

voestalpine AG

Notes to the consolidated financial statements 2009/10

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, research and development in the area 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, 2010, (including comparative figures for the year ended

March 31, 2009) have been prepared 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 18, 2010.

B. Summary of accounting policies

General information

With the exception of financial instruments, which are measured at fair value, the consolidated financial statements are prepared on the historical cost basis.

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

Since the requirements for the application of IFRS 5 are no longer met, the entities classified as discontinued operations in the previous year are classified again as continuing operations in the business year 2009/10; prior year's comparative figures were adjusted accordingly.

The following new and revised Standards were adopted for the first time in the business year 2009/10:

Standard	Content	Effective date ¹
IAS 1	Presentation of Financial Statements	January 1, 2009
IAS 23 (2007)	Borrowing Costs	January 1, 2009
IAS 32 (2008)	Financial Instruments: Presentation	January 1, 2009
IAS 39 (2008)	Reclassification of Financial Instruments	July 1, 2008
IAS 39	Financial Instruments: Recognition and Measurement of Embedded Derivatives	June 30, 2009 ²
IFRS 1 (2008)	First-time Adoption of International Financial Reporting Standards	January 1, 2009
IFRS 2 (2008)	Share-based Payment	January 1, 2009
IFRS 7	Reclassification of Financial Instruments	July 1, 2008
IFRS 7	Financial Instruments: Disclosures	January 1, 2009
IFRS 8	Operating Segments	January 1, 2009
Various Standards	Improvements to IFRS 2008	January 1, 2009

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

² These Standards are applicable for the first time to reporting periods ending on or after the effective date.

The first-time adoption of the revised IAS 23, which eliminated the option to expense all borrowing costs relating to qualifying assets, when incurred resulted in a change in the treatment of borrowing costs.

The revised IAS 1 and the amendments to IFRS 7 resulted in changes in the presentation of financial statements and in expanded explanatory notes.

The first-time adoption of IFRS 8 did not result in changes to the Group's reportable segments. The remaining new Standards had no impact on the consolidated financial statements.

The following Standards have been endorsed by the European Union as of the balance sheet date, but their application was not yet mandatory for the business year:

Standard	Content	Effective date¹
IAS 27 (2008)	Consolidated and Separate Financial Statements	July 1, 2009
IAS 32	Classification of Rights Issues	February 1, 2010
IAS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items	July 1, 2009
IFRS 1 (2008)	First-time Adoption of International Financial Reporting Standards	July 1, 2009
IFRS 2 (2009)	Group Cash-settled Share-based Payment Transactions	January 1, 2010
IFRS 3 (2008)	Business Combinations	July 1, 2009
Various Standards	Improvements to IFRS 2009	January 1, 2010

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

The Group did not early adopt these Standards and does not expect that the new Standards will have a significant impact on the consolidated financial statements.

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

Basis of consolidation

The annual financial statements of fully consolidated or proportionately consolidated entities are prepared using uniform accounting policies. For entities included using the equity method, local accounting policies and different balance sheet dates are maintained 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 immediately in profit or loss. Minority interests in the acquired entity are stated at the minority's proportion of the net fair values of the acquired assets, liabilities, and contingent liabilities.

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 balance sheet 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 balance sheet date are recognized in the consolidated income statement.

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

Closing exchange rate	03/31/2009	03/31/2010
USD	1.3308	1.3479
GBP	0.9308	0.8898
Average annual rate	2008/09	2009/10
USD	1.4213	1.4136
GBP	0.8342	0.8856

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 balance sheet 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 the next business year:

- 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.
- Where the fair values of financial instruments cannot be derived from active markets, they are determined using alternative mathematical models. The underlying parameters used in the determination of the fair values are based partially on assumptions concerning the future.
- The valuation of existing severance payments and pension obligations are based on assumptions regarding interest rate, retirement age, life expectancy,

labor turnover, and future salary/wage increases.

- 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.

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 the 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 are 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 17.9 million (2008/09: EUR 14.3 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 108.8 million (2008/09: EUR 112.0 million) in the business year 2009/10.

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%

In respect of 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.

This change in accounting policy was due to the first-time adoption of IAS 23 (revised 2007). The revision of the Standard elimi-

nated the option to expense all borrowing costs related to qualifying assets when incurred.

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. Lease agreements in which the Group assumes substantially all the risks and rewards of ownership as a lessee are considered asset purchases subject to long-term financing and are classified as finance leases; otherwise, they 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 liability to the lessor is 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.

Goodwill is allocated to 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 also includes the carrying amount of goodwill.

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

On disposal of a subsidiary or associate, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Other intangible assets

Expenses for research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized as an expense as incurred. In accordance with IAS 38.57, development expenditure is capitalized if the relevant criteria are satisfied. Usually, the relevant criteria are not satisfied. Capitalized development costs are therefore not significant. 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	5 years

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

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 whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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 that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the management monitors cash flows.

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 greater of the fair value less cost to sell and value in use. Impairment losses recognized in respect of cash-generating units to which goodwill has been allocated are first applied against the carrying amount of goodwill. Any remaining impairment loss reduces pro-rata the carrying amounts of the assets of the cash-generating unit.

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

Investments in associates

The proportional results and equity of associates that are not of minor significance are included in the consolidated financial statements using the equity method.

Financial instruments

Derivative financial instruments are used exclusively for the purpose of hedging the foreign currency risk, interest rate risk, and raw materials price risk (including CO₂ emission certificates). 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.

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. 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, proportionate consolidation, or the equity method are reported under "other investments" at the lower of cost or market value.

Securities are carried at fair value. The fair value option is applied. Changes in the fair value are recognized through profit or loss in the income statement.

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.

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

Emission certificates

Emission certificates are measured at zero cost, as the rights have been allocated free of charge. In the case of under-allocation, proportional amounts for CO₂ emission certificates are included in the other provisions. The necessary certificates are measured using the average hedged prices or the fair value at the balance sheet date.

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 similar methods. Cost includes directly attributable costs and all pro-rated material and production overheads based on normal capacity utilization. Interest costs and general administrative and sales expenses are not recognized in inventory.

Trade and other receivables

Trade and other receivables are stated at their nominal value. 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, for which the default risk is transferred to the buyer and for which the seller assumes a contingent liability to the extent of the retained amount from credit insurances, are derecognized because the power of disposition has transferred to the buyer.

For construction contracts, the percentage of completion method is used to realize profit over time based on a reliable estimate of the degree of completion, total costs, and total revenue.

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, for pensions, and long-service bonuses and are recognized in accordance with IAS 19 using the projected unit credit method.

Employees of Austrian entities who started their employment before January 1, 2003, receive a lump-sum 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.

Both defined contribution and defined benefit pension plans exist within the Group. Defined contribution plans involve no ad-

ditional future obligations after the payment of premiums. Defined benefit plans guarantee the employee a specified pension, which is based on a certain percentage of salaries or wages depending on years of service or on a valorized fixed amount per year of service. Defined benefit obligations are stated in the annual financial statements of the respective entities until the contractual vesting date. After that date the pensions are transferred to a pension fund.

In accordance with IAS 19.93A, actuarial gains and losses in respect of severance and pension obligations are recognized directly in equity in the year in which they are incurred. Actuarial gains and losses in respect of provisions for long-service bonuses are recognized immediately in profit or loss.

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

	2008/09	2009/10
Interest rate (%)	5.75	5.25
Salary/wage increases (%)	3.75	3.50
Pension increases (%)	2.50	2.50
Retirement age men/women (years)	max. 65	max. 65
Mortality tables	AVÖ 2008-P	AVÖ 2008-P

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

Other provisions

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

Liabilities

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

Stock option program

A resolution approving a stock option plan for members of the Management Board and executives of the voestalpine Group was passed at the Annual General Meeting on July 5, 2006.

These stock options can be exercised at any time between July 1, 2008, and June 30, 2011, in compliance with the Issuer Compliance Directive. The options can be exercised if the participant is a current employee or member of the Management Board of voestalpine AG or a Group company.

Each option entitles the participant to receive one voestalpine AG share after the exercise requirements have been fulfilled. voestalpine AG's intention at the time the options were granted was to provide settlement in shares. The holder of the option has no choice of settlement. Under IFRS 2, the transaction is therefore considered a share-based payment transaction.

Due to the changed circumstances after the acquisition of BÖHLER-UDDEHOLM Aktiengesellschaft, the Management Board of voestalpine AG has decided to settle the obligation related to the options in cash. Options (personnel expenses) are carried at fair value at the time of the grant. The offsetting entry is recorded directly in equity. The cash settlement on the exercise date is also recognized directly in equity.

Employee stock ownership plan

The employee stock ownership plan 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, and 2008/09, 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, and 2008, applying an annual increase of 3.5%.

The Works Council and the Company concluded an agreement for implementation of the employee stock ownership plan. Shares are acquired by the voestalpine Mitarbeiterbeteiligung Privatstiftung (a private foun-

dation 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.

In addition, employee bonuses are partially provided in the form of shares. Under IFRS 2, share-based payments settled with equity instruments are recognized as personnel expenses at fair value, with the offsetting entry recognized directly in equity.

On March 31, 2010, the voestalpine Mitarbeiterbeteiligung Privatstiftung (a private foundation for the Company's employee shareholding scheme) held approximately 13.3% 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 established 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 their subsidiaries).

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Joint ventures are included in the consolidated financial statements using proportionate consolidation. The annual financial statements of subsidiaries and joint

ventures are included in the consolidated financial statements from the acquisition date until disposal date.

Associates are entities over which the Group has significant influence without having control over the financial and operating policies. The annual financial statements of associates are included in the consolidated financial statements using the equity method, from the acquisition date until disposal date. The Group's associates are listed in the "Investments" appendix to the notes.

The following table shows the proportionate amounts included in the consolidated financial statements by proportionate consolidation:

	03/31/2009	03/31/2010
Non-current assets	31.5	29.4
Current assets	104.7	53.6
	136.2	83.0
Equity	30.5	28.2
Non-current provisions and liabilities	11.8	10.0
Current provisions and liabilities	93.9	44.8
	136.2	83.0
	2008/09	2009/10
Revenue	287.7	144.9
Cost of sales	191.6	104.4
Profit for the period	69.6	25.2

In millions of euros

The following table shows the values (100%) for entities included in the consolidated financial statements using the equity method:

	03/31/2009	03/31/2010
Non-current assets	323.2	315.6
Current assets	739.4	577.8
	1,062.6	893.4
Equity	351.1	334.7
Non-current provisions and liabilities	124.6	66.7
Current provisions and liabilities	586.9	492.0
	1,062.6	893.4
	2008/09	2009/10
Revenue	3,205.1	1,742.9
Profit for the period	71.3	52.8

In millions of euros

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

	Full consolidation	Proportionate consolidation	Equity method
As of April 1, 2009	320	2	15
Acquisitions	0		
Change in consolidation method			
Acquisitions	5		
Disposals	-3		-2
Reorganizations	-16		
Divestments or disposals	-10		
As of March 31, 2010	296	2	13
Of which foreign companies	240	0	5

The following entities were deconsolidated during the business year 2009/10:

Name of entity	Date of deconsolidation
Full consolidation in the previous year	
voestalpine Euroweld S.r.l.	June 30, 2009
Böhler Welding Group Norway AS	March 31, 2010
BTF S.p.A.	September 30, 2009
DAN Spray A/S	April 1, 2009
Flotek (International) Ltd.	April 1, 2009
Hilarius Haarlem Holland Beheer B.V.	April 1, 2009
Meltgran AB	March 31, 2010
Meltgran Management AB	March 31, 2010
Meltgran Trading AB	March 31, 2010
Nedcon N.V.	March 31, 2010
Polynorm Automotive Holding USA Inc.	March 31, 2010
voestalpine Polynorm Inc.	March 31, 2010
voestalpine Polynorm Plastics Limited	March 31, 2010
Reorganization	
Coriolis	April 1, 2009
Böhler Uddeholm Services, LLC	April 1, 2009
Böhler Ybbstal GmbH	April 1, 2009
Böhler Schweißtechnik GmbH	April 1, 2009
Böhler Verwaltungs GmbH	April 1, 2009
Böhler-Uddeholm Bearbeitungs GmbH	April 1, 2009
BÖHLER-UDDEHOLM Precision Strip GmbH & Co KG	April 1, 2009
BÖHLER-UDDEHOLM Precision Strip GmbH	April 1, 2009
Buderus Edelstahl Zerspanungstechnik GmbH	April 1, 2009
BWG Services Verwaltungs GmbH	April 1, 2009
Kestra Schweißtechnik GmbH	April 1, 2009
LEED Steel LLC	April 1, 2009
Martin Miller GmbH	April 1, 2009
Soudometal S.A.	April 1, 2009
Summerville Steel LLC	April 1, 2009
voestalpine Dancke Werkzeugbau GmbH & Co KG	April 1, 2009
Equity method in the previous year	
BÖHLER-UDDEHOLM Immobilien GmbH	March 31, 2010

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

	Recognized values
Non-current assets	-8.8
Current assets	-10.5
Non-current provisions and liabilities	1.0
Current provisions and liabilities	11.6
Net assets	-6.7
Consideration received	6.0
Cash and cash equivalents disposed of	-0.8
Net cash inflow	5.2

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 2009/10:

Name of entity	Interest in %	Date of initial consolidation
Full consolidation		
Bohler Welding Group SRL	100.000	October 26, 2009
Flamco Hungary Kft	100.000	March 30, 2010
Rene Prinsen Spoorwegmaterialen B.V.	100.000	April 1, 2009
voestalpine Bahnsysteme GmbH	100.000	April 1, 2009
voestalpine Finanzierung Holding GmbH	100.000	April 1, 2009

These entities have contributed EUR –1.8 million to the profit for the period and EUR 6.0 million to sales since initial consolidation.

The pro-forma values "as though the acquisition date had been at the beginning of the period" are not stated due to immaterial differences of the above mentioned acquisitions.

Except for one acquisition, additions to the scope of consolidated financial statements include start-ups and entities that changed from non-consolidated to fully consolidated status.

One entity, which was previously accounted for using the equity method, has now been fully consolidated after acquisition of the remaining shares. The net cash outflow amounts

to EUR 3.6 million due to EUR 4.0 million acquisition cost in the period under review and the entity's incoming cash and cash equivalents of EUR 0.4 million.

In accordance with IFRS 3, the acquired companies are included in the consolidated financial statements at the fair value of the acquired assets, liabilities and contingent liabilities determined as of the acquisition date, including depreciation and amortization as appropriate. In accordance with IFRS 3, intangible assets, inventories, and provisions shall be considered provisional due to uncertainties.

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 minority interests is recognized directly in equity. During the business year 2009/10, EUR 5.1 million were paid for the acquisition of minority interests. Minority interests amounting to EUR 1.6 million were derecognized, and the remaining amount of EUR 3.5 million (2008/09: EUR 159.6 million) was charged directly in equity.

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

Open put options, which are charged against equity, had a fair value of EUR 13.9 million (2008/09: EUR 16.4 million) as of March 31, 2010.

E. Explanations and other disclosures

1. Operating segments

The voestalpine Group operates in six reportable segments: Steel Division, Special Steel Division, Railway Systems Division, Profilform Division, Automotive Division, and Other. The reporting system, which is essentially based on the nature of the products provided, reflects the internal financial reporting, the management structure of the organization, and the predominant sources of risks and rewards of the Company.

The *Steel Division* focuses on the production of flat steel products for the automotive, white goods, and construction industries. This division is a top-three European player in the highest quality segment. The division produces and processes hot- and cold-rolled steel as well as electrolytically galvanized, hot-dip galvanized, and organically coated plate and electrical sheet steel. It also has other activities, such as heavy plate production, a foundry, and a variety of downstream processes.

The *Special Steel Division* is a global market leader in tool steel. Furthermore, it has a leading position in precision strip steel, special forgings, and welding technology. Key customers include the automotive industry, tool and machinery manufacturers, aircraft manufacturers, the consumer goods and electronics industries, the wood industry, the textile and paper industries, the construction of power plants and other industrial facilities, and oilfield technology.

The *Railway Systems Division* is the global market leader in switches and the European market leader for rails and processed wire, as well as a full-service provider for railway construction, including planning, logistics, signal engineering, and line maintenance. The division has its own steel production and also manufactures rod wire, drawn wire, seamless tubes, and semi-finished products.

The *Profilform Division* is responsible for the Group's tube and section production activities. It specializes in welded tubes and hollow sections, open standard sections, and all types of custom roll forming of special tubes and sections. In addition, the division also produces pallet and high-bay racking systems and elements for street safety. It is the global market leader in the special sections segment.

The *Automotive Division* processes steel and other materials, such as aluminum and plastics, into components, modules, and systems for the automotive industry. It focuses on laser-welded blanks as well as on body-in-white components and safety-related parts. The Automotive Division has become a top-three player in the European automotive component supplier industry.

The holding company, several Group financing companies as well as the entities of group IT are included under *Other*. These companies are combined in this segment because their focus is on providing coordination 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 the profit from operations (EBIT) to measure the performance of the segments because it is commonly used in the steel and steel processing industry as a comparative measure of financial performance. In addition, the voestalpine Group considers it a widely accepted indicator for measuring the Group's profitability.

