

Ladies and Gentlemen:

The business year 2015/16 was not a year like so many others for the voestalpine Group; instead, the main trends were even more oriented toward the future—or rather more crucial for the future—than in previous years. This was not the case because our company again did better than many of its competitors in a market environment that continues to be difficult or because our financial structure and our bottom line improved yet again despite record investment expenditure. Rather, 2015/16 was a special year for voestalpine because it became even more manifest than ever before where the future of our Group lies. Validated by the challenging framework conditions during the past twelve months, the high-tech/high-quality strategy that has been practiced for 15 years proved itself once again to be the most effective instrument in countering the “new economic normal,” which has emerged from the financial and economic crisis. This realization was reflected in the comprehensive 2015 update of “Strategy 2020,” which had been originally adopted in 2012, and it is firmly based on an explicit commitment to sustainable value-added growth—with value appreciation as the top priority.

The strategic foundation of the Group is a combination of leading materials expertise in the metallurgical sector combined with cutting-edge technological expertise in the processing of these materials to create high-quality products in the industrial goods sector. Building on the decisions made in the past business year, this is where the presence of our Group will be even more significant in the future, whether as a partner of the automotive industry, aerospace and railway companies, the mechanical engineering sector, or the energy sector. In 2015/16, the requirements for this future were developed even more consistently than ever before. With investment in state-of-the-art technology of more than EUR 1.3 billion, a global record, with the highest ever expenditure for research and innovation, but also for the training and continuing education of our employees, with the construction of a direct reduction plant, which will provide new options for strategic and cost optimization of future-directed, high-tech steel production, and with the construction of numerous new plants for sophisticated products and services that will be deployed in diverse industrial applications, the path forward has been clearly defined.

A strategy that is so pro-active requires stability and openness in customer relationships, knowledge and commitment on the part of employees, and—not least—the confidence of our shareholders. Working continuously on all of these issues is the core

responsibility not just of the management of a company but of all of its employees. After all, it is ultimately up to all of us together to convince our stakeholders that we are serious about our claims.

What is outside of our sphere of influence are, however, the framework conditions for our actions, the regulatory environment in its widest sense, and the question of the conditions at our sites, both on a national and a European level. This is where business and industry and everyone who bears responsibility in these areas is dependent on the understanding and the cooperativeness of the political arena and of all major social groups. And this is where there is a need for action—action we have called for repeatedly in recent years. The need for action is urgent if Europe wants to retain its industry in the future, which is ultimately the backbone of jobs and prosperity. We, for our part, are doing our utmost for this to succeed.

Linz, May 31, 2016

The Management Board

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