11
Adjustment under IFRS 11		-2	2
As of April 1, 2014 retroactively adjusted	295	0	13
Acquisitions	1		
Change in consolidation method			
Acquisitions	8		
Disposals	-1		-1
Reorganizations	-7		
Divestments or disposals	-22		-1
As of March 31, 2015	274	0	11
Of which foreign companies	215	0	5

The following entities were deconsolidated during the business year 2014/15:

Name of entity	Date of deconsolidation
Full consolidation in the business year 2013/14	
Eschmann-Stahl Portugal-Acos Finos e Transformacao de Ferramentas, Unipessoal Lda. – em Liquidacao	June 30, 2014
voestalpine Treasury Holding GmbH	September 30, 2014
Flamco GmbH	July 31, 2014
Flamco s.a.r.l.	July 31, 2014
Flamco Flexcon B.V.	July 31, 2014
Flamco Flexcon Ltd.	July 31, 2014
Flamco STAG Behälterbau GmbH	July 31, 2014
Flamco Heating Accessories (Changshu) Co., Ltd.	July 31, 2014
Flamco AG	July 31, 2014
Flamco STAG GmbH	July 31, 2014
Flamco B.V.	July 31, 2014
Flamco Ltd.	July 31, 2014
Flamco Holding B.V.	July 31, 2014
Flamco Kft.	July 31, 2014
Flamco IMZ B.V.	July 31, 2014
Flamco Sp. z o.o.	July 31, 2014
W E M E F A Horst Christopeit Gesellschaft mit beschränkter Haftung	July 31, 2014
ASSAB Technology (Malaysia) Sdn Bhd	September 19, 2014
Eifeler France S.a.r.l.	October 31, 2014
voestalpine Polynorm Van Niftrik B.V.	November 26, 2014
voestalpine Polynorm Plastics B.V.	November 26, 2014
voestalpine Rotec France S.A.	November 27, 2014
voestalpine Rotec AB	February 6, 2015

Name of entity	Date of deconsolidation
Reorganization	
VA OMV Personalholding GmbH	April 1, 2014
Advanced Railway Systems GmbH	April 1, 2014
E B C Eifeler Beschichtungs - Center GmbH	April 1, 2014
Eifeler Nord Coating GmbH Entwicklungszentrum für Dünnschichttechnologien	April 1, 2014
Eifeler Süd-Coating GmbH	April 1, 2014
voestalpine Straßensicherheit GmbH	April 1, 2014
Uddeholm Holding AB	March 31, 2015
Proportionate consolidation in the business year 2013/14¹	
voestalpine Tubulars GmbH	April 1, 2014
voestalpine Tubulars GmbH & Co KG	April 1, 2014
Equity method in the business year 2013/14	
Herzog Coilex GmbH	September 26, 2014
Wuppermann Austria Gesellschaft m.b.H.	March 31, 2015

¹ Already retroactively adjusted due to the application of IFRS 11.

On July 4, 2014, the voestalpine Group agreed with the Dutch industrial group Aalberts Industries N.V. that it would sell all of its shares in the Flamco Group (part of the operating segment Metal Forming Division), headquartered in Bunschoten (NL). In the voestalpine consolidated financial statements, the Flamco Group is recorded as Heating & Installation Components, an independent entity, and the Group was deconsolidated in the second quarter of 2014/15. The sale ended as of August 13, 2014. The decisive factor behind the divestment was Flamco's increasingly strong divergence from the strategic core business of voestalpine (lack of synergies within the Metal Forming Division and significant differences in its customer portfolio compared to the other division companies). The Flamco Group has been part of the voestalpine Group for over a decade, and it develops, produces, and markets branded quality components for HVAC systems worldwide. Flamco has production facilities in the Netherlands, Germany, UK, and China. With almost 700 employees worldwide, most recently, the company generated annual revenue of around EUR 125 million.

The disposal had the following effect on the consolidated financial statements:

	Recognized values
Non-current assets	33.5
Current assets	51.8
Non-current provisions and liabilities	-5.6
Current provisions and liabilities	-22.4
Net assets	57.3
Result from the loss of control	58.0
Consideration received	115.3
Cash and cash equivalents disposed of	-4.7
Net cash inflow	110.6

In millions of euros

On September 30, 2014, the voestalpine Group agreed with the Austrian POLYTEC Group that it would sell all of its shares in voestalpine Polynorm Van Niftrik B.V and voestalpine Polynorm Plastics B.V. (together voestalpine Plastics Solutions). The sale ended as of November 26, 2014. These two entities are part of the operating segment Metal Forming Division, and they were deconsolidated in the third quarter of 2014/15. The decisive factor behind this sale was the company's rapidly increasing strategic divergence from voestalpine's core business. Last year, the Plastics Solutions business segment generated revenue of around EUR 120 million at the two Dutch sites Putte and Roosendaal and employed a staff of almost 700 persons. Its products include underbody paneling, acoustic, and exterior components for commercial vehicles as well as non-automotive products. The major customers are primarily European OEMs (original equipment manufacturers). In the future, these fields of application, including hybrid components, will be covered by strategic partnerships with global manufacturers.

The disposal had the following effect on the consolidated financial statements:

	Recognized values
Non-current assets	8.5
Current assets	41.6
Non-current provisions and liabilities	-6.9
Current provisions and liabilities	-23.7
Net assets	19.5
Result from the loss of control	-2.2
Consideration received	17.3
Cash and cash equivalents disposed of	-7.6
Net cash inflow	9.7

In millions of euros

The sale of the Swedish branch of the voestalpine Rotec Group was finalized on February 6, 2015. voestalpine Rotec AB was sold to Stalrör AB. The reason for the sale was consistent pursuit of corporate strategic alignment and focus on further-processed products. voestalpine Rotec AB employed 27 staff members and achieved annual sales amounting to roughly EUR 15.5 million. The core business of the Swedish subsidiary is in the field of tubes, primarily precision tubes and special steel tubes for the Scandinavian market. Stalrör specializes in trading activities with tubes (with a focus on hot-rolled tubes, hydraulic tubes) and services (stockholding). Having now sold voestalpine Rotec AB as a trade and services provider, the voestalpine Rotec Group can now focus more fully on strategic alignment in the field of further processing. The voestalpine Rotec locations in Austria and Poland will still supply products to the Swedish company in the future. All staff members of voestalpine Rotec AB will continue their employment in the future.

The disposal had the following effect on the consolidated financial statements:

	Recognized values
Non-current assets	0.3
Current assets	5.4
Non-current provisions and liabilities	0.0
Current provisions and liabilities	-2.1
Net assets	3.6
Result from the loss of control	1.5
Consideration received	5.1
Portion of selling price not yet paid	-0.4
Cash and cash equivalents disposed of	-0.3
Net cash inflow	4.4

In millions of euros

D. Acquisitions and other additions to the scope of consolidated financial statements

The following entities were included in the consolidated financial statements for the first time during the business year 2014/15:

Name of entity	Interest in %	Date of initial consolidation
Full consolidation		
voestalpine Böhler Welding UTP Maintenance GmbH	100.000%	April 1, 2014
voestalpine Böhler Welding Trading Asia Pacific Singapore	100.000%	April 1, 2014
voestalpine Automotive Bodyparts Shenyang Co., Ltd.	100.000%	July 8, 2014
voestalpine Rail Center Königsborn GmbH	100.000%	September 1, 2014
voestalpine Wire Austria GmbH	100.000%	September 6, 2014
voestalpine Railway Systems (Thailand) Co., Ltd.	99.950%	September 26, 2014
voestalpine Böhler Welding Northeast Asia Ltd.	100.000%	October 30, 2014
voestalpine Trafilerie Industriali S.p.A.	100.000%	December 19, 2014
voestalpine Wire (Suzhou) Co., Ltd.	100.000%	March 4, 2015
Equity method¹		
voestalpine Tubulars GmbH	50.000%	April 1, 2014
voestalpine Tubulars GmbH & Co KG	49.985%	April 1, 2014

¹ Already retroactively adjusted due to the application of IFRS 11.

Additions to the scope of consolidated financial statements of fully consolidated entities include one acquisition, seven newly established subsidiaries, and one spin-off. voestalpine Tubulars GmbH and voestalpine Tubulars GmbH & Co KG were proportionately consolidated up to March 31, 2014, and, beginning with the business year 2014/15, the equity method is being applied.

In accordance with IFRS 3, the acquired companies are included in the consolidated financial statements at the fair value carried forward of the acquired assets, liabilities, and contingent liabilities determined as of the acquisition date, including depreciation and amortization as appropriate. The carrying amount of the non-controlling interests is determined based on the fair values carried forward for the assets and liabilities acquired. Because of time constraints and the fact that not all valuations have been completed, in accordance with IFRS 3, property, plant and equipment, intangible assets, inventories, and provisions—and consequently goodwill as well—should be considered provisional.

The increase of majority interests is treated as a transaction between owners. The difference between the costs of acquisition for the additional shares and the pro-rated carrying value of the non-controlling interests is recognized directly in equity. During the reporting period, EUR 9.9 million (2013/14: EUR 6.2 million) was paid for the acquisition of non-controlling interests or provisions were formed for the payment thereof. Non-controlling interests amounting to EUR 7.6 million (2013/14: EUR 4.1 million) were derecognized, and the remaining amount of EUR 2.3 million (2013/14: EUR 2.1 million) was recognized directly in equity.

Put options granted to non-controlling shareholders in exchange for their shares in Group companies are recorded in the statement of financial position as liabilities stated at fair value. If the risks and rewards associated with ownership of a non-controlling interest have already been transferred at the time the majority interest was acquired, an acquisition of 100% of the entity is assumed. If, however, the risks and rewards have not been transferred, the non-controlling interest continues to be shown in equity. The liability is covered by a direct transfer from retained earnings with no effect on profit or loss (double credit approach).

Outstanding put options, which are offset against equity, had a fair value of EUR 0.6 million (March 31, 2014: EUR 5.7 million) as of March 31, 2015. For the purposes of the valuation, the discounted cash flow method was applied, taking the contractual maximum limits into account. Input factors in the discounted cash flow method include but are not limited to the medium-term business plan and the discount rate.

voestalpine Wire Technology GmbH, a company in the Metal Engineering Division of the voestalpine Group, has acquired 100% of Italian company Trafilerie Industriali S.p.A., a specialist in the production of drawn wire. It has a staff of around 80 employees and generated annual revenue of EUR 43.8 million in 2013. In acquiring Trafilerie Industriali S.p.A., voestalpine Wire Technology GmbH is gaining a leading Italian manufacturer of wire that produces around 50,000 tons annually. voestalpine Wire Technology GmbH is thereby extending its own portfolio of drawn and blank wire, further investing in the value creation chain of premium quality merchandise for the automobile industry, while at the same time bolstering its market position in Italy. The company now operates under the name voestalpine Trafilerie Industriali S.p.A.

As part of an asset deal, the Metal Engineering Division acquired the corresponding production facilities at the Königsborn location, and integrated them into the newly established voestalpine Rail Center Königsborn GmbH. As part of the transaction, 25 employees were taken over. Through this asset deal, the rail service offerings of the division in Germany have been further built up.

In the fourth quarter of the business year, the takeover of the Australian company Bathurst Rail Fabrication Centre (BRFC) was completed, through which the business segment Turnout Systems was able to further build up its leading market position in Australia. This specialist in high quality welded rails, switches, and track components employs approximately 47 persons, and most recently achieved annual sales of approximately EUR 34 million. With its switch and track welding facility, BRFC is the central railroad expertise center for Sydney Trains, which in turn operates a large part of the railway network of the Australian state of New South Wales. Through the acquisition of BRFC, one of the five largest railway system providers in Australia, the business segment Turnout Systems has expanded its product and customer portfolio in the direction of passenger and commuter transportation as well toward the heavy-haul sector, which is important there.

These three acquisitions had the following effect on the consolidated financial statements:

	Recognized values
Non-current assets	33.9
Current assets	31.5
Non-current provisions and liabilities	-3.7
Current provisions and liabilities	-16.8
Net assets	44.9
Goodwill	7.3
Costs of acquisition	52.2
Cash and cash equivalents acquired	-0.1
Net cash outflow	52.1

In millions of euros

The goodwill of EUR 7.3 million includes EUR 7.1 million from the acquisition of Trafilerie Industriali S.p.A. This is due to the profit potential of the company, which is not a capitalizable cost according to IFRS, including specifically the extensive technical expertise and the outstanding sales expertise of the employees. This goodwill is assigned to "Wire Technology," the unit which carries the goodwill. It is not expected that any parts of the acquired goodwill will be eligible for corporate tax deductions.

Since their initial consolidation, this acquisition has contributed revenue of EUR 14.8 million to consolidated revenue. Its share of the Group's profit for the period was EUR 0.6 million for the same period. The consolidated revenue would have been EUR 81.2 million higher and the Group's profit for the period would have been EUR 5.0 million higher if the acquisitions had been consolidated as of April 1, 2014.

Fair values were applied for trade receivables in the amount of EUR 14.0 million and other receivables in the amount of EUR 0.1 million as part of the acquisition of Trafilerie Industriali S.p.A. Any receivables associated with all the acquisitions that are likely to be uncollectible are considered immaterial and negligible.

Acquisition-related costs of EUR 0.5 million were recognized under other operating expenses for this acquisition.

With regard to the aforementioned acquisitions, it can be assumed that tax deductions can be claimed for portions of the recognized goodwill insofar as they are deductible for corporate income tax purposes under current law. This has not yet been determined. However, the amounts are immaterial and negligible for the voestalpine consolidated financial statements.

E. Investments in associates and joint ventures

Shares in material joint ventures

Specifics regarding material joint ventures of the voestalpine Group are enumerated in the following remarks:

Name of the joint venture	Main business	Domicile	Share	
			03/31/2014	03/31/2015
voestalpine Tubulars GmbH & Co KG	Seamless steel tubes	Kindberg, Austria	49.985%	49.985%

In voestalpine Tubulars GmbH & Co KG, the company Grant Prideco European Holding LLC (subsidiary of the U.S.-based group National Oilwell Varco, Inc. with expertise in the segments drill pipes and premium pipe couplings) is merging with voestalpine Bahnsysteme Vermögensverwaltungs GmbH which possesses corresponding expertise in the steel field through its subsidiary, voestalpine Stahl Donawitz GmbH, and supplies the relevant precursor materials in compliance with exacting quality requirements, and voestalpine Tubulars GmbH & Co KG, which possesses years of cumulative skill in the production of oilfield pipes and untreated green pipes to implement production of premium oilfield pipes and exploit joint accesses to the market. Decisions regarding significant activities require the unanimous consent of the parties sharing control (voestalpine Bahnsysteme Vermögensverwaltungs GmbH and Grant Prideco European Holding LLC); this means that the requirements for a joint venture exist in which control is exercised jointly by several shareholders. voestalpine Tubulars GmbH & Co KG is a strategic partner of the voestalpine Group. The joint venture identified above is included in the voestalpine consolidated financial statements using the equity method. voestalpine Tubulars GmbH is significant for the structure of the joint venture voestalpine Tubulars GmbH & Co KG

(it functions as a management body), yet does not play a material role for the voestalpine Group and is therefore presented in immaterial joint ventures.

The summarized financial information for this material joint venture, which corresponds to the statements prepared in accordance with IFRS, as well as the reconciliation of this financial information to the carrying amount of the share in this joint venture, is broken down in the voestalpine consolidated financial statements as follows. This information is related to 100% of the voestalpine Tubulars GmbH & Co KG, not to the interest held by the voestalpine Group.

	2013/14	2014/15
Revenue	554.6	574.5
Profit for the period ¹	107.1	101.3
of which depreciation/amortisation	-9.6	-10.3
of which interest income	0.1	0.1
of which interest expenses	-1.5	-1.9
of which tax expense	0.5	-4.5
Other comprehensive income	2.8	-14.2
Comprehensive income	109.9	87.1

¹ Of this, after reclassifying the tax expense of EUR 10.8 million (2013/14: EUR 13.4 million) on a pro rata basis, EUR 39.8 million (2013/14: EUR 40.1 million) will be recorded in EBIT.