The operating segments¹ of the Group are presented as follows:

Operating segments

	Steel Division		Special Steel Division		Railway Systems Division	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Segment revenue	4,328.5	3,098.7	3,530.6	2,358.4	2,351.0	1,908.5
Of which revenue with third parties	3,736.3	2,746.2	3,526.2	2,353.9	2,332.0	1,895.7
Of which revenue with other segments	592.2	352.5	4.4	4.5	19.0	12.8
EBITDA	735.5	423.3	363.3	153.1	414.7	329.0
Depreciation and amortization of property, plant and equipment and intangible assets	213.1	221.9	308.3	232.7	90.0	103.4
Of which impairment	0.0	0.0	0.0	0.0	0.4	3.1
Of which reversal of impairment	0.0	0.0	0.0	0.0	0.0	0.0
Profit from operations (EBIT)	522.3	201.4	55.0	-79.6	324.7	225.6
EBIT margin	12.1%	6.5%	1.6%	-3.4%	13.8%	11.8%
Share of profit of associates	14.7	10.5	0.0	0.0	2.6	3.8
Profit for the period	361.6	139.5	-18.3	-98.9	227.7	158.9
Segment assets	3,902.8	3,342.3	5,061.2	4,748.1	1,989.7	1,840.9
Of which investments in associates	81.9	83.5	0.1	0.0	18.4	13.3
Net financial debt	896.7	949.3	627.4	821.4	440.0	382.7
Investments in property, plant and equipment and intangible assets	398.6	240.7	274.5	181.2	232.5	71.6
Employees (excl. temporary personnel and apprentices)	10,034	9,510	14,734	13,762	8,077	7,863

¹ The cash-generating units Precision Strip and Welding Consumables have been legally allocated to the Profilform Division and the Railway Systems Division with retroactive effect from April 1, 2009, but they were managed and reported within the Special Steel Division during the entire business year 2009/10 and therefore are allocated to the operating segment Special Steel Division in these consolidated financial statements.

The reconciliation of the key ratios EBITDA and EBIT are shown in the following table:

EBITDA	2008/09	2009/10
Net exchange differences incl. result from valuation of derivatives	4.5	18.3
Value adjustments for receivables/waiver of receivables	6.6	-1.7
Consolidation	6.1	6.8
Other	-0.4	-1.1
EBITDA - Total reconciliation	16.8	22.3

In millions of euros

Profilform Division		Automotive Division		Other		Reconciliation		Total Group	
2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
1,147.1	724.0	988.6	835.4	106.3	88.4	-727.2	-463.4	11,724.9	8,550.0
1,140.5	719.4	985.8	833.1	4.1	1.7	0.0	0.0	11,724.9	8,550.0
6.6	4.6	2.8	2.3	102.2	86.7	-727.2	-463.4	0.0	0.0
163.8	63.6	72.2	73.8	-56.2	-60.8	16.8	22.3	1,710.1	1,004.3
31.4	31.7	71.6	55.9	6.9	6.7	0.0	0.0	721.3	652.3
0.0	0.0	7.2	0.0	0.0	0.0	0.0	0.0	7.6	3.1
0.0	0.0	0.0	9.3	0.0	0.0	0.0	0.0	0.0	9.3
132.4	31.9	0.6	18.0	-63.1	-67.7	16.8	22.4	988.7	352.0
11.5%	4.4%	0.1%	2.2%					8.4%	4.1%
0.0	0.0	0.0	0.0	6.7	6.0	0.4	0.1	24.4	20.4
81.1	17.2	-2.4	16.4	984.6	-233.5	-1,022.7	187.2	611.6	186.8
627.5	576.4	930.7	866.7	9,536.1	8,662.8	-9,201.5	-7,743.1	12,846.5	12,294.1
0.0	0.0	0.0	0.0	0.1	1.0	28.7	28.7	129.2	126.5
150.7	171.8	376.6	283.8	1,335.9	504.4	-65.7	-76.1	3,761.6	3,037.3
46.8	19.3	50.9	22.5	7.4	4.4	7.4	0.0	1,018.1	539.7
3,512	3,087	4,870	4,551	688	633	0	0	41,915	39,406

In millions of euros

EBIT	2008/09	2009/10
Net exchange differences incl. result from valuation of derivatives	4.5	18.3
Value adjustments for receivables/waiver of receivables	6.6	-1.7
Consolidation	6.1	6.8
Other	-0.4	-1.0
EBIT – Total reconciliation	16.8	22.4

In millions of euros

For the most part, all other key ratios 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 geographical location of the companies.

	Austria		European Union		Other countries	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
External revenue	1,328.3	774.3	7,192.4	5,345.1	3,204.2	2,430.6
Non-current assets	4,401.9	4,350.0	1,629.5	1,598.5	493.6	544.9
Investments in property, plant and equipment and intangible assets	693.2	403.9	244.1	105.7	80.8	30.1

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 an entity's revenue.

2. Other operating income

	2008/09	2009/10
Gains on disposal of property, plant and equipment	12.8	11.1
Income from reversal of provisions	58.8	34.3
Exchange profits and income from the valuation of derivatives	83.3	78.5
Other operating income	285.1	241.3
	440.0	365.2

In millions of euros

In the business year 2009/10, EUR 130.1 million from the sale of products and services not generated in the course of ordinary activities are included in other operating income.

3. Other operating expenses

	2008/09	2009/10
Taxes other than income taxes	18.6	13.9
Losses on disposal of property, plant and equipment	1.9	3.3
Exchange losses and expenses from the valuation of derivatives	71.7	45.6
Other operating expenses	288.7	258.0
	380.9	320.8

In millions of euros

In the business year 2009/10, EUR 124.5 million from the sale of products and services not generated in the course of ordinary activities are included in other operating expenses.

4. Share of profit of associates

	2008/09	2009/10
Income from associates	24.4	20.7
Expenses from associates	0.0	-0.3
	24.4	20.4

In millions of euros

Income from associates is primarily attributable to VA Intertrading AG, Ningxia Kocel Steel Foundry Co. Ltd., and Chinese New Turnout Technologies Co. Ltd.

5. Finance income

	2008/09	2009/10
Income from investments	7.2	6.7
Of which from affiliated companies	3.6	5.1
Income from other long-term securities and loans	4.4	3.4
Of which from affiliated companies	0.0	0.0
Other interest and similar income	61.4	64.3
Of which from affiliated companies	0.1	1.3
Income from disposals and fair value measurements of investment at fair value through profit or loss	0.6	19.5
	73.6	93.9

In millions of euros

6. Finance costs

	2008/09	2009/10
Expenses from investments		
Net loss from fair value measurement of investment at fair value through profit or loss	28.7	1.6
Expenses from affiliated companies	0.0	1.7
Other expenses	0.3	0.2
	29.0	3.5
Other interest and similar expenses	357.7	279.4
Of which from affiliated companies	4.1	2.3
	386.7	282.9

In millions of euros

7. Income tax expense

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

	2008/09	2009/10
Current tax expense	144.8	55.7
Deferred tax expense	-56.4	-59.2
	88.4	-3.5

In millions of euros

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

	2008/09		2009/10	
Profit before tax		700.0		183.3
Income tax using the Austrian corporate tax rate	25.0%	175.0	25.0%	45.8
Difference to foreign tax rates	-1.2%	-8.6	-4.2%	-7.7
Non-taxable income and expenses	1.5%	11.0	-0.5%	-0.9
Non-taxable income from participations	-1.1%	-7.9	-3.7%	-6.8
Effects from the depreciation of participations	-4.8%	-33.3	3.0%	5.5
Taxes from previous periods	-1.3%	-9.0	-8.1%	-14.9
Own shares	-3.7%	-26.1	-0.3%	-0.5
Hybrid bond	-2.6%	-18.2	-9.9%	-18.2
Other differences	0.8%	5.5	-3.2%	-5.8
Effective Group tax rate (%) / income tax expense	12.6%	88.4	-1.9%	-3.5

In millions of euros

In Austria, dividends (interest) on hybrid capital represent a tax-deductible expense. The tax reduction is recognized through profit and loss.

8. Discontinued operations

Due to the current global economic situation, the Group has given up the plans to divest the entities reported as discontinued operations in the previous year. The plastics operations of the Polynorm Group as well as the French company Amstutz Levin & Cie (Automotive Division) are again reported under continuing operations in the consolidated financial statements 2009/10.

Due to the fact that these entities are reported under continuing operations again, the profit from operations (EBIT) has been positively affected by EUR 1.3 million. The retroactively adjusted profit from operations (EBIT) for the business year 2008/09 is EUR 27.2 million lower than the reported figure of the previous year.

9. Property, plant and equipment

	Land and buildings	Plant and equipment	Fixtures and fittings	Advance payments and plant under construction	Total
Gross carrying amount	2,173.1	7,025.6	836.8	451.5	10,487.0
Accumulated depreciation and impairment	-1,073.8	-4,803.1	-608.4	0.0	-6,485.3
Carrying amount as of April 1, 2008	1,099.3	2,222.5	228.4	451.5	4,001.7
Gross carrying amount	2,259.4	7,260.5	880.8	812.8	11,213.5
Accumulated depreciation and impairment	-1,112.2	-5,083.4	-637.7	-1.9	-6,835.2
Carrying amount as of March 31, 2009	1,147.2	2,177.1	243.1	810.9	4,378.3
Gross carrying amount	2,454.8	7,670.2	923.7	594.1	11,642.8
Accumulated depreciation and impairment	-1,165.7	-5,316.1	-675.5	-1.5	-7,158.8
Carrying amount as of March 31, 2010	1,289.1	2,354.1	248.2	592.6	4,484.0

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, 2010:

	Land and buildings	Plant and equipment	Fixtures and fittings	Advance payments and plant under construction	Total
Carrying amount as of April 1, 2008	1,099.3	2,222.5	228.4	451.5	4,001.7
Changes in the scope of consolidated financial statements	2.9	1.9	0.6	0.3	5.7
Additions	75.4	225.2	67.3	589.3	957.2
Transfers	42.1	150.7	19.1	-213.7	-1.8
Disposals	-4.8	-6.6	-2.4	-8.0	-21.8
Depreciation	-56.9	-387.1	-65.8	-0.5	-510.3
Impairment	-0.4	-7.2	0.0	0.0	-7.6
Net exchange differences	-10.4	-22.3	-4.1	-8.0	-44.8
Carrying amount as of March 31, 2009	1,147.2	2,177.1	243.1	810.9	4,378.3
Changes in the scope of consolidated financial statements	0.0	1.2	-0.6	0.0	0.6
Additions	52.7	183.8	38.9	247.8	523.2
Transfers	125.1	321.4	25.6	-476.0	-3.9
Disposals	-3.3	-3.5	-1.8	-2.9	-11.5
Depreciation	-59.2	-376.5	-65.1	-0.2	-501.0
Impairment	-1.5	-0.9	-0.1	0.0	-2.5
Reversal of impairment	4.2	4.4	0.2	0.5	9.3
Net exchange differences	23.9	47.1	8.0	12.5	91.5
Carrying amount as of March 31, 2010	1,289.1	2,354.1	248.2	592.6	4,484.0

In millions of euros

As of March 31, 2010, restrictions on the disposal of property, plant and equipment amounted to EUR 23.9 million (March 31, 2009: EUR 34.7 million). Furthermore, as of March 31, 2010, commitments for the purchase of property, plant and equipment amounted to EUR 211.2 million (March 31, 2009: EUR 388.4 million).

Immaterial borrowing costs relating to qualifying assets were capitalized for the first time in the reporting period. The calculation was based on an average borrowing cost rate of 4.4%.

As of March 31, 2010, the gross carrying amount and accumulated depreciation of investment properties (IAS 40) are reported as follows:

	03/31/2009	03/31/2010
Gross carrying amount	31.5	31.5
Accumulated depreciation and impairment	-8.2	-8.2
Carrying amount	23.3	23.3

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, 2010:

	2008/09	2009/10
Carrying amount as of April 1	26.8	23.3
Disposals	-3.4	0.0
Depreciation	-0.1	0.0
Carrying amount as of March 31	23.3	23.3

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 23.9 million (March 31, 2009: EUR 24.0 million).

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

	Property, plant and equipment						Total 2009/10
	Total 2008/09	Land and buildings	Plant and equipment	Fixtures and fittings	Advance payments and plant under construction	Intangible assets	
Gross carrying amount	116.8	78.0	32.3	2.0	1.9	1.3	115.5
Accumulated depreciation and impairment	-43.7	-19.2	-16.7	-1.3	0.0	-1.3	-38.5
Carrying amount	73.1	58.8	15.6	0.7	1.9	0.0	77.0

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		Present value of the minimum finance lease payments	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
	Less than one year	9.7	8.6	-2.6	-2.6	7.1
Between one and five years	35.6	34.6	-9.4	-8.7	26.2	25.9
More than five years	41.5	37.4	-7.3	-7.0	34.2	30.4
	86.8	80.6	-19.3	-18.3	67.5	62.3

In millions of euros

The most significant finance lease agreements for buildings and production plants have a term between 5 and 22 years. Thereby, the Group has the option to purchase the plants at the end of the contracted period at the nominal value or renew the contract. The obligations from finance lease agreements are collateralized mainly by way of retention of title to the leased asset by the lessor.

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:

	2008/09	2009/10
Less than one year	26.1	30.6
Between one and five years	73.7	87.3
More than five years	73.1	63.1
	172.9	181.0

In millions of euros

Payments of EUR 34.7 million (2008/09: EUR 24.5 million) under operating leases have been recognized as expenses.

The most significant operating lease agreements are related to buildings with a lease term of at least 15 years and with a renewal option of about 10 years in certain cases. At the end of the lease term there are purchase options. There are no restrictions concerning dividends, additional debt, and further leases.

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

	2008/09	2009/10
Cost of sales	572.8	523.5
Distribution costs	104.1	82.6
Administration expenses	33.2	34.0
Other operating expenses	11.2	12.2
	721.3	652.3

In millions of euros

Impairment losses and reversal of impairment losses

Impairment losses on property, plant and equipment (primarily as a precaution for future reorganization) amounting to EUR 2.5 million (March 31, 2009: EUR 7.6 million) were recognized during the reporting period (they affect primarily land and buildings in the Railway Systems Division). These are primarily recognized in the cost of sales.

Reversals of impairment losses on property, plant and equipment amounting to EUR 9.3 million were recognized through profit and loss in the Automotive Division due to an increase of the fair value during the reporting period (March 31, 2009: EUR 0.0 million). These are primarily recognized in other operating income.

10. Goodwill

	03/31/2008	03/31/2009	03/31/2010
Gross carrying amount	1,418.8	1,436.3	1,435.8
Impairment loss	-15.4	-15.4	-15.4
Carrying amount	1,403.4	1,420.9	1,420.4

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, 2010:

	Goodwill
Carrying amount as of April 1, 2008	1,403.4
Changes in the scope of consolidated financial statements	11.4
Additions	10.8
Disposals	-7.8
Net exchange differences	3.1
Carrying amount as of March 31, 2009	1,420.9
Additions	3.9
Disposals	-3.9
Net exchange differences	-0.5
Carrying amount as of March 31, 2010	1,420.4

In millions of euros

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the following cash-generating units:

	2008/09	2009/10
Total Steel Division	160.2	160.2
High Performance Metals	504.3	505.2
Welding Consumables	169.9	170.2
Precision Strip	220.3	220.3
Special Forging	14.0	14.0
Total Special Steel Division	908.5	909.7
Switches	131.6	129.9
Rail	25.2	25.2
Steel	25.8	25.8
Total Railway Systems Division	182.6	180.9
Tubes and Sections	46.0	46.0
Storage Technology	11.2	11.2
Total Profilform Division	57.2	57.2
Precision Parts and Safety Technology	16.9	16.9
Laser-Welded Blanks	4.5	4.5
Great Pressed Parts	20.9	20.9
Structural Parts	70.1	70.1
Total Automotive Division	112.4	112.4
voestalpine Group	1,420.9	1,420.4

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 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. Cash flows are discounted using a pre-tax discount rate (WACC) of 8.2%.

Both internal and external market forecasts for the sales of flat steel products in Europe were used for the three-year medium-term business plan of the *Steel Division*. The figures allocated to the most significant assumptions in the plan generally correspond to external sources of information. Cash flows of the last plan year are the basis of the terminal value's determination. The terminal value is calculated with a growth rate of 1%.

The impairment tests for the *Special Steel Division* are performed on the basis of a detailed three-year planning period. The actual degree of utilization has been adapted to the market expectations in the plan years. In the Special Steel Division, the growth rate in terminal value amounts to 1%, which is lower than the rate of inflation.

The three-year medium-term business plan for the significant cash-generating units in the *Railway Systems Division* was based on external market forecasts for the sales of switches and rails. On the procurement side, global market forecasts were used for assumptions concerning the use of raw materials. The income level of the third plan year was used to determine the terminal value. A growth rate of 1% was used for the terminal value calculation.

In the *Profilform Division*, the planning assumptions on the sales side are based on market assessments for the most significant customer industries and industry segments and take specific market studies (e.g., the Global Truck Report) into consideration. Forecasts of international research institutes were used as a basis for the trend of pre-materials prices. The third plan year is the basis for the determination of the terminal value. Country-specific risk premiums of up to 3% were included in the calculation for production in emerging markets. No growth rates were used.

In the *Automotive Division*, the determination of the degree of utilization was based on automotive production forecasts. External forecasts were revised downward as a result of internal estimates. Impairment tests in the Automotive Division are based on a detailed three-year planning period. The terminal value is calculated with a growth rate of 1%.

