

voestalpine AG**Notes****General information/
accounting policies**

These interim consolidated financial statements of voestalpine AG as of December 31, 2014 for the first three quarters of the business year

2014/15 were prepared in accordance with IAS 34 – Interim Financial Reporting. The accounting policies are unchanged from the annual consolidated financial statements for the business year 2013/14 with the following exceptions:

New and revised Standards adopted for the first time in the business year 2014/15

Standard	Content	Effective date¹
IFRS 10	Consolidated Financial Statements	January 1, 2014
IFRS 11	Joint Arrangements	January 1, 2014
IFRS 12	Disclosure of Interests in Other Entities	January 1, 2014
IAS 27, new version	Separate Financial Statements	January 1, 2014
IAS 28, new version	Investments in Associates and Joint Ventures	January 1, 2014
IAS 32, amendments	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	January 1, 2014
IAS 36, amendments	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets	January 1, 2014
IAS 39, amendments	Novation of Derivatives and Continuation of Hedge Accounting	January 1, 2014
Various standards, amendments	Amendments to IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements, and IFRS 12, Disclosure of Interests in Other Entities – Transition Guidance	January 1, 2014
Various standards, amendments	Amendments to IFRS 10, Consolidated Financial Statements, IFRS 12, Disclosure of Interests in Other Entities, and IAS 27, Separate Financial Statements – Investment Entities	January 1, 2014

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

IFRS 10 comprehensively redefines the concept of control. This is intended to create a uniform basis for defining the consolidated group. This standard replaces the provisions of the previous IAS 27 "Consolidated and Separate Financial Statements" for consolidated financial statements.

IFRS 11 governs the accounting of entities that jointly control an arrangement that is classified either as a joint venture or a joint operation. This standard replaces IAS 31 "Interests in Joint Ventures" and eliminates the possibility of proportionate consolidation of joint ventures, whereby these are to be included in the consolidated group in the future using equity method accounting. IAS 28 now includes the provisions for associates and joint ventures that are measured based on the equity method under IFRS 11. Starting with the business year 2014/15, the results of entities consolidated according to the equity method are reported under EBIT in the (interim) consolidated financial statements. Amended disclosure in EBIT reflects the operational nature of investments accounted for using the equity method. voestalpine Tubulars GmbH and voestalpine Tubulars GmbH & Co KG were proportionately consolidated up to March 31, 2014, and, beginning with the business year 2014/15, the equity method is being applied. The currently ten associates, which were already previously accounted for using the equity method, are also recognized in EBIT.

IFRS 12 includes the disclosure requirements for subsidiaries, joint arrangements, associates, and

unconsolidated structured entities, which will result in additional disclosures in the consolidated annual financial statements of voestalpine AG.

Changes to IFRS 10, IFRS 11, and IFRS 12 were published in June 2012 in order to clarify the content and scope of certain guidelines regarding their first-time application.

Changes to IFRS 10, IFRS 12, and IAS 27 were published in October 2012 in order to create an exception for qualified investment entities from the regulation requiring consolidation of subsidiaries.

The amendments to IAS 32 clarify the requirements for offsetting financial instruments in the statement of financial position; as a result, new provisions governing disclosures have been added to IFRS 7.

The changes to IAS 36 represent a correction of disclosure requirements regarding the recoverable amount for non-financial assets that were changed to a greater extent than intended in connection with IFRS 13.

Due to the change to IAS 39, the novation of a hedging instrument to a central counterparty as a result of statutory requirements does not result in a dissolution of a hedge relationship under certain conditions.