In millions of euros

	03/31/2014	03/31/2015
Non-current assets	62.3	67.2
Current assets	187.6	193.0
of which cash and cash equivalents	0.1	0.3
Non-current provisions and liabilities	27.4	34.5
of which non-current financial liabilities	0.2	0.2
Current provisions and liabilities	55.5	77.7
of which current financial liabilities	0.2	0.2
Net assets (100%)	167.0	148.0
Group share of net assets of the joint venture at the beginning of the business year	79.6	83.5
Share of comprehensive income	55.0	43.5
Dividends received	-51.1	-53.0
Group share of net assets of the joint venture at the end of the business year	83.5	74.0
Elimination of profits from intra-Group sales	-2.5	-2.3
Carrying amount of the joint venture at the end of the business year	81.0	71.7
Dividends received	51.1	53.0

In millions of euros

Shares in immaterial joint ventures

The profit from the joint ventures voestalpine Tubulars GmbH, Jiaxing NYC Industrial Co., Ltd, and CNTT Chinese New Turnout Technologies Co., Ltd., which are individually immaterial for the voestalpine consolidated financial statements, is included using the equity method and break down as follows. Interests held are presented in the appendix to the Notes on "Investments." This information is related to the interest held by the voestalpine Group in immaterial joint ventures.

	2013/14	2014/15
Group share of		
Profit for the period	1.8	7.8
Other comprehensive income	-1.7	6.8
Comprehensive income	0.1	14.6
Carrying amount immaterial joint ventures	19.3	30.3

In millions of euros

voestalpine Giesserei Linz GmbH holds 51.0% of shares in Jiaxing NYC Industrial Co., Ltd. The articles of association require at least one vote from another partner for all significant decisions (budget, investments). From this is deduced that despite a 51.0 percent interest, control is not exercised in the interest.

Two companies of the voestalpine Group hold 50% of CNTT Chinese New Turnout Technologies Co., Ltd. Given the alternating right to appoint the CEO (between the joint venture partner and voestalpine) who is empowered to render decisions in all material respects, CNTT Chinese New Turnout Technologies Co., Ltd. has so far been considered a company under joint control, and included in the voestalpine consolidated financial statements through March 31, 2015 according to the equity method.

Shares in immaterial associates

The profit from associates that are individually immaterial for the voestalpine consolidated financial statements are included using the equity method and break down as follows. This information is related to the interest held by the voestalpine Group in associates.

	2013/14	2014/15
Group share of		
Profit for the period	10.2	12.5
Other comprehensive income	-2.2	7.9
Comprehensive income	8.0	20.4
Carrying amount immaterial associates	114.4	117.1

In millions of euros

Associates and interests held in them are presented in the appendix to the Notes on "Investments."

F. Acquisitions after the reporting period

On April 8, 2015, effective as of April 1, 2015, voestalpine Bahnsysteme Vermögensverwaltungs GmbH and Grant Prideco European Holding LLC rewrote almost every existing contractual agreement relating to the control and management structure of voestalpine Tubulars GmbH & Co KG. At the same time, it was agreed to increase the shares of the voestalpine Bahnsysteme Vermögensverwaltungs GmbH in the managing general partner of the GmbH from 50.0% to 57.5%.

The company is presented in the current consolidated financial statements as a joint venture between Grant Prideco European Holding LLC (subsidiary of the U.S.-based group National Oilwell Varco, Inc. with expertise in the segments drill pipes and premium pipe couplings) and voestalpine Bahnsysteme Vermögensverwaltungs GmbH which, through its subsidiary voestalpine Stahl Donawitz GmbH, has applicable steel expertise and can prepare the pre-material necessary for the high quality demands. The headquarters and production location of voestalpine Tubulars GmbH & Co KG is located in Kindberg, Austria. The company has sales offices in the US and in the Near East.

As a result of the basic reworking of the key contractual agreements connected to the clear shifting of the general partner's share ownership in the GmbH, starting from April 2015 the situation of control in accordance with IFRS 10.6 will be fulfilled, since operating control is thereby possible in accordance with the interests of voestalpine.

This includes control over the budget (in the sense of setting the controlling operating conditions for management), including the supply of intermediate materials, tax and financial policy, and fundamental marketing activities. With the changes of the contractual agreements, voestalpine Bahnsysteme Vermögensverwaltungs GmbH will in future be able to implement all essential operating affairs in its interest, both in the management board and in the supervisory board (in connection with the decisive vote cast by the chairman).

Because the agreements were made after the reporting date, due to time constraints and in accordance with IFRS 3, these items are to be considered provisional: property, plant and equipment, intangible assets, inventories, and provisions—and consequently the item of goodwill.

The fair values of the identifiable assets and liabilities of voestalpine Tubulars GmbH & Co KG are expected to be as follows when control is extended (effective in the business year 2015/16):

	Recognized values
Non-current assets	232.1
Current assets	212.8
Non-current provisions and liabilities	-80.3
Current provisions and liabilities	-77.7
Net assets	286.9
Addition of non-controlling interests	-143.5
Goodwill	67.2
Costs of acquisition	210.6
Cash and cash equivalents acquired	-0.4
Fair value of investments of previously recognized joint ventures	-198.3
Non-cash compensation	-12.3
Net cash inflow	-0.4

In millions of euros

The goodwill of EUR 67.2 million results from the profit potential of the company, which cannot be allocated to individual capitalizable items according to IFRS, in particular the extensive technical expertise and the excellent sales expertise of the employees. The goodwill is assigned completely to the "Tubulars" unit, which carries the goodwill. It is not expected that any parts of the included goodwill will be eligible for corporate tax deductions.

Prior shares are included as a joint venture using the equity method. Directly before control is achieved, the prior shares will be reassessed at fair value. This will result in proceeds of EUR 125.0 million, which will be considered as income in the consolidated financial statements of the business year 2015/16. Using the hidden reserves will result in an expense of EUR 41.9 million in the business year 2015/16.

As part of the acquisition, the following are being taken over at fair value: trade receivables—EUR 46.3 million (gross carrying amount EUR 46.3 million); receivables from finance and clearing—EUR 56.9 million (gross carrying amount EUR 56.9 million); and other receivables—EUR 8.0 million (gross carrying amount EUR 8.0 million). The amount of receivables that are expected to be uncollectible can be considered immaterial.

Effective April 1, 2015, the basic rewriting of the key contractual agreements concerning CNTT Chinese New Turnout Technologies Co., Ltd. now reflects the factual control in accordance with IFRS 10.6. 50% of CNTT Chinese New Turnout Technologies Co., Ltd. is held by two voestalpine companies. Because of the prior alternating nomination right for the CEO (between the joint venture partner and voestalpine), who had the power of decision in essential matters, CNTT Chinese New Turnout Technologies Co., Ltd. was previously treated as a company under joint control and, until March 31, 2015, included in the voestalpine consolidated financial statements using the equity method. Because of a change in the articles of association, from now on the "Board of Directors" will have decision-making power; this board has a majority of representatives from voestalpine. Consequently, starting April 1, 2015, CNTT Chinese New Turnout Technologies Co., Ltd. will be fully consolidated.

The fair value of the identifiable assets and liabilities of CNTT Chinese New Turnout Technologies Co., Ltd. is expected to be as follows when control is achieved (effective in the business year 2015/16):

	Recognized values
Non-current assets	24.1
Current assets	82.3
Non-current provisions and liabilities	-1.5
Current provisions and liabilities	-46.1
Net assets	58.8
Addition of non-controlling interests	-29.4
Goodwill	0.2
Costs of acquisition	29.6
Cash and cash equivalents acquired	-23.9
Fair value of investments of previously recognized joint ventures	-29.6
Net cash inflow	-23.9

In millions of euros

The goodwill of EUR 0.2 million results from the profit potential of the company, which according to IFRS cannot be allocated to individual capitalizable items. The goodwill is assigned completely to the "Turnout Systems" unit, which carries the goodwill. It is not expected that any parts of the included goodwill will be eligible for corporate tax deductions.

Prior shares are included as a joint venture using the equity method. Directly before control is achieved, the prior shares will be reassessed at fair value. This will result in proceeds of EUR 12.2 million, including a recycling of currency translation differences, which will be considered as income in the consolidated financial statements of the business year 2015/16. Using the hidden reserves will result in a depreciation of EUR 3.6 million in the business year 2015/16.

As part of the acquisition, the following are taken over at fair value: trade receivables—EUR 23.3 million (gross carrying amount EUR 23.3 million); and other receivables—EUR 0.1 million (gross carrying amount EUR 0.1 million). The amount of receivables that are expected to be uncollectible can be considered immaterial.

G. Explanations and other disclosures

1. Revenue

The breakdown of the revenue is reported as follows:

	2013/14	2014/15
Revenues from the sale of products (including services)	10,845.1	11,009.2
Revenue from construction contracts	232.1	180.3
Revenue	11,077.2	11,189.5

In millions of euros

2. Operating segments

The voestalpine Group operates in five reportable segments: Steel Division, Special Steel Division, Metal Engineering Division, Metal Forming Division, and Other. The reporting system, which is based primarily on the nature of the products provided, reflects the internal financial reporting, the management structure of the organization, and the Company's predominant sources of risks and rewards.

The Steel Division focuses on the production and processing of flat steel products for the automotive, white goods, and construction industries. This division is global leader in quality in highest quality strip steel and is global market leader in heavy plate for the most sophisticated applications as well as in casings for large turbines. The division produces and processes hot- and cold-rolled steel as well as electrogalvanized, hot-dip galvanized, and organically coated plate and electrical steel strip. Its other activities include heavy plate production, a foundry, and a number of downstream processes.

The Special Steel Division is the global market leader in the sector of tool steel and high-speed steel. In the segment of special alloys for the oil and natural gas industries, the aerospace industry, and the energy engineering industry, the Special Steel Division holds a leading position on the global market. The companies of the Special Steel Division are leading providers of forging technology, both in the open die forging segment and in the drop forgings segment. The main customer groups for all of the division's most important product segments are primarily the automotive industry, the aerospace industry, the oil and natural gas industries, the energy engineering industry, and the entire tool industry.

The Metal Engineering Division is worldwide market leader in turnout technology; European market leader in rails and specially treated wire; and has a leading position in seamless tubes for special applications and high-quality welding consumables. The division manufactures the world's widest range of high-quality rails and turnout products, high-quality rod wire, drawn wire, premium seamless tubes, and welding filler materials. Furthermore, the division offers an extensive range of services in the rail and turnout sectors. Moreover, the Metal Engineering Division has access to its own steel production.

The Metal Forming Division is the expertise center at voestalpine for highly developed special sections, tube products, and precision strip steel as well as pre-finished system components made from pressed, punched, and roll-profiled parts. This combination of expertise in materials and processing is unique in the industry, and with its global presence, the division is the first choice for customers who value innovation and quality. These customers include nearly all leading manufacturers in the automobile manufacture and supply industry, with a significant focus on the premium segment, as well as several companies in the commercial vehicle, construction, storage, energy and (agricultural) equipment industry.

The holding company, several Group financing and raw materials purchasing companies as well as one personal service company and the group-IT companies are included in the segment Other. These companies are combined in this segment because their focus is on providing coordination services and assistance to the subsidiaries.

Segment revenue, segment expenses, and segment results include transfers between operating segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar products. These transactions have been eliminated in the consolidated financial statements.

The voestalpine Group uses EBIT as the key figure to measure the performance of the segments. In the voestalpine Group, this figure is a widely accepted indicator for measuring profitability.

The operating segments of the Group are as follows:

Operating segments

	Steel Division		Special Steel Division	
	2013/14	2014/15	2013/14	2014/15
Segment revenue	3,809.7	3,873.9	2,627.9	2,777.4
Of which revenue with third parties	3,521.0	3,578.9	2,577.1	2,723.8
Of which revenue with other segments	288.7	295.0	50.8	53.6
EBITDA	402.0	450.3	358.5	407.0
Depreciation and amortization of property, plant and equipment and intangible assets	232.9	242.3	134.1	153.3
Of which impairment	0.0	0.0	0.0	16.3
Reversal of impairment of property, plant and equipment and intangible assets	0.0	0.0	0.0	0.6
Share of profit of entities consolidated according to the equity method	9.1	11.8	0.0	0.0
EBIT	169.1	208.0	224.4	253.7
EBIT margin	4.4%	5.4%	8.5%	9.1%
Interest and similar income	0.8	0.4	7.5	5.6
Interest and similar expenses	34.5	42.3	41.9	54.1
Income tax expense	-18.2	-24.9	-57.5	-60.6
Profit for the period	117.1	140.1	137.1	145.2
Segment assets	3,880.4	4,405.3	3,871.1	4,005.7
Of which investments in entities consolidated according to the equity method	102.1	105.3	0.0	0.0
Net financial debt	1,210.9	1,465.2	784.1	822.9
Investments in property, plant and equipment and intangible assets	447.4	570.6	181.5	159.3
Employees (full-time equivalent)	11,192	11,103	12,885	13,490

Metal Engineering Division		Metal Forming Division		Other		Reconciliation		Total Group	
2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
2,673.2	2,593.0	2,356.9	2,335.2	1,492.2	1,201.0	-1,882.7	-1,591.0	11,077.2	11,189.5
2,644.8	2,567.1	2,325.5	2,302.4	8.8	17.3	0.0	0.0	11,077.2	11,189.5
28.4	25.9	31.4	32.8	1,483.4	1,183.7	-1,882.7	-1,591.0	0.0	0.0
418.3	419.8	276.4	331.3	-77.4	-80.3	-3.8	2.1	1,374.0	1,530.2
113.4	127.8	94.1	112.9	11.1	7.6	0.0	0.0	585.6	643.9
3.5	15.9	2.3	19.1	0.0	0.0	0.0	0.0	5.8	51.3
0.0	0.0	0.0	2.3	0.0	0.0	0.0	0.0	0.0	2.9
41.7	47.1	0.0	0.0	0.6	0.6	0.7	0.7	52.1	60.2
304.9	292.1	182.3	220.7	-88.5	-88.0	-3.8	-0.2	788.4	886.3
11.4%	11.3%	7.7%	9.5%					7.1%	7.9%
2.2	2.0	3.0	1.7	91.0	191.3	-75.2	-176.5	29.3	24.5
28.1	33.9	23.1	29.1	129.2	242.5	-77.1	-220.1	179.7	181.8
-64.0	-62.9	-36.1	-25.3	37.7	35.1	0.7	-8.1	-137.4	-146.7
215.2	197.5	126.1	168.1	636.5	297.7	-728.6	-354.4	503.4	594.2
2,538.7	2,775.0	2,011.2	2,025.2	10,193.0	10,390.6	-9,859.5	-10,306.9	12,634.9	13,294.9
98.7	99.1	0.0	0.0	5.2	5.5	8.7	9.2	214.7	219.1
420.0	654.2	426.9	400.6	-448.9	-397.5	28.4	32.7	2,421.4	2,978.1
164.2	267.8	130.6	169.8	12.3	8.8	-0.5	0.1	935.5	1,176.4
11,217	11,685	11,416	10,328	775	812	0	0	47,485	47,418

In millions of euros

The reconciliation of the key figures EBITDA and EBIT are shown in the following tables:

EBITDA	2013/14	2014/15
Net exchange differences incl. result from valuation of derivatives	-5.3	-1.4
Consolidation	-0.1	0.0
Other	1.6	3.5
EBITDA – Total reconciliation	-3.8	2.1

In millions of euros

EBIT	2013/14	2014/15
Net exchange differences incl. result from valuation of derivatives	-5.3	-1.4
Consolidation	-0.1	0.0
Other	1.6	1.2
EBIT – Total reconciliation	-3.8	-0.2

In millions of euros

All other key figures contain solely the effects of consolidation.

Geographical information

The following table provides selected financial information subsumed into the major geographical areas. External revenue is allocated by geographical location of the customers' companies. Non-current assets and investments are reported by the geographical location of the companies.

	Austria		European Union		Other countries	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
External revenue	1,227.9	1,154.2	6,952.2	6,982.2	2,897.1	3,053.1
Non-current assets	4,495.2	4,793.2	1,634.4	1,542.2	620.3	1,015.1
Investments in property, plant and equipment and intangible assets	599.1	599.8	182.0	230.9	154.4	345.7

In millions of euros

The voestalpine Group does not record any revenue from transactions with a single external customer amounting to 10% or more of the entity's revenue.

3. Other operating income

	2013/14	2014/15
Gains on disposal and appreciation of intangible assets, property, plant and equipment	15.7	7.2
Income from reversal of provisions	75.1	49.9
Exchange profits	25.7	98.8
Income from the valuation of derivatives	2.0	16.0
Other operating income (incl. gains from deconsolidation)	240.6	282.5
	359.1	454.4

In millions of euros

In the business year 2014/15, operating income of EUR 88.6 million (2013/14: EUR 81.1 million) from the sale of products not generated in the course of ordinary activities is included in other operating income.