The calculation did not result in an impairment of goodwill for the business year 2009/10. A sensitivity analysis shows that an increase of the discount rate (8.2%) by 10% would result in an impairment amounting to EUR 30.5 million only in the Precision Strip cash-generating unit. Using the discount rate of 8.2%, the recoverable amount exceeds the carrying amount by EUR 20.1 million. Using a discount rate of 8.5%, the recoverable amount corresponds to the carrying amount.

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

	2008/09	2009/10
High Performance Metals	62.5	62.5
Welding Consumables	12.6	12.6
Precision Strip	2.6	2.6
Subtotal	77.7	77.7
Special Steel	149.9	149.9
Total Special Steel Division	227.6	227.6
voestalpine Group	227.6	227.6

In millions of euros

Intangible assets with indefinite useful lives exclusively include brands, which do not depreciate and are therefore not amortized.

11. Other intangible assets

	Patents and trademarks	Intangible assets in accordance with IFRS 3	Advance payments	Total
Gross carrying amount	228.9	1,015.3	2.3	1,246.5
Accumulated amortization and impairment	-179.4	-298.5	-0.2	-478.1
Carrying amount as of April 1, 2008	49.5	716.8	2.1	768.4
Gross carrying amount	233.0	1,027.3	4.7	1,265.0
Accumulated amortization and impairment	-181.5	-486.8	0.0	-668.3
Carrying amount as of March 31, 2009	51.5	540.5	4.7	596.7
Gross carrying amount	236.6	1,027.2	0.9	1,264.7
Accumulated amortization and impairment	-189.7	-612.6	0.0	-802.3
Carrying amount as of March 31, 2010	46.9	414.6	0.9	462.4

In millions of euros

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, 2010:

	Patents and trademarks	Intangible assets in accordance with IFRS 3	Advance payments	Total
Carrying amount as of April 1, 2008	49.5	716.8	2.1	768.4
Changes in the scope of consolidated financial statements	0.0	7.9	0.0	7.9
Additions	13.8	3.3	3.7	20.8
Transfers	1.7	0.0	-0.5	1.2
Disposals	0.0	0.0	-0.6	-0.6
Amortization	-15.8	-187.7	0.0	-203.5
Net exchange differences	2.3	0.2	0.0	2.5
Carrying amount as of March 31, 2009	51.5	540.5	4.7	596.7
Changes in the scope of consolidated financial statements	-0.1	0.0	0.0	-0.1
Additions	9.6	0.0	1.2	10.8
Transfers	8.4	-0.1	-4.2	4.1
Disposals	-0.8	0.0	-0.8	-1.6
Amortization	-22.7	-125.8	0.0	-148.5
Net exchange differences	1.0	0.0	0.0	1.0
Carrying amount as of March 31, 2010	46.9	414.6	0.9	462.4

In millions of euros

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

12. Investments in associates and other financial assets

	Affiliated companies	Invest- ments in associates	Other invest- ments	Securities	Loans granted	Advance payments	Total
Gross carrying amount	25.0	110.5	14.6	63.8	14.4	2.3	230.6
Accumulated depreciation	-6.8	-2.5	-5.2	-3.2	-1.2	0.0	-18.9
Carrying amount as of April 1, 2008	18.2	108.0	9.4	60.6	13.2	2.3	211.7
Gross carrying amount	25.2	131.7	56.9	65.2	14.3	0.0	293.3
Accumulated depreciation	-8.1	-2.5	-2.2	-8.2	-1.6	0.0	-22.6
Carrying amount as of March 31, 2009	17.1	129.2	54.7	57.0	12.7	0.0	270.7
Gross carrying amount	24.3	129.0	61.2	85.1	11.8	0.0	311.4
Accumulated depreciation	-7.5	-2.5	-2.2	-3.9	-1.6	0.0	-17.7
Carrying amount as of March 31, 2010	16.8	126.5	59.0	81.2	10.2	0.0	293.7

In millions of euros

	Affiliated companies	Invest- ments in associates	Other invest- ments	Securities	Loans granted	Advance payments	Total
Carrying amount as of April 1, 2008	18.2	108.0	9.4	60.6	13.2	2.3	211.7
Changes in the scope of con- solidated financial statements	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additions	5.2	26.3	45.1	2.3	1.0	0.0	79.9
Transfers	-6.2	6.3	0.5	0.6	-0.9	-2.3	-2.0
Disposals	0.0	-11.4	-0.3	-1.3	-0.8	0.0	-13.8
Depreciation	-0.1	0.0	0.0	-5.2	-0.2	0.0	-5.5
Revaluation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net exchange differences	0.0	0.0	0.0	0.0	0.4	0.0	0.4
Carrying amount as of March 31, 2009	17.1	129.2	54.7	57.0	12.7	0.0	270.7
Changes in the scope of con- solidated financial statements	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additions	1.7	15.2	0.4	20.3	0.8	0.0	38.4
Transfers	-0.4	-11.9	4.2	0.0	11.6	0.0	3.5
Disposals	-0.3	-6.0	-0.3	-0.4	-14.7	0.0	-21.7
Depreciation	-1.6	0.0	0.0	0.0	-0.1	0.0	-1.7
Revaluation	0.3	0.0	0.0	4.3	0.0	0.0	4.6
Net exchange differences	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1
Carrying amount as of March 31, 2010	16.8	126.5	59.0	81.2	10.2	0.0	293.7

In millions of euros

A minor investment classified as held for sale is recorded under other investments and accounted for in accordance with IFRS 5.

Loans granted comprise the following items:

	03/31/2008	03/31/2009	03/31/2010
Loans to affiliated companies	1.4	1.3	1.3
Loans to associates	0.0	0.0	0.0
Loans to other investments	0.0	0.0	0.0
Other loans	10.0	9.5	8.4
Other receivables from financing	1.8	1.9	0.5
	13.2	12.7	10.2

In millions of euros

Other current investments include shares in the V54 investment fund amounting to EUR 323.1 million (March 31, 2009: EUR 193.3 million), EUR 185.1 million in another liquidity fund, and other securities amounting to EUR 28.6 million (March 31, 2009: EUR 24.7 million).

Current and non-current securities amounting to EUR 104.5 million (March 31, 2009: EUR 111.4 million) are pledged for investment loans granted by the European Investment Bank.

13. Deferred taxes

In accordance with IAS 12.39, deferred taxes on differences resulting from investments in subsidiaries were not recognized.

Timing differences between items in the consolidated financial statements and the tax statement are as follows:

	Assets		Equity and liabilities	
	03/31/2009	03/31/2010	03/31/2009	03/31/2010
Non-current assets	140.8	448.4	346.8	422.8
Current assets	105.6	195.2	216.0	222.7
Non-current provisions and liabilities	376.4	404.8	69.6	120.2
Current provisions and liabilities	119.2	190.4	86.4	127.5
	742.0	1,238.8	718.8	893.2
Consolidation				
Intercompany profit elimination	109.8	85.0	0.0	0.0
Revalued assets	0.0	0.0	614.7	481.5
Other	31.5	114.6	29.3	195.7
	883.3	1,438.4	1,362.8	1,570.4
Corporate tax rate	25.0%	25.0%	25.0%	25.0%
Deferred taxes	220.8	359.6	340.7	392.6
Acquisition-related tax credit	216.8	198.7	0.0	0.0
Netting of deferred taxes to the same tax authority	-28.6	-146.6	-28.6	-146.6
Net deferred taxes	409.0	411.7	312.1	246.0

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 over a period of 14 years with an amount of EUR 18.1 million per year. This is offset by actual tax savings.

Deferred tax assets and liabilities of EUR 8.2 million (March 31, 2009: EUR 6.0 million) for items recognized directly in equity were also recognized in equity with no effect on profit or loss during the reporting period.

Deferred tax assets on losses carried forward in the amount of EUR 57.6 million were recognized. As of March 31, 2010, there is a total of unused tax losses of approximately EUR 38.6 million (corporate income tax) (March 31, 2009: total of approximately EUR 64.0 million), for which no deferred tax asset has been recognized. Up to 2016, approximately EUR 29,0 million of tax loss carryforwards (corporate income tax) will expire.

14. Inventories

	2008/09	2009/10
Raw materials and supplies	1,007.3	707.4
Work in progress	608.7	532.9
Finished goods	1,012.0	745.3
Merchandise	257.7	198.4
As yet unbillable services	11.5	8.0
Advance payments	12.5	6.3
	2,909.7	2,198.3

In millions of euros

Write-downs to the lower net realizable value amounting to EUR 78.8 million (March 31, 2009: EUR 148.9 million) are recorded in the consolidated financial statements. Inventories of EUR 3.1 million (March 31, 2009: EUR 3.8 million) are pledged as security for liabilities. An amount of EUR 4,427.3 million (March 31, 2009: EUR 6.643.2 million) has been recognized as cost of materials.

15. Trade and other receivables

	03/31/2009	Of which over one year	03/31/2010	Of which over one year
Trade receivables	1,321.0	5.1	1,114.6	6.0
Receivables from affiliated companies	13.2	0.2	12.0	0.0
Receivables from other investments	52.7	0.0	46.1	0.0
Other receivables and other assets	398.6	9.9	285.4	12.6
	1,785.5	15.2	1,458.1	18.6

In millions of euros

Trade receivables include the following receivables from construction contracts:

	03/31/2009	03/31/2010
Aggregate amount of costs incurred	128.9	99.8
Aggregate amount of accrued profits	15.5	11.8
Aggregate amount of incurred losses	-1.4	-1.0
Gross receivables from construction contracts	143.0	110.6
Less amount of advances received	-96.6	-74.9
Receivables from construction contracts	46.4	35.7

In millions of euros

Revenue from construction contracts amounts to EUR 122.2 million in the business year 2009/10.

16. Cash and cash equivalents

	2008/09	2009/10
Cash on hand, cash at banks, checks	857.7	1,028.6

In millions of euros

17. Equity

Share capital (incl. disclosures according to § 240 of the Austrian Commercial Code (UGB))

Under the former § 4 (6) of the Articles of Incorporation, the Management Board was authorized to increase the share capital by up to EUR 28,778,442.33 by issuing up to 15,840,000 ordinary no-par value shares to the extent that creditors of the convertible bond 2005/10 exercise their conversion rights (contingent capital increase).

Effective January 29, 2010, voestalpine AG called the convertible bond 2005/10. Due to the call, all convertible bonds outstanding at the time of the call (= 8.6% of the total nominal amount of the convertible bond amounting to EUR 250 million) were converted into shares of the Company by the creditors of the convertible bond. For this conversion, the Management Board exercised its authority under § 4 (6) of the Articles of Incorporation and increased the share capital of voestalpine AG by 0.68% through the issue of 1,150,131 ordinary no-par value bearer shares to creditors of the convertible bond 2005/10. A further issue of shares by the Management Board according to § 4 (6) of the Articles of Incorporation is no longer possible due to the total redemption of the convertible bond 2005/10. § 4 (6) of the Articles of Incorporation has been deleted and the former § 4 (7) of the Articles of Incorporation is now § 4 (6). As of March 31, 2010, there are no convertible bonds outstanding.

As of March 31, 2010, the share capital amounts to EUR 307,132,044.75 (March 31, 2009: EUR 305,042,462.76) and is divided into 169,049,163 ordinary no-par value shares (March 31, 2009: 167,899,032). All shares are fully paid up.

Under § 4 (2) of the Articles of Incorporation, the Management Board of voestalpine AG is authorized to increase the share capital of the Company by issuing up to 83,949,516 ordinary no-par value bearer shares (about 49.66%) up to June 30, 2014, against cash contributions and/or, if necessary, by excluding shareholders' subscription rights in full or in part, (i) against contributions in kind, including but not limited to contributions of equity interests, companies, businesses, or business units, and/or (ii) to be issued to

employees, executives, and members of the Management Board of the Company or an affiliated company under an employee stock ownership plan or stock option plan (authorized capital increase). The Management Board did not exercise this authority during the reporting period.

Under § 4 (6) of the Articles of Incorporation, the Management Board of voestalpine AG is authorized to increase the share capital of the Company up to 80,000,000 ordinary no-par value bearer shares (= 47.32%) for issuance to creditors of financial instruments within the meaning of § 174 of the Austrian Stock Corporation Act (convertible bonds, income bonds, participation rights); the Management Board was authorized to issue these shares during the Annual General Meeting on July 1, 2009 (contingent capital increase). During the reporting period, the Management Board did not exercise the authority granted on July 1, 2009, to issue financial instruments within the meaning of § 174 of the Austrian Stock Corporation Act.

During the Annual General Meeting on July 2, 2008, the Management Board was authorized to repurchase own shares up to December 31, 2010, 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 stock exchange 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), profit/loss from the sale of own shares, and share-based compensation.

Reserves for own shares include cost of acquisition and disposal at cost of repurchased own shares, respectively.

Retained earnings include the profit for the period less dividend distributions. When increasing the majority interests, the difference between the costs of acquisition for the additional shares and the pro-rated carrying amount of the minority interests is recognized directly in retained earnings. Actuarial gains and losses in respect of severance and pension obligations are recognized directly in equity 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 on the hedged transactions recognized in the reserves are recognized in the income statement only if the hedged transaction affects the result as well.

The number of shares outstanding for the periods presented in the consolidated financial statements as of March 31, 2010, has changed as follows:

	Number of no-par value shares	Number of own shares	Number of shares outstanding
Balance as of April 1, 2008	164,439	5,203	159,236
Additions	3,460		3,460
Disposals		-4,308	4,308
Balance as of March 31, 2009	167,899	895	167,004
Additions	1,150		1,150
Disposals		-237	237
Balance as of March 31, 2010	169,049	658	168,391

In thousands of 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 are suspended, is 7.125%. Seven years after issue of the bond, voestalpine AG, but not the creditors, will have its first opportunity to redeem the bond or to continue it at a variable interest rate (3-month Euribor plus 5.05%).

As the hybrid bond satisfies the IAS 32 criteria for equity, the proceeds from the bond issue are recognized as part of equity. Accordingly, coupon payments are also presented as dividend payments. The issue costs and the bond discount amounted to EUR 10.5 million. A tax benefit related to this position in the amount of EUR 2.6 million was recognized. Thus, the increase in equity was EUR 992.1 million.

Minority interest

The minority interest as of March 31, 2010, results primarily from minority interests in the VAE Group, Railpro B.V., and the Danube Equity companies.

Other comprehensive income includes the following items:

	2008/09	2009/10
Hedge accounting	9.3	-25.3
Actuarial gains/losses	-25.4	-15.7
Currency translation	-9.7	85.1
Deferred taxes on hedge accounting and actuarial gains/losses	6.1	8.2
Other comprehensive income net	-19.7	52.3

In millions of euros

18. Pensions and other employee obligations

	2008/09	2009/10
Provisions for severance payments	444.3	424.6
Provisions for pensions	298.4	323.0
Provisions for long-service bonuses	111.9	105.4
	854.6	853.0

In millions of euros

Provisions for severance payments

	2008/09	2009/10
Present value of defined benefit obligation (DBO) as of April 1, 2009	447.8	444.3
Service costs for the period	10.6	10.3
Interest costs for the period	22.9	24.9
Changes in the scope of consolidated financial statements	0.0	-0.4
Severance payments	-32.4	-47.8
Actuarial gains (-)/losses (+)	-4.6	-6.7
Present value of defined benefit obligation (DBO) as of March 31, 2010	444.3	424.6

In millions of euros

	03/31/2006	03/31/2007	03/31/2008	03/31/2009	03/31/2010
Present value of defined benefit obligation (DBO)	337.6	359.8	447.8	444.3	424.6
Actuarial gains (+)/losses (-) due to parameter changes in %	-11.1%	-3.0%	2.7%	3.5%	-2.4%

In millions of euros

Provisions for pensions

	2008/09	2009/10
Present value of defined benefit obligation (DBO) as of April 1, 2009	616.8	595.4
Service costs for the period	9.6	18.2
Interest costs for the period	29.3	33.4
Changes in the scope of consolidated financial statements	0.5	0.0
Pension payments	-35.2	-28.3
Net exchange differences	-4.8	4.3
Actuarial gains (-)/losses (+)	-20.8	48.2
Present value of defined benefit obligation (DBO) as of March 31, 2010	595.4	671.2
Plan assets as of March 31, 2010	-297.0	-348.2
Provisions for pensions as of March 31, 2010	298.4	323.0

In millions of euros

As of March 31, 2010, the present value of the defined benefit obligations amounts to EUR 671.2 million, with EUR 468.0 million thereof wholly or partly funded; EUR 203.2 million are unfunded.

	2008/09	2009/10
Plan assets as of April 1, 2009	337.9	297.0
Expected return for the period	20.4	17.5
Actuarial gains (+)/losses (-)	-54.4	32.3
Net exchange differences	0.6	0.5
Changes in the scope of consolidated financial statements	0.0	0.0
Employer contributions	15.8	18.2
Pension payments	-23.3	-17.3
Plan assets as of March 31, 2010	297.0	348.2

In millions of euros

	03/31/2006	03/31/2007	03/31/2008	03/31/2009	03/31/2010
Present value of defined benefit obligation (DBO)	377.0	381.4	616.8	595.4	671.2
Plan assets	-253.7	-270.0	-337.9	-297.0	-348.2
	123.3	111.4	278.9	298.4	323.0
Actuarial gains (+)/losses (-) due to parameter changes in %	-12.4%	1.1%	1.3%	7.4%	-7.3%

In millions of euros

As of March 31, 2010, the major categories of plan assets are as follows:

	2009/10
Equity instruments	26.7%
Debt instruments	52.9%
Property	6.7%
Other	13.7%
	100.0%

In millions of euros

The plan assets include own shares with a fair value of EUR 1.0 million.