In order to reflect the adjustments due to the application of IFRS 11 and the change in the method of disclosure for results of entities consolidated according to the equity method (formerly reported as part of the financial result; from April 1, 2014 onward, reported as part of EBIT), the relevant line items were retroactively adjusted for the opening statement of financial position as

of April 1, 2013, for the consolidated statement of financial position as of March 31, 2014, for the consolidated statement of comprehensive income for the first three quarters and the third quarter of the business year 2013/14 as well as for the consolidated statement of cash flows for the first three quarters of the business year 2013/14:

Change in the consolidated statement of financial position

04/01/2013	Values as originally reported	Adjustment	Values retroactively adjusted
Total assets	13,079.3	13.0	13,092.3
thereof Property, plant and equipment	4,580.6	-26.8	4,553.8
thereof Other intangible assets	320.9	-0.6	320.3
thereof Investments in associates	156.4	77.6	234.0
thereof Other financial assets non-current	109.2	-0.5	108.7
thereof Deferred tax assets	343.6	-1.4	342.2
thereof Inventories	2,876.9	-37.4	2,839.5
thereof Trade and other receivables	1,655.5	2.2	1,657.7
thereof Cash and cash equivalents	1,092.7	-0.1	1,092.6
Total equity and liabilities	13,079.3	13.0	13,092.3
thereof Pensions and other employee obligations	1,004.6	-12.9	991.7
thereof Financial liabilities non-current	2,558.8	-0.2	2,558.6
thereof Provisions current	612.2	-6.5	605.7
thereof Financial liabilities current	1,324.6	47.1	1,371.8
thereof Trade and other payables	2,139.7	-14.5	2,125.2

In millions of euros

Change in the consolidated statement of financial position

03/31/2014	Values as originally reported	Adjustment	Values retroactively adjusted
Total assets	12,637.5	-3.2	12,634.3
thereof Property, plant and equipment	4,772.0	-30.1	4,741.9
thereof Other intangible assets	336.7	-0.5	336.2
thereof Investments in associates	133.4	81.3	214.7
thereof Other financial assets non-current	91.0	-0.4	90.6
thereof Deferred tax assets	313.5	-1.2	312.3
thereof Inventories	2,937.2	-53.5	2,883.7
thereof Trade and other receivables	1,619.1	1.3	1,620.4
thereof Cash and cash equivalents	532.5	-0.1	532.4
Total equity and liabilities	12,637.5	-3.2	12,634.3
thereof Pensions and other employee obligations	1,028.9	-13.6	1,015.3
thereof Financial liabilities non-current	2,596.9	-0.1	2,596.8
thereof Provisions current	504.7	-6.8	497.9
thereof Financial liabilities current	806.2	25.6	831.8
thereof Trade and other payables	2,094.9	-8.3	2,086.6

In millions of euros

Change in the consolidated income statement

04/01 – 12/31/2013	Values as originally reported	Adjustment	Values retroactively adjusted
Revenue	8,384.1	-115.3	8,268.8
Cost of sales	-6,676.6	56.4	-6,620.2
Gross profit	1,707.5	-58.9	1,648.6
Other operating income	229.5	-1.0	228.5
Distribution costs	-729.2	17.9	-711.3
Administrative expenses	-446.0	2.2	-443.8
Other operating expenses	-188.8	-2.1	-190.9
Share of profit of associates	0.0	38.2	38.2
EBIT	573.0	-3.7	569.3
Share of profit of associates	9.1	-9.1	0.0
Finance income	25.3	0.1	25.4
Finance costs	-150.9	0.5	-150.4
Profit before tax (EBT)	456.5	-12.2	444.3
Income tax expense	-104.9	10.3	-94.6
Profit for the period	351.6	-1.9	349.7

In millions of euros

Change in the consolidated statement of comprehensive income

04/01 – 12/31/2013	Values as originally reported	Adjustment	Values retroactively adjusted
Profit for the period	351.6	-1.9	349.7
Items of other comprehensive income that will be subsequently reclassified to profit or loss			
Hedge accounting	0.7	0.0	0.7
Currency translation	-113.6	0.0	-113.6
Share of result of associates	-2.3	1.9	-0.4
Subtotal of items of other comprehensive income that will be subsequently reclassified to profit or loss	-115.2	1.9	-113.3
Other comprehensive income for the period, net of income tax	-115.2	1.9	-113.3
Total comprehensive income for the period	236.4	0.0	236.4