4. Other operating expenses

	2013/14	2014/15
Taxes other than income taxes	19.1	21.6
Losses on disposal of property, plant and equipment	24.9	6.9
Exchange losses	26.0	73.8
Expenses from the valuation of derivatives	5.0	1.2
Other operating expenses (incl. losses from deconsolidation)	218.6	218.3
	293.6	321.8

In millions of euros

5. Share of profit of entities consolidated according to the equity method

	2013/14	2014/15
Income from associates	12.0	12.5
Expenses from associates	-1.8	0.0
Income from joint ventures	41.9	47.7
Expenses from joint ventures	0.0	0.0
	52.1	60.2

In millions of euros

Income from associates is primarily attributable to Herzog Coilex GmbH, METALSERVICE S.P.A., and GEORG FISCHER FITTINGS GmbH. Income from joint ventures is primarily attributable to voestalpine Tubulars GmbH & Co KG. All income from entities consolidated according to the equity method are the pro rata profits for the period (net including taxes)—see also Chapter B. Summary of accounting policies, section general information.

6. Finance income

	2013/14	2014/15
Income from investments	8.2	3.6
<i>Of which from affiliates</i>	1.5	1.8
Income from other long-term securities and loans	10.0	8.1
<i>Of which from affiliates</i>	0.0	0.0
Other interest and similar income	19.3	16.4
<i>Of which from affiliates</i>	0.2	0.2
Income from disposals and fair value measurements of investment at fair value through profit or loss	3.1	15.9
	40.6	44.0

In millions of euros

7. Finance costs

	2013/14	2014/15
Expenses from other financial assets		
Valuation of securities	4.9	3.2
Expenses from affiliates	0.2	0.0
Other expenses	3.4	4.4
	8.5	7.6
Other interest and similar expenses	179.7	181.8
<i>Of which from affiliates</i>	<i>0.1</i>	<i>0.0</i>
	188.2	189.4

In millions of euros

8. Income taxes

Income taxes include income taxes paid and owed as well as deferred taxes (+ income tax expense/ – income tax benefit).

	2013/14	2014/15
Current tax expense	101.3	126.1
Effective tax expense	101.6	123.6
Adjustments of taxes from previous periods	0.4	2.5
Recognition of tax losses from prior periods	–0.7	0.0
Deferred tax expense	36.1	20.6
Origination/reversal of temporary differences	37.3	18.8
Adjustments of taxes from previous periods	–3.2	3.7
Impact of changes in tax rates	1.0	2.6
Recognition of tax losses from prior periods	1.0	–4.5
	137.4	146.7

In millions of euros

The changes in tax rates apply solely to foreign taxes.

The following reconciliation shows the difference between the Austrian corporate tax rate of 25% and the effective Group tax rate:

	2013/14		2014/15	
Profit before tax		640.8		740.9
Income tax using the Austrian corporate tax rate	25.0%	160.2	25.0%	185.2
Difference to foreign tax rates	1.6%	10.7	1.1%	8.4
Non-taxable income and expenses	-2.6%	-16.9	-5.8%	-42.7
Non-taxable income from investments	-2.2%	-14.1	-2.0%	-14.9
Effects of depreciation of investments and utilization of previously unrecognized losses carried forward and non-recognition of losses carried forward, respectively	-1.2%	-7.8	-0.6%	-4.3
Taxes from previous periods	-0.4%	-2.8	0.9%	6.2
Own shares	0.0%	0.2	0.0%	0.0
Other differences	1.2%	7.9	1.2%	8.8
Effective Group tax rate (%)/income tax expense	21.4%	137.4	19.8%	146.7

In millions of euros

9. Property, plant and equipment

	Land, land rights, and buildings	Plant and equipment	Fixtures and fittings	Advance payments and plant under construction	Total
Gross carrying amount	2,642.8	8,728.5	983.0	460.8	12,815.1
Accumulated depreciation and impairment	-1,305.3	-6,198.8	-757.0	-0.2	-8,261.3
Carrying amount as of April 1, 2013	1,337.5	2,529.7	226.0	460.6	4,553.8
Gross carrying amount	2,694.2	8,846.8	1,009.0	675.4	13,225.4
Accumulated depreciation and impairment	-1,339.5	-6,378.8	-764.7	-0.6	-8,483.6
Carrying amount as of March 31, 2014	1,354.7	2,468.0	244.3	674.8	4,741.8
Gross carrying amount	2,851.5	9,361.1	1,022.3	939.9	14,174.8
Accumulated depreciation and impairment	-1,390.7	-6,692.1	-762.8	-0.8	-8,846.4
Carrying amount as of March 31, 2015	1,460.8	2,669.0	259.5	939.1	5,328.4

In millions of euros

The following table shows a reconciliation of the carrying amounts of property, plant and equipment for the periods presented in the consolidated financial statements as of March 31, 2015:

	Land, land rights, and buildings	Plant and equipment	Fixtures and fittings	Advance payments and plant under construction	Total
Carrying amount as of April 1, 2013	1,337.5	2,529.7	226.0	460.6	4,553.8
Changes in the scope of consolidated financial statements	7.9	5.3	2.3	0.3	15.8
Additions	67.1	245.2	66.5	487.7	866.5
Transfers	53.1	183.2	16.9	-257.7	-4.5
Disposals	-22.3	-24.8	-3.1	-3.7	-53.9
Depreciation	-64.0	-422.3	-59.3	-0.1	-545.7
Impairment	-2.8	-2.8	-0.2	0.0	-5.8
Reversal of impairment	0.0	0.0	0.0	0.0	0.0
Net exchange differences	-21.8	-45.5	-4.8	-12.3	-84.4
Carrying amount as of March 31, 2014	1,354.7	2,468.0	244.3	674.8	4,741.8
Changes in the scope of consolidated financial statements	8.7	1.8	0.3	-1.9	8.9
Additions	65.1	275.7	65.0	693.0	1,098.8
Transfers	83.5	393.2	12.9	-492.8	-3.2
Disposals	-0.3	-7.0	-1.0	-2.3	-10.6
Depreciation	-67.3	-430.9	-62.5	-0.2	-560.9
Impairment	-6.2	-43.0	-1.2	0.0	-50.4
Reversal of impairment	1.4	1.3	0.2	0.0	2.9
Net exchange differences	21.2	9.9	1.5	68.5	101.1
Carrying amount as of March 31, 2015	1,460.8	2,669.0	259.5	939.1	5,328.4

In millions of euros

As of March 31, 2015, restrictions on the disposal of property, plant and equipment amounted to EUR 13.9 million (March 31, 2014: EUR 19.2 million). Furthermore, as of March 31, 2015, commitments for the purchase of property, plant and equipment amounted to EUR 698.1 million (March 31, 2014: EUR 509.3 million).

Borrowing costs related to qualifying assets in the amount of EUR 13.9 million (2013/14: EUR 9.2 million) were capitalized in the reporting period. The calculation was based on an average borrowing cost rate of 3.5% (2013/14: 4.0%).

As of March 31, 2015, the gross carrying amount and accumulated depreciation of investment properties (IAS 40) are reported as follows:

	03/31/2014	03/31/2015
Gross carrying amount	25.0	25.2
Accumulated depreciation and impairment	-9.9	-10.0
Carrying amount	15.1	15.2

In millions of euros

The following table shows a reconciliation of the carrying amounts of investment properties for the periods presented in the consolidated financial statements as of March 31, 2015:

	2013/14	2014/15
Carrying amount as of April 1	27.4	15.1
Additions	0.5	0.0
Disposals	-10.9	0.0
Depreciation	-1.9	0.0
Net exchange differences	0.0	0.1
Carrying amount as of March 31	15.1	15.2

In millions of euros

Investment properties are measured at cost. Depreciation is recorded in line with the general accounting policies for property, plant and equipment. Based on comparable sales transactions, the market value of these assets is estimated at EUR 16.6 million (March 31, 2014: EUR 16.8 million). Rental income and expenses for investment properties are immaterial.

The carrying amount for each class of asset under finance leases is reported as follows:

	Property, plant and equipment				Intangible Assets	Total
	Land, land rights, and buildings	Plant and equipment	Fixtures and fittings	Advance payments and plant under construction		
2013/14						
Gross carrying amount	69.6	37.8	2.6	1.0	1.0	112.0
Accumulated depreciation and impairment	-27.9	-24.5	-1.2	0.0	-1.0	-54.6
Carrying amount	41.7	13.3	1.4	1.0	0.0	57.4
2014/15						
Gross carrying amount	70.3	37.8	3.1	0.0	1.0	112.2
Accumulated depreciation and impairment	-27.3	-25.2	-1.7	0.0	-1.0	-55.2
Carrying amount	43.0	12.6	1.4	0.0	0.0	57.0

In millions of euros

The present value of the minimum finance lease payments is due as follows:

	Minimum finance lease payments		Discounts on finance lease payments		Present value of the minimum finance lease payments	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
Less than one year	7.5	7.6	-1.7	-1.6	5.8	6.0
Between one and five years	21.4	27.2	-4.9	-2.9	16.5	24.3
More than five years	17.1	7.3	-0.8	-0.8	16.3	6.5
	46.0	42.1	-7.4	-5.3	38.6	36.8

In millions of euros

The most significant finance lease agreements for buildings and production plants have a remaining term between four and nine years. Thereby, the Group has the option to purchase the plants at the end of the contracted period or renew the contract.

In addition to finance leases, obligations also exist under operating leases for property, plant and equipment that are not reported on the statement of financial position. These obligations are due as follows:

	2013/14	2014/15
Less than one year	45.0	50.5
Between one and five years	104.8	110.0
More than five years	52.9	49.0
	202.7	209.5

In millions of euros

Payments of EUR 61.0 million (2013/14: EUR 53.9 million) under operating leases have been recognized as expenses.

The most significant operating lease agreements are related to land and buildings with a lease term between 15 and 50 years and with a renewal option in certain cases. At the end of the lease term there are purchase options at fair value. There are no restrictions concerning dividends, additional debt, and further leases.

Reconciliation of depreciation, amortization and impairment of property, plant and equipment and intangible assets by functional area

	2013/14	2014/15
Cost of sales	525.0	565.9
Distribution costs	19.3	20.7
Administrative expenses	22.1	21.1
Other operating expenses	19.2	36.2
	585.6	643.9

In millions of euros

Impairment losses and reversal of impairment losses

In the current business year, a write-down to the net fair value as part of the deconsolidation of voestalpine Plastics Solutions amounting to a total of EUR 13.9 million and impairment losses on a cash generating unit in Russia that is engaged in the production of profiles amounting to EUR 5.2 million were recognized under profit and loss in the Metal Forming Division. They are recognized under other operating expenses. Impairment losses were recognized on the activities in Russia due to the weak market environment. The recoverable amount from this cash generating unit is EUR 4.4 million.

In the Special Steel Division, impairment losses of EUR 16.3 million were recognized in one forging line (=cash generating unit) under property, plant and equipment due to negative trends in the German energy engineering industry. They are recognized under cost of sales. The recoverable amount from this cash generating unit is EUR 73.1 million.

For one cash generating unit in the Metal Engineering Division that works with the production of ultrafine wires, impairment losses of EUR 15.0 million were recognized under property, plant and equipment as a consequence of negative market trends due to the German energy transition. They are recognized under cost of sales. The recoverable amount from this cash generating unit is EUR 28.9 million.

With the exception of voestalpine Plastics Solutions, which has been sold, the recoverable amount is equal to the value in use. The interest rate described under Chapter 10. Goodwill was used as the discount rate and—where necessary—adapted for the specific country.

In the Metal Engineering Division in the same period of the previous year, impairment losses on property, plant and equipment amounting to EUR 3.5 million were recognized for obsolete plant, equipment, and buildings. They are recognized under other operating expenses. In the Metal Forming Division, impairment losses on property, plant and equipment amounting to EUR 2.3 million were recognized as provisions of possible losses on sales. They are recognized under cost of sales and other operating expenses.

10. Goodwill

	03/31/2013	03/31/2014	03/31/2015
Gross carrying amount	1,485.6	1,487.7	1,485.2
Impairment loss	-15.4	-15.4	-12.3
Carrying amount	1,470.2	1,472.3	1,472.9

In millions of euros

The following table shows a reconciliation of the carrying amounts of goodwill for the periods presented in the consolidated financial statements as of March 31, 2015:

	Goodwill
Carrying amount as of April 1, 2013	1,470.2
Changes in the scope of consolidated financial statements	3.9
Net exchange differences	-1.8
Carrying amount as of March 31, 2014	1,472.3
Additions	6.2
Disposals	-11.4
Net exchange differences	5.8
Carrying amount as of March 31, 2015	1,472.9

In millions of euros

The additions to goodwill of EUR 6.2 million includes EUR 7.3 million from company acquisitions in the business year 2014/15 and an adjustment of the provisional purchase price allocation from the previous year of EUR -1.1 million.

Impairment tests for cash-generating units or groups of cash-generating units containing goodwill

Goodwill is allocated to the following cash-generating units or groups of cash-generating units:

	2013/14	2014/15
Total Steel Division	160.1	160.1
HPM Production	378.8	378.8
Value Added Services	305.2	310.9
Total Special Steel Division	684.0	689.7
Steel	25.8	25.8
Rail Technology	31.9	38.9
Turnout Systems	123.9	124.2
Welding Consumables	173.2	172.2
Total Metal Engineering Division	354.8	361.1
Tubes & Sections	63.0	63.0
Automotive Body Parts	84.0	84.0
Precision Strip	103.8	103.8
Warehouse & Rack Solutions	11.2	11.2
Heating & Installation Components	11.4	0.0
Total Metal Forming Division	273.4	262.0
voestalpine Group	1,472.3	1,472.9

In millions of euros

With regard to the value in use, goodwill is reviewed for impairment applying the discounted cash flow method. The calculation is performed on the basis of cash flows before tax of a three-year medium-term business plan as of the beginning of March. This medium-term business plan is based on historical data as well as on assumptions regarding the expected future market performance. The Group's planning assumptions are extended to include sectoral planning assumptions. Intra-group evaluations are complemented by external market studies. The capital costs are calculated as the weighted average cost of equity and the weighted average cost of borrowed capital and using the capital asset pricing model (weighted average costs of capital). A market comparison was used to ensure that the capital structures employed in determining the WACC did not deviate from typical capital structures. Cash flows are discounted using a pre-tax WACC of 7.53% (2013/14: 7.98%). Country risk is taken into account through a cash flow premium/discount (in each case specifically applicable for the unit to which the goodwill has been allocated).

Estimates and assumptions used to measure the recoverable amounts of cash generating units or groups of cash-generating units with a significant share of the voestalpine Group's total goodwill include:

External market and economic forecasts for the sale of flat steel products in Europe were used for the three-year medium-term business plan of the Steel Division. Due to positive feedback from individual customer segments, some quality-related adjustments were made. The production plan reflects the sales forecasts. With respect to procurement, the assumptions regarding raw materials according to global market forecasts were taken as a basis for planning. The perpetual annuity is based on an expected growth rate of 1%. The country-specific cash flow premium is 4.14%.

The three-year medium-term business plan for High Performance Metals (HPM) Production was prepared under consideration of both the strategic orientation and the regional conditions in the core markets and reflects the general economic environment of the most important industry segments for the companies. The internal forecasts and estimates—in particular with regard to the components business that targets sophisticated metallurgical applications in the aerospace, oil and natural gas, energy engineering, and automotive industries—rely on external sources of information and are largely consistent with them. Planning included consideration of an expected dip in demand for the next 18 months in the oil and gas business. Changes in the cost of input materials due to the price of alloys can mostly be passed on to customers. The last plan year was used to calculate the perpetual annuity based on a growth factor of 1%. The country-specific cash flow discount is 3.36%.

The planning for Value Added Services was based on both the general economic environment of the relevant industry segments as well as the growth forecasts in the regional sales markets. The optimization of the value creation chain that had already been initiated in the past and the continuation of the oil and natural gas strategy, which is contributing to a significant improvement of the market position, have played a positive role in the planning. Changes in material costs due to alloy prices can also be passed on to the market through so-called "alloy surcharges." The perpetual annuity begins with the third plan year and is also based on a growth factor of 1%. The country-specific cash flow discount is 8.90%.

The planning process of Turnout Systems was based on the three-year detailed budgets and market forecasts of the individual companies. The planning also reflects their expectations with respect to the development of their respective general market environment and the volume of their customers' estimated demand. With regard to the most important factor cost developments, general forecasts of the development of personnel expenses and internal assumptions on the development of steel prices were integrated into the budgets. The perpetual annuity begins with the third plan year and is based on a growth factor of 1%. The country-specific cash flow discount is 8.25%.

