

voestalpine reports increasing revenue and excellent earnings in the business year 2016/17 after exceptional fourth quarter

Against the backdrop of a macroeconomic environment with a moderate growth trend, that was surprisingly resistant against political turbulences (Brexit, Trump, Turkey,...), voestalpine was able to step up its earnings performance over the course of the business year 2016/17 and after an outstanding fourth quarter surpassed last year's figures on a clean basis (excluding exceptional items from changes of consolidation in the previous business year 2015/16): EBITDA clean: +6.6% YoY, EBIT clean: +3.1% YoY. Under IFRS, including the exceptional items in business year 2015/16, the earnings figures showed a somewhat declining development (EBITDA: -2.7% YoY, EBIT: -7.4% YoY) while revenues slightly increased (+2.0% YoY).

This development was based on the consistently positive performance of the automotive industry and a stable and robust economic situation in the consumer goods sector. The aerospace industry also continued its positive trend, while the construction sector still reported rather modest tendencies. In the second half of 2016, the railway infrastructure sector was faced with an increasingly weakening demand in Europe, which continued into the beginning of 2017. In comparison, after a longer lean period, the oil and gas industry saw recovery tendencies in the course of the year that continued to strengthen in the last business quarter.

Looking at the single divisions, in particular the development of the Steel Division stood out with earnings rising close to 20% (EBIT: +19.6% YoY, EBITDA: +17.9% YoY), but also the High Performance Metals Division (former Special Steel Division) as well as the Metal Forming Division were able to achieve remarkable increases of their financial results (EBIT: +11.2% YoY, EBITDA: +8.5% YoY, respectively EBIT: +8.3% YoY, EBITDA: +9.1% YoY). Merely the Metal Engineering Division had to accept declining earnings (EBIT clean: -13.6% YoY, EBITDA clean: -6.1% YoY) due to the weakness in the oil- and gas-business as well as the slowdown of the railway infrastructure business over the course of the business year, whereas it has to be mentioned, that the division was even in this difficult environment able to achieve excellent

margins (EBIT-margin clean: 8.1%, EBITDA-margin: 13.4%), which are still on average level of the voestalpine Group (EBIT-margin clean: 7.4%, EBITDA-margin: 13.6%).

Based on this economic trend, the voestalpine Group should record strong revenue and earnings in the first half of the new business year, with figures significantly higher than in the same period of the previous year. However, the economic trend in the second half of the business year will only be able to be assessed in concrete terms after the coming summer.

In light of the fact that a number of recent major investments – such as the HBI plant in Texas, USA, the new wire production in Leoben/Donawitz, Austria, and several downstream investments in Europe, the USA and China – will be fully included in the voestalpine Group's revenue and earnings for the first time in the course of the business year, a clearly positive revenue and earnings development is expected from today's perspective despite uncertainties in the outlook for the voestalpine Group in second half of the business year 2017/18.

QUARTERLY DEVELOPMENT OF THE voestalpine GROUP

In millions of euros

	1 st quarter 2016/17	2 nd quarter 2016/17	3 rd quarter 2016/17	4 th quarter 2016/17	BY		Change in %
					2016/17	2015/16	
Revenue	2,772.4	2,635.4	2,693.4	3,193.3	11,294.5	11,068.7	2.0
EBITDA	333.9	371.0	356.2	479.6	1,540.7	1,583.4	-2.7
EBITDA margin	12.0%	14.1%	13.2%	15.0%	13.6%	14.3%	
EBIT	167.6	201.3	176.1	278.3	823.3	888.8	-7.4
EBIT margin	6.0%	7.6%	6.5%	8.7%	7.3%	8.0%	
Profit before tax	138.9	172.5	150.0	238.5	699.9	751.3	-6.8
Profit after tax ¹	105.8	127.9	110.2	183.1	527.0	602.1	-12.5
Employees (full-time equivalent)	48,319	48,786	48,765	49,703	49,703	48,367	2.8

¹ Before deduction of non-controlling interests and interest on hybrid capital.

QUARTERLY DEVELOPMENT OF THE voestalpine GROUP, ADJUSTED

In millions of euros

	1 st quarter 2016/17	2 nd quarter 2016/17	3 rd quarter 2016/17	4 th quarter 2016/17	BY		Change in %
					2016/17	2015/16	
Revenue	2,772.4	2,635.4	2,693.4	3,193.3	11,294.5	11,068.7	2.0
EBITDA	333.9	371.0	356.2	479.6	1,540.7	1,445.8	6.6
EBITDA margin	12.0%	14.1%	13.2%	15.0%	13.6%	13.1%	
EBIT	171.5	204.9	179.7	283.8	839.9	814.4	3.1
EBIT margin	6.2%	7.8%	6.7%	8.9%	7.4%	7.4%	
Profit before tax	142.8	176.1	153.5	244.1	716.5	676.8	5.9
Profit after tax ¹	108.7	130.6	112.9	187.2	539.4	509.8	5.8
Employees (full-time equivalent)	48,319	48,786	48,765	49,703	49,703	48,367	2.8

¹ Before deduction of non-controlling interests and interest on hybrid capital.

Further inquiry note:

voestalpine AG
Peter Fleischer
Head of Investor Relations

voestalpine-Strasse 1
4020 Linz, Austria
T. +43/50304/15-9949
peter.fleischer@voestalpine.com
www.voestalpine.com