In millions of euros

Change in the consolidated income statement

10/01–12/31/2013	Values as originally reported	Adjustment	Values retroactively adjusted
Revenue	2,660.5	-35.1	2,625.4
Cost of sales	-2,141.9	15.0	-2,126.9
Gross profit	518.6	-20.1	498.5
Other operating income	96.3	-0.5	95.8
Distribution costs	-240.9	7.1	-233.8
Administrative expenses	-148.7	0.7	-148.0
Other operating expenses	-52.8	-0.3	-53.1
Share of profit of associates	0.0	13.6	13.6
EBIT	172.5	0.5	173.0
Share of profit of associates	4.7	-4.7	0.0
Finance income	7.3	0.0	7.3
Finance costs	-48.4	0.3	-48.1
Profit before tax (EBT)	136.1	-3.9	132.2
Income tax expense	-24.5	3.6	-20.9
Profit for the period	111.6	-0.3	111.3

In millions of euros

Change in the consolidated statement of comprehensive income

10/01–12/31/2013	Values as originally reported	Adjustment	Values retroactively adjusted
Profit for the period	111.6	-0.3	111.3
Items of other comprehensive income that will be subsequently reclassified to profit or loss			
Hedge accounting	2.2	0.0	2.2
Currency translation	-34.3	0.0	-34.3
Share of result of associates	-1.7	0.3	-1.4
Subtotal of items of other comprehensive income that will be subsequently reclassified to profit or loss	-33.8	0.3	-33.5
Other comprehensive income for the period, net of income tax	-33.8	0.3	-33.5
Total comprehensive income for the period	77.8	0.0	77.8

In millions of euros

Change in the consolidated statement of cash flows

04/01–12/31/2013	Values as originally reported	Adjustment	Values retroactively adjusted
Operating activities			
Profit for the period	351.6	-1.9	349.7
Adjustments	471.9	7.6	479.5
Changes in working capital	-314.6	13.4	-301.2
Cash flows from operating activities	508.9	19.1	528.0
Cash flows from investing activities	-563.4	6.7	-556.7
Cash flows from financing activities	-659.2	-25.8	-685.0
Net decrease/increase in cash and cash equivalents	-713.7	0.0	-713.7
Cash and cash equivalents, beginning of period	1,092.7	-0.1	1,092.6
Net exchange differences	-15.9	0.0	-15.9
Cash and cash equivalents, end of period	363.1	-0.1	363.0

In millions of euros

With the exception of the described effects of IFRS 11, there were no material effects of the new and revised standards on voestalpine AG's interim consolidated financial statements.

Further information on the other principles of preparation is provided in the consolidated financial statements as of March 31, 2014, on which these interim consolidated financial statements are based.

The interim consolidated financial statements are presented in millions of euros (the functional cur-

rency of the parent company). The use of automated calculation systems may result in rounding differences.

Unless otherwise stated, comparative information relates to the first three quarters of the business year 2013/14 (reporting date: December 31, 2013).

The present interim consolidated financial statements have not been audited or reviewed by auditors.

Scope of consolidated financial statements/acquisitions

The changes made in the scope of consolidated financial statements during the reporting period were as follows:

	Full consolidation	Proportionate consolidation	Equity method
As of April 1, 2014 as originally reported	295	2	11
Adjustment under IFRS 11		-2	2
As of April 1, 2014 retroactively adjusted	295	0	13
Acquisitions	1		
Change in consolidation method			
Additions	7		
Disposals	-1		
Reorganizations	-6		
Divestments or disposals	-21		-1
As of December 31, 2014	275	0	12
Of which foreign companies	216	0	5

The following entities were deconsolidated during the first three quarters of the business year 2014/15:

Name of entity

Full consolidation in the business year 2013/14

Eschmann-Stahl Portugal-Acos Finos e Transformacao de Ferramentas, Unipessoal Lda. – em Liquidacao

voestalpine Treasury Holding GmbH

Flamco GmbH

Flamco s.a.r.l.

Flamco Flexcon B.V.

Flamco Flexcon Ltd.