In addition to the generally applicable forecasts for economic growth in the relevant core markets, in particular the development and potential in the focus industries defined for the segment were taken into account for the three-year medium-term business plan for Welding Consumables. The discounted cash flow method used in the course of the impairment tests is applied using a perpetual annuity based on the last detailed planning period. A growth factor of 1% was applied for the perpetual annuity. The country-specific cash flow discount is 8.17%.

The cash flow forecasts for Automotive Body Parts are based on the regional growth forecasts and/or the medium-term production forecasts for the pan-European automobile market, particularly for the European premium brand automakers. Internal estimates correspond approximately to forecasts from outside the Group, as well as market dynamics, and was adjusted corresponding to the model portfolio for Automotive Body Parts. The last plan year was used to calculate the perpetual annuity based on a growth factor of 1%. The country-specific cash flow premium is 1.47%.

The three-year medium-term business plan for Precision Strip was prepared under consideration of the general regional conditions in the core markets and reflects the general economic environment of the most important industry segments for the companies. For the most part, internal estimates are based on external forecasts and were adjusted very slightly downward. The last plan year was used to calculate the perpetual annuity based on a growth factor of 1%. The country-specific cash flow premium is 3.41%.

The value of all goodwill was confirmed by the impairment tests. A sensitivity analysis showed that the carrying amounts would still be covered if the interest rate were to rise from 7.53% to 8.53% and there is no need to recognize an impairment loss. Furthermore, the cash flow sensitivity analysis showed that if the cash flows are reduced by 10%, the carrying amounts are still covered and there is no need to recognize an impairment loss. A combined sensitivity analysis showed that, with an increase of the discount rate to 8.53% and a reduction in cash flow of 10%, the carrying amounts of all goodwill-carrying units with two exceptions (Steel Division and High Performance Metals Production) are still covered.

The following table shows the carrying amount coverage as well as the amount by which both major assumptions would have to change for the estimated recoverable amount to become equal to the carrying amount:

Steel Division

	2013/14	2014/15
Carrying amount coverage in millions of euros	943.5	774.0
Discount rate in %	1.9	1.4
Cash flow in %	-26.5	-19.8

High Performance Metals Production

	2013/14	2014/15
Carrying amount coverage in millions of euros	347.6	559.6
Discount rate in %	1.2	1.8
Cash flow in %	-14.9	-22.0

The following cash-generating units and groups of cash-generating units contain intangible assets with indefinite useful lives:

	2013/14	2014/15
Special Steel Division	155.4	155.4
Welding Consumables	12.6	12.6
Total Metal Engineering Division	12.6	12.6
Precision Strip	2.6	2.6
Total Metal Forming Division	2.6	2.6
voestalpine Group	170.6	170.6

In millions of euros

Intangible assets with indefinite useful lives contain solely trademark rights. The period, during which these trademark rights are expected to generate cash flows is not subject to a foreseeable limit. Therefore, trademark rights do not depreciate and are not amortized.

11. Other intangible assets

	Brands	Other	Advance payments or payments in progress	Total
Gross carrying amount	227.6	1,076.4	14.6	1,318.6
Accumulated amortization and impairment	-8.1	-990.2	0.0	-998.3
Carrying amount as of April 1, 2013	219.5	86.2	14.6	320.3
Gross carrying amount	227.6	1,082.2	43.1	1,352.9
Accumulated amortization and impairment	-13.8	-1,002.9	0.0	-1,016.7
Carrying amount as of March 31, 2014	213.8	79.3	43.1	336.2
Gross carrying amount	227.6	1,093.6	57.0	1,378.2
Accumulated amortization and impairment	-19.5	-1,013.3	-0.1	-1,032.9
Carrying amount as of March 31, 2015	208.1	80.3	56.9	345.3

In millions of euros

The column "Brands" contains brands with an indefinite useful life amounting to EUR 170.6 million. No impairments have arisen. Moreover, a capital market funding advantage associated with the brand name Böhler-Uddeholm is contained therein. The depreciation period of the capital market funding advantage is ten years.

The following table shows a reconciliation of the carrying amounts of other intangible assets for the periods presented in the consolidated financial statements as of March 31, 2015:

	Brands	Other	Advance payments or payments in progress	Total
Carrying amount as of April 1, 2013	219.5	86.2	14.6	320.3
Changes in the scope of consolidated financial statements	0.0	4.7	0.0	4.7
Additions	0.0	15.2	29.1	44.3
Transfers	0.0	4.2	-0.5	3.7
Disposals	0.0	0.0	0.0	0.0
Amortization	-5.7	-28.2	0.0	-33.9
Net exchange differences	0.0	-2.8	-0.1	-2.9
Carrying amount as of March 31, 2014	213.8	79.3	43.1	336.2
Changes in the scope of consolidated financial statements	0.0	2.2	0.0	2.2
Additions	0.0	15.7	20.9	36.6
Transfers	0.0	7.8	-2.9	4.9
Disposals	0.0	0.0	-4.9	-4.9
Amortization	-5.7	-26.0	0.0	-31.7
Impairment	0.0	-0.9	0.0	-0.9
Net exchange differences	0.0	2.2	0.7	2.9
Carrying amount as of March 31, 2015	208.1	80.3	56.9	345.3

In millions of euros

The functional areas of cost of sales, distribution costs, administrative expenses, and other operating expenses may include amortization of intangible assets.

As of March 31, 2015, commitments for the acquisition of intangible assets amounted to EUR 3.7 million (March 31, 2014: EUR 3.3 million). Additions to "Advance payments or payments in progress" contain EUR 15.7 million (March 31, 2014: EUR 23.8 million) in capitalized development costs for a software project intended to depict cross-company business processes and business processes that have been harmonized within the Steel Division. The carrying amount as of March 31, 2015 is EUR 52.7 million (March 31, 2014: EUR 37.0 million).

12. Investments in entities consolidated according to the equity method and other financial assets

	Investments in affiliates	Investments in associates	Investments in joint ventures	Other investments	Securities	Loans granted	Advance payments	Total
Gross carrying amount	18.3	137.3	98.8	57.1	19.5	28.6	0.0	359.6
Accumulated depreciation	-7.1	-2.1	0.0	-4.8	-0.3	-2.6	0.0	-16.9
Carrying amount as of April 1, 2013	11.2	135.2	98.8	52.3	19.2	26.0	0.0	342.7
Gross carrying amount	17.2	114.4	100.3	56.8	6.9	27.9	0.0	323.5
Accumulated depreciation	-7.1	0.0	0.0	-7.9	-0.1	-3.0	0.0	-18.1
Carrying amount as of March 31, 2014	10.1	114.4	100.3	48.9	6.8	24.9	0.0	305.4
Gross carrying amount	16.6	117.1	102.0	55.3	3.8	19.8	0.0	314.6
Accumulated depreciation	-6.3	0.0	0.0	-10.9	0.2	-0.9	0.0	-17.9
Carrying amount as of March 31, 2015	10.3	117.1	102.0	44.4	4.0	18.9	0.0	296.7

In millions of euros

The following table shows a reconciliation of the carrying amounts of investments in entities consolidated according to the equity method and other financial assets for the periods presented in the consolidated financial statements as of March 31, 2015:

	Investments in affiliates	Investments in associates	Investments in joint ventures	Other investments	Securities	Loans granted	Advance payments	Total
Carrying amount as of April 1, 2013	11.2	135.2	98.8	52.3	19.2	26.0	0.0	342.7
Changes in the scope of consolidated financial statements	0.0	0.0	0.0	0.0	-12.4	0.0	0.0	-12.4
Additions	0.2	0.0	3.2	0.1	0.3	2.7	0.0	6.5
Transfers	-1.3	-16.0	0.0	-0.1	-0.1	-0.2	0.0	-17.7
Disposals	0.0	-0.9	0.0	-0.3	-0.3	-3.1	0.0	-4.6
Impairment	0.0	-1.8	0.0	-3.1	-0.1	-0.5	0.0	-5.5
Revaluation	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.2
Net exchange differences	0.0	-2.1	-1.7	0.0	0.0	0.0	0.0	-3.8
Carrying amount as of March 31, 2014	10.1	114.4	100.3	48.9	6.8	24.9	0.0	305.4
Changes in the scope of consolidated financial statements	0.0	-2.5	0.0	0.0	0.0	-3.0	0.0	-5.5
Additions	0.2	1.0	-5.1	0.6	0.6	-0.6	0.0	-3.3
Transfers	0.0	-3.8	0.0	0.0	-1.1	-0.1	0.0	-5.0
Disposals	0.0	0.0	0.0	0.0	-2.4	-1.0	0.0	-3.4
Impairment	0.0	0.0	0.0	-5.1	0.0	-1.5	0.0	-6.6
Revaluation	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Net exchange differences	0.0	8.0	6.8	0.0	0.0	0.2	0.0	15.0
Carrying amount as of March 31, 2015	10.3	117.1	102.0	44.4	4.0	18.9	0.0	296.7

In millions of euros

Loans granted comprise the following items:

	03/31/2013	03/31/2014	03/31/2015
Loans to affiliates	0.9	0.9	0.7
Other loans	16.8	14.8	10.6
Other receivables from financing	8.3	9.2	7.6
	26.0	24.9	18.9

In millions of euros

Other current investments include securities of the V54 fund of funds amounting to EUR 381.2 million (March 31, 2014: EUR 389.5 million), and other securities amounting to EUR 24.4 million (March 31, 2014: EUR 24.2 million).

The fund assets of the V54 fund of funds, which represent a carrying amount of current securities amounting to EUR 21.9 million (March 31, 2014: EUR 39.0 million) in the consolidated financial statements, are pledged for investment loans granted by the European Investment Bank.

VA Intertrading Aktiengesellschaft (as in the previous year) and Wuppermann Austria Gesellschaft m.b.H. (previously recognized according to the equity method) has also been recognized under other current financial investments as the prerequisites for the application of IFRS 5 provisions have now been met; however, as these are immaterial and negligible, it is not appropriate to list them as a separate line item in the consolidated statement of financial position. VA Intertrading Aktiengesellschaft is part of the operating segment Other and Wuppermann Austria Gesellschaft m.b.H. is part of the operating segment Steel Division.

13. Deferred taxes

The tax effects of temporary differences, tax losses carried forward, and tax credits that result in a recognition of deferred tax assets and liabilities include the following items:

	Deferred tax assets		Deferred tax liabilities	
	03/31/2014	03/31/2015	03/31/2014	03/31/2015
Non-current assets	27.4	23.6	140.1	162.8
Current assets	66.5	95.9	69.9	122.6
Non-current provisions and liabilities	151.9	222.9	31.4	28.9
Current provisions and liabilities	24.5	54.4	18.0	37.0
Losses carried forward	52.4	51.8	0.0	0.0
Netting of deferred taxes to the same tax authority	-179.1	-270.7	-179.1	-270.7
	143.6	177.9	80.3	80.6
Intercompany profit elimination (netted)	18.0	26.4	0.0	0.0
Hidden reserves (netted)	0.0	0.0	93.4	91.2
Acquisition-related tax credit	126.5	108.4	0.0	0.0
Other	24.2	16.2	13.7	9.2
Net deferred taxes	312.3	328.9	187.4	181.0

In millions of euros

Pursuant to IAS 12.34, the tax benefit from the acquisition of BÖHLER-UDDEHOLM Aktiengesellschaft is reported as unused tax credit and will be released as a deferred tax expense over a period of 14 years with an amount of EUR 18.1 million per year (remaining term 6 years). This is offset by actual tax savings.

With its decision of January 30, 2014, the Higher Administrative Court (*Verwaltungsgerichtshof*) directed a request for a preliminary ruling to the ECJ (Higher Administrative Court 30/1/2014, EU 2014/0001-1 (2013/15/0186)). Among other issues, this request contained the question of whether, when acquiring a domestic equity interest, goodwill amortization constitutes State aid within the framework of group taxation in Austria as defined by Art. 107 (1) of the Treaty on the Functioning of the European Union (TFEU). The result of the ECJ preliminary ruling proceeding is still open. If goodwill amortization qualifies as "State aid," a reversal could become necessary for a period of up to ten years from the date of granting of State aid. A reversal of the prior tax abatement effect amounting to EUR 194.0 million and a reversal of deferred tax assets amounting to EUR 108.4 million depend on the result of the preliminary ruling proceeding. At this time, the occurrence of the risk of a reversal is viewed as unlikely.

Deferred tax assets on losses carried forward in the amount of EUR 51.8 million (March 31, 2014: EUR 52.4 million) were recognized. As of March 31, 2015, there is a total of unused tax losses of approximately EUR 217.4 million (corporate income tax) (March 31, 2014: total of approximately EUR 165.1 million), for which no deferred tax asset has been recognized. Up to 2025, approximately EUR 53.9 million of tax loss carryforwards (corporate income tax) will expire.

No deferred tax liabilities are shown for the taxable temporary differences due on investments in subsidiaries, joint ventures, and associates of EUR 2,269.4 million (March 31, 2014: EUR 1,973.2 million) because the parent company is able to control the timing of the reversal of the temporary differences and no reversal of the temporary differences is expected in the foreseeable future.

The change in the balance between deferred tax assets and liabilities amounts to EUR 23.0 million. This essentially corresponds to the deferred tax expense of EUR 20.6 million less the deferred tax assets recognized directly in equity in the amount of EUR 42.0 million (March 31, 2014: EUR 8.5 million).

Additional disclosures pursuant to IAS 12.81 (a) and (ab):

	Change 2013/14	03/31/2014	Change 2013/14	03/31/2015
Deferred taxes on actuarial gains/losses	8.1	111.9	52.9	164.8
Deferred taxes on cash flow hedges	0.4	2.6	-7.4	-4.8
Deferred taxes on net investment hedges	0.0	0.0	-3.5	-3.5
Total of deferred taxes recognized in equity (Other comprehensive income)	8.5	114.5	42.0	156.5

In millions of euros

14. Inventories

	03/31/2014	03/31/2015
Raw materials and supplies	900.2	940.3
Work in progress	835.5	861.7
Finished goods	944.2	955.9
Merchandise	190.8	204.7
As yet unbillable services	7.0	5.5
Advance payments	6.0	9.4
	2,883.7	2,977.5

In millions of euros

Write-downs to the lower net realizable value amounting to EUR 110.4 million (March 31, 2014: EUR 94.5 million) are recorded in the consolidated financial statements. The carrying amount of the inventories that have been written down to the lower net realizable value amounts to EUR 572.2 million (March 31, 2014: EUR 545.5 million). As of March 31, 2015, inventories of EUR 2.9 million (March 31, 2014: EUR 0.0 million) are pledged as security for liabilities. An amount of EUR 6,011.5 million (March 31, 2014: EUR 6,206.4 million) has been recognized as cost of materials.

15. Trade and other receivables

	03/31/2014	<i>Remaining term over one year</i>	03/31/2015	<i>Remaining term over one year</i>
Trade receivables	1,228.3	1.0	1,220.4	1.2
Other receivables and other assets	392.7	15.8	447.5	15.4
	1,621.0	16.8	1,667.9	16.6

In millions of euros

Trade receivables include the following receivables from construction contracts:

	03/31/2014	03/31/2015
Aggregate amount of costs incurred up to the reporting date	135.3	168.4
Aggregate amount of accrued profits up to the reporting date	16.8	30.2
Aggregate amount of incurred losses up to the reporting date	-8.5	-10.3
Gross receivables from construction contracts	143.6	188.3
Less amount of advances received	-92.1	-127.0
Receivables from construction contracts	51.5	61.3

In millions of euros

Liabilities include the following liabilities from construction contracts:

	03/31/2014	03/31/2015
Aggregate amount of costs incurred up to the reporting date	13.1	5.6
Aggregate amount of accrued profits up to the reporting date	1.4	1.0
Aggregate amount of incurred losses up to the reporting date	-2.2	0.0
Gross liabilities from construction contracts	12.3	6.6
Less amount of advances received	-18.4	-9.0
Liabilities from construction contracts	-6.1	-2.4

In millions of euros

Revenue from construction contracts amount to EUR 180.3 million in the business year 2014/15 (2013/14: EUR 232.1 million).

16. Cash and cash equivalents

	03/31/2014	03/31/2015
Cash on hand, cash at banks, checks	532.4	464.5

In millions of euros

17. Equity

Share capital (incl. disclosures in accordance with Sec. 240 of the Austrian Commercial Code (*Unternehmensgesetzbuch, UGB*))

As of March 31, 2015, the share capital amounts to EUR 313,309,235.65 and is divided into 172,449,163 ordinary no-par value shares unchanged compared to the previous year. All shares are fully paid up.

