

REPORT OF THE SUPERVISORY BOARD ON THE BUSINESS YEAR 2016/17

During the business year 2016/17, the Supervisory Board fulfilled its responsibilities under the law and the Articles of Incorporation, holding five plenary sessions and three meetings of the Audit Committee. The Management Board provided comprehensive information both orally and in written form regarding the state of business and the situation of the company.

In addition to ongoing reports on the Group's current economic and financial situation, these meetings dealt in particular with company acquisitions, the NAFTA 2020 regional strategy, European energy and climate policy including potential alternative technologies for CO₂ reduced steel production, as well as matters involving the supply of raw materials, innovation, and IT. The Audit Committee dealt with the review and preparation of the approval of the Company's Consolidated Financial Statements and the Individual Financial Statements, preparation of the recommendation for the appointment of an auditor as well as topics relative to the internal control system, the risk management system, and Internal Auditing. Please refer to the Consolidated Corporate Governance Report 2016/17 for further information on the composition and workings of the Supervisory Board and its committees.

The Annual Financial Statements and the Group's Consolidated Financial Statements as of March 31, 2017 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 auditor attended two of the three meetings of the Audit Committee and was available for questions and discussions.

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 May 31, 2017, the Supervisory Board reviewed and approved the Annual Financial Statements as of March 31, 2017. 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 reviewed and approved the Management Report as well as the Consolidated Financial Statements together with the Consolidated Management Report and the Consolidated Corporate Governance Report. The Consolidated Corporate Governance Report was also audited by Grant Thornton Unitreu GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, within the scope of the annual external review of voestalpine AG's compliance with 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 2016/17 has ended with a net profit of EUR 194,000,000.00; it is being recommended that a dividend of EUR 1.10 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, May 31, 2017

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