Flamco STAG Behälterbau GmbH

Flamco Heating Accessories (Changshu) Co., Ltd.

Flamco AG

Flamco STAG GmbH

Flamco B.V.

Flamco Ltd.

Flamco Holding B.V.

Flamco Kft.

Flamco IMZ B.V.

Flamco Sp. z o.o.

W E M E F A Horst Christopeit Gesellschaft mit beschränkter Haftung

ASSAB Technology (Malaysia) Sdn Bhd

Eifeler France S.a.r.l.

voestalpine Polynorm Van Niftrik B.V.

voestalpine Polynorm Plastics B.V.

voestalpine Rotec France S.A.

Reorganization

VA OMV Personalholding GmbH

Advanced Railway Systems GmbH

E B C Eifeler Beschichtungs - Center GmbH

Eifeler Nord Coating GmbH Entwicklungszentrum für Dünnschichttechnologien

Eifeler Süd-Coating GmbH

voestalpine Straßensicherheit GmbH

Proportionate consolidation in the business year 2013/14¹

voestalpine Tubulars GmbH

voestalpine Tubulars GmbH & Co KG

Equity method in the business year 2013/14

Herzog Coilex GmbH

¹ Already retroactively adjusted due to the application of IFRS 11.

On July 4, 2014, the voestalpine Group agreed with the Dutch industrial group Aalberts Industries N.V. that it would sell all of its shares in the Flamco Group (part of the operating segment Metal Forming Division), headquartered in Bunschoten (NL). In the voestalpine consolidated financial statements, the Flamco Group is recorded as Heating & Installation Components, an independent entity, and it was deconsolidated in the second quarter of 2014/15. The sale closed as of August 13, 2014. The decisive factor behind the divestment was Flamco's increasingly strong divergence from the strategic core business of

voestalpine (lack of synergies within the Metal Forming Division and significant differences in its customer portfolio compared to the other division companies). The Flamco Group has been part of the voestalpine Group for over a decade, and it develops, produces, and markets branded quality components for HVAC systems worldwide. Flamco has production facilities in the Netherlands, Germany, UK, and China. With almost 700 employees worldwide, most recently, the company generated annual revenues of around EUR 125 million.

The disposal had the following effect on the interim consolidated financial statements:

	Recognized values
Non-current assets	33.3
Current assets	51.2
Non-current provisions and liabilities	-5.6
Current provisions and liabilities	-21.9
Net assets	57.0
Consideration received	115.0
Cash and cash equivalents disposed of	-4.5
Net cash inflow	110.5

In millions of euros

On September 30, 2014, the voestalpine Group agreed with the Austrian POLYTEC Group that it would sell all of its shares in voestalpine Polynorm Van Niftrik B.V and voestalpine Polynorm Plastics B.V. (together voestalpine Plastics Solutions). The sale closed as of November 26, 2014. These two entities are part of the operating segment Metal Forming Division, and they were deconsolidated in the third quarter of 2014/15. The decisive factor behind this sale is the company's rapidly increasing strategic divergence from voestalpine's core business. Last year, the

Plastics Solutions business segment generated revenue of around EUR 120 million at the two Dutch sites Putte and Roosendaal and employed a staff of almost 700 persons. Its products include underfloor paneling components, acoustic and exterior components for commercial vehicles as well as non-automotive products. The major customers are primarily European OEMs (original equipment manufacturers). In the future, these fields of application, including hybrid components, will be covered by strategic partnerships with global manufacturers.