The average expected return is determined by the portfolio structure of the plan assets, empirical data, as well as future estimates of investment returns. The calculation of the provisions for pensions was based on an expected interest rate of 6% on plan assets. The actual interest rate was 16.8%.

The amount recognized as an expense in the income statement for defined contribution plans is EUR 14.4 million.

Provisions for long-service bonuses

	2008/09	2009/10
Present value of defined benefit obligation (DBO) as of April 1, 2009	112.6	111.9
Service costs for the period	5.2	5.0
Interest costs for the period	5.4	5.9
Changes in the scope of consolidated financial statements	0.0	0.0
Long-service bonus payments	-10.2	-10.3
Actuarial gains (-)/losses (+)	-1.1	-7.0
Present value of defined benefit obligation (DBO) as of March 31, 2010	111.9	105.5

In millions of euros

	03/31/2006	03/31/2007	03/31/2008	03/31/2009	03/31/2010
Present value of defined benefit obligation (DBO)	90.7	94.9	112.6	111.9	105.5

In millions of euros

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

	2008/09	2009/10
Service costs for the period	25.4	33.5
Interest costs for the period	57.6	64.2
Expected return on plan assets for the period	-20.4	-17.5
Expenses/revenue recognized in the income statement	62.6	80.2

In millions of euros

Expenses are included in the functional areas of cost of sales, distribution costs, and administration expenses and to a minimum extent in the functional area of other operating expenses.

19. Provisions

	Balance as of 04/01/2009	Changes in the scope of consolidated financial statements	Net exchange differences	Use	Reversal	Addition	Balance as of 03/31/2010
Non-current provisions							
Other personnel expenses	20.4	0.0	0.1	-4.5	-0.1	3.0	18.9
Warranties	14.5	0.0	1.3	-4.0	-1.6	1.3	11.5
Other non-current provisions	23.4	0.0	0.0	-1.8	-0.8	6.2	27.0
	58.3	0.0	1.4	-10.3	-2.5	10.5	57.4
Current provisions							
Vacations	101.3	0.0	2.6	-69.6	-0.1	55.9	90.1
Other personnel expenses	141.8	0.0	1.6	-129.6	-10.4	104.3	107.7
Warranties	42.6	0.0	0.2	-9.7	-7.6	28.6	54.1
Onerous contracts	13.2	0.0	0.1	-6.7	-1.3	34.7	40.0
Other current provisions	97.8	0.0	0.8	-57.3	-11.4	60.2	90.1
	396.7	0.0	5.3	-272.9	-30.8	283.7	382.0
	455.0	0.0	6.7	-283.2	-33.3	294.2	439.4

In millions of euros

The provisions for personnel expenses mainly include bonuses. Provisions for warranties 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 is calculated as the most reliable estimated value of the amount that would be required to settle these obligations at the balance sheet date. The statistical measure is the expected value, which is based on the probability of occurrence of an event according to past experience.

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

20. Financial liabilities

	Up to one year		Over one year	
	03/31/2009	03/31/2010	03/31/2009	03/31/2010
Bank loans and bonds	1,309.4	1,393.2	3,438.8	3,211.3
Liabilities from finance leases	7.1	6.0	60.4	56.3
Liabilities from affiliated companies	17.2	17.7	0.0	0.0
Liabilities from other investments	46.0	21.6	0.0	0.1
Other payables and liabilities	65.3	9.5	1.4	0.6
	1,445.0	1,448.0	3,500.6	3,268.3

In millions of euros

On July 21, 2005, convertible bonds with a nominal value of EUR 250 million, a term of five years, and an interest rate of 1.5% were issued.

The proceeds from the issue of the convertible bonds are separated into a liability and an equity component. The equity component reflects the market value of the embedded option to convert the liability into equity.

The interest expense for the convertible bond is calculated by using the effective interest rate method with an interest rate of 4.0%.

In the reporting period, voestalpine AG called the convertible bond 2005/10 effective January 29, 2010, and redeemed it entirely. For detailed information, please refer to item 17 (Equity).

As of March 31, 2010, the liability component is calculated as follows:

Liability component as of April 1, 2008	67.6
Conversion	-46.6
Interest accrued	-0.1
Liability component as of March 31, 2009	20.9
Conversion	-21.0
Interest accrued	0.1
Liability component as of March 31, 2010	0.0

In millions of euros

On December 17, 2008, voestalpine AG issued a fixed-interest bond amounting to EUR 333.0 million. The bond will be redeemed in two tranches, with the first payment of EUR 222.0 million falling due on December 17, 2010, and the second payment of EUR 111.0 million falling due on December 17, 2011. The fixed interest rate over the entire term of both tranches is 5.75%.

On March 30, 2009, voestalpine AG issued a fixed-interest bond amounting to EUR 400.0 million. The bond will be redeemed on March 30, 2013. The interest rate amounts to 8.75% p.a.

21. Trade and other payables

	03/31/2009	03/31/2010
Prepayments received on orders	82.5	64.2
Trade payables	842.6	898.7
Liabilities from bills payable	414.8	274.8
Liabilities from affiliated companies	8.9	8.3
Liabilities from other investments	5.1	3.0
Other liabilities from taxes	81.8	91.3
Other liabilities related to social security	37.4	38.9
Other payables and other liabilities	426.3	346.7
	1,899.4	1,725.9

In millions of euros

22. Contingent liabilities

	03/31/2009	03/31/2010
Obligations from bills payable	1.6	1.4
Guarantees	4.6	5.1
Other contingent liabilities	0.0	0.0
	6.2	6.5

In millions of euros

23. Financial instruments

General information

The principal financial instruments used by the voestalpine Group consist of bank loans and short-term demand notes, bonds, 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 include mainly interest rate swaps and forward exchange transactions. These derivative financial instruments are used to hedge interest rate and currency risks and risks from fluctuations in raw materials and CO₂ 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 minority interests in Group companies and the hybrid capital.

The Group's maximum sustainable gearing ratio has been set at 70% and may only be exceeded 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:

	03/31/2009	03/31/2010
Gearing ratio in %	88.2%	71.3%
Net financial debt to EBITDA ratio	2.2	3.0

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 and liquidity 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 all business processes are additionally audited once a year by an external auditor.

It is part of our corporate policy to continuously monitor, quantify and, where reasonable, hedge financial risks. Our willingness to accept risk is relatively low. The strategy aims at reducing fluctuations in cash flows and income. Hedging of market risks is done to a large extent by means of derivative financial instruments.

voestalpine AG uses the “@-risk” concept to quantify interest rate, currency, and commodity price 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 12 months less the quantity that has already been hedged.

The variance-covariance approach is used to evaluate interest rate and foreign currency risk. The cash flow risk due to fluctuations in raw materials prices is calculated using the Monte Carlo simulation.

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 in respect of financing and bank credit lines are determined by 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 mostly 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, 2010, non-restricted securities amounted to EUR 394.6 million (March 31, 2009: EUR 106.6 million) and current investments to EUR 1,028.6 million (March 31, 2009: EUR 857.7 million).

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, a contractually guaranteed liquidity reserve of EUR 150 million is 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 25 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 new emissions were issued during the business year 2009/10.

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

Liabilities

	Due within one year		Due between one and five years		Due after more than five years	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Bonds	0.0	222.0	753.2	510.5	0.0	0.0
Bank loans	1,309.4	1,171.2	2,627.3	2,676.0	58.3	24.8
Trade payables	839.3	898.3	3.3	0.4	0.0	0.0
Liabilities from finance leases	7.1	6.0	26.2	25.0	34.2	31.3
Other financial liabilities	65.3	9.5	1.4	0.6	0.0	0.0
Total liabilities	2,221.1	2,307.0	3,411.4	3,212.5	92.5	56.1

In millions of euros

As estimated as of the balance sheet 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	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Interest on bonds	54.7	54.1	130.6	76.4	0.0	0.0
Interest on bank loans	126.0	113.6	254.5	232.3	2.9	2.5
Interest on trade payables	0.0	0.0	0.0	0.0	0.0	0.0
Interest on liabilities from finance leases	2.6	2.6	9.4	8.7	7.3	7.0
Interest on other financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Total interest charges	183.3	170.3	394.5	317.4	10.2	9.5

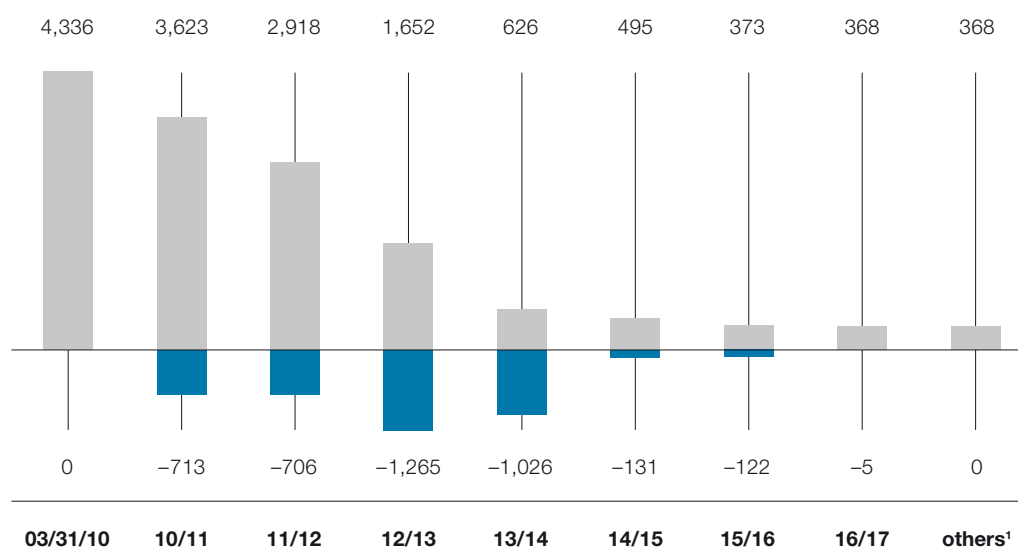
In millions of euros

The maturity structure of the loan portfolio has the following repayment profile for the next several years.

Loan portfolio maturity structure

In millions of euros

■ Loan volume
■ Repayments



¹ Contains EUR 351.0 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 valuation allowance has been recorded, were overdue as of the balance sheet date:

Overdue receivables, for which no valuation allowance has been recorded

	2008/09	2009/10
Less than 30 days past due	191.9	123.4
More than 31 and less than 60 days past due	66.6	35.8
More than 61 and less than 90 days past due	21.2	13.7
More than 91 and less than 120 days past due	12.0	7.3
More than 120 days past due	31.8	22.4
Total	323.5	202.6

In millions of euros

The following valuation allowances were recorded for receivables during the reporting period:

Valuation allowances for receivables

	2008/09	2009/10
Opening balance as of April 1, 2009	52.4	48.5
Additions	21.4	13.6
Net exchange differences	1.0	1.1
Changes in the scope of consolidated financial statements	0.9	0.2
Reversal	-21.0	-5.6
Use	-6.2	-12.4
Closing balance as of March 31, 2010	48.5	45.4

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 almost exclusively based on standardized master agreements for financial forward transactions.

Breakdown of investments at financial institutions by rating classes

	AAA	AA	A	BBB	NR
Bonds	342	44	59	24	27
Money market investments excl. account credit balances	0	178	584	0	0
Derivatives ¹	0	13	24	0	0

¹ Only positive market value

In millions of euros

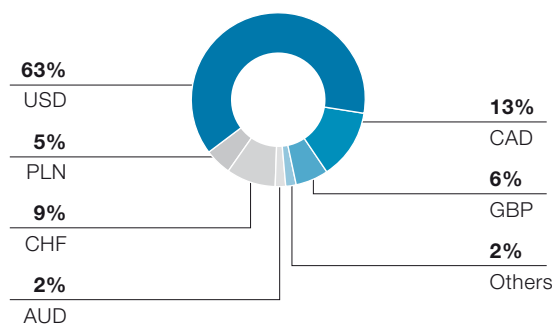
Currency risk

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 (USD netting). The use of derivative hedging instruments is another possibility. voestalpine AG hedges budgeted (net) foreign currency payments over the next 12 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. There is no indirect currency risk.

The net requirement for USD was USD 324.9 million in the business year 2009/10. The decrease compared to the previous year (USD 1,082.3 million) was due to the decline in quantities and prices of raw materials purchased. Due to increased exports to Canada, the Canadian dollar (CAD) has been the second-largest currency position. The remaining foreign currency exposure, resulting primarily from exports to the "non-euro area," is significantly lower than the USD risk.

Foreign currency portfolio 2009/10 (net)



Based on the Value-at-Risk calculation, as of March 31, 2010, the risks for all open positions for the upcoming business year are as follows:

Undiversified	USD	PLN	ZAR	NOK	CAD	CHF	GBP	Other
Position	-139.40	-23.56	0.93	3.80	10.29	6.17	8.41	6.93
VaR (95%/year)	22.85	4.89	0.21	0.49	1.69	0.38	1.27	0.80

In millions of euros

Taking into account the correlation between the different currencies, the resulting portfolio risk is EUR 20.6 million.

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).

The primary objective of interest rate management is to optimize interest expenses while taking the risk into consideration. voestalpine's business profile permits an overweighting of floating-rate financing. Fixed interest rates are used to take advantage of extreme situations (cycle bottom).

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 11.6 million.

The weighted average interest rate for asset positions is 0.85% with a duration of 0.49 years (including money market investments) and 3.53% for liability positions with a duration of 0.92 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	1,641	0.85%	0.49	0.67	-7.97	-14.32
Liabilities	-4,604	3.53%	0.92	3.45	59.28	25.90
Net	-2,963				51.31	11.58

¹ In millions of euros

² Excluding revolving export credits of EUR 351.0 million

The present value risk determined using the Value-at-Risk calculation for March 31, 2010, is equal to EUR 8.3 million (2008/09: EUR 10.2 million) for positions on the assets side given a 1% change in the interest rate and EUR 64.2 million (2008/09: EUR 123.2 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 55.9 million (2008/09: EUR 113.0 million).

The asset positions include EUR 413.1 million (previous year: EUR 252.9 million) of investments in the V47 and V54 funds of funds. 73.8% of the fund assets are invested in bonds and money market securities in euros or in cash in the three sub-funds V101, V102, and V103 and in three special funds as follows:

Funds	Investment currency	
Sub-fund V101	EUR 91.8 million	with a modified duration of 0.49
Sub-fund V102	EUR 109.9 million	with a modified duration of 2.62
Sub-fund V103	EUR 103.1 million	with a modified duration of 5.14
Special funds	EUR 26.0 million	(only included in V54)

The fund of funds includes EUR 15.7 million in equities (3.8% of fund assets), which are divided among two global equity funds with different investment approaches.

For reasons of credit risk management, an amount of EUR 191.6 million has been invested in daily realizable, externally managed money market funds with an AAA rating as a replacement for money market investments.

Due to the general recovery of the financial markets, gains in the fund of funds for the business year were recorded:

Fund of funds	Performance
V47	11.37%
V54	9.44%

Securities are measured at fair value. For the determination of the fair value, quoted prices (unadjusted) in active markets for identical assets or liabilities are used. Net profit amounting to EUR 19.4 million (2008/09: net losses EUR 24.1 million) are recognized at fair value through profit or loss using the fair value option.

Derivative financial instruments

Portfolio of derivative financial instruments as of March 31, 2010:

	Nominal value (in millions of euros)	Fair value (in millions of euros)	Of which accounted for in equity	Maturity
Forward exchange transactions (incl. currency swaps)	547.3	12.9	10.7	< 3 years
Interest rate derivatives	1,646.7	-46.4	-46.5	< 5 years
Commodity swaps	35.6	5.4	0	< 2 years
Total	2,229.6	-28.1	-35.8	

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 fair values are observable currency exchange rates and raw materials prices as well as interest rates. Based on the input, the fair 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 balance sheet date is recognized directly in equity. 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 equity is taken into account when the carrying amount of this item is determined. Otherwise, the amount reported in equity is recognized through profit or loss in accordance with the income effectiveness of the future transaction or the existing obligation (cash flow hedges).

In the business year 2009/10, 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 were designated almost exclusively as fair value hedges. Hedge accounting is only applied to a part of currency and raw material hedges.

Net losses of foreign currency and interest rate derivatives (cash flow hedges) amounting to EUR 1.9 million were recognized through profit and loss in the reporting period.

Profits amounting to EUR 16.9 million on raw material hedges, which are designated as fair value hedges, were recognized through profit and loss. Losses for the corresponding hedged items amounting to EUR 16.9 million were also recognized through profit and loss.

Positive fair values amounting to EUR 10.6 million previously recorded in the reserve for foreign exchange hedges were recognized through profit and loss during the reporting period; fair values amounting to EUR 10.7 million were allocated to the reserve. The reserve for interest hedges decreased by EUR 25.9 million following changes in the fair values of the hedges.

