

voestalpine AG

Consolidated Financial Statements 2015/16

Consolidated Financial Statements

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

Report of the Supervisory Board on the business year 2015/16

During the business year 2015/16, the Supervisory Board fulfilled its responsibilities under the law and the Articles of Incorporation, holding five plenary sessions, three meetings of the Audit Committee, and one meeting 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, 2016 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 Statement and the Consolidated Financial Statement, 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 consis-

tent with the Consolidated Financial Statements. After they had been considered by the Audit Committee, on June 1, 2016, the Supervisory Board reviewed and approved the Annual Financial Statement as of March 31, 2016. 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 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 2015/16 has ended with a net profit of EUR 184,000,000.00; it is being recommended that a dividend of EUR 1.05 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 1, 2016

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voestalpine AG

Consolidated statement of financial position

 for the year ended March 31, 2016

Assets

	Notes	04/01/2014 ¹	03/31/2015 ¹	03/31/2016
A. Non-current assets				
Property, plant and equipment	9	4,741.8	5,328.4	6,006.5
Goodwill	10	1,472.3	1,472.9	1,544.4
Other intangible assets	11	336.2	345.3	414.1
Investments in entities consolidated according to the equity method	12	214.7	219.1	112.4
Other financial assets	12	90.7	77.6	69.8
Deferred tax assets	13	211.5	238.7	242.4
		7,067.2	7,682.0	8,389.6
B. Current assets				
Inventories	14	2,883.7	2,977.5	2,973.1
Trade and other receivables	15	1,621.0	1,667.9	1,513.3
Other financial assets	12	429.7	412.8	355.8
Cash and cash equivalents	16	532.4	464.5	774.8
		5,466.8	5,522.7	5,617.0
Total assets		12,534.0	13,204.7	14,006.6

¹ Business year 2014/15 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements 2015/16 under "B. Summary of accounting policies."

In millions of euros

Equity and liabilities

	Notes	04/01/2014 ¹	03/31/2015 ¹	03/31/2016
A. Equity				
Share capital		313.3	313.3	317.8
Capital reserves		470.8	471.9	553.7
Hybrid capital		993.9	497.9	497.9
Reserve for own shares		-1.5	-1.5	-1.5
Other reserves		-91.7	75.6	-46.7
Retained earnings		3,523.1	3,693.4	4,150.2
Equity attributable to equity holders of the parent		5,207.9	5,050.6	5,471.4
Non-controlling interests		64.9	64.4	180.2
	17	5,272.8	5,115.0	5,651.6
B. Non-current liabilities				
Pensions and other employee obligations	18	1,029.3	1,267.3	1,229.1
Provisions	19	99.2	70.4	71.6
Deferred tax liabilities	13	61.4	63.1	122.0
Financial liabilities	20	2,596.7	3,004.6	3,342.8
		3,786.6	4,405.4	4,765.5
C. Current liabilities				
Provisions	19	497.9	513.6	567.2
Tax liabilities		58.3	77.2	98.3
Financial liabilities	20	831.8	890.2	898.2
Trade and other payables	21	2,086.6	2,203.3	2,025.8
		3,474.6	3,684.3	3,589.5
Total equity and liabilities		12,534.0	13,204.7	14,006.6

¹ Business year 2014/15 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements 2015/16 under "B. Summary of accounting policies."

In millions of euros

voestalpine AG

Consolidated
statement of cash flows 2015/16

	Notes	2014/15 ¹	2015/16
Operating activities			
Profit after tax		595.0	602.1
Non-cash expenses and income	24	580.7	566.2
Changes in working capital			
Change in inventories		-65.2	91.7
Change in receivables and liabilities		-30.5	-38.7
Change in provisions		39.9	60.9
		-55.8	113.9
Cash flows from operating activities		1,119.9	1,282.2
Investing activities			
Additions of other intangible assets, property, plant and equipment		-1,061.3	-1,284.3
Income from disposals of assets		33.5	17.1
Cash flows from the acquisition of control of subsidiaries		-52.1	-13.1
Cash flows from the loss of control of subsidiaries		124.8	0.1
Additions/divestments of other financial assets		27.1	50.2
Cash flows from investing activities		-928.0	-1,230.0
Financing activities			
Dividends paid		-230.0	-204.8
Dividends paid non-controlling interests		-14.0	-46.3
Acquisition of non-controlling interests		-9.9	-2.4
Redemption hybrid bond	17	-500.0	0
Capital increase		0	85.6
Increase in long-term financial liabilities		1,210.2	642.9
Repayment of long-term financial liabilities		-841.2	-180.7
Repayment of long-term finance lease liabilities		-4.8	-8.7
Change in current financial liabilities and other financial liabilities		100.1	-24.5
Cash flows from financing activities		-289.6	261.1
Net decrease/increase in cash and cash equivalents		-97.7	313.3
Cash and cash equivalents, beginning of year		532.4	464.5
Net exchange differences		29.8	-3.0
Cash and cash equivalents, end of year	16	464.5	774.8

¹ Business year 2014/15 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements 2015/16 under "B. Summary of accounting policies."