The disposal had the following effect on the interim consolidated financial statements:

	Recognized values
Non-current assets	7.8
Current assets	41.6
Non-current provisions and liabilities	-6.9
Current provisions and liabilities	-23.7
Net assets	18.8
Consideration received	17.2
Cash and cash equivalents disposed of	-7.6
Net cash inflow	9.6

In millions of euros

The following entities were included in the interim consolidated financial statements for the first time during the first three quarters of the business year 2014/15:

Name of entity	Interest in %
Full consolidation	
voestalpine Böhler Welding UTP Maintenance GmbH	100.000%
voestalpine Böhler Welding Trading Asia Pacific Singapore	100.000%
voestalpine Automotive Bodyparts Shenyang Co., Ltd.	100.000%
voestalpine Rail Center Königsborn GmbH	100.000%
voestalpine Wire Austria GmbH	100.000%
voestalpine Railway Systems (Thailand) Co., Ltd.	99,950%
voestalpine Böhler Welding Northeast Asia Ltd.	100,000%
voestalpine Trafilerie Industriali S.p.A.	100,000%
Equity method¹	
voestalpine Tubulars GmbH	50.000%
voestalpine Tubulars GmbH & Co KG	49.985%

¹ Already retroactively adjusted due to the application of IFRS 11.

Additions to the scope of consolidated financial statements of fully consolidated entities include one acquisition, six newly established companies and one spin-off. voestalpine Tubulars GmbH and voestalpine Tubulars GmbH & Co KG were proportionately consolidated up to March 31, 2014, and, beginning with the business year 2014/15, the equity method is being applied.

In accordance with IFRS 3, the acquired companies are included in the interim consolidated financial statements at the fair value carried forward 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, assets and liabilities shall be considered provisional due to time constraints and due to uncertainty in their valuation.

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 non-controlling interests is recognized directly in equity. During the first three quarters of the business year 2014/15, EUR 9.7 million (2013/14: EUR 6.2 million) was paid for the acquisition of non-controlling interests or provisions were formed for the payment thereof. Non-controlling interests amounting to EUR 7.0 million (2013/14: EUR 4.1 million) were derecognized, and the remaining amount of EUR 2.7 million (2013/14: EUR 2.1 million) was recognized directly in equity.

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

Outstanding put options, which are offset against equity, had a fair value of EUR 0.6 million (March 31, 2014: EUR 5.7 million) as of December 31, 2014.

voestalpine Wire Technology GmbH, a company in the Metal Engineering Division of the voestalpine Group, has acquired 100% of Italian company Trafilerie Industriali S.p.A., a specialist in the production of drawn wire. It has a staff of around 80 employees and generated annual revenue of EUR 43.8 million in 2013. In acquiring Trafilerie Industriali S.p.A., voestalpine Wire Technology GmbH is gaining a leading Italian manufacturer of wire, which produces around 50,000 tons annually, thereby extending its own portfolio of drawn and blank wire. In the future, the company will be operating under the name voestalpine Trafilerie Industriali S.p.A.

The acquisition had the following effect on the interim consolidated financial statements:

	Recognized values
Non-current assets	23.3
Current assets	6.0
Non-current provisions and liabilities	-2.6
Current provisions and liabilities	-0.1
Net assets	26.6
Goodwill/badwill	8.6
Costs of acquisition	35.2
Cash and cash equivalents acquired	-0.4
Net cash outflow	34.8

In millions of euros

With regard to the aforementioned acquisition, it can be assumed that tax deductions can be claimed for portions of the recognized goodwill insofar as they are deductible for corporate in-

come tax purposes under current law. This has not yet been determined. However, the amounts are immaterial and negligible for the voestalpine interim consolidated financial statements.

Notes on the consolidated statement of financial position

In the first three quarters of the business year 2014/15, investments amounting to EUR 747.1 million exceeded depreciation totaling EUR 459.8 million. This essentially led to an increase of the non-current assets from EUR 7,168.0 million to EUR 7,418.4 million—despite the disposal of assets. Despite disposal of inventories as a result of the aforementioned deconsolidations, inventories increased, primarily as a result of higher stock quantities and positive currency translation differences compared to March 31, 2014 of EUR 123.5 million.

As of December 31, 2014, voestalpine AG's share capital amounted to EUR 313,309,235.65 (March 31, 2014: EUR 313,309,235.65) and is divided into 172,449,163 shares (March 31, 2014: 172,449,163). The Company held 28,597 of its own shares as of the reporting date. In the first three quarters of the business year 2014/15, the Company neither bought nor sold any of its own shares.