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	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Interest derivatives								
Assets	186.4	137.5	59.5	49.4	126.7	88.1	0.2	0.0
Liabilities	-215.3	-184.0	-59.4	-59.8	-155.9	-124.2	0.0	0.0
	-28.9	-46.5	0.1	-10.4	-29.2	-36.1	0.2	0.0
Currency derivatives								
Assets	10.2	10.7	9.9	10.4	0.3	0.3	0.0	0.0
Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	10.2	10.7	9.9	10.4	0.3	0.3	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
		Held for trading (derivatives)	Other	
Categories	Loans and receivables	Financial assets measured at fair value through profit or loss		Total
		Held for trading (derivatives)	Other	
Assets 2008/09				
Other financial assets – non-current	12.7		128.8	141.5
Trade and other receivables	1,756.6	28.9		1,785.5
Other financial assets – current			218.1	218.1
Cash and cash equivalents	857.7			857.7
Carrying amount	2,627.0	28.9	346.9	3,002.8
Fair value	2,627.0	28.9	346.9	3,002.8
Assets 2009/10				
Other financial assets – non-current	10.2		157.0	167.2
Trade and other receivables	1,433.1	25.0		1,458.1
Other financial assets – current			536.8	536.8
Cash and cash equivalents	1,028.6			1,028.6
Carrying amount	2,471.9	25.0	693.8	3,190.7
Fair value	2,471.9	25.0	693.8	3,190.7

In millions of euros

The item "Other" in the category "Financial assets measured at fair value through profit or loss" contains securities measured using the fair value option as well as other non-consolidated investments.

Classes	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value	
Categories	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)	Total
Liabilities 2008/09			
Financial liabilities – non-current	3,500.6		3,500.6
Financial liabilities – current	1,445.0		1,445.0
Trade and other payables	1,841.4	67.3	1,908.7
Carrying amount	6,787.0	67.3	6,854.3
Fair value	6,782.3	67.3	6,849.6
Liabilities 2009/10			
Financial liabilities – non-current	3,268.3		3,268.3
Financial liabilities – current	1,448.0		1,448.0
Trade and other payables	1,678.0	53.4	1,731.4
Carrying amount	6,394.3	53.4	6,447.7
Fair value	6,467.4	53.4	6,520.8

In millions of euros

The table below analyzes financial instruments measured at fair value, by valuation method. The different levels of valuation methods have been defined as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

2008/09

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Held for trading (derivatives)		28.9		28.9
Other	275.1		71.8	346.9
	275.1	28.9	71.8	375.8
Financial liabilities				
Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)		67.3		67.3
	0.0	67.3	0.0	67.3
Total	275.1	96.2	71.8	443.1

In millions of euros

2009/10

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Held for trading (derivatives)		25.0		25.0
Other	618.0		75.8	693.8
	618.0	25.0	75.8	718.8
Financial liabilities				
Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)		53.4		53.4
	0.0	53.4	0.0	53.4
Total	618.0	78.4	75.8	772.2

In millions of euros

Level 3 contains other investments that are measured at fair value in accordance with IAS 39. As the fair value is not reliably determinable for all other investments, amortized costs serve as an approximation. The costs (in the current reporting period as well as in the previous year) either correspond to the fair value or the deviations are immaterial.

The table below shows net gains and losses on categories of financial instruments for the business year 2009/10:

Loans and receivables	48.8
Held for trading (derivatives)	35.8
Other	26.0
Financial liabilities	-215.1

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 in the business year 2009/10:

Total interest income	51.8
Total interest expense	-205.8

In millions of euros

The impairment loss on financial instruments measured at amortized cost amounts to EUR 21.4 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.

	2008/09	2009/10
Interest received	61.3	64.3
Interest paid	308.3	227.3
Taxes paid	240.5	121.6

In millions of euros

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

Adjustments

	2008/09	2009/10
Depreciation, amortization and impairment	726.8	640.0
Result from sale of assets	-10.8	1.7
Changes in pensions and other employee obligations, non-current provisions and deferred taxes	-76.6	-79.6
Other non-cash income and expenses	-11.6	-15.2
	627.8	546.9

In millions of euros

Cash flows from operating activities include dividend income of EUR 15.2 million from associates and other investments.

The conversion of convertible bonds amounting to EUR 21.0 million increased equity but had no effect on the consolidated statement of cash flows.

25. Related party disclosures

Business transactions between the Group and non-consolidated subsidiaries and equity-consolidated entities, as well as proportionately consolidated entities are carried out at arm's length terms and are included in the following items of the consolidated financial statements:

	2008/09		2009/10	
	With proportionately consolidated entities	With equity-consolidated entities and non-consolidated subsidiaries	With proportionately consolidated entities	With equity-consolidated entities and non-consolidated subsidiaries
Revenue	127.4	371.0	48.2	191.8
Material expenses	11.6	149.7	2.9	96.1
Other operating expenses	0.0	42.4	0.0	34.9

	03/31/2009		03/31/2010	
	With proportionately consolidated entities	With equity-consolidated entities and non-consolidated subsidiaries	With proportionately consolidated entities	With equity-consolidated entities and non-consolidated subsidiaries
Trade and other receivables	9.6	20.5	8.9	18.1
Financial liabilities/trade and other payables	47.6	29.2	23.1	27.4

In millions of euros

In the business year 2009/10, 843 temporary employees (2008/09: 649) from a company reported under other investments were employed to cover short-term personnel shortages.

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

Management Board

The fixed compensation of the Management Board is determined by the Executive 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 Executive Committee of the Supervisory Board and consisting of quantitative and qualitative targets. The maximum bonus is limited to 150% (starting in the business year 2010/11: 135%) of the annual gross salary for members of the Management Board and to 200% (starting in the business year 2010/11: 175%) of the annual gross salary for the Chairman of the Management Board. If the agreed target values for quantitative targets are achieved

exactly, 55% 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 proportionally until the maximum bonus is reached. The target amounts for the quantitative targets are the profit from operations (EBIT) and return on capital employed (ROCE). Specific target amounts are determined periodically (generally for a period of three years) by the Executive Committee of the Supervisory Board in consultation with the Management Board. In the business year 2009/10, the only qualitative target is the free cash flow of the voestalpine Group (in view of the central importance of free cash flow in the current crisis environment, no other qualitative targets were set).

The amount of the contractually approved company pension depends on the length of service. 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).

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.

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 0.2 million are borne by the entity.

The members of the Management Board have waived 10% of their base salary (fixed compensation) for the months June to December 2009 because of the difficult economic environment.

The compensation paid to the active members of the Management Board of voestalpine AG is comprised as follows:

	Dr. Wolfgang Eder	Dipl.-Ing. Franz Hirschmanner	Dipl.-Ing. Josef Mülner	Mag. Dipl.-Ing. Robert Ottel	Dkfm. Dr. Claus J. Raidl	Mag. Wolfgang Spreitzer	2009/10	2008/09
Fixed compensation	0.7	0.5	0.5	0.5	0.5	0.5	3.2	3.2
Variable compensation	0.6	0.4	0.5	0.4	0.7	0.4	3.0	4.7
	1.3	0.9	1.0	0.9	1.2	0.9	6.2	7.9

In millions of euros

In the business year 2009/10, total compensation of the Management Board decreased by 22% compared to the previous year. Additionally, the compensation of the business year 2009/10 includes long-service bonuses and compensation relating to other reporting periods to Dkfm. Dr. Raidl (EUR 0.4 million) and Dipl.-Ing. Mülner (EUR 0.1 million).

At the balance sheet date, the outstanding balance of the variable compensation was EUR 2.1 million. No advances or loans were granted to the members of the Management Board of voestalpine AG. Regarding disclosures of share-based payments (stock option plan) please refer to item 27.

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 § 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 divided in proportion to the assigned fractions of 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 in the Supervisory Board received the following compensation for the business year 2009/10: Dr. Joachim Lemppenau (Chairman): EUR 38,300 (2008/09: EUR 80,000); Dr. Ludwig Scharinger (Vice-Chairman): EUR 28,700 (2008/09: EUR 60,000); Dr. Stefan Kralik: EUR 4,800 (2008/09: EUR 40,000); all other shareholders' representatives EUR 19,200 (2008/09: 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 are conclusively regulated by the Articles of Incorporation and do not require an Annual General Meeting's resolution.

The compensation of the Supervisory Board (incl. attendance honorarium) totaled EUR 0.2 million (2008/09: EUR 0.4 million) in the business year 2009/10. Payment of the compensation of the Supervisory Board for the business year 2009/10 is carried out at the latest 14 days after the Annual General Meeting in July 2010. 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, the law firm Binder Grösswang Rechtsanwälte GmbH, of which Dr. Michael Kutschera (member of the Supervisory Board) is partner, provided legal advisory services relative to the minority shareholder squeeze-out procedure related to BÖHLER-UDDEHOLM Aktiengesellschaft in the reporting period 2009/10. Fees for these matters are invoiced at the general hourly rates of the law firm of Binder Grösswang Rechtsanwälte GmbH applicable at the time. Total net fees of EUR 147,525.83 were incurred for services provided by the law firm of Binder Grösswang Rechtsanwälte GmbH.

26. Employee information

Total personnel expenses include the following items:

	2008/09	2009/10
Wages	920.5	804.2
Salaries	795.3	741.8
Expenses for severance payments	20.5	36.6
Expenses for pensions	25.9	23.3
Expenses for statutory benefits and payroll-based contributions	398.5	353.9
Other social security expenses	45.1	38.9
	2,205.8	1,998.7

In millions of euros

Total number of employees

	Balance sheet date		Average	
	03/31/2009	03/31/2010	2008/09	2009/10
Laborers	26,229	24,361	26,940	24,796
Salaried employees	15,686	15,045	15,713	15,270
Apprentices	1,506	1,472	1,577	1,580
	43,421	40,878	44,230	41,646

27. Share-based payments

Stock option plan

A stock option plan was resolved by the Management Board and approved by the Supervisory Board of the Company in the business year 2006/07. The vesting period ended June 30, 2008. Members of the Management Board (with the exception of the new member of the Management Board Dkfm. Dr. Claus J. Raidl appointed in the business year 2007/08) were granted a total of 900,000 options and executives were granted 3,309,795 options. The options and the right to exercise the options are not transferable. The options can be exercised if the participant is a current employee or officer of voestalpine AG or a Group company.

If the share closing price on the exercise date is at least 15% above the exercise price, each stock option plan participant is allowed to exercise 50% of his options. The exercise price is calculated as the average of the closing prices during the period from August 1, 2006, to September 30, 2006. The market value of these options at the time of grant was calculated by an independent expert using the Monte Carlo simulation.

The other 50% of the options may be exercised if the closing price of voestalpine shares is above the Dow-Jones EUROSTOXX 600 on the exercise date, using July 1, 2006, as the starting point for calculating relative performance. The market value of these options at the time of grant was calculated by an independent expert using the binomial method.

The market value of the options at the time of grant is EUR 5.26 per option and was recognized over a period of 22 months on a straight-line basis until the end of the vesting period. The following parameters were used for determining the value of the options at the time of grant:

Strike price	euros	29.78
Share price at grant date	euros	30.16
Expected volatility	%	28.90
Risk-free interest rate	%	3.60
Dividend yield	%	4.00

Expected volatility was calculated using the historical volatilities of the last three years. Based on an expected early exercise of stock options as compared to normal options, early exercise after two or three years was assumed. The requirement that the relative performance of voestalpine shares must exceed that of the Dow Jones EUROSTOXX 600 index was included in the calculation by way of a 7% discount.

In the business year 2009/10, neither the members of the Management Board nor executives exercised any options. The number of outstanding options therefore remained unchanged and amounts to 3,855,330 at the end of the reporting period (March 31, 2009: 3,855,330 units).

As the relative performance of voestalpine shares since July 1, 2006, has exceeded that of the Dow Jones EUROSTOXX 600, one of the two exercise requirements has been met as of the end of the reporting period. The intrinsic value of the stock options amounted to EUR 0.3 million at the end of the reporting period (March 31, 2009: EUR 0.0 million).

28. Expenses for the Group auditor

Expenses for the Group auditor are structured as follows:

	2008/09	2009/10
Expenses for the audit of the financial statements	0.2	0.2
Expenses for other certifications	0.9	0.9
Expenses for tax consulting services	0.0	0.0
Expenses for other services	0.0	0.0
	1.1	1.1

In millions of euros

29. Disclosures of transactions not recorded in the statement of financial position according to § 266 (2a) of the Austrian Commercial Code (UGB)

Trade receivables amounting to EUR 418.6 million (March 31, 2009: EUR 382.5 million) were sold and derecognized. With regard to factoring, credit insured trade receivables are assigned to banks at 100% of their nominal value, whereby the acquiring banks assume the default risk (del credere risk and political risk); moreover the power of disposition is transferred to the buyer of the receivables. The seller assumes a contingent liability in the amount of the deductible of the credit insurance (range from 10% to 30%). At the balance sheet date, the maximum risk from the contingent liability amounts to EUR 50.5 million.

30. Events after the Reporting Period

No significant events after the reporting period have occurred.

31. Earnings per share

Basic (undiluted) earnings per share are calculated as follows:

	2008/09	2009/10
Profit attributable to equity holders of the parent	529,844	108,403
Issued ordinary shares (average)	164,780,699	168,204,587
Effect of own shares held (average)	-2,186,710	-718,610
Weighted average number of outstanding ordinary shares	162,593,989	167,485,977
Basic (undiluted) earnings per share (euros)	3.26	0.65

In thousands of euros

Diluted earnings per share are calculated as follows:

	2008/09	2009/10
Profit attributable to equity holders of the parent	529,844	108,403
Interest charged for convertible bonds (net)	623	191
Base for diluted earnings per share	530,467	108,594
Weighted average number of outstanding ordinary shares	162,593,989	167,485,977
Weighted average potential shares	1,150,440	0
Weighted average number of ordinary shares for diluted earnings per share	163,744,429	167,485,977
Diluted earnings per share (euros)	3.24	0.65

In thousands of euros

32. Dividend

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, 2010. These financial statements show net retained profits of EUR 85.0 million. The Management Board proposes a dividend of EUR 0.50 per share (2008/09: EUR 1.05).

Linz, May 18, 2010

The Management Board



Wolfgang Eder



Franz Hirschmanner



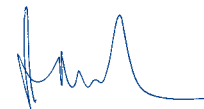
Josef Mülner



Robert Ottel



Claus J. Raidl



Wolfgang Spreitzer

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, 2009 to March 31, 2010. These consolidated financial statements comprise the consolidated balance sheet as of March 31, 2010, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity for the fiscal year ended March 31, 2010, 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, 2010 and of its financial performance and its cash flows for the fiscal year from April 1, 2009 to March 31, 2010 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Comments 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 18, 2010

Grant Thornton
Wirtschaftsprüfungs- und Steuerberatungs-GmbH



Univ.-Doz. Dr. Walter Platzer



Mag. Josef Töglhofer

Certified Public Accountants

This report is a translation of the original report in German, which is solely valid. Publication of the financial statements together with our auditor's opinion may only be made if the financial statements and the Management Report are identical with the audited version attached to this report.

Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

Management Board statement in accordance with § 82 (4) of the Stock Exchange Act

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 18, 2010

The Management Board



Wolfgang Eder
Chairman of the Management Board



Franz Hirschmanner
Member of the Management Board



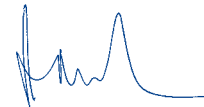
Josef Mülner
Member of the Management Board



Robert Ottel
Member of the Management Board



Claus J. Raidl
Member of the Management Board



Wolfgang Spreitzer
Member of the Management Board

voestalpine AG

Investments

Steel Division

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Stahl GmbH	AUT	100.000%	voestalpine AG	KV
Breuckmann GmbH	DEU	100.000%	vatron gmbh	KV
Importkohle Gesellschaft m.b.H. ¹	AUT	66.000%	voestalpine Rohstoffbeschaffungs GmbH	KV
Importkohle Gesellschaft m.b.H. ¹	AUT	1.000%	BÖHLER Edelstahl GmbH & Co KG	KV
Logistik Service GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
vatron gmbh	AUT	66.500%	voestalpine Stahl GmbH	KV
vatron gmbh	AUT	5.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine Anarbeitung GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Eurostahl GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Giesserei Linz GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Giesserei Traisen GmbH	AUT	100.000%	voestalpine Giesserei Linz GmbH	KV
voestalpine Grobblech GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Personalberatung GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Rohstoffbeschaffungs GmbH	AUT	75.100%	voestalpine Stahl GmbH	KV
voestalpine Rohstoffbeschaffungs GmbH	AUT	24.900%	voestalpine Stahl Donawitz GmbH & Co KG	KV
voestalpine Stahl Service Center GmbH	AUT	100.000%	voestalpine Stahl GmbH	KV
voestalpine Steel Service Center Polska Sp. z o.o.	POL	100.000%	voestalpine Stahl Service Center GmbH	KV
GEORG FISCHER FITTINGS GmbH ¹	AUT	49.000%	voestalpine Stahl GmbH	KE
Herzog Coilex GmbH ²	DEU	25.100%	voestalpine Stahl Service Center GmbH	KE
Industrie-Logistik-Linz GmbH & Co KG ¹	AUT	37.000%	voestalpine Stahl GmbH	KE
Jiaxing NYC Industrial Co. Ltd ¹	CHN	51.000%	voestalpine Giesserei Linz GmbH	KE
Kühne + Nagel Euroshipping GmbH ¹	DEU	49.000%	Logistik Service GmbH	KE
METALSERVICE S.P.A. ¹	ITA	40.000%	voestalpine Stahl Service Center GmbH	KE
Ningxia Kocel Steel Foundry Co. Ltd. ¹	CHN	49.000%	voestalpine Giesserei Linz GmbH	KE
Scholz Austria GmbH ¹	AUT	28.250%	voestalpine Stahl GmbH	KE
Scholz Austria GmbH ¹	AUT	5.160%	voestalpine Stahl Donawitz GmbH & Co KG	KE
Scholz Austria GmbH ¹	AUT	3.712%	BÖHLER Edelstahl GmbH & Co KG	KE
Wuppermann Austria Gesellschaft m.b.H. ¹	AUT	30.000%	voestalpine Stahl GmbH	KE
Austrian Center of Competence in Mechatronics GmbH	AUT	33.333%	vatron gmbh	K0
B-Zone Projektentwicklungs- und -vermarktungsgesellschaft mbH	AUT	100.000%	voestalpine Stahl GmbH	K0
Cargo Service GmbH	AUT	100.000%	Logistik Service GmbH	K0
Caseli GmbH	AUT	100.000%	voestalpine Stahl GmbH	K0

¹ For fully consolidated and/or equity consolidated companies marked ¹, the balance sheet date of December 31 applies. ² For equity consolidated companies marked ², the balance sheet date of September 30 applies.