In millions of euros

voestalpine AG

Consolidated statement of comprehensive income 2015/16

Consolidated income statement

	Notes	2014/15 ¹	2015/16
Revenue	1, 2	11,189.5	11,068.7
Cost of sales		-8,917.5	-8,631.7
Gross profit		2,272.0	2,437.0
Other operating income	3	454.4	362.0
Distribution costs		-975.5	-1,028.1
Administrative expenses		-603.1	-610.6
Other operating expenses	4	-321.8	-424.5
Share of profit of entities consolidated according to the equity method	5	60.2	153.0
EBIT		886.2	888.8
Finance income	6	44.0	32.1
Finance costs	7	-191.2	-169.6
Profit before tax (EBT)		739.0	751.3
Tax expense	8	-144.0	-149.2
Profit after tax		595.0	602.1
Attributable to:			
Owners of the parent		549.1	585.3
Non-controlling interests		8.8	-5.7
Share planned for hybrid capital owners		37.1	22.5
Basic and diluted earnings per share (euros)	30	3.18	3.35

Consolidated other comprehensive income

	Notes	2014/15	2015/16
Profit after tax		595.0	602.1
Items of other comprehensive income that will be reclassified to profit or loss			
Cash flow hedges		22.4	-19.8
Net investment hedges		10.3	-10.3
Currency translation		128.6	-88.9
Share of result of entities consolidated according to the equity method		9.8	-8.5
Subtotal of items of other comprehensive income that will be reclassified to profit or loss		171.1	-127.5
Items of other comprehensive income that will not be reclassified to profit or loss			
Actuarial gains/losses		-184.9	43.6
Actuarial gains/losses of entities consolidated according to the equity method		-2.3	0
Subtotal of items of other comprehensive income that will not be reclassified to profit or loss		-187.2	43.6
Other comprehensive income for the period, net of income tax		-16.1	-83.9
Total comprehensive income for the period		578.9	518.2
Attributable to:			
Owners of the parent		529.1	506.7
Non-controlling interests		12.7	-11.0
Share planned for hybrid capital owners		37.1	22.5
Total comprehensive income for the period		578.9	518.2

¹ Business year 2014/15 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements 2015/16 under "B. Summary of accounting policies."

In millions of euros

voestalpine AG

Consolidated
statement of changes in equity 2015/16

	Share capital	Capital reserves	Hybrid capital	Reserve for own shares
Balance as of April 1, 2014¹	313.3	470.8	993.9	-1.5
Profit after tax	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	-500.0	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	1.0	0	0
Other changes	0	0.1	4.0	0
	0	1.1	-496.0	0
Balance as of March 31, 2015 = Balance as of April 1, 2015	313.3	471.9	497.9	-1.5
Profit after tax	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
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
Dividends to hybrid capital owners	0	0	0	0
Tax effect from transactions with hybrid capital owners	0	0	0	0
Capital increase	4.5	81.7	0	0
Share-based payment	0	0.7	0	0
Acquisition of control of subsidiaries	0	0	0	0
Other changes	0	-0.6	0	0
	4.5	81.8	0	0
Balance as of March 31, 2016	317.8	553.7	497.9	-1.5

¹ Business year 2014/15 retroactively adjusted. Further details are given in the Notes to the consolidated financial statements 2015/16 under "B. Summary of accounting policies."

Other reserves		Retained earnings	Total attributable to equity holders of the parent	Non-controlling interests	Total equity
Translation reserve	Hedging reserve				
-85.3	-6.4	3,523.1	5,207.9	64.9	5,272.8
0	0	586.2	586.2	8.8	595.0
0	22.4	0	22.4	0	22.4
0	10.3	0	10.3	0	10.3
124.8	0	-0.2	124.6	4.0	128.6
14.8	-5.0	0	9.8	0	9.8
139.6	27.7	-0.2	167.1	4.0	171.1
0	0	-184.8	-184.8	-0.1	-184.9
0	0	-2.3	-2.3	0	-2.3
0	0	-187.1	-187.1	-0.1	-187.2
139.6	27.7	-187.3	-20.0	3.9	-16.1
139.6	27.7	398.9	566.2	12.7	578.9
0	0	-163.8	-163.8	-8.4	-172.2
0	0	0	-500.0	0	-500.0
0	0	-66.2	-66.2	0	-66.2
0	0	12.3	12.3	0	12.3
0	0	0	1.0	0	1.0
0	0.0	-10.9	-6.8	-4.8	-11.6
0	0.0	-228.6	-723.5	-13.2	-736.7
54.3	21.3	3,693.4	5,050.6	64.4	5,115.0
0	0	607.8	607.8	-5.7	602.1
0	-19.8	0	-19.8	0	-19.8
0	-10.3	0	-10.3	0	-10.3
-82.4	0	0	-82.4	-6.5	-88.9
-13.0	4.5	0	-8.5	0	-8.5
-95.4	-25.6	0	-121.0	-6.5	-127.5
0	0	42.4	42.4	1.2	43.6
0	0	42.4	42.4	1.2	43.6
-95.4	-25.6	42.4	-78.6	-5.3	-83.9
-95.4	-25.6	650.2	529.2	-11.0	518.2
0	0	-174.8	-174.8	-47.8	-222.6
0	0	-30.0	-30.0	0	-30.0
0	0	7.5	7.5	0	7.5
0	0	0	86.2	0	86.2
0	0	0	0.7	0	0.7
0	0	0	0	173.2	173.2
-0.2	-1.1	3.9	2.0	1.4	3.4
-0.2	-1.1	-193.4	-108.4	126.8	18.4
-41.3	-5.4	4,150.2	5,471.4	180.2	5,651.6

In millions of euros