Under Sec. 4 (2a) of the Articles of Incorporation, the Management Board of voestalpine AG is authorized until June 30, 2019, with the consent of the Supervisory Board, to increase the company's share capital by up to EUR 125,323,693.90 by issuing up to 68,979,665 shares (= 40%) against cash contributions, if necessary in several tranches (Authorized Capital 2014/I). The Management Board did not exercise this authority during the reporting period.

Under Sec. 4 (2b) of the Articles of Incorporation, the Management Board of voestalpine AG is authorized until June 30, 2019, with the consent of the Supervisory Board, to increase the company's

share capital by up to EUR 31,330,923.02 by issuing up to 17,244,916 shares (= 10%) against contributions in kind and/or cash contributions to issue shares to employees, executives and members of the Management Board of the Company or an affiliated company—if necessary in several tranches—as well as the right to exclude the shareholders' legal subscription right when (i) the capital increase is done against contributions in kind, which means that shares are issued for the purpose of acquiring companies, operations, partial operations, or shares in one or more companies located in Austria or abroad, or (ii) the capital increase is performed for the purpose of issuing shares to employees, executives and members of the Management Board of the Company or an affiliated company in the context of an employee stock ownership plan (Authorized Capital 2014/II). The Management Board of voestalpine AG decided on March 9, 2015, to use this authorization to increase the share capital of voestalpine AG by issuing 2,500,000 new no-par bearer shares, or by 1.45%, for the purpose of issuing shares to employees and executives of the Company and affiliated companies in the context of an existing employee stock ownership plan. This capital increase was entered into the Commercial Register on April 25, 2015.

Under Sec. 4 (6) of the Articles of Incorporation, the Management Board of voestalpine AG is authorized to increase the share capital of the Company by up to EUR 31,330,923.02 by issuing up to 17,244,916 ordinary no-par value bearer shares (= 10%) for issuance to creditors of financial instruments within the meaning of Sec. 174 of the Austrian Stock Corporation Act (*Aktiengesetz, AktG*) (convertible bonds, income bonds, or participation rights); the Management Board was authorized to issue these shares during the Annual General Meeting on July 2, 2014 (contingent capital increase). During the reporting period, the Management Board did not exercise the authority granted on July 2, 2014, to issue financial instruments within the meaning of Sec. 174 of the Austrian Stock Corporation Act.

During the Annual General Meeting on July 3, 2013, the Management Board was authorized to repurchase own shares for a term of validity of 30 months, representing no more than 10% of the respective share capital. The repurchase price may not be more than 20% below or 10% above the average closing price of the shares on the three market trading days prior to the repurchase. The Management Board did not exercise this authority during the reporting period.

Capital reserves mainly include the share premium (net of capital funding costs), gains/losses from the sale of own shares, and share-based compensation.

Reserves for own shares include the deducted cost of acquisition and the increase in equity from disposal of own shares at cost.

Retained earnings include the profit for the period less dividend distributions. When increasing majority interests, the difference between the cost of acquisition for the additional shares and the pro-rated carrying amount of the non-controlling interests is recognized directly in retained earnings. Actuarial gains and losses from severance and pension obligations are recognized directly in the retained earnings in the year in which they are incurred.

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign subsidiaries.

The hedging reserve comprises gains and losses from the effective portion of the cash flow hedges. The cumulative gains or losses from hedged transactions recognized in the reserves are not recognized in the income statement until the hedged transaction also affects the result.

The number of shares outstanding for the periods presented in the consolidated financial statements as of March 31, 2015, has changed as follows:

	Number of no-par value shares	Number of own shares	Number of shares outstanding
Balance as of April 1, 2013	172,449,163	90,629	172,358,534
Disposals		-62,032	62,032
Balance as of March 31, 2014	172,449,163	28,597	172,420,566
Balance as of March 31, 2015	172,449,163	28,597	172,420,566

Shares

Hybrid capital

On October 16, 2007, voestalpine AG issued a EUR 1 billion subordinated bond with an indefinite term (hybrid bond). The coupon rate of the bond, which can also be suspended if dividends have been suspended, is 7.125%. Seven years after issue of the bond, voestalpine AG, but not the creditors, had its first opportunity to redeem the bond or to continue it at a variable interest rate (3-month EURIBOR plus 5.05%). In the fourth quarter of the business year 2012/13, voestalpine AG issued a new subordinate undated bond (hybrid bond 2013) with a volume of EUR 500 million following an invitation extended to the holders of the hybrid bond to exchange the bond for a new hybrid bond at a 1:1 ratio. The outstanding nominal value of the hybrid bond 2007 as a result of this exchange was thus EUR 500 million. The coupon of the hybrid bond 2013 is 7.125% until October 31, 2014, 6% from October 31, 2014, to October 31, 2019, the 5-year swap rate +4.93% from October 31, 2019, to October 31, 2024, and the 3-month EURIBOR +4.93% plus a step-up of 1% starting October 31, 2024. The hybrid bond 2013 can be first called in and redeemed by voestalpine AG, but not the creditors, on October 31, 2019.

On September 9, 2014, the Management Board of voestalpine AG adopted a resolution to call the entire issue of hybrid bond 2007 (issued by voestalpine AG in 2007) effective on the first possible call date for this bond, namely October 31, 2014 (redemption date). The interest payments for the hybrid bond 2007 from September 10, 2014 on will be recognized in the consolidated statement of comprehensive income. The hybrid bond 2013 is not affected by this call of hybrid bond 2007. A total of EUR 71.3 million was paid out on October 31, 2014 for interest on the hybrid bond 2007 and the hybrid bond 2013. The hybrid bond 2007 was fully redeemed as of October 31, 2014.

As the hybrid bond satisfies the IAS 32 criteria for equity, the proceeds from the bond issues are recognized as part of equity. Accordingly, coupon payments are also presented as part of the appropriation of profit.

The issue costs of the new hybrid bond 2013 amounted to EUR 2.8 million, less EUR 0.7 million tax effect. Therefore, equity increased by EUR 497.9 million in the business year 2012/13. Taking into

account the redemption of the hybrid bond 2007 as of October 31, 2014, hybrid capital amounts to EUR 497.9 million in equity—see therefore Chapter B. Summary of accounting policies, section general information.

Share-based compensation

Share-based payments of EUR 1.0 million (March 31, 2014: EUR 0.0 million) are included directly in equity because of granting voestalpine shares to employees (29.3 thousand shares at a market value of EUR 33.80 per share) as part of the annual profit bonus.

Non-controlling interests

The non-controlling interests as of March 31, 2015, result primarily from non-controlling interests in Turnout Systems, voestalpine Railpro B.V., ASPAC Group, and Danube Equity AG.

18. Pensions and other employee obligations

	03/31/2014	03/31/2015
Provisions for severance payments	499.9	606.0
Provisions for pensions	399.3	510.8
Provisions for long-service bonuses	116.1	135.3
	1,015.3	1,252.1

In millions of euros

Provisions for severance payments

	2013/14	2014/15
Present value of defined benefit obligation (DBO) as of April 1	484.4	499.9
Service costs for the period	11.1	10.7
Interest costs for the period	16.6	16.5
Changes in the scope of consolidated financial statements	1.6	0.1
Severance payments	-28.9	-25.6
Actuarial gains (-)/losses (+) due to changes in financial assumptions	13.7	106.8
Actuarial gains (-)/losses (+) due to experience-based adjustments	2.6	-2.7
Other	-1.2	0.3
Present value of defined benefit obligation (DBO) as of March 31	499.9	606.0

In millions of euros

Provisions for pensions

	Present value of DBO	Plan Assets	Provisions for Pensions
As of April 1, 2013	889.5	-495.7	393.8
Service costs for the period	10.2	0.0	10.2
Net interest for the period	27.7	-15.2	12.5
Return on plan assets (excluding amounts included in net interest)	0.0	-15.9	-15.9
Gains (-)/Losses (+) on plan settlement/curtailment	-21.5	0.0	-21.5
Changes in the scope of the consolidated financial statements	0.0	0.0	0.0
Pension payments	-40.9	25.8	-15.1
Net exchange differences	-5.7	1.7	-4.0
Employer contributions/repayments	0.0	3.0	3.0
Contributions by plan participants	0.0	-1.6	-1.6
Actuarial gains (-)/losses (+) due to changes in financial assumptions	36.6	0.0	36.6
Actuarial gains (-)/losses (+) due to changes of demographic assumptions	1.3	0.0	1.3
Actuarial gains (-)/losses (+) due to experience-based adjustments	-0.9	0.0	-0.9
Plan settlements	-80.3	80.3	0.0
Other	0.9	0.0	0.9
As of March 31, 2014	816.9	-417.6	399.3

In millions of euros

Provisions for pensions

	Present value of DBO	Plan Assets	Provisions for Pensions
As of April 1, 2014	816.9	-417.6	399.3
Service costs for the period	8.7	0.0	8.7
Past service costs	0.3	0.0	0.3
Net interest for the period	24.6	-12.2	12.4
Return on plan assets (excluding amounts included in net interest)	0.0	-40.3	-40.3
Gains (-)/Losses (+) on plan settlement/curtailment	-23.8	0.0	-23.8
Changes in the scope of the consolidated financial statements	-62.4	54.1	-8.3
Pension payments	-38.1	23.2	-14.9
Net exchange differences	11.3	-10.7	0.6
Employer contributions/repayments	0.0	-5.6	-5.6
Contributions by plan participants	0.0	-1.6	-1.6
Actuarial gains (-)/losses (+) due to changes in financial assumptions	189.3	0.0	189.3
Actuarial gains (-)/losses (+) due to changes of demographic assumptions	-2.7	0.0	-2.7
Actuarial gains (-)/losses (+) due to experience-based adjustments	-3.3	0.0	-3.3
Plan settlements	-31.4	31.1	-0.3
Other	0.9	0.1	1.0
As of March 31, 2015	890.3	-379.5	510.8

In millions of euros

In business years 2012/13 and 2013/14, a number of Dutch companies converted the majority of their defined benefit pension plans into defined contribution plans. In the business year 2014/15, existing pension obligations for previous employees were outsourced to the industry-wide pension fund (PME).

The major categories of plan assets for the periods presented in the consolidated financial statements as of March 31, 2015, are as follows:

2013/14

Category	Assets with quoted market price in an active market	Assets without quoted market price in an active market	Assets Total
Debt instruments	46.9%	0.4%	47.3%
Equity instruments	24.7%	0.8%	25.5%
Property	1.7%	1.3%	3.0%
Cash and cash equivalents	4.5%	0.1%	4.6%
Insurance	0.0%	2.7%	2.7%
Other assets	4.8%	12.1%	16.9%
Total	82.6%	17.4%	100.0%

2014/15

Category	Assets with quoted market price in an active market	Assets without quoted market price in an active market	Assets Total
Debt instruments	53.3%	0.1%	53.4%
Equity instruments	27.0%	0.0%	27.0%
Property	1.4%	1.3%	2.7%
Cash and cash equivalents	4.0%	0.1%	4.1%
Insurance	0.0%	3.8%	3.8%
Other assets	4.7%	4.3%	9.0%
Total	90.4%	9.6%	100.0%

The plan assets include own shares with a fair value of EUR 1.4 million (March 31, 2014: EUR 1.3 million).

The average expected return is determined by the portfolio structure of the plan assets, empirical data, and estimates of future investment returns. The calculation of the provisions for pensions was based on an expected interest rate of 1.5% on plan assets. The actual interest rate was 11.9%.

The amount recognized as an expense in the income statement for defined contribution plans is EUR 30.4 million (2013/14: EUR 27.0 million).

The sensitivity analysis of the key actuarial assumptions used to determine defined benefit obligations is depicted below:

Sensitivities

	Interest rate		Salary/wage increases		Pension increases	
	+1.0%	-1.0%	+0.5%	-0.5%	+0.25%	-0.25%
Pensions	-13.8%	+17.5%	+0.8%	-0.8%	+3.2%	-3.1%
Severance	-10.8%	+12.9%	+6.0%	-5.6%		

Group-wide figures were determined for the effects associated with the interest rate, wage and salary increases, and pension increases. The sensitivities are not determined by way of estimates or approximations, but by way of comprehensive analyses, which vary the parameters.

For the business year 2015/16, the expected contributions to the defined benefit plans amount to EUR 2.5 million.

The interest-weighted, average duration for pension plans is 15.9 years and 12.0 years for severance payments.

Provisions for long-service bonuses

	2013/14	2014/15
Present value of long-service bonus obligations (DBO) as of April 1	113.4	116.1
Service costs for the period	6.2	6.2
Interest costs for the period	3.7	3.7
Changes in the scope of consolidated financial statements	0.5	-1.0
Long-service bonus payments	-9.5	-11.5
Actuarial gains (-)/losses (+) due to changes in assumptions	2.7	22.8
Actuarial gains (-)/losses (+) due to experience-based adjustments	0.0	-1.4
Other	-0.9	0.4
Present value of long-service bonus obligations (DBO) as of March 31	116.1	135.3

In millions of euros

Expenses/revenue relative to provisions for severance payments, pensions, and long-service bonuses recognized in the income statement are categorized as follows:

	2013/14	2014/15
Service costs for the period	27.5	25.9
Net interest for the period	32.8	32.6
Gains (-)/Losses (+) on plan settlement/curtailment	-21.5	-23.8
Expenses/revenue recognized in the income statement	38.8	34.7

In millions of euros

Net interest for the period is recognized in the finance costs.

19. Provisions

	Balance as of 04/01/2014	Changes in the scope of consolidated financial statements	Net exchange differences	Use	Reversals	Transfers	Additions	Balance as of 03/31/2015
Non-current provisions								
Other personnel expenses	40.9	-2.0	0.1	-15.9	0.0	-0.7	3.6	26.0
Warranties and other risks	4.6	0.0	0.0	-1.4	-0.1	3.0	0.7	6.8
Other non-current provisions	53.7	-0.5	-0.4	-3.5	-0.6	-16.3	5.2	37.6
	99.2	-2.5	-0.3	-20.8	-0.7	-14.0	9.5	70.4
Current provisions								
Unused vacation entitlements	122.8	-1.9	-0.2	-70.6	-0.6	0.1	76.5	126.1
Other personnel expenses	149.6	-8.0	2.7	-120.9	-23.1	-0.2	156.1	156.2
Warranties and other risks	46.2	-1.2	0.7	-8.4	-11.4	0.1	20.6	46.6
Onerous contracts	22.5	0.0	0.4	-14.8	-2.5	3.2	10.9	19.7
Other current provisions	156.8	-0.4	1.4	-71.9	-11.6	10.5	80.2	165.0
	497.9	-11.5	5.0	-286.6	-49.2	13.7	344.3	513.6
	597.1	-14.0	4.7	-307.4	-49.9	-0.3	353.8	584.0

In millions of euros

The provisions for personnel expenses mainly include bonuses. Provisions for warranties and other risks as well as onerous contracts apply to current operating activities. The other provisions mainly consist of provisions for commissions, litigation, legal, and consulting fees, and environmental protection obligations.

The amount recognized as a provision for warranties and other risks is calculated as the most reliable estimated value of the amount that would be required to settle these obligations at the reporting date. The statistical measure is the expected value, which is based on the probability of occurrence of an event according to past experience.

Provisions for onerous contracts are recognized when the earnings expected to be derived by the Group from contracts are lower than the unavoidable cost of meeting its obligations under these contracts. Before recognizing a separate provision for onerous contracts, the Group recognizes an impairment loss on the assets associated with such contracts.

The provisions recognized in the annual financial statements 2013/14 in the amount of EUR 76.4 million for the antitrust proceedings and associated actions and costs as well as for the closure of TSTG Schienen Technik GmbH & Co KG have been reduced to EUR 53.6 million due to the use of these provisions.

The provisions for the EU antitrust fine of voestalpine Austria Draht GmbH from the previous year amounting to EUR 17.1 million (with the exception of the provisions for interest) have been continued unchanged. An appeal was filed against the fine before the European General Court.

Increases in provisions totaling EUR 3.5 million are included in the reporting period, based on accrued interest and on changes in the discount rate.

20. Financial liabilities

	Up to one year		Over one year	
	03/31/2014	03/31/2015	03/31/2014	03/31/2015
Bank loans and bonds	755.0	742.6	2,531.1	2,913.8
Liabilities from finance leases	5.8	6.0	32.8	30.8
Liabilities from affiliates	12.0	12.5	0.0	0.0
Liabilities from other investments	51.4	71.9	0.0	0.0
Other payables and liabilities	7.6	57.2	32.9	60.0
	831.8	890.2	2,596.8	3,004.6

In millions of euros

On March 30, 2009, voestalpine AG issued a fixed-interest bond amounting to EUR 400.0 million. The bond was redeemed on April 2, 2013. The interest rate amounted to 8.75% p.a.