Effective October 16, 2007, voestalpine AG issued a hybrid bond subordinated to all other creditors with a total issue volume of EUR 1 billion. The bond has an indefinite term and a 7.125% coupon rate. The Company may defer coupon payments if no dividends are being paid. As the hybrid bond satisfies the IAS 32 criteria for equity, the proceeds from the bond issues are recognized as part of equity. Accordingly, coupon payments are also reported as part of appropriation of profit. In the fourth quarter of the business year 2012/13, voestalpine AG issued a new subordinated bond with

an indefinite term (hybrid bond 2013) with a volume of EUR 500 million following an invitation extended to the holders of the hybrid bond to exchange their existing investment for a new hybrid bond on a 1:1 basis. As a result of this exchange, the outstanding nominal value of the hybrid bond 2007 is therefore EUR 500 million. The nominal value of both the hybrid bond 2007 and the hybrid bond 2013 again totals EUR 1 billion. On September 9, 2014, the Management Board of voestalpine AG adopted a resolution to call the entire issue of hybrid bond 2007 (issued by voestalpine AG in 2007) effective on the first possible call date for this bond, namely October 31, 2014 (redemption date). The interest payments for the hybrid bond 2007 from September 10, 2014 on will be recognized in the consolidated statement of comprehensive income. The hybrid bond 2013 is not affected by this call of hybrid bond 2007. A total of EUR 71.3 million were paid out on October 31, 2014 for interest on the hybrid bond 2007 and the hybrid bond 2013. The hybrid bond 2007 was fully redeemed as of October 31, 2014.

Profit for the period amounting to EUR 442.8 million has contributed to the increase in equity. For the business year 2013/14, a dividend per share of EUR 0.95 was decided upon at the Annual General Meeting on July 2, 2014. Therefore, voestalpine AG distributed dividends amounting to EUR 163.8 million to its shareholders during the current business year. Interest for the hybrid bond 2007 and the hybrid bond 2013 amounting to EUR 66.2 million was also deducted from equity in the form of a dividend. The previously described redemption of the hybrid bond 2007 (EUR 500 million) reduces equity accordingly.

voestalpine AG successfully placed a EUR 400 million corporate bond on the capital market. The bond is intended to partially refinance the hybrid bond 2007, which the company called on September 9, 2014, effective October 31, 2014, and for general funding purposes. The bond has a term of seven years and a coupon rate of 2.25%.

Notes on the consolidated income statement

Revenue for the period from April 1 to December 31, 2014, in the amount of EUR 8,254.9 million decreased by 0.2% compared to the same period of the preceding year (EUR 8,268.8 million). In the first three quarters of the business year 2014/15, EBIT reached EUR 627.4 million compared to EUR 569.3 million for the first nine months of the business year 2013/14. EBIT equaled EUR 182.7 million for the third quarter of 2014/15, compared to EUR 173.0 million for the third quarter of 2013/14.

In the current business year 2014/15, the proceeds from deconsolidation of the Flamco Group in the amount of EUR 58.0 million, a write-down to the net fair value and other negative one-time effects as part of the deconsolidation of voestalpine Plastics Solutions amounting to a total of EUR 18.3 million and impairment losses on individual assets outside the European Union amounting to EUR 7.3 million were recognized under profit and loss. Furthermore, plan curtailments and settlements of defined benefit pension plans in the Netherlands resulted in non-recurring proceeds amounting to EUR 14.4 million. All of the aforementioned non-recurring effects pertain to the operating segment Metal Forming Division.

After consideration of the financial result and taxes, profit for the period amounted to EUR 442.8 million compared to EUR 349.7 million for the first three quarters of the preceding year.