	Domicile of the company	Interest held	Parent company	Type of consolidation
COGNOR Stahlhandel GmbH	AUT	25.100%	voestalpine Stahl GmbH	K0
Energie AG Oberösterreich	AUT	2.063%	voestalpine Stahl GmbH	K0
GWL Gebäude- Wohnungs- und Liegenschafts- Verwaltungsgesellschaft m.b.H.	AUT	91.000%	voestalpine Stahl GmbH	K0
Hot Vision Research GmbH	AUT	100.000%	vatron gmbh	K0
Industrie-Logistik-Linz Geschäftsführungs-GmbH	AUT	37.000%	voestalpine Stahl GmbH	K0
Kontext Druckerei GmbH	AUT	64.800%	voestalpine Stahl GmbH	K0
Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.	AUT	33.333%	voestalpine Stahl GmbH	K0
Stahlservice Rauschenberger Verwaltungs-GmbH	DEU	100.000%	voestalpine Stahl GmbH	K0
VA OMV Personalholding GmbH	AUT	50.000%	voestalpine Personalberatung GmbH	K0
vivo Mitarbeiter-Service GmbH	AUT	100.000%	voestalpine Stahl GmbH	K0
voestalpine Belgium NV/SA	BEL	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine CR, s.r.o.	CZE	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine d.o.o.	HRV	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine d.o.o.	SRB	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine d.o.o.	SVN	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Danmark ApS.	DNK	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Deutschland GmbH	DEU	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine France SAS	FRA	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Hungaria Kft.	HUN	99.000%	voestalpine Eurostahl GmbH	K0
voestalpine Hungaria Kft.	HUN	1.000%	Donauländische Baugesellschaft m.b.H.	K0
voestalpine Italia S.r. l.	ITA	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Nederland B.V.	NLD	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Polska Sp.z o.o.	POL	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Romania S.R.L	ROU	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Scandinavia AB	SWE	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Schweiz GmbH	CHE	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Slovakia s.r.o.	SVK	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine Stahlwelt GmbH	AUT	100.000%	voestalpine Stahl GmbH	K0
voestalpine Steel Service Center Romania SRL	ROU	100.000%	voestalpine Stahl Service Center GmbH	K0
voestalpine UK LTD	GBR	100.000%	voestalpine Eurostahl GmbH	K0
voestalpine USA Corp.	USA	100.000%	voestalpine Eurostahl GmbH	K0
Werksgärtnerei Gesellschaft m.b.H.	AUT	100.000%	voestalpine Stahl GmbH	K0

Special Steel Division

	Domicile of the company	Interest held	Parent company	Type of consolidation
BÖHLER-UDDEHOLM Aktiengesellschaft	AUT	100.000%	voestalpine AG	KV
Aceros Boehler del Ecuador S.A.	ECU	1.753%	BOHLER-UDDEHOLM Colombia S.A.	KV
Aceros Boehler del Ecuador S.A.	ECU	98.247%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Aceros Boehler del Peru S.A.	PER	2.500%	BÖHLER Edelstahl GmbH & Co KG	KV
Aceros Boehler del Peru S.A.	PER	95.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Aceros Boehler del Peru S.A.	PER	2.500%	Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.	KV
Aceros Boehler Uddeholm S.A.	ARG	94.378%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Aceros Boehler Uddeholm S.A.	ARG	5.622%	Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.	KV
Aceros Bohler Uddeholm, S.A. de C.V.	MEX	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Acos Bohler Uddeholm do Brasil Ltda.	BRA	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Aktiebolaget Finansa	SWE	100.000%	Uddeholms AB	KV
Aktiebolaget Uddeholmsagenturen	SWE	100.000%	Uddeholms AB	KV
ASSAB Steels (China) Ltd.	CHN	100.000%	ASSAB Steels (HK) Ltd.	KV
ASSAB Steels (HK) Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Steels (Korea) Co., Ltd.	KOR	85.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Steels (Malaysia) Co., Ltd.	MYS	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Steels (Taiwan) Ltd.	TWN	82.500%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Steels (Thailand) Ltd.	THA	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Steels Singapore (Pte) Ltd.	SGP	90.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Technology (Malaysia) Sdn Bhd	MYS	100.000%	ASSAB Steels (Malaysia) Co., Ltd.	KV
ASSAB Tooling (Beijing) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Tooling (Dong Guan) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Tooling (Qing Dao) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Tooling (Xiamen) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Tooling Technology (Chongqing) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Tooling Technology (Ningbo) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB Tooling Technology (Shanghai) Co., Ltd.	CHN	95.000%	ASSAB Pacific Pte.Ltd.	KV
ASSAB CELIK VE ISIL ISLEM SANAYI VE TICARET ANONIM SIRKETI	TUR	69.891%	ASSAB International Aktiebolag	KV
ASSAB CELIK VE ISIL ISLEM SANAYI VE TICARET ANONIM SIRKETI	TUR	0.036%	Böhler Grundstücks GmbH & Co KG	KV
ASSAB CELIK VE ISIL ISLEM SANAYI VE TICARET ANONIM SIRKETI	TUR	0.036%	BÖHLER-UDDEHOLM Immobilien GmbH	KV

	Domicile of the company	Interest held	Parent company	Type of consolidation
ASSAB CELIK VE ISIL ISLEM SANAYI VE TICARET ANONIM SIRKETI	TUR	0.036%	Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.	KV
ASSAB CELIK VE ISIL ISLEM SANAYI VE TICARET ANONIM SIRKETI	TUR	0.003%	Uddeholm Holding AB	KV
ASSAB CELIK VE ISIL ISLEM SANAYI VE TICARET ANONIM SIRKETI	TUR	29.997%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
ASSAB International Aktiebolag	SWE	100.000%	Uddeholm Holding AB	KV
ASSAB Pacific Pte.Ltd.	SGP	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
ASSAB SRIPAD Steels Limited	IND	70.000%	ASSAB International Aktiebolag	KV
Associated Swedish Steels Aktiebolag	SWE	100.000%	Uddeholms AB	KV
Associated Swedish Steels Phils., Inc.	PHL	84.970%	ASSAB Pacific Pte.Ltd.	KV
Avesta Welding LLC	USA	100.000%	Bohler Welding Group USA Inc.	KV
Böhler Aktiengesellschaft	DEU	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
BÖHLER Bleche GmbH	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
BÖHLER Bleche GmbH & Co KG	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Bleche Multilayer GmbH	DEU	100.000%	BÖHLER Bleche GmbH & Co KG	KV
Böhler Edelstahl GmbH	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
BÖHLER Edelstahl GmbH & Co KG	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Grundstücks Beteiligungs GmbH	DEU	100.000%	Böhler Aktiengesellschaft	KV
Böhler Grundstücks GmbH & Co KG ¹	DEU	100.000%	Böhler Aktiengesellschaft	KV
Böhler International GmbH	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Kereskedelmi Kft.	HUN	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Lastetechniek Groep Nederland B.V.	NLD	100.000%	Hilarius Holding B.V.	KV
Böhler Schmiedetechnik GmbH	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Schmiedetechnik GmbH & Co KG	AUT	99.999%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Schmiedetechnik GmbH & Co KG	AUT	0.001%	Böhler Schmiedetechnik GmbH	KV
Böhler Schweißtechnik Austria GmbH	AUT	100.000%	Böhler Welding Holding GmbH	KV
Böhler Schweißtechnik Deutschland GmbH	DEU	100.000%	Böhler Welding Holding GmbH	KV
Böhler Soldaduras S.A. de C.V.	MEX	99.990%	Böhler Welding Holding GmbH	KV
Böhler Soldaduras S.A. de C.V.	MEX	0.010%	Böhler Welding Group GmbH	KV

	Domicile of the company	Interest held	Parent company	Type of consolidation
Böhler Tecnica de Soldagem Ltda.	BRA	100.000%	Böhler Welding Holding GmbH	KV
Bohler Uddeholm (Australia) Pty Ltd.	AUS	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Bohler Uddeholm Africa (Pty) Ltd.	ZAF	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Uddeholm CZ s.r.o.	CZE	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Uddeholm Deutschland GmbH	DEU	100.000%	Böhler-Uddeholm Holding GmbH	KV
Böhler Uddeholm Härtereitechnik GmbH	DEU	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Bohler Uddeholm Polska s.p.z.o.o	POL	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Uddeholm Precision Steel AB	SWE	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Böhler Uddeholm Precision Strip AB	SWE	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Bohler Uddeholm Romania s.r.l.	ROU	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler Uddeholm Saw Steel AB	SWE	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Böhler Uddeholm Service Center AB	SWE	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Böhler Wärmebehandlung GmbH	AUT	51.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Bohler Welding Group Canada Ltd.	CAN	100.000%	Böhler Welding Holding GmbH	KV
Böhler Welding Group GmbH	AUT	100.000%	Böhler Welding Holding GmbH	KV
Böhler Welding Group Greece S.A.	GRC	100.000%	Böhler Welding Holding GmbH	KV
Bohler Welding Group India Private Limited	IND	99.998%	Böhler Welding Holding GmbH	KV
Bohler Welding Group India Private Limited	IND	0.002%	Böhler Welding Group GmbH	KV
BOHLER WELDING GROUP ITALIA s.p.a.	ITA	100.000%	Böhler Welding Holding GmbH	KV
Bohler Welding Group Middle East FZE	ARE	100.000%	Böhler Welding Holding GmbH	KV
Böhler Welding Group Nordic AB	SWE	100.000%	Böhler Schweißtechnik Austria GmbH	KV
Böhler Welding Group Nordic Sales AB	SWE	100.000%	Böhler Welding Group Nordic AB	KV
Böhler Welding Group Schweiz AG	CHE	100.000%	Böhler Welding Holding GmbH	KV
Bohler Welding Group SRL	ROU	100.000%	Böhler Welding Group GmbH	KV
Bohler Welding Group UK Ltd	GBR	100.000%	Böhler Welding Holding GmbH	KV
Bohler Welding Group USA Inc.	USA	100.000%	Böhler Welding Holding GmbH	KV
Böhler Welding Technology (China) Co. Ltd.	CHN	100.000%	Böhler Welding Holding GmbH	KV
Böhler Welding Trading (Shanghai) Co. Ltd.	CHN	100.000%	Böhler Welding Holding GmbH	KV
Böhlerstahl Vertriebsgesellschaft m.b.H.	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV

¹ These consolidated financial statements represent an exemption for Böhler Grundstücks GmbH & Co KG according to § 264b of the German Commercial Code.

	Domicile of the company	Interest held	Parent company	Type of consolidation
Bohler-Uddeholm (UK) Ltd.	GBR	100.000%	Bohler-Uddeholm Holdings (UK) Ltd.	KV
Böhler-Uddeholm B.V.	NLD	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
BOHLER-UDDEHOLM Colombia S.A.	COL	0.009%	BÖHLER Bleche GmbH & Co KG	KV
BOHLER-UDDEHOLM Colombia S.A.	COL	0.009%	BÖHLER Edelstahl GmbH & Co KG	KV
BOHLER-UDDEHOLM Colombia S.A.	COL	90.635%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
BOHLER-UDDEHOLM Colombia S.A.	COL	9.347%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Bohler-Uddeholm Corporation	USA	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler-Uddeholm France S.A.S.	FRA	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler-Uddeholm Holding GmbH	DEU	100.000%	Böhler Aktiengesellschaft	KV
Bohler-Uddeholm Holdings (UK) Ltd.	GBR	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler-Uddeholm Iberica S.A.	ESP	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler-Uddeholm Italia S.p.A.	ITA	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler-Uddeholm Ltd.	CAN	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Böhler-Uddeholm SLOVAKIA, s.r.o.	SVK	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Bohler-Uddeholm Specialty Metals, Inc.	USA	100.000%	Bohler-Uddeholm Corporation	KV
Bohler-Uddeholm Strip Steel, LLC	USA	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Böhler-Ybbstal Profil GmbH	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
BU Beteiligungs- und Vermögensverwaltung GmbH	AUT	100.000%	Böhler Edelstahl GmbH	KV
BU Precision Strip Trading (Suzhou) Co., Ltd	CHN	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Buderus Edelstahl Band GmbH	DEU	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Buderus Edelstahl GmbH	DEU	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Buderus Edelstahl Schmiedetechnik GmbH	DEU	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Compania de Industria y Comercio, S.A. de C.V.	MEX	99.999%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Compania de Industria y Comercio, S.A. de C.V.	MEX	0.001%	voestalpine Profilform GmbH	KV
D.I.N. Acciai S.p.A.	ITA	100.000%	Böhler-Uddeholm Italia S.p.A.	KV
Densam Industrial Co. Ltd.	TWN	51.000%	ASSAB Pacific Pte.Ltd.	KV
Densam Industrial Co. Ltd.	TWN	49.000%	ASSAB Steels (Taiwan) Ltd.	KV
Deville Rectification S.A.S.	FRA	100.000%	Buderus Edelstahl GmbH	KV

	Domicile of the company	Interest held	Parent company	Type of consolidation
EDRO Engineering, Inc.	USA	100.000%	Bohler-Uddeholm Corporation	KV
EDRO Specialty Steels GmbH	DEU	75.000%	EDRO Specialty Steels, Inc.	KV
EDRO Specialty Steels, Inc.	USA	100.000%	Bohler-Uddeholm Corporation	KV
ENPAR Sonderwerkstoffe GmbH	DEU	85.000%	Böhler Aktiengesellschaft	KV
Eschmann Stahl GmbH & Co KG ¹	DEU	51.000%	Böhler-Uddeholm Holding GmbH	KV
Eschmann Stahl GmbH & Co KG ¹	DEU	49.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Eschmann Stal S.p.z.o.o.	POL	100.000%	Eschmann Stahl GmbH & Co KG	KV
Eschmann Textura Internacional – Transformacao de Ferramentas LDA	PRT	100.000%	Eschmann Textures International GmbH	KV
Eschmann Textures India Private Limited	IND	70.000%	Eschmann Textures International GmbH	KV
Eschmann Textures International GmbH	DEU	100.000%	Eschmann Stahl GmbH & Co KG	KV
Eschmann Vermögensverwaltung GmbH	DEU	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Eschmann-Stahl Portugal-Acos Finos e Transformacao de Ferramentas, Unipessoal Lda	PRT	100.000%	Eschmann Stahl GmbH & Co KG	KV
Fontargen Gesellschaft mit beschränkter Haftung	DEU	100.000%	Böhler Welding Holding GmbH	KV
Gebrüder Böhler & Co. AG	CHE	99.830%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
GMV Eschmann International SAS	FRA	100.000%	Eschmann Textures International GmbH	KV
Grabados Eschmann International S.L.	ESP	100.000%	Eschmann Textures International GmbH	KV
Gravutex Eschmann International Ltd.	GBR	95.000%	Eschmann Textures International GmbH	KV
Gravutex Textures (UK) Ltd	GBR	100.000%	Eschmann Stahl GmbH & Co KG	KV
Groupe Bohler Soudage France S.A.S.	FRA	100.000%	Böhler Schweißtechnik Austria GmbH	KV
Grupo Bohler Soldadura Espana S.A.	ESP	100.000%	Böhler Welding Holding GmbH	KV
Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.	AUT	100.000%	BÖHLER Edelstahl GmbH & Co KG	KV
Helmold LLC	USA	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Hilarius Haarlem Holland B.V.	NLD	100.000%	Hilarius Holding B.V.	KV
Hilarius Holding B.V.	NLD	100.000%	Böhler Welding Holding GmbH	KV
IS Intersteel Stahlhandel GmbH	DEU	100.000%	Böhler Aktiengesellschaft	KV
Jing Ying Industrial Co. Ltd.	TWN	100.000%	Densam Industrial Co. Ltd.	KV

¹ These consolidated financial statements represent an exemption for Eschmann Stahl GmbH & Co KG according to § 264b of the German Commercial Code.