On February 3, 2011, voestalpine AG issued a corporate bond amounting to EUR 500.0 million. The bond will be redeemed on February 5, 2018. The interest rate amounts to 4.75% p.a.

On October 5, 2012, voestalpine AG issued a corporate bond with a volume of EUR 500.0 million. The bond will be redeemed on October 5, 2018. The interest rate amounts to 4.00% p.a.

On October 14, 2014, voestalpine AG issued a fixed interest bond of EUR 400.0 million. The bond will be redeemed in October 2021 and carries an annual interest rate of 2.25%.

21. Trade and other payables

	03/31/2014	03/31/2015
Prepayments received on orders	71.0	70.3
Trade payables	1,098.5	1,260.5
Liabilities from bills of exchange accepted and drawn	444.3	394.6
Other liabilities from taxes	93.7	88.4
Other liabilities related to social security	46.5	45.1
Other payables and other liabilities	332.6	344.4
	2,086.6	2,203.3

In millions of euros

22. Contingent liabilities

	03/31/2014	03/31/2015
Liabilities from the issue and transfer of bills of exchange	3.5	2.5
Surety bonds and guarantees	1.6	3.0
	5.1	5.5

In millions of euros

The federal finance court has directed a request for a preliminary ruling to the ECJ with regard to the Austrian energy fee compensation (BFG 10/31/2014, RE/5100001/2014). The energy fee compensation was restricted to production companies through the amendment to the Energy Fee Compensation Act in the budget act of 2011, applicable to the periods after December 31, 2010. The questions are concerned with a violation of obligations of the General Group Approval Ordinance (AGVO), absent environmental protection measures in the compensation ruling, and the lack of a time limit of the approval. The classification of the energy fee compensation as "financial assistance" raised the possibility of retroactive activity for the time periods after December 31, 2010. At this time, the occurrence of the risk of a reversal is considered unlikely.

23. Financial instruments

General information

The principal financial instruments used by the voestalpine Group consist of bank loans, bonds, borrower's notes, and trade payables. The primary aim of the financial instruments is to finance the business activities of the Group. The Group holds various financial assets, such as trade receivables, short-term deposits, and non-current investments, which result directly from the Group's business activities.

The Group also uses derivative financial instruments. These instruments mainly include interest rate swaps, forward exchange transactions, and commodity swaps. These derivative financial instruments are used to hedge interest rate and currency risks and risks from fluctuations in raw materials prices, which result from the business activities of the Group and its sources of financing.

Capital management

In addition to ensuring availability of the liquidity necessary to support business activities and maximizing shareholder value, the primary objective of the Group's capital management is to ensure appropriate creditworthiness and a satisfactory equity ratio.

Capital management in the voestalpine Group is performed using the net financial debt to EBITDA ratio and the gearing ratio, i.e., the net financial debt to equity ratio. Net financial debt consists of interest-bearing loans less financing receivables and other loan receivables, securities, cash and cash equivalents. Equity includes non-controlling interests in Group companies and the hybrid capital.

The target amount for the gearing ratio is 50% and may only be exceeded up to a maximum of 75% for a limited period of time. The net financial debt to EBITDA ratio may not exceed 3.0. All growth measures and capital market transactions are based on these ratios.

The following table shows these two ratios for the reporting period:

	03/31/2014	03/31/2015
Gearing ratio in %	46.0%	58.4%
Net financial debt to EBITDA ratio	1.8	1.9

Financial risk management – Corporate finance organization

Financial risk management also includes the area of raw material risk management. Financial risk management is organized centrally with respect to policy-making power, strategy determination, and target definition. The existing policies include targets, principles, duties, and responsibilities for both the Group Treasury and individual Group companies. In addition, they govern the areas of pooling, money market, credit and securities management, currency, interest rate, liquidity, and commodity price risk, and reporting. The Group Treasury, acting as a service center, is responsible for implementation. Three organizationally separate units are responsible for closing, processing, and recording transactions, which guarantees a six-eyes principle. Policies, policy compliance, and the ICS conformity of business processes are additionally audited at regular intervals by an external auditor.

It is part of the voestalpine Group's corporate policy to continuously monitor, quantify, and, where reasonable, hedge financial risks. The Group's willingness to accept risk is relatively low. The strategy aims at achieving natural hedges and reducing fluctuations in cash flows and income. Market risks are largely hedged by means of derivative financial instruments.

To quantify interest rate risk, voestalpine AG uses interest rate exposure and fair value risk as indicators. Interest rate exposure quantifies the impact of a 1% change in the market interest rate on interest income and interest expenses. Fair value risk means the change in the fair value of an interest rate-sensitive item with a 1% parallel shift of the interest yield curve.

voestalpine AG uses the "@risk" concept to quantify currency risk. The maximum loss within one year is determined with 95% certainty. Risk is calculated for the open position, which is defined as the budgeted quantity for the next twelve months less the quantity that has already been hedged. The variance-covariance approach is used to evaluate foreign currency risk.

Liquidity risk – Financing

Liquidity risk refers to the risk of not being able to fulfill the payment commitments due to insufficient means of payment.

The primary instrument for controlling liquidity risk is a precise financial plan that is submitted quarterly by the operating entities directly to the Group Treasury of voestalpine AG. The funding requirements with regard to financing and bank credit lines are determined based on the consolidated results.

Working capital is financed by the Group Treasury. A central clearing system performs intra-group netting daily. Entities with liquidity surpluses indirectly put these funds at the disposal of entities requiring liquidity. The Group Treasury places any residual liquidity with their principal banks. This allows the volume of outside borrowing to be decreased and net interest income to be optimized.

Financing is carried out in the local currency of the borrower in order to avoid exchange rate risk or is currency-hedged using cross-currency swaps.

voestalpine AG holds securities and current investments as a liquidity reserve. As of March 31, 2015, non-restricted securities amounted to EUR 383.8 million (March 31, 2014: EUR 374.7 million). Furthermore, cash and cash equivalents in the amount of EUR 464.5 million (March 31, 2014: EUR 532.4 million) are reported in the consolidated financial statements.

Additionally, adequate credit lines that are callable at any time exist with domestic and foreign banks. These credit lines have not been drawn. In addition to the possibility of exhausting these financing arrangements, contractually guaranteed credit lines of EUR 896 million (2013/14: EUR 400 million) are available to bridge any economic downturns.

The sources of financing are managed on the basis of the principle of bank independence. Financing is currently being provided by approximately 20 different domestic and foreign banks. Covenants agreed for a minor part of the total credit volume with a single bank are adhered to. The capital market is also used as a source of financing. No capital market transactions were carried out during the business year 2013/14. The following capital market transactions were performed in the business year 2014/15:

Issue of new borrower's notes	EUR 221.0 million
Issue of new borrower's notes	USD 100.0 million
Restructuring of existing borrower's notes	
Early extensions	EUR 250.0 million
Early repayment	EUR 337.5 million
Issue of a new senior bond	EUR 400.0 million

The capital increase decided by the Management Board on March 9, 2015, and approved by the Supervisory Board on March 26, 2015, was entered on April 25, 2015 in the amount of 2.5 million shares and is therefore effective as of this date.

A maturity analysis of all liabilities existing as of the reporting date is presented below:

Liabilities

	Due within one year		Due between one and five years		Due after more than five years	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
Bonds	0.0	0.0	994.1	995.4	0.0	391.8
Bank loans	755.0	742.6	1,456.9	1,349.9	80.1	176.7
Trade payables	1,093.0	1,260.4	5.5	0.1	0.0	0.0
Liabilities from finance leases	5.8	6.0	16.5	24.3	16.3	6.5
Derivative liabilities	18.1	28.8	0.0	0.0	0.0	0.0
Other financial liabilities	7.6	57.2	32.8	9.9	0.1	50.1
Total liabilities	1,879.5	2,095.0	2,505.8	2,379.6	96.5	625.1

In millions of euros

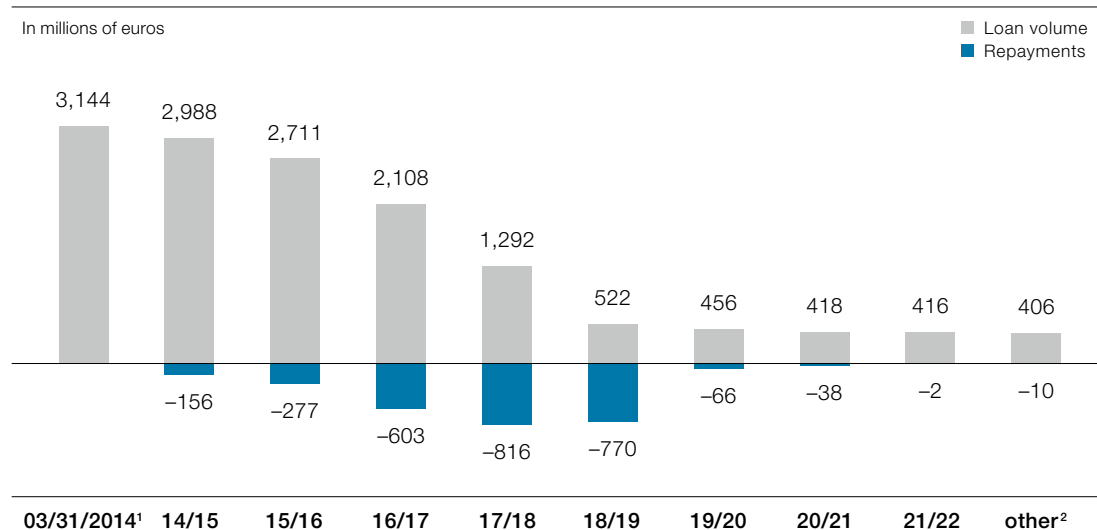
As estimated as of the reporting date, the following (prospective) interest charges correspond to these existing liabilities:

	Due within one year		Due between one and five years		Due after more than five years	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
Interest on bonds	43.8	52.8	151.3	143.5	0.0	18.0
Interest on bank loans	45.3	38.3	75.3	95.3	4.4	13.7
Interest on liabilities from finance leases	1.7	1.6	4.9	2.9	0.8	0.8
Interest on other financial liabilities	1.1	1.4	0.1	0.0	0.0	0.0
Total interest charges	91.9	94.1	231.6	241.7	5.2	32.5

In millions of euros

As of March 31, 2014, the maturity structure of the loan portfolio had the following repayment profile for the next several years:

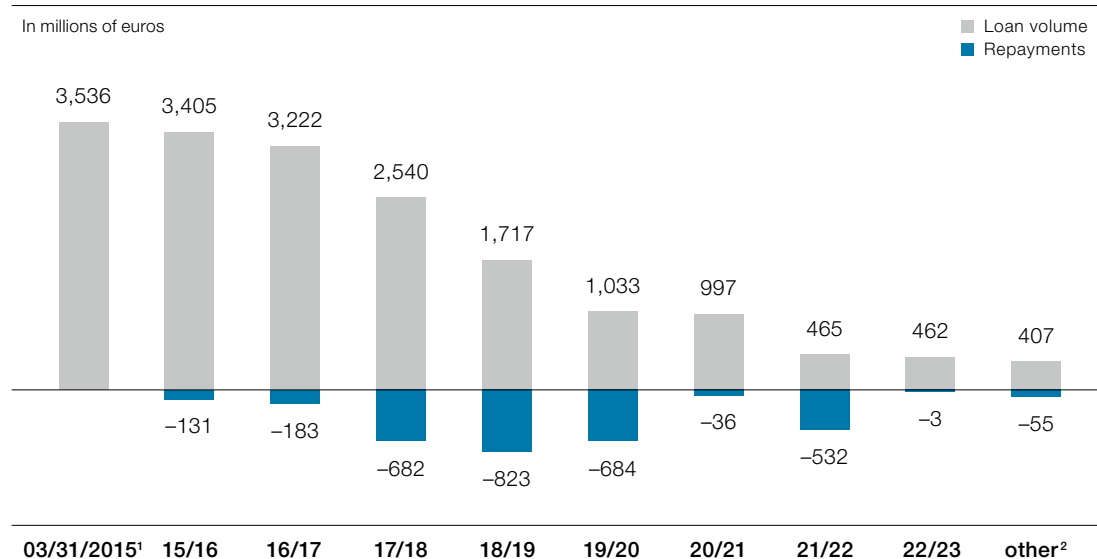
Loan portfolio maturity structure as of March 31, 2014



¹ Debit balances with banks not included ² Contains EUR 406.1 million of revolving export loans

As of March 31, 2015, the maturity structure of the loan portfolio has the following repayment profile for the next several years:

Loan portfolio maturity structure as of March 31, 2015



¹ Debit balances with banks not included ² Contains EUR 406.1 million of revolving export loans

Credit risk

Credit risk refers to financial losses that may occur through non-fulfillment of contractual obligations by business partners.

The credit risk of the underlying transactions is kept low by precise management of receivables. A high percentage of delivery transactions is covered by credit insurance. Bankable security is also provided, such as guarantees and letters of credit.

The following receivables, for which no impairment has yet been recorded, were past due as of the reporting date:

Receivables that are past due but not impaired

	03/31/2014	03/31/2015
Up to 30 days past due	136.2	149.8
31 to 60 days past due	31.6	35.1
61 to 90 days past due	13.6	12.7
91 to 120 days past due	9.6	10.0
More than 120 days past due	24.3	23.3
Total	215.3	230.9

In millions of euros

The following impairment was recorded for receivables of voestalpine AG during the reporting period:

Impairment for receivables

	2013/14	2014/15
Opening balance as of April 1	41.4	33.7
Additions	6.2	8.6
Net exchange differences	-0.9	0.2
Changes in the scope of consolidated financial statements	-0.2	-0.2
Reversal	-5.0	-2.5
Use	-7.8	-5.0
Closing balance as of March 31	33.7	34.8

In millions of euros

As most of the receivables are insured, the risk of bad debt losses is limited. The maximum loss, which is theoretically possible, equals the amount at which the receivables are stated in the statement of financial position.

The management of credit risk from investment and derivative transactions is governed by internal guidelines. All investment and derivative transactions are limited for each counterparty, with the size of the limit dependent on the rating of the bank.

The credit risk for derivative financial instruments is limited to transactions with a positive market value and to the replacement cost of such transactions. Therefore, derivative transactions are only valued at their positive market value up to this limit. Derivative transactions are exclusively based on standardized master agreements for financial forward transactions.

Breakdown of investments at financial institutions by rating classes

	AAA	AA	A	BBB	<BBB/NR
Bonds	79.5	197.1	12.8	7.6	3.6
Money market investments excl. account credit balances	0.0	48.0	123.6	0.0	0.0
Derivatives ¹	0.0	0.3	32.4	6.2	0.0

¹ Only positive market value

In millions of euros

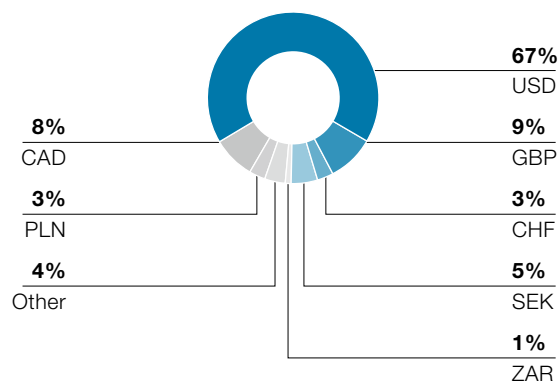
Currency risk

The largest currency position in the Group arises from raw materials purchases in USD and to a lesser degree from exports to the "non-euro area."

An initial hedge is provided by naturally covered items where, for example, trade receivables in USD are offset by liabilities for the purchase of raw materials also in USD (USD netting). The use of derivative hedging instruments is another possibility. voestalpine AG hedges budgeted (net) foreign currency payments over the next twelve months. Longer-term hedging occurs only for contracted projects. The hedging ratio is between 50% and 100%. The further in the future the cash flow lies, the lower the hedging ratio.

The net requirement for USD in the voestalpine Group, including the joint venture voestalpine Tubulars GmbH & Co KG, which processes foreign currency transactions through the Group Treasury, was USD 716.8 million in the business year 2014/15. The decrease compared to the previous year (USD 936.8 million) was due primarily to the decrease in prices of raw materials purchased. The remaining foreign currency exposure, resulting primarily from exports to the "non-euro area" and raw material purchases, is significantly lower than the USD risk.