Diluted and basic (undiluted) earnings per share are calculated as follows:

	04/01–12/31/2013	04/01–12/31/2014
Profit attributable to equity holders of the parent (in millions of euros)	292.2	393.7
Weighted average number of issued ordinary shares (millions)	172.4	172.4
Diluted and basic (undiluted) earnings per share (euros)	1.69	2.28

Operating segments

The following tables contain information on the operating segments of the voestalpine Group for the first three quarters of the business year 2014/15 and business year 2013/14, respectively:

1st – 3rd quarter of 2014/15

	Steel Division 04/01–12/31/2014	Special Steel Division 04/01–12/31/2014
Segment revenue	2,812.7	2,028.9
of which revenue with third parties	2,591.8	1,990.3
of which revenue with other segments	220.9	38.6
EBITDA	308.2	279.2
EBIT	130.6	176.3
EBIT margin	4.6%	8.7%
Segment assets	4,134.7	3,887.0
Employees (full-time equivalent)	11,148	13,334

1st – 3rd quarter of 2013/14

	Steel Division 04/01–12/31/2013	Special Steel Division 04/01–12/31/2013
Segment revenue	2,815.1	1,947.1
of which revenue with third parties	2,604.0	1,909.5
of which revenue with other segments	211.1	37.6
EBITDA	290.6	253.8
EBIT	118.6	154.5
EBIT margin	4.2%	7.9%
Segment assets	3,822.1	3,798.5
Employees (full-time equivalent)	10,862	12,884

Metal Engineering Division 04/01–12/31/2014	Metal Forming Division 04/01–12/31/2014	Other 04/01–12/31/2014	Reconciliation 04/01–12/31/2014	Total Group 04/01–12/31/2014
1,960.3	1,742.4	896.2	-1,185.6	8,254.9
1,940.7	1,717.4	14.7	0.0	8,254.9
19.6	25.0	881.5	-1,185.6	0.0
295.9	259.3	-61.6	6.2	1,087.2
214.0	167.6	-67.3	6.2	627.4
10.9%	9.6%			7.6%
2,567.2	1,941.0	9,947.5	-9,761.0	12,716.4
11,284	9,885	810	0	46,461

In millions of euros

Metal Engineering Division 04/01–12/31/2013	Metal Forming Division 04/01–12/31/2013	Other 04/01–12/31/2013	Reconciliation 04/01–12/31/2013	Total Group 04/01–12/31/2013
2,053.4	1,740.1	1,138.5	-1,425.4	8,268.8
2,031.6	1,717.4	6.3	0.0	8,268.8
21.8	22.7	1,132.2	-1,425.4	0.0
322.6	194.4	-56.5	-5.3	999.6
238.4	126.8	-63.7	-5.3	569.3
11.6%	7.3%			6.9%
2,516.2	1,937.3	9,429.4	-9,189.3	12,314.2
11,135	10,780	799	0	46,460

In millions of euros

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

EBITDA

	04/01 – 12/31/2013	04/01 – 12/31/2014
Net exchange differences incl. result from valuation of derivatives	-5.3	5.9
Consolidation	0.0	0.3
Other	0.0	0.0
EBITDA – Total reconciliation	-5.3	6.2

In millions of euros

EBIT

	04/01 – 12/31/2013	04/01 – 12/31/2014
Net exchange differences incl. result from valuation of derivatives	-5.3	5.9
Consolidation	0.0	0.3
Other	0.0	0.0
EBIT – Total reconciliation	-5.3	6.2

In millions of euros

All other key figures contain solely the effects of consolidation.

Notes on the consolidated statement of cash flows

Cash flow before capital changes in the amount of EUR 842.6 million increased compared to the first three quarters of the business year 2013/14 (EUR 829.2 million). Taking the change in working capital into consideration, cash flows from operating activities amounted to EUR 725.0 million in comparison to EUR 528.0 million in the

first three quarters of the preceding year; this represents an improvement of about 37%. After the deduction of EUR 628.0 million in cash flows from investing activities and taking into account cash flows from financing activities amounting to EUR -219.6 million (mainly borrowings and dividends as well as redemption of the hybrid bond 2007), the resulting change in cash and cash equivalents (without net exchange differences) amounts to EUR -122.6 million.