	Domicile of the company	Interest held	Parent company	Type of consolidation
Nordmark-Klarälvens Järnvägsaktiebolag	SWE	100.000%	Uddeholms AB	KV
OOO Böhler Uddeholm	RUS	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
OOO Böhler Welding Group Russia	RUS	100.000%	Böhler Welding Holding GmbH	KV
PT Assab Steels Indonesia	IDN	99.900%	ASSAB Pacific Pte.Ltd.	KV
PT Assab Steels Indonesia	IDN	0.100%	ASSAB Steels Singapore (Pte) Ltd.	KV
PT Bohler Welding Group South East Asia	IDN	95.000%	Böhler Welding Group Nordic AB	KV
PT Bohler Welding Group South East Asia	IDN	5.000%	Böhler Schweißtechnik Austria GmbH	KV
Sacma Acciai Speciali S.p.A.	ITA	100.000%	Böhler-Uddeholm Italia S.p.A.	KV
Schoeller-Bleckmann (UK) Ltd.	GBR	100.000%	Bohler-Uddeholm (UK) Ltd.	KV
Servitroquel - Notting, S.A., Unipersonal	ESP	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	KV
Soudokay S.A.	BEL	100.000%	Böhler Welding Holding GmbH	KV
Uddeholm A/S	DNK	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Uddeholm AS	NOR	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Uddeholm Eiendom AS	NOR	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Uddeholm Holding AB	SWE	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Uddeholm K.K.	JPN	100.000%	ASSAB Pacific Pte.Ltd.	KV
Uddeholm Machining Aktiebolag	SWE	100.000%	Uddeholms AB	KV
Uddeholm Oy Ab	FIN	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Uddeholm Svenska Aktiebolag	SWE	100.000%	Uddeholms AB	KV
Uddeholms AB	SWE	100.000%	Uddeholm Holding AB	KV
Villares Metals International B.V.	NLD	100.000%	Villares Metals S.A.	KV
Villares Metals S.A.	BRA	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Villares Metals Suomi Oy	FIN	100.000%	Villares Metals International B.V.	KV
voestalpine Treasury Holding GmbH	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	KV
Aceros Boehler Bolivia S.A.	BOL	98.000%	Aceros Boehler del Peru S.A.	K0
Aceros Boehler Bolivia S.A.	BOL	1.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	K0
Aceros Boehler Bolivia S.A.	BOL	1.000%	Handelsgesellschaft für Industrie- und Hüttenprodukte m.b.H.	K0
Bohlasia Steels Sdn. Bhd.	MYS	53.333%	BÖHLER-UDDEHOLM Aktiengesellschaft	K0
Bohler High Performance Metals Private Limited	IND	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	K0

	Domicile of the company	Interest held	Parent company	Type of consolidation
BOHLER STEEL AFRICA (Proprietary) Limited	ZAF	100.000%	Bohler Uddeholm Africa (Pty) Ltd.	K0
BÖHLER-UDDEHOLM Immobilien GmbH	AUT	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	K0
Böhler-Uddeholm (UK) Pension Trustees Ltd.	GBR	100.000%	Bohler-Uddeholm Holdings (UK) Ltd.	K0
Böhler-Uddeholm Solidaritätsfonds Privatstiftung	AUT	100.000%	BÖHLER Edelstahl GmbH & Co KG	K0
Böhler-Uddeholm Toplinska Obrada d.o.o.	HRV	85.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	K0
Böhler-Uddeholm Ukraine LLC	UKR	100.000%	BÖHLER-UDDEHOLM Aktiengesellschaft	K0
Böhler-Uddeholm Wärmebehandlung GmbH	DEU	100.000%	Böhler Uddeholm Deutschland GmbH	K0
Böhler-Uddeholm Zagreb d.o.o.	HRV	83.400%	BÖHLER-UDDEHOLM Aktiengesellschaft	K0
DAN Spray A/S i likvidation	DNK	100.000%	Uddeholms AB	K0
DEGECANDOR Grundstücksverwaltungs- gesellschaft mbH & Co Immobilien-Vermietungs KG	DEU	95.000%	Böhler Aktiengesellschaft	K0
Edelstahlwerke Buderus Nederland B.V.	NLD	100.000%	Buderus Edelstahl GmbH	K0
EDRO Limited	CHN	100.000%	EDRO Specialty Steels, Inc.	K0
Eschmann Beteiligungsgesellschaft mbH	DEU	50.977%	Böhler-Uddeholm Holding GmbH	K0
Eschmann Beteiligungsgesellschaft mbH	DEU	49.023%	Eschmann Vermögensverwaltung GmbH	K0
Euracier	FRA	20.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	K0
Flotek (International) Ltd.	GBR	100.000%	Gravutex Textures (UK) Ltd	K0
Grundstück-Verwaltungsgesellschaft Gewerbehof Sendling mbH & Co. KG	DEU	62.916%	Böhler Aktiengesellschaft	K0
Hotel Böhlerstern Gesellschaft m.b.H.	AUT	99.000%	BÖHLER Edelstahl GmbH & Co KG	K0
Hotel Böhlerstern Gesellschaft m.b.H.	AUT	1.000%	Böhler Schmiedetechnik GmbH & Co KG	K0
Industriergleiskonsortium Birgi	CHE	24.958%	Gebrüder Böhler & Co. AG	K0
Inter Stal Centrum Property Sp.z.o.o.	POL	100.000%	Bohler Uddeholm Polska s.p.z.o.o	K0
Martin Miller Blansko, spol.s.r.o. (in Liquidation)	CZE	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	K0
Martin Miller North America Inc.	USA	100.000%	BÖHLER-UDDEHOLM Precision Strip GmbH	K0
Munkfors Värmeverk Aktiebolag	SWE	40.000%	Böhler Uddeholm Precision Strip AB	K0
Osaühing Uddeholm Tooling Eesti	EST	100.000%	Uddeholms AB	K0
Uddeholm Tooling Latvia, SIA	LVA	100.000%	Uddeholms AB	K0
VK Italia S.p.A.	ITA	20.000%	Böhler-Uddeholm Italia S.p.A.	K0

Railway Systems Division

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Bahnsysteme GmbH & Co KG	AUT	100.000%	voestalpine AG	KV
Advanced Railway Systems GmbH	AUT	100.000%	VAE Eisenbahnsysteme GmbH	KV
Böhler Welding Holding GmbH	DEU	94.500%	voestalpine Bahnsysteme GmbH	KV
Böhler Welding Holding GmbH	DEU	5.500%	Böhler Uddeholm Härtereitechnik GmbH	KV
CONTEC GmbH Transportation Systems	DEU	62.376%	VAE Eisenbahnsysteme GmbH	KV
Control and Display Systems Limited	GBR	60.003%	VAE Eisenbahnsysteme GmbH	KV
Digvijay Steels Private Limited	IND	50.100%	VAE GmbH	KV
HBW Light Rail B.V.	NLD	100.000%	voestalpine BWG GmbH & Co. KG	KV
JEZ Sistemas Ferroviarios S.L.	ESP	50.000%	VAE GmbH	KV
Materiel Ferroviaire d'Arberats SASU	FRA	100.000%	JEZ Sistemas Ferroviarios S.L.	KV
Nortrak-Damy, Cambios de Via, S.A.P.I. de C.V.	MEX	51.007%	VAE Nortrak North America Incorporation	KV
Rahee Track Technologies (Pvt) Ltd	IND	51.000%	VAE GmbH	KV
Rene Prinsen Spoorwegmaterialen B.V.	NLD	100.000%	voestalpine Railpro B.V.	KV
SST Signal & System Technik GmbH	DEU	100.000%	VAE Eisenbahnsysteme GmbH	KV
TENS Spolka z.o.o.	POL	80.000%	VAE Eisenbahnsysteme GmbH	KV
TSF-A GmbH	AUT	50.100%	VAE Eisenbahnsysteme GmbH	KV
TSTG Schienen Technik GmbH & Co KG ¹	DEU	100.000%	voestalpine Bahnsysteme Beteiligungsverwaltung Deutschland GmbH	KV
TSTG Schienen Technik Verwaltungs GmbH	DEU	100.000%	voestalpine Bahnsysteme Beteiligungsverwaltung Deutschland GmbH	KV
VAE Africa (Pty) Ltd.	ZAF	100.000%	VAE GmbH	KV
VAE APCAROM SA	ROU	92.321%	VAE GmbH	KV
VAE Brasil Produtos Ferroviários Ltda.	BRA	59.000%	VAE GmbH	KV
VAE Eisenbahnsysteme GmbH	AUT	100.000%	VAE GmbH	KV

	Domicile of the company	Interest held	Parent company	Type of consolidation
VAE Geschäftsführung (Deutschland) GmbH	DEU	100.000%	VAE GmbH	KV
VAE GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
VAE Holding (Deutschland) GmbH	DEU	100.000%	VAE GmbH	KV
VAE Italia S.r.l.	ITA	100.000%	VAE GmbH	KV
VAE Legetechna UAB	LTU	66.000%	VAE GmbH	KV
VAE NORTRAK LTD.	CAN	100.000%	VAE Nortrak North America Incorporation	KV
VAE Nortrak North America Incorporation	USA	100.000%	VAE GmbH	KV
VAE Perway (Pty) Ltd.	ZAF	69.000%	VAE Africa (Pty) Ltd.	KV
VAE Polska Sp.z.o.o.	POL	100.000%	VAE GmbH	KV
VAE Railway Systems Pty.Ltd.	AUS	100.000%	VAE GmbH	KV
VAE Riga SIA	LVA	100.000%	VAE GmbH	KV
VAE Sofia OOD	BGR	51.000%	VAE GmbH	KV
VAE UK Ltd.	GBR	100.000%	VAE GmbH	KV
VAE VKN Industries Private Limited	IND	51.000%	VAE GmbH	KV
VAE VKN Industries Private Limited	IND	6.000%	JEZ Sistemas Ferroviarios S.L.	KV
VAMAV Vasúti Berendezések Kft.	HUN	50.000%	VAE GmbH	KV
voestalpine Austria Draht GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine Bahnsysteme GmbH	AUT	100.000%	voestalpine AG	KV
voestalpine Bahnsysteme Beteiligungsverwaltung Deutschland GmbH	DEU	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine Bahnsysteme Vermögensverwaltungs GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine BWG GmbH & Co. KG ¹	DEU	99.997%	VAE Holding (Deutschland) GmbH	KV
voestalpine BWG GmbH & Co. KG ¹	DEU	0.003%	VAE Geschäftsführung (Deutschland) GmbH	KV

¹ These consolidated financial statements represent an exemption for TSTG Schienen Technik GmbH & Co KG and voestalpine BWG GmbH & Co. KG according to § 264b of the German Commercial Code.

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Draht Finsterwalde GmbH	DEU	100.000%	voestalpine Austria Draht GmbH	KV
voestalpine Klöckner Bahntechnik GmbH	DEU	100.000%	voestalpine Bahnsysteme Beteiligungsverwaltung Deutschland GmbH	KV
voestalpine Rail Center Duisburg GmbH	DEU	75.171%	voestalpine Bahnsysteme Beteiligungsverwaltung Deutschland GmbH	KV
voestalpine Railpro B.V.	NLD	70.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine Schienen GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine Stahl Donawitz GmbH & Co KG	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	KV
voestalpine Stahl Donawitz Immobilien GmbH	AUT	100.000%	voestalpine Bahnsysteme Vermögensverwaltungs GmbH	KV
voestalpine WBN B.V.	NLD	100.000%	VAE GmbH	KV
WBG Weichenwerk Brandenburg GmbH	DEU	100.000%	voestalpine BWG GmbH & Co. KG	KV
Weichenwerk Wörth GmbH	AUT	70.000%	VAE Eisenbahnsysteme GmbH	KV
voestalpine Tubulars GmbH	AUT	50.000%	voestalpine Bahnsysteme Vermögensverwaltungs GmbH	KQ
voestalpine Tubulars GmbH & Co KG	AUT	49.985%	voestalpine Bahnsysteme Vermögensverwaltungs GmbH	KQ
voestalpine Tubulars GmbH & Co KG	AUT	0.010%	voestalpine Tubulars GmbH	KQ
Chinese New Turnout Technologies Co. Ltd. ¹	CHN	29.070%	VAE GmbH	KE
Chinese New Turnout Technologies Co. Ltd. ¹	CHN	20.930%	voestalpine BWG GmbH & Co. KG	KE
Burbiola S.A.	ESP	50.000%	JEZ Sistemas Ferroviarios S.L.	K0
Draht & Stahl GmbH	DEU	30.930%	voestalpine Draht Finsterwalde GmbH	K0
Draht + Stahl – Polska spolka z.o.o.	POL	100.000%	voestalpine Draht Finsterwalde GmbH	K0
gibSoft GmbH	DEU	75.000%	SST Signal & System Technik GmbH	K0
Liegenschaftsverwaltungs GmbH	AUT	100.000%	voestalpine Bahnsysteme Vermögensverwaltungs GmbH	K0
KW PenzVAEE GmbH	AUT	49.000%	VAE Eisenbahnsysteme GmbH	K0
VAE Murom LLC	RUS	50.000%	VAE GmbH	K0
voestalpine Stahl Donawitz GmbH	AUT	100.000%	voestalpine Bahnsysteme GmbH & Co KG	K0
VOEST-ALPINE TUBULAR CORP.	USA	100.000%	voestalpine Tubulars GmbH	K0
voestalpine Tubulars Middle East FZE	ARE	100.000%	voestalpine Tubulars GmbH	K0
voestalpine VAE TS d.o.o. Nis	SRB	70.000%	VAE GmbH	K0

Profilform Division

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Profilform GmbH	AUT	100.000%	voestalpine AG	KV
BÖHLER-UDDEHOLM Precision Strip GmbH	AUT	100.000%	voestalpine Profilform GmbH	KV
Global Rollforming Corporation	USA	100.000%	voestalpine Profilform GmbH	KV
Meincol Distribuidora de Acos S.A.	BRA	75.000%	voestalpine Profilform GmbH	KV
Metsec plc	GBR	100.000%	VOEST-ALPINE KREMS U.K. plc	KV
Nedcon Bohemia s.r.o.	CZE	100.000%	Nedcon Groep N.V.	KV
Nedcon France S.A.S	FRA	100.000%	Nedcon Groep N.V.	KV
Nedcon Groep N.V.	NLD	100.000%	voestalpine Profilform GmbH	KV
Nedcon Lagertechnik GmbH	DEU	100.000%	Nedcon Groep N.V.	KV
Nedcon Magazijninrichting B.V.	NLD	100.000%	Nedcon Groep N.V.	KV
Nedcon USA Inc.	USA	100.000%	Nedcon Groep N.V.	KV
Roll Forming Corporation	USA	100.000%	Global Rollforming Corporation	KV
SADEF N.V.	BEL	100.000%	voestalpine Profilform GmbH	KV
Sharon Custom Metal Forming Inc.	USA	100.000%	Global Rollforming Corporation	KV
Société Automatique de Profilage (SAP)	FRA	100.000%	voestalpine Profilform GmbH	KV
Société Profilafröid	FRA	100.000%	voestalpine Profilform GmbH	KV
Stratford Joists Limited	GBR	100.000%	Metsec plc	KV
voestalpine Krems Finaltechnik GmbH	AUT	100.000%	voestalpine Profilform GmbH	KV
voestalpine Krems GmbH	AUT	100.000%	voestalpine Profilform GmbH	KV
VOEST-ALPINE KREMS U.K. plc	GBR	100.000%	voestalpine Profilform GmbH	KV
voestalpine Präzisionsprofil GmbH	DEU	90.000%	voestalpine Profilform Beteiligung GmbH	KV
voestalpine Präzisionsprofil GmbH	DEU	10.000%	voestalpine Profilform GmbH	KV
voestalpine Profilform Beteiligung GmbH	AUT	100.000%	voestalpine Profilform GmbH	KV
voestalpine PROFILFORM s.r.o.	CZE	100.000%	voestalpine Profilform GmbH	KV
ZAO voestalpine Arkada Profil	RUS	100.000%	voestalpine Profilform Beteiligung GmbH	KV
Gemeinnützige Donau-Ennstaler Siedlungs-Aktiengesellschaft	AUT	33.333%	voestalpine Krems GmbH	K0
Metal Sections Limited	GBR	100.000%	Metsec plc	K0
SADEF FRANCE S.A.R.L.	FRA	90.000%	SADEF N.V.	K0
SADEF FRANCE S.A.R.L.	FRA	10.000%	voestalpine Krems GmbH	K0
voestalpine Arkada Zapad IP	BLR	100.000%	ZAO voestalpine Arkada Profil	K0

¹ For equity consolidated companies marked ¹, the balance sheet date of December 31 applies.