Foreign currency portfolio 2014/15 (net)



Based on the Value-at-Risk calculation, as of March 31, 2015, the risks for all open positions for the upcoming business year are as follows:

Undiversified	USD	PLN	ZAR	GBP	CAD	CHF	SEK	Other
Position ¹	-336.1	0.9	7.2	40.9	61.6	10.2	-11.3	26.2
VaR (95%/year)	50.3	0.1	1.5	4.8	8.9	1.4	1.3	3.9

¹ Unhedged planned positions for the business year 2015/16

In millions of euros

Taking into account the correlation between the different currencies, the resulting portfolio risk is EUR 42.1 million (March 31, 2014: EUR 35.6 million) for the voestalpine Group, including the joint venture voestalpine Tubulars GmbH & Co KG, which processes foreign currency transactions through the Group Treasury.

Interest rate risk

voestalpine AG differentiates between cash flow risk (the risk that interest expenses or interest income will undergo a detrimental change) for variable-interest financial instruments and present value risk for fixed-interest financial instruments. The positions shown include all interest rate-sensitive financial instruments (loans, money market, issued and purchased securities, as well as interest rate derivatives).

The primary objective of interest rate management is to optimize interest expenses while taking the risk into consideration. In order to achieve a natural hedge for interest-bearing positions, the modified duration of assets is closely linked to the modified duration of the liabilities.

The variable-interest positions on the liabilities side significantly exceed the positions on the assets side so that a 1% increase in the money market rate increases the interest expense by EUR 2.9 million (2013/14: EUR 6.5 million increase).

The weighted average interest rate for asset positions is 0.89% (2013/14: 1.22%) with a duration of 1.25 years (2013/14: 1.31 years)—including money market investments—and 2.48% (2013/14: 2.86%) for liability positions with a duration of 2.52 years (2013/14: 1.96 years).

	Position ¹	Weighted average interest rate	Duration (years)	Average capital commitment (years) ²	Sensitivity to a 1% change in the interest rate ¹	Cash flow risk ¹
Assets	990.9	0.89%	1.25	1.82	-7.7	-7.4
Liabilities	-3,777.2	2.48%	2.52	3.99	111.9	10.3
Net	-2,786.3				104.2	2.9

¹ In millions of euros

² Excluding revolving export loans of EUR 406.1 million

The present value risk determined using the Value-at-Risk calculation for March 31, 2015, is equal to EUR 15.6 million (2013/14: EUR 99.7 million) for positions on the assets side given a 1% change in the interest rate and EUR 181.5 million (2013/14: EUR 393.6 million) for positions on the liabilities side. Therefore, in the event of a 1% drop in the interest rate, voestalpine AG would have an imputed (unrecognized) net present value loss of EUR 165.9 million (2013/14: EUR 293.9 million).

The asset positions include EUR 417.9 million (previous year: EUR 406.2 million) of investments in the V54 fund of funds. 100% of the fund assets are invested in bonds and money market securities in euros or in cash in the three sub-funds V101, V102, V103 and in various special funds as follows:

Funds	Investment currency	
Sub-fund V101	EUR 66.7 million	with a duration of 3.58
Sub-fund V102	EUR 144.0 million	with a duration of 3.87
Sub-fund V103	EUR 124.9 million	with a duration of 2.84
Special funds	EUR 80.7 million	(only included in V54)

In addition to the investment fund, there are also securities exposures in the amount of EUR 6.4 million (March 31, 2014: EUR 7.8 million).

In the business year 2014/15, gains in the amount of 4.9% (2013/14: 1.88%) were recorded in the V54 fund of funds.

Securities are measured at fair value. For the determination of the fair value, quoted prices for identical assets or liabilities in active markets (unadjusted) are used. Net profit amounting to EUR 20.7 million (2013/14: EUR 8.2 million) is recognized at fair value through profit or loss for financial instruments that are measured using the fair value option.

Derivative financial instruments

Portfolio of derivative financial instruments:

	Nominal value (in millions of euros)		Market value (in millions of euros)		Of which accounted for in equity		Maturity	
	03/31/ 2014	03/31/ 2015	03/31/ 2014	03/31/ 2015	03/31/ 2014	03/31/ 2015	03/31/ 2014	03/31/ 2015
Forward exchange transactions (incl. currency swaps)	915.8	900.9	-3.9	47.8	-2.0	37.4	< 2 years	< 2 years
Interest rate derivatives	506.5	525.4	-5.2	-14.3	-8.7	-4.4	< 6 years	<= 5 years
Commodity swaps	12.0	24.8	-0.1	-1.6	0.0	0.0	< 4 years	< 3 years
Total	1,434.3	1,451.1	-9.2	31.9	-10.7	33.0		

The derivative transactions are marked to market daily by determining the value that would be realized if the hedging position were closed out (liquidation method). Input for the calculation of market values are observable currency exchange rates and raw materials prices as well as interest rates. Based on the input, the market value is calculated using generally accepted actuarial formulas.

Unrealized profits or losses from hedged transactions are accounted for as follows:

- If the hedged asset or liability is already recognized in the statement of financial position or an obligation not recorded in the statement of financial position is hedged, the unrealized profits and losses from the hedged transaction are recognized through profit and loss. At the same time, the hedged item is reported at fair value, regardless of its initial valuation method. The resulting unrealized profits and losses are offset with the unrealized results of the hedged transaction in the income statement, so that in total, only the ineffective portion of the hedged transaction is reported in profit or loss for the period (fair value hedges).
- If a future transaction is hedged, the effective portion of the unrealized profits and losses accumulated up to the reporting date is recognized directly in other comprehensive income. The ineffective portion is recognized through profit and loss. When the transaction that is hedged results in the recognition of an asset or a liability in the statement of financial position, the amount recognized in other comprehensive income is taken into account when the carrying amount of this item is determined. Otherwise, the amount reported in other comprehensive income is recognized through profit or loss in accordance with the income effectiveness of the future transaction or the existing obligation (cash flow hedges). Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges: The share of gain or loss from a hedging instrument that is reported as an effective hedge is included in other comprehensive income; the ineffective part is to be included through profit and loss. The gain or loss on the hedging instrument, attributable to the effective portion of the hedging relationship and recognized in other comprehensive income, is reclassified from equity to profit or loss on the disposal or partial disposal of the foreign operations.

In the business year 2014/15, hedge accounting in accordance with IAS 39 was used for hedging foreign currency cash flows, interest-bearing receivables and liabilities, and raw materials purchase agreements. The interest rate and currency hedges are mainly cash flow hedges, while the raw material hedges are designated almost exclusively as fair value hedges. Hedge accounting is only applied to a part of currency and raw material hedges.

As of March 31, 2015, three forward exchange transactions were held totaling USD 110.0 million (fair value: EUR 13.8 million) that are a hedge of an investment (future capital contributions) in voestalpine Texas Holding LLC and which also serve to hedge against the currency risk of the Group arising from these investments. Other cash flow hedges are accounted for at a fair value of EUR 19.2 million.

The profits (EUR 13.8 million) arising from the translation of these hedging transactions are reported directly under other comprehensive income. They will be offset by any profits or losses arising from the currency translation of the net investment in the subsidiary. Hedges to the amount of USD 150.0 million (nominal value: EUR 108.7 million) expired in the business year 2014/15.

In the business year 2014/15, no ineffective hedging was recorded in respect of the hedging mentioned above. There was no hedging of investments in other foreign operations belonging to the Group.

Net losses of foreign currency and interest rate derivatives (cash flow hedges) amounting to EUR 1.1 million (2013/14: net losses amounting to EUR 4.7 million) were recognized through profit and loss in the reporting period.

Losses amounting to EUR 1.4 million (2013/14: losses amounting to EUR 0.1 million) on raw material hedges, which are designated as fair value hedges, were recognized through profit and loss. Gains for the corresponding underlying transactions amounting to EUR 1.4 million (2013/14: gains amounting to EUR 0.1 million) were also recognized through profit and loss.

Negative market values amounting to EUR 2.0 million (2013/14: positive market values amounting to EUR 6.2 million) previously recorded in the reserve for foreign exchange hedges were recognized through profit and loss during the reporting period; positive market values amounting to EUR 37.4 million (2013/14: negative market values amounting to EUR 2.0 million) were allocated to the reserve. In business year 2014/15, the reserve for interest rate hedges was increased by EUR 4.3 million (2013/14: EUR 6.5 million) due to changes in the fair values. In addition, during the business year 2014/15, EUR 7.4 million were shifted from the hedging of financial liabilities to reserves and subsequently deducted from the acquisition costs of the financial liabilities.

Derivatives designated as cash flow hedges have the following effects on cash flows and profit or loss for the period:

	Total contractual cash flows		Contractual cash flows					
			< 1 year		> 1 year and < 5 years		> 5 years	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
Interest derivatives								
Assets	8.7	1.6	3.3	0.8	5.3	0.8	0.1	0.0
Liabilities	-17.4	-6.0	-5.4	-1.7	-11.9	-4.3	-0.1	0.0
	-8.7	-4.4	-2.1	-0.9	-6.6	-3.5	0.0	0.0
Currency derivatives								
Assets	0.4	38.1	0.4	38.1	0.0	0.0	0.0	0.0
Liabilities	-2.3	-0.7	-2.3	-0.7	0.0	0.0	0.0	0.0
	-1.9	37.4	-1.9	37.4	0.0	0.0	0.0	0.0

In millions of euros

Categories of financial instruments

Classes	Financial assets measured at amortized cost			Financial assets measured at fair value		Total
	Categories	Loans and receivables	Available for sale at cost	Available for sale at fair value	Financial assets measured at fair value through profit or loss	
				Held for trading (derivatives)	Other	
Assets 2013/14						
Other financial assets – non-current	24.9	17.9	41.1		6.8	90.7
Trade and other receivables	1,612.4				8.6	1,621.0
Other financial assets – current					413.8	413.8
Cash and cash equivalents	532.4					532.4
Carrying amount	2,169.7	17.9	41.1	8.6	420.6	2,657.9
Fair value	2,169.7	17.9	41.1	8.6	420.6	2,657.9
Assets 2014/15						
Other financial assets – non-current	19.0	18.0	36.7		4.0	77.7
Trade and other receivables	1,607.2				60.7	1,667.9
Other financial assets – current					405.7	405.7
Cash and cash equivalents	464.5					464.5
Carrying amount	2,090.7	18.0	36.7	60.7	409.7	2,615.8
Fair value	2,090.7	18.0	36.7	60.7	409.7	2,615.8

In millions of euros

The carrying amount of the financial assets represents a reasonable approximation of fair value.

The item "Other" in the category "Financial assets measured at fair value through profit or loss" contains securities measured using the fair value option.

Subsidiaries, joint ventures, and investments in associates that are not fully consolidated in these consolidated financial statements or are included using the equity method are held as "available for sale at cost" and measured at cost because these investments do not have a price quoted in an active market, and their fair value cannot be reliably determined. Only the non-consolidated investment in Energie AG Oberösterreich is measured at fair value as "available for sale at fair value" because the fair value of this company can be reliably determined based on the valuation report done once a year for Energie AG Oberösterreich as a whole.

Classes	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value	Total
Categories	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)	
Liabilities 2013/14			
Financial liabilities – non-current	2,596.8		2,596.8
Financial liabilities – current	831.8		831.8
Trade and other payables	2,074.0	18.1	2,092.1
Carrying amount	5,502.6	18.1	5,520.7
Fair value	5,608.9	18.1	5,627.0
Liabilities 2014/15			
Financial liabilities – non-current	3,004.6		3,004.6
Financial liabilities – current	890.2		890.2
Trade and other payables	2,180.7	28.8	2,209.5
Carrying amount	6,075.5	28.8	6,104.3
Fair value	6,213.8	28.8	6,242.6

In millions of euros

The liabilities measured at amortized cost, whose fair value is stated, fall under Level 2. Valuation is performed according to the mark-to-market method, whereby the input parameters for the calculation of the market values are the foreign exchange rates, interest rates, and credit spreads observable on the market. Based on the input parameters, fair values are calculated by discounting estimated future cash flows at typical market interest rates.

The table below analyzes financial assets and financial liabilities that are measured at fair value on a recurring basis. These measurements are based on a fair value hierarchy that categorizes the inputs for the valuation methods used to measure fair value into three levels.

The three levels are defined as follows:

Inputs

Level 1	Comprises quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Comprises inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Comprises unobservable inputs for the asset or liability.

Level of the fair value hierarchy for recurring fair value measurements

	Level 1	Level 2	Level 3	Total
2013/14				
Financial assets				
Financial assets measured at fair value through profit or loss				
Held for trading (derivatives)		8.6		8.6
Fair value option (securities)	420.6			420.6
Available for sale at fair value			41.1	41.1
	420.6	8.6	41.1	470.3
Financial liabilities				
Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)		18.1		18.1
	0.0	18.1	0.0	18.1
2014/15				
Financial assets				
Financial assets measured at fair value through profit or loss				
Held for trading (derivatives)		60.7		60.7
Fair value option (securities)	409.7			409.7
Available for sale at fair value			36.7	36.7
	409.7	60.7	36.7	507.1
Financial liabilities				
Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)		28.8		28.8
	0.0	28.8	0.0	28.8

In millions of euros

The underlying assets of the fund of funds are reported as part of the "fair value option." The designation of fair value was selected to convey more useful information because this group of financial assets is managed according to their fair value, as documented in the risk management and investment strategy, and performance is observed and reported by means of fair value.

The derivative transactions (Level 2) are marked to market by determining the value that would be realized if the hedging position were closed out (liquidation method). The observable currency exchange rates and raw materials prices as well as the interest rates are the input for the calculation of fair values. Fair values are calculated based on the inputs by discounting expected future cash flows at typical market interest rates.

There were no transfers between Level 1 and Level 2, nor any reclassifications into or out of Level 3, during the reporting period. The reconciliation of Level 3 financial assets measured at fair value from the opening balance to the closing balance is depicted as follows:

Level 3 – Available for sale at fair value

	2013/14	2014/15
Opening balance	44.0	41.1
Total of gains/losses recognized in the income statement:		
Finance costs/Finance income (impairment)	-2.9	-4.4
Closing balance	41.1	36.7

In millions of euros

Level 3 includes the non-consolidated investment in Energie AG Oberösterreich that is measured at fair value as "available for sale at fair value." The fair value of this company can be reliably determined based on the valuation report done once a year for Energie AG Oberösterreich as a whole.

Significant sensitivities in the determination of fair values can result from changes in the underlying market data of comparable entities and the input factors used to determine net present value (in particular discount rates, long-term forecasts, plan data, etc.).

The table below shows net gains and losses on financial instruments, which are shown according to categories:

	2013/14	2014/15
Loans and receivables	21.5	9.3
Available for sale at cost	7.6	3.6
Held for trading (derivatives)	-4.9	41.1
Available for sale at fair value	-2.9	-4.4
Other	8.2	20.7
Financial liabilities	-126.9	-127.8

In millions of euros

Total interest income and total interest expense for financial assets and financial liabilities that were not measured at fair value through profit or loss were recorded as follows:

	2013/14	2014/15
Total interest income	16.6	13.4
Total interest expense	-126.9	-127.8

In millions of euros

The impairment loss on financial instruments measured at amortized cost amounts to EUR 16.0 million (2013/14: EUR 12.1 million).

24. Consolidated statement of cash flows

The consolidated statement of cash flows was prepared using the indirect method. Cash and cash equivalents include cash on hand, cash at banks, and checks. The effects of changes in the scope of consolidated financial statements were eliminated and reported in the cash flows from investing activities.

	2013/14	2014/15
Interest received	19.3	16.4
Interest paid	177.4	180.3
Taxes paid	105.2	113.4

In millions of euros

Interest received and paid as well as taxes paid are included in the cash flows from operating activities.

Non-cash expenses and income

	2013/14	2014/15
Depreciation, amortization, and impairment	590.2	636.6
Result from sale of assets	9.4	2.5
Changes in pensions and other employee obligations, non-current provisions, and deferred taxes	10.5	4.8
Other non-cash income and expenses	52.5	-62.4
	662.6	581.5

In millions of euros

Cash flows from operating activities include dividend income of EUR 69.1 million (2013/14: EUR 68.1 million) from associates and joint ventures as well as other investments. Thereof EUR 53.0 million (2013/14: EUR 51.1 million) accounted for voestalpine Tubulars GmbH & Co KG.