Automotive Division

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Automotive GmbH	AUT	100.000%	voestalpine AG	KV
Amstutz Levin & Cie	FRA	99.998%	Stamptec France SAS	KV
Flamco AG	CHE	100.000%	Flamco Holding B.V.	KV
Flamco BV	NLD	100.000%	Flamco Holding B.V.	KV
Flamco Flexcon B.V.	NLD	100.000%	Flamco Holding B.V.	KV
Flamco Flexcon Ltd.	GBR	100.000%	Flamco Holding B.V.	KV
Flamco Flexcon Sarl	FRA	100.000%	Flamco Holding B.V.	KV
Flamco Heating Accessories (Changshu) Co., Ltd.	CHN	100.000%	Flamco Holding B.V.	KV
Flamco Holding B.V.	NLD	100.000%	voestalpine Polynorm N.V.	KV
Flamco Hungary Kft	HUN	100.000%	Flamco Holding B.V.	KV
Flamco IMZ B.V.	NLD	100.000%	Flamco BV	KV
Flamco Pipe Support B.V.	NLD	100.000%	Flamco BV	KV
Flamco Polska Sp. z o.o.	POL	100.000%	Flamco Holding B.V.	KV
Flamco STAG Behälterbau GmbH	DEU	94.000%	Flamco Holding B.V.	KV
Flamco STAG Behälterbau GmbH	DEU	6.000%	Polynorm GmbH	KV
Flamco STAG GmbH	DEU	100.000%	Flamco STAG Behälterbau GmbH	KV
Flamco UK Ltd.	GBR	100.000%	Flamco Flexcon Ltd.	KV
Flamco WEMEFA GmbH	DEU	100.000%	Flamco STAG Behälterbau GmbH	KV
Kadow und Riese Laser- und Umformtechnik GmbH	DEU	100.000%	voestalpine Hügel Holding GmbH	KV
Polynorm GmbH	DEU	100.000%	voestalpine Polynorm N.V.	KV
Polynorm Immobilien GmbH & Co. KG ¹	DEU	100.000%	voestalpine Polynorm N.V.	KV
Stamptec France SAS	FRA	100.000%	Stamptec Holding GmbH	KV
Stamptec Holding GmbH	DEU	95.000%	voestalpine Automotive GmbH	KV
Stamptec Holding GmbH	DEU	5.000%	voestalpine Polynorm GmbH & Co KG	KV
voestalpine Automotive Netherlands Holding B.V.	NLD	100.000%	voestalpine Automotive GmbH	KV

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Automotive Romania S.R.L.	ROU	50.000%	voestalpine Dancke GmbH&Co. KG	KV
voestalpine Automotive Romania S.R.L.	ROU	50.000%	voestalpine Hugel Holding GmbH	KV
voestalpine Dancke GmbH&Co. KG ¹	DEU	100.000%	voestalpine Automotive GmbH	KV
voestalpine Elmsteel Group Limited	GBR	100.000%	voestalpine Rotec GmbH	KV
voestalpine Elmsteel Romania SRL	ROU	99.500%	voestalpine Elmsteel Group Limited	KV
voestalpine Elmsteel Romania SRL	ROU	0.500%	voestalpine Automotive GmbH	KV
voestalpine Europlatinen GmbH	AUT	100.000%	voestalpine Automotive GmbH	KV
voestalpine Gutbrod GmbH ²	DEU	100.000%	Stamptec Holding GmbH	KV
voestalpine Gutbrod Schmolln GmbH ²	DEU	100.000%	voestalpine Gutbrod GmbH	KV
voestalpine HTI Beteiligungs GmbH	AUT	100.000%	voestalpine Rotec GmbH	KV
voestalpine Hugel GmbH & Co KG ¹	DEU	100.000%	voestalpine Hugel Holding GmbH	KV
voestalpine Hugel Holding GmbH	DEU	100.000%	Stamptec Holding GmbH	KV
voestalpine Hugel Verwaltungsgesellschaft mbH	DEU	100.000%	voestalpine Hugel Holding GmbH	KV
voestalpine Polynorm B.V.	NLD	100.000%	voestalpine Polynorm N.V.	KV
voestalpine Polynorm GmbH & Co KG ¹	DEU	100.000%	Polynorm GmbH	KV
voestalpine Polynorm N.V.	NLD	100.000%	voestalpine Automotive Netherlands Holding B.V.	KV
voestalpine Polynorm Plastics B.V.	NLD	100.000%	voestalpine Polynorm van Niftrik B.V.	KV
voestalpine Polynorm van Niftrik B.V.	NLD	100.000%	voestalpine Polynorm N.V.	KV
voestalpine Rotec AB	SWE	100.000%	voestalpine Rotec GmbH	KV
voestalpine Rotec France S.A.	FRA	100.000%	voestalpine Rotec GmbH	KV
voestalpine Rotec GmbH	AUT	100.000%	voestalpine Automotive GmbH	KV
voestalpine Rotec GmbH & Co KG ¹	DEU	99.000%	voestalpine HTI Beteiligungs GmbH	KV
voestalpine Rotec GmbH & Co KG ¹	DEU	1.000%	voestalpine Rotec GmbH	KV
voestalpine ROTEC Iberica S.A.	ESP	100.000%	voestalpine Rotec GmbH	KV
voestalpine Rotec Incorporated	USA	100.000%	voestalpine Elmsteel Group Limited	KV

¹ These consolidated financial statements represent an exemption for Polynorm Immobilien GmbH & Co. KG, voestalpine Dancke GmbH&Co. KG, voestalpine Hugel GmbH & Co KG, voestalpine Polynorm GmbH & Co KG and voestalpine Rotec GmbH & Co KG according to § 264b of the German Commercial Code.

² These consolidated financial statements represent an exemption for voestalpine Gutbrod GmbH and voestalpine Gutbrod Schmolln GmbH according to § 264 (3) of the German Commercial Code.

	Domicile of the company	Interest held	Parent company	Type of consolidation
voestalpine Rotec Limited	GBR	100.000%	voestalpine Elmsteel Group Limited	KV
voestalpine Rotec Sp. z.o.o	POL	100.000%	voestalpine Elmsteel Group Limited	KV
voestalpine Rotec Vertriebs GmbH	DEU	100.000%	voestalpine Rotec GmbH	KV
voestalpine Vollmer GmbH & Co KG ¹	DEU	99.667%	voestalpine Vollmer Holding GmbH	KV
voestalpine Vollmer GmbH & Co KG ¹	DEU	0.333%	voestalpine Automotive GmbH	KV
voestalpine Vollmer Holding GmbH	AUT	100.000%	voestalpine Automotive GmbH	KV
voestalpine Vollmer Pfaffenhofen GmbH & Co KG ¹	DEU	99.933%	voestalpine Vollmer Holding GmbH	KV
voestalpine Vollmer Pfaffenhofen GmbH & Co KG ¹	DEU	0.067%	voestalpine Automotive GmbH	KV
Wemefa Horst Christopeit GmbH	DEU	100.000%	Flamco STAG Behälterbau GmbH	KV
Bauer & Dittus Verwaltungs Gesellschaft mit beschränkter Haftung	DEU	100.000%	Flamco STAG Behälterbau GmbH	K0
DS-Beteiligungs-GmbH	DEU	100.000%	voestalpine Dancke GmbH&Co. KG	K0
DW-Beteiligungs-GmbH	DEU	100.000%	voestalpine Dancke GmbH&Co. KG	K0
Entwicklungsgesellschaft Gügling Ost GmbH & Co. KG	DEU	6.000%	Polynorm GmbH	K0
Entwicklungsgesellschaft Gügling Verwaltungs GmbH	DEU	100.000%	Polynorm GmbH	K0
Polynorm Immobilien Beteiligungs GmbH	DEU	100.000%	voestalpine Polynorm N.V.	K0
voestalpine Polynorm Beteiligungsgesellschaft m.b.H.	DEU	100.000%	voestalpine Polynorm GmbH & Co KG	K0
voestalpine Polynorm Plastics Limited	GBR	100.000%	voestalpine Polynorm N.V.	K0

Other companies

	Domicile of the company	Interest held	Parent company	Type of consolidation
Danube Beteiligungs Invest MF-AG	AUT	100.000%	Danube Equity Invest AG	KV
Danube Equity Invest AG	AUT	71.373%	voestalpine AG	KV
Danube Equity Invest Management GmbH	AUT	100.000%	voestalpine AG	KV
voestalpine Dienstleistungs- und Finanzierungs GmbH	DEU	100.000%	voestalpine Finanzierungs Holding GmbH	KV
voestalpine Finanzierungs GmbH	AUT	100.000%	voestalpine Finanzierungs Holding GmbH	KV
voestalpine Finanzierungs Holding GmbH	AUT	100.000%	voestalpine AG	KV
voestalpine group IT GmbH	AUT	100.000%	voestalpine AG	KV
voestalpine group-IT GmbH	DEU	100.000%	voestalpine group IT GmbH	KV
voestalpine group-IT AB	SWE	100.000%	voestalpine group IT GmbH	KV
voestalpine group-IT Tecnologia da Informacao Ltda.	BRA	100.000%	voestalpine group IT GmbH	KV
APK-Pensionskasse Aktiengesellschaft ²	AUT	19.110%	voestalpine AG	KE
APK-Pensionskasse Aktiengesellschaft ²	AUT	10.082%	BÖHLER-UDDEHOLM Aktiengesellschaft	KE
VA Intertrading Aktiengesellschaft ²	AUT	38.500%	voestalpine AG	KE
DBG Vermögensverwaltungs GmbH	AUT	100.000%	voestalpine AG	K0
Donauländische Baugesellschaft m.b.H.	AUT	100.000%	voestalpine AG	K0
Intesy Business & IT Solutions Pty Ltd	AUS	100.000%	voestalpine group IT GmbH	K0
IVM Industrierversicherungsmakler GmbH	AUT	100.000%	voestalpine AG	K0

¹ These consolidated financial statements represent an exemption for voestalpine Vollmer GmbH & Co KG and voestalpine Vollmer Pfaffenhofen GmbH & Co KG according to § 264b of the German Commercial Code.

² For equity consolidated companies marked ², the balance sheet date of December 31 applies.

Explanations:

KV Full consolidation

KQ Proportionate consolidation

KE Equity method

K0 No consolidation

Glossary

Acquisition. Takeover or purchase of companies or of interests in companies.

Affiliated companies. Companies that are directly or indirectly under the same management—in this case of voestalpine AG—in which voestalpine AG holds, directly or indirectly, a majority of the voting rights or exercises the controlling influence.

Asset deal. Company takeover, where the buyer purchases individual assets (rather than shares).

ATX. “Austrian Traded Index,” the leading index of the Vienna Stock Exchange, which contains the 20 most important stocks in the prime market segment.

Blanking. An early step in preparing flat-rolled steel for use by an end user. A blank is a section of sheet that has the same outer dimensions as a specified part (such as a car door or hood) but that has not yet been stamped.

Blast furnace. A towering cylinder lined with heat-resistant (refractory) bricks, used by integrated steel mills to smelt iron from ore. Its name comes from the “blast” of hot air and gases forced up through the iron ore, coke and limestone that load the furnace.

Bloom. A semi-finished steel form whose rectangular cross-section is more than eight inches. This large cast steel shape is broken down in the mill to produce the familiar rails, I-beams, H-beams and sheet piling. Blooms are also part of the high-quality bar manufacturing process. Reduction of a bloom to a much smaller cross-section can improve the quality of the metal.

Body-in-white. Unpainted and untrimmed automotive upper body structures.

Borrowed capital. Inclusive term for provisions, trade and other payables, and liabilities-side accruals posted on the liabilities side of the balance sheet.

Borrowed capital ratio. Ratio of borrowed capital recorded on the balance sheet to total assets (the higher the ratio, the higher the debt burden).

Capital employed. Total employed interest-bearing capital.

Cash flow.

- From investment activities: outflow/inflow of liquid assets from investments/disinvestments;
- From operating activities: outflow/inflow of liquid assets not affected by investment, disinvestment, or financing activities.
- From financing activities: outflow/inflow of liquid assets from capital expenditures and capital contributions.

Coating. The process of covering steel with another material (tin, chrome, zinc), primarily for corrosion resistance.

Coils. Steel sheet that has been wound. A slab, once rolled in a hot-strip mill, can be more than one mile long; coils are the most efficient way to store and transport sheet steel.

Coke. The basic fuel consumed in blast furnaces in the smelting of iron. Coke is a processed form of coal.

Cold working (rolling). Changes in the structure and shape of steel at a low temperature (often room temperature). It is used to

create a permanent increase in the hardness and strength of the steel.

Continuous casting. A method of pouring steel directly from a ladle through a tundish into a mold, shaped to form billets, blooms, or slabs.

Corporate governance. International term for responsible corporate management and supervision oriented toward creating long-term added value.

Current assets. Those assets that are expected to be realized in cash or consumed in the short term, that is, they are not expected to be available for a company’s business operations long-term, for example, inventory, trade accounts receivable, or securities.

E-procurement. Procurement of goods and services using modern electronic media, particularly Internet technology.

EBIT (earnings before interest and taxes). Earnings: Profit before the deduction of taxes, equity interests of other shareholders, and financial result.

EBIT margin. EBIT percentage of revenue.

EBITDA (earnings before interest, taxes, depreciation, and amortization). Profit before the deduction of taxes, equity interests of other shareholders, financial result and depreciation and amortization expenses.

EBITDA margin. EBITDA percentage of revenue.

EBT (result from ordinary activities or earnings before taxes). Profit before the deduction of taxes and equity interests of other shareholders.

Electrogalvanized. Zinc plating process in which the molecules on the positively charged zinc anode attach to the negatively charged sheet steel. The thickness of the zinc coating is readily controlled. By increasing the electric charge or slowing the speed of the steel through the plating area, the coating will thicken.

Endogenous growth. Economic growth generated from within an existing company or group.

Equity. Assets made available to a corporation by the owners through deposits and/or contributions or from retained profits.

Equity capital ratio. Balance sheet equity capital divided by total assets.

Exogenous growth. Economic growth generated by acquisitions.

Free float. The portion of the share capital that is actively traded on the stock exchange.

Galvanized steel. Steel coated with a thin layer of zinc to provide corrosion resistance in underbody auto parts, garbage cans, storage tanks, or fencing wire. Sheet steel normally must be cold-rolled prior to the galvanizing stage.

Gearing. Ratio of net financial debt to shareholders' equity.

Gross profit. Revenue less manufacturing costs.

Heavy plate. Steel sheet with a width of up to 200 inches and a thickness of at least 5 millimeters. Mainly used for construction, heavy machinery, ship building, or pipes of big diameters.

Hollow sections. See "Welded tubes"

Hot dipped. Steel is run through a molten zinc coating bath, followed by an air stream "wipe" that controls the thickness of the zinc finish.

Hot mill. The rolling mill that reduces a hot slab into a coil of specified thickness; the whole processing is done at a relatively high temperature (when the steel is still "red").

Hot rolled. Product that is sold in its "as produced state" off the hot mill with no further reduction or processing steps.

IFRS (International Financial Reporting Standards). Accounting regulations developed to guarantee comparable balance sheet preparation and disclosure.

Joint venture. A business partnership between two or more companies, which remain independent but which pool capital to pursue a commercial goal, for example, the penetration of a foreign market.

Laser-welded blanks. Two or more sheets of steel seam-welded together into a single "blank" which is then stamped into a part. Materials that are both highly malleable and strong can be combined to meet customer requirements.

Market capitalization. Market capitalization reflects the current market price of an exchange-listed company.

Cost of materials. Incorporates all expenditures necessary for the procurement of raw and auxiliary materials required for production.

Net financial debt. Interest-bearing liabilities less interest-earning assets.

Organic coating. High-tech composite material made of thin sheet with the highest surface quality and with a colored organic coating. Organic coating offers an even surface, excellent malleability and deep-drawing characteristics due to antifriction effects, high protection against corrosion, high resistance to chemical influences, and good temperature resistance.

Purchase price allocation (ppa). Within the scope of the acquisition of a company, the purchase price is allocated to the assets and liabilities of the acquired enterprise, which are then assigned fair values and recognized in the Group's consolidated financial statements.

Rating. An evaluation of the credit quality of a company recognized on international capital markets.

Return on equity. The ROE is the ratio between after-tax profit (net income) and equity as recorded in the previous period.

ROCE (return on capital employed). ROCE is the ratio of EBIT to average capital employed (until business year 2008/09 EBIT to capital employed), that is, profit generated by the capital invested.

Scrap (ferrous). Ferrous (iron-containing) material that generally is remelted and recast into new steel.

Seamless tubes. Tubes made from a solid billet or bloom, which is heated, then rotated under extreme pressure. This rotational pressure creates an opening in the center of the billet, which is then shaped by a mandrel to form a tube.

Sections. Blooms or billets that are hot-rolled in a rolling mill to form, among other shapes,

“L”, “U”, “T” or “I” shapes. Sections can also be produced by welding together pieces of flat products. Sections can be used for a wide variety of purposes in the construction, machinery and transport industries. Also known as “profiles.”

Share capital. The minimum capital requirement to be contributed by the shareholders for shares when establishing a stock corporation or limited partnership; it is issued in shares and constitutes a part of equity.

Simultaneous engineering. At any time of the design process each product life stage is appropriately taken into consideration, i.e., by applying the related expert knowledge by means of forecasting, prognosis and simulation either by tools or by involving the human expert directly.

Slag. The impurities in a molten pool of iron. Flux such as limestone may be added to foster the congregation of undesired elements into a slag. Because slag is lighter than iron, it will float on top of the pool, where it can be skimmed.

Special sections. Sections that are tailor-made to meet individual requirements of the customer.

Specialty tubes. Refers to a wide variety of high-quality custom-made tubular products requiring critical tolerances, precise dimen-

sional control and special metallurgical properties. Specialty tubing is used in the manufacture of automotive, construction and agricultural equipment, and in industrial applications such as hydraulic cylinders, machine parts and printing rollers.

Supply chain management (SCM). The management and control of all materials, funds, and related information in the logistics process from the acquisition of raw materials to the delivery of finished products to the end user.

Surface-coated steel products. Products that are metallicly or organically coated through different methods, such as hot-dip galvanizing, electrical galvanizing, color coating and powder coating. Surface coating helps adapt steel for different end uses and creates more value in the steel product.

Switches. Turnout systems and components that meet a wide range of requirements, including high speeds and axle loads, that are used for passengers, freight, heavy haul, commuting, and suburban rail transport.

Tailored blanks. A section of sheet or strip that is cut to length and trimmed to match specifications for the manufacturer’s stamping design for a particular part. Because excess steel is cut away (to save shipping costs), all that remains for the stamper is to impart the three-dimensional shape with a die press (see “Blanking”).

Volatility. The degree of fluctuation in stock prices and currency exchange rates or in prices of consumer goods in comparison to the market.

Weighted average cost of capital (WACC). Average capital costs for both borrowed capital and equity.

Welded tubes. Rolled plates welded into tubes of various shapes, gages, and diameters from different types of material.