Cash flows from investing activities include inflows of cash and cash equivalents in the amount of EUR 0.1 million (2013/14: EUR 3.9 million) from initial consolidation of acquired and/or newly consolidated companies and outflows of the purchase price in the amount of EUR 52.2 million (2013/14: EUR 22.3 million). The sale of subsidiaries resulted in an outflow of cash and cash equivalents from cash flows from investing activities of EUR 12.6 million (2013/14: EUR 0.0 million) and an inflow of the sale price in the amount of EUR 137.4 million (2013/14: EUR 0.7 million).

Long-term loans in the amount of EUR 1,251.0 million (2013/14: EUR 294.9 million) were taken out in the business year 2014/15. Borrowings, bonds, debt obligations, and loans with an original term of more than one year in the amount of EUR 900.0 million (without hybrid bond) (2013/14: EUR 772.3 million) were redeemed.

25. Related party disclosures

Business transactions between the Group and non-consolidated subsidiaries and associates or their subsidiaries as well as joint ventures are carried out at arm's length and are included in the following items of the consolidated financial statements:

	2013/14		2014/15	
	With joint ventures	With associates and non-consolidated subsidiaries	With joint ventures	With associates and non-consolidated subsidiaries
Revenue	245.5	354.7	206.0	291.6
Material expenses	21.7	184.3	20.0	186.2
Other operating expenses	0.0	24.5	0.0	33.8

	03/31/2014		03/31/2015	
	Trade and other receivables	22.9	67.8	14.4
Financial liabilities/trade and other payables	57.5	45.9	75.4	46.9

In millions of euros

Receivables and liabilities with associates and joint ventures as well as with non-consolidated subsidiaries comprise both direct and indirect relationships.

In addition, there are business transactions with core shareholders that have a significant influence due to consolidation of the voestalpine shares using the equity method. Business transactions are carried out at arm's length and can be depicted as follows:

	03/31/2014	03/31/2015
Cash and cash equivalents	39.3	36.4
Financial liabilities/trade and other payables	112.2	100.5
Guarantees received	4.8	5.4

In millions of euros

The non-inclusion of non-consolidated entities in the consolidated financial statements has no significant impact on the Group's net assets, financial position, or results of operations.

Management Board

The fixed compensation of the Management Board is determined by the General Committee of the Supervisory Board pursuant to the Austrian legal situation and is reviewed periodically.

The award of a bonus is subject to a target agreement to be concluded with the General Committee of the Supervisory Board and consisting of quantitative and qualitative targets. The maximum bonus is limited to 200% of the annual gross salary for members of the Management Board and to 250% of the annual gross salary for the Chairman of the Management Board. If the agreed target values for quantitative targets are achieved exactly, 60% of the maximum bonus applies; if the agreed target values for qualitative targets are achieved, 20% of the maximum bonus applies. The over-achievement of the targets is taken into consideration proportionately until the maximum bonus is reached. The target amounts for the quantitative targets are EBIT and the return on capital employed (ROCE). Specific target amounts are determined periodically (for a period of three years) by the General Committee of the Supervisory Board in consultation with the Management Board. Its basis of calculation is independent of the respective budget and the three-year medium-term business plan, i.e., budget compliance does not mean achieving a bonus. Qualitative targets agreed in the business year 2014/15 were first, the presentation of a concept for long-term, cost-efficient raw materials procurement for the Group and, second, a cost-savings target that will apply for the next three years and that anticipates a savings target of EUR 275 million for 2014/15.

The amount of the contractually approved company pension depends on the length of service for members of the Management Board Dr. Eder, Mag. Dipl.-Ing. Ottel, and Dipl.-Ing. Eibensteiner. The amount of the annual pension equals 1.2% of the last annual gross salary for each year of service. The pension benefit cannot exceed 40% of the last annual gross salary (without variable compensation). A defined contribution arrangement was made with the members of the Management Board Dipl.-Ing. Rotter, Dipl.-Ing. Dr. Kainersdorfer, and Dipl.-Ing. Dr. Schwab; whereby 15% of their annual gross salary (without bonuses) is paid by the Company into the pension fund.

The members of the Management Board receive severance benefits at the time of termination of their employment by way of analogous application of the Salaried Employees Act (*Angestelltengesetz*).

For the members of the Management Board (as well as for executives) and for the members of the Supervisory Board there is a D&O insurance, the costs of which amounting to EUR 0.1 million (2013/14: EUR 0.1 million) are borne by the entity.

The compensation paid to the members of the Management Board of voestalpine AG is comprised as follows for the business year 2014/15:

	Current fixed compensation	Current variable compensation	Total
Dr. Wolfgang Eder	0.97	1.68	2.65
Dipl.-Ing. Herbert Eibensteiner	0.72	1.05	1.77
Dipl.-Ing. Dr. Franz Kainersdorfer	0.72	0.99	1.71
Mag. Dipl.-Ing. Robert Ottel	0.72	0.99	1.71
Dipl.-Ing. Franz Rotter	0.72	0.99	1.71
Dipl.-Ing. Dr. Peter Schwab (as of 10/01/2014)	0.22	0.30	0.52
2014/15	4.07	6.00	10.07
2013/14	3.43	5.39	8.82

In millions of euros

It should be noted that Dipl.-Ing. Eibensteiner's variable compensation for the business year 2014/15 includes a long-service bonus of EUR 0.06 million as he has been with the company for 25 years.

In addition to the remuneration in accordance with the above table, the following service costs (personnel expenses) are recognized in the consolidated financial statements for members of the Management Board with defined benefit pension agreements: Dr. Eder EUR 0.00 million (2013/14: EUR 0.00 million), Mag. Dipl.-Ing. Ottel EUR 0.19 million (2013/14: EUR 0.17 million), and Dipl.-Ing. Eibensteiner EUR 0.17 million (2013/14: EUR 0.11 million). The following additional pension costs are recognized in the consolidated financial statements for members of the Management Board with defined contribution pension agreements: Dipl.-Ing. Rotter EUR 0.11 million (2013/14: EUR 0.09 million), Dipl.-Ing. Dr. Kainersdorfer EUR 0.11 million (2013/14: EUR 0.09 million), and Dipl.-Ing. Dr. Schwab EUR 0.03 million (as of October 1, 2014 member of the Management Board). Pension payments amounting to EUR 0.74 million (2013/14: EUR 0.71 million) were paid by the pension fund for former members of the Management Board with defined benefit pension agreements.

At the reporting date, the outstanding balance of the variable compensation was EUR 4.91 million (2013/14: EUR 3.90 million). No advances or loans were granted to the members of the Management Board of voestalpine AG.

Directors' dealings notices of the members of the Management Board are published on the website of the Austrian Financial Market Authority at www.fma.gv.at.

Supervisory Board

Under Sec. 15 of the Articles of Incorporation, the members of the Supervisory Board of voestalpine AG receive 0.1% of the profit for the period reported in the approved consolidated financial statements as compensation. The total amount is distributed in accordance with an allocation key as follows: 100% for the Chairman, 75% for the Vice-Chairman, and 50% for all other members, with a minimum compensation of EUR 20,000 for the Chairman, EUR 15,000 for the Vice-Chairman, and EUR 10,000 for all other members of the Supervisory Board. Compensation is limited to a multiple of four times the stated amounts. Additionally, members of the Supervisory Board receive an attendance honorarium amounting to EUR 500 per Supervisory Board meeting.

According to this regulation, the shareholders' representatives on the Supervisory Board received the following compensation for the business year 2014/15: Dr. Joachim Lemppenau (Chairman): EUR 80,000 (2013/14: EUR 80,000); Dr. Heinrich Schaller (Vice-Chairman): EUR 60,000 (2013/14: EUR 60,000); Dr. Josef Krenner (member until July 2, 2014): 10,000. EUR (2013/14: 40,000 EUR), Univ.-Prof. (em) Dr. Helga Nowotny (member as of July 2, 2014): 30,000 EUR (2013/14: 0 EUR), all other shareholders' representatives: EUR 40,000 (2013/14: EUR 40,000). The members of the Supervisory Board nominated by the Works Council do not receive any compensation.

The annual compensation of members of the Supervisory Board and the mode of calculation have been definitively regulated by the Articles of Incorporation since the 2006 Annual General Meeting and do not require a separate resolution by the Annual General Meeting every year.

The compensation of the Supervisory Board (incl. attendance honorarium) totaled EUR 0.4 million (2013/14: EUR 0.4 million) in the business year 2014/15. Payment of the compensation of the Supervisory Board for the business year 2014/15 is carried out at the latest 14 days after the Annual General Meeting on July 1, 2015. No advances or loans were granted to members of the Supervisory Board of voestalpine AG.

Directors' dealings notices of the members of the Supervisory Board are published on the website of the Austrian Financial Market Authority at www.fma.gv.at.

As legal counsel to voestalpine AG and its subsidiaries, the law firm Binder Grösswang Rechtsanwälte GmbH, of which Dr. Michael Kutschera (member of the Supervisory Board) is a partner, provided legal advisory services relative to matters concerning data protection law and corporate law issues in the reporting period 2014/15. Fees for these matters were invoiced at the general hourly rates of the law firm of Binder Grösswang Rechtsanwälte GmbH applicable at the time. For the business year 2014/15, total net fees of EUR 55,480.00 (2013/14: EUR 102,483.67) were incurred for services provided by the law firm of Binder Grösswang Rechtsanwälte GmbH.

26. Employee information

Total number of employees

	Reporting date		Average	
	03/31/2014	03/31/2015	2013/14	2014/15
Workers	26,923	26,932	26,298	26,859
Salaried employees	16,347	16,232	15,917	16,298
Apprentices	1,401	1,407	1,456	1,495
	44,671	44,571	43,671	44,652

The personnel expenses included in these consolidated financial statements amount to EUR 2,656.6 million (2013/14: EUR 2,536.4 million).

27. Expenses for the Group auditor

Expenses for the Group auditor are structured as follows:

	2013/14	2014/15
Expenses for the audit of the financial statements	0.24	0.24
Expenses for other certifications	0.95	1.12
Expenses for tax consulting services	0.00	0.00
Expenses for other services	0.00	0.00
	1.19	1.36

In millions of euros

28. Disclosures of transactions not recorded in the statement of financial position

In the voestalpine Group, trade receivables are sold monthly to various banks on a revolving basis. In this context, there are four different types of factoring agreements.

In the first type of factoring agreement, trade receivables totaling EUR 559.1 million (March 31, 2014: EUR 562.9 million) were sold to various banks. Receivables covered by credit insurance were assigned to banks to the amount 100% of the nominal value, with the acquiring banks assuming the risk of default. Any claims arising from credit insurance are assigned to the acquiring bank. The Group company that is selling only assumes a liability for default to the amount of—generally—10% of the retention level from the credit insurance. On the reporting date, the maximum risk associated with liability for default was EUR 59.2 million (March 31, 2014: EUR 62.2 million). The liability for default corresponds to the theoretical maximum loss. The probability of needing to fall back on this liability is extremely low. The fair value of this risk is assessed at EUR 0.4 million. The receivables are fully derecognized in accordance with the regulations of IAS 39 on the basis of the cessions of the essential opportunities and risks and on the basis of the transfer of the right of use to the acquiring party.

In the second type of factoring agreement, uninsured trade receivables of EUR 68.8 million (March 31, 2014: EUR 70.3 million) are sold. 100% of the risk of default is assumed by the purchasing bank. All of the receivables are fully derecognized. With the exception of the capitalized service fee mentioned below for administration of receivables, there is no ongoing commitment.

In the third type of factoring agreement (introduced in October 2014), both insured and uninsured trade receivables of EUR 126.1 million (March 31, 2014: EUR 0.0 million) are sold. Any claims arising from credit insurance are assigned to the acquiring bank. At the time of the sale of the receivable, loss reserves of 0.9% and dilution reserves of 1.6% (with reference to the sold receivables) are deducted from the purchase price. The dilution reserves totaling EUR 2.0 million for receivables sold on the reporting date are for payment of discounts, bonuses, etc. and are posted as other receivables. The carrying amount corresponds to the fair value. A loss reserve to cover any defaults to the amount of EUR 1.2 million for receivables sold on the reporting date was posted as an expenditure which is reversed in the absence of any defaults. The theoretical maximum loss is limited to the loss reserve. The receivables are fully derecognized in accordance with the regulations of IAS 39 on the basis of the cessions of the essential opportunities and risks and on the basis of the transfer of the right of use to the acquiring party.

In the fourth type of factoring agreement, both insured and uninsured trade receivables of EUR 26.0 million (March 31, 2014: EUR 23.8 million) are sold. Any claims arising from credit insurance are assigned to the acquiring bank. For any bad debts, a "first loss account" was funded to the amount of EUR 0.2 million for 15 months by the selling Group company. There is no obligation to provide additional funds. The first loss account was EUR 0.2 million on the reporting date and was reported as cash. The carrying amount corresponds to the fair value. The theoretical maximum loss is limited to the amount within the "first loss account." Because of the transfer of significant rewards and risks and the transition of control to the purchaser, the receivables were fully derecognized pursuant to the provisions of IAS 39.

In all of the types of factoring agreements, the payments received from customers during the period between the last sale of receivables and the reporting date are recognized on an accrual basis under other short-term financial liabilities in the voestalpine Group.

Administration of receivables for all types of factoring contracts remains with the particular companies of the Group. For the receivables that were sold, as of March 31, 2015, a total service fee of 0.15% of the sold amount of receivables of EUR 1.1 million was recorded as other provision. The carrying amount corresponds to the fair value of the ongoing commitment.

29. Events after the reporting period

The capital increase decided by the Management Board on March 9, 2015, and approved by the Supervisory Board on March 26, 2015, in the amount of 2.5 million shares was entered into the Commercial Register on April 25, 2015 and is therefore effective as of this date.

In early April 2015, control was assumed of the companies voestalpine Tubulars GmbH & Co KG and CNTT Chinese New Turnout Technologies Co., Ltd., which had previously been under joint control. Consequently, these companies will be fully consolidated from business year 2015/16. Information on the cited changes is presented under Chapter F. Acquisitions after the reporting period.

30. Earnings per share

Diluted and basic (undiluted) earnings per share are calculated as follows:

	2013/14	2014/15
Profit attributable to equity holders of the parent	446,435	536,070
Issued ordinary shares (average)	172,449,163	172,449,163
Effect of own shares held (average)	-36,683	-28,597
Weighted average number of outstanding ordinary shares	172,412,480	172,420,566
Diluted and basic (undiluted) earnings per share (euros)	2.59	3.11

In thousands of euros

The capital increase described in Chapter 29. would have the following effect on the diluted and basic (undiluted) earnings per share of the business year 2014/15:

	2014/15
Profit attributable to equity holders of the parent	536,070
Issued ordinary shares (average)	174,949,163
Effect of own shares held (average)	-28,597
Weighted average number of outstanding ordinary shares	174,920,566
Diluted and basic (undiluted) earnings per share (euros)	3.06

In thousands of euros

31. Appropriation of net profit

In accordance with the Austrian Stock Corporation Act, the appropriation of net profit is based on the annual financial statements of voestalpine AG as of March 31, 2015. These financial statements show net retained profits of EUR 175.0 million. The Management Board proposes a dividend of EUR 1.0 per share (2013/14: EUR 0.95).

Linz, May 22, 2015

The Management Board



Wolfgang Eder



Herbert Eibensteiner



Franz Kainersdorfer



Robert Ottel



Franz Rotter



Peter Schwab

The consolidated financial statements of voestalpine AG and associated documents will be filed with the Commercial Register of the Commercial Court of Linz under company register number FN 66209 t.

Appendix to the notes: Investments

Unqualified auditor's report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of voestalpine AG, Linz, for the fiscal year from April 1, 2014 to March 31, 2015. These consolidated financial statements comprise the consolidated balance sheet as of March 31, 2015, the consolidated income statement and the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the fiscal year ended March 31, 2015, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements and for the Accounting System

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing, as well as in accordance with International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting

policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of March 31, 2015 and of its financial performance and its cash flows for the fiscal year from April 1, 2014 to March 31, 2015 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Report on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, May 22, 2015

Grant Thornton Unitreu GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Josef Töglhofer m.p.

ppa Mag. Alexandra Winkler-Janovsky m.p.

Austria Chartered Accountants

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

Management Board statement in accordance with Sec. 82 (4) of the Stock Exchange Act (*Börsegesetz, BörseG*)

The Management Board of voestalpine AG confirms to the best of its knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group Management Report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

Linz, May 22, 2015

The Management Board



Wolfgang Eder
Chairman of the Management Board



Herbert Eibensteiner
Member of the Management Board



Franz Kainersdorfer
Member of the Management Board



Robert Ottel
Member of the Management Board



Franz Rotter
Member of the Management Board



Peter Schwab
Member of the Management Board