Notes on financial instruments

The following table compares the carrying amounts to the fair values for each class of financial assets and liabilities:

	12/31/2013		12/31/2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Financial assets measured at amortized cost	1,834.9	1,834.9	1,858.4	1,858.4
Financial assets measured at fair value	495.5	495.5	514.3	514.3
	2,330.4	2,330.4	2,372.7	2,372.7
Liabilities				
Financial liabilities measured at amortized cost	5,375.7	5,470.8	5,884.0	5,956.1
Financial liabilities measured at fair value	21.7	21.7	23.0	23.0
	5,397.4	5,492.5	5,907.0	5,979.1

In millions of euros

The carrying amount of the financial assets represents a reasonable approximation of fair value.

The liabilities measured at amortized cost, whose fair value is stated, fall under Level 2. Valuation is performed according to the mark-to-market method, whereby the input parameters for the calculation of the market values are the foreign exchange rates, interest rates, and credit spreads observable on the market. Based on the input

parameters, fair values are calculated by discounting estimated future cash flows at typical market interest rates.

The table below analyzes financial assets and financial liabilities that are measured at fair value on a recurring basis. These measurements are based on a fair value hierarchy that categorizes the inputs for the valuation methods used to measure fair value into three levels. The three levels are defined as follows:

Inputs

Level 1	Comprises quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Comprises inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Comprises unobservable inputs for the asset or liability.

Level of the fair value hierarchy for recurring fair value measurements

	Level 1	Level 2	Level 3	Total
12/31/2013				
Financial assets				
Financial assets measured at fair value through profit or loss				
Held for trading (derivatives)		14.3		14.3
Fair value option (securities)	422.0			422.0
Other			59.2	59.2
	422.0	14.3	59.2	495.5
Financial liabilities				
Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)				
		21.7		21.7
	0.0	21.7	0.0	21.7
12/31/2014				
Financial assets				
Financial assets measured at fair value through profit or loss				
Held for trading (derivatives)		41.1		41.1
Fair value option (securities)	414.5			414.5
Other			58.7	58.7
	414.5	41.1	58.7	514.3
Financial liabilities				
Financial liabilities measured at fair value through profit or loss – Held for trading (derivatives)				
		23.0		23.0
	0.0	23.0	0.0	23.0

In millions of euros

The derivative transactions (Level 2) are marked to market by determining the value that would be realized if the hedging position were closed out (liquidation method). The observable currency exchange rates and raw materials prices as well as the interest rates are the input for the calculation of fair values. Fair values are calculated based on the inputs by discounting expected future cash flows at typical market interest rates.

There were no transfers between Level 1 and Level 2, nor any reclassifications into or out of Level 3, during the reporting period. The reconciliation of Level 3 financial assets measured at fair value from the opening balance to the closing balance is represented as follows:

Level 3 – Financial assets measured at fair value through profit or loss

	04/01– 12/31/2013	04/01– 12/31/2014
Opening balance	63.4	59.0
Total of gains/losses recognized in the income statement:		
Finance costs/Finance income	–2.9	–4.0
Total of gains/losses recognized in the other comprehensive income:		
Currency translation	0.0	0.0
Additions	0.3	0.8
Transfers	0.0	2.9
Disposals	–1.6	0.0
Closing balance	59.2	58.7

In millions of euros

Level 3 contains other investments that are measured at fair value in accordance with IAS 39. As the fair value cannot be reliably determined 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 and negligible. The underlying fair value calculation provided for the purpose of comparison is based on valuation methods that are market value- or net present value-oriented, with carrying amount multiples of comparable listed entities and any available budget plans serving as input factors.

Significant sensitivities in the determination of fair values can result from changes in the underlying market data of comparable entities and the input factors used to determine net present value (in particular discount rates, long-term forecasts, plan data, etc.).

Seasonality and cyclicity

We refer to the relevant explanations in the Interim Management Report.

Business transactions with associated companies or parties

Business transactions in the form of deliveries and services are carried out with associated Group companies within the scope of operational

activities. These business transactions are implemented exclusively based on normal market terms.

There were no changes in transactions with associated companies and persons as set forth in the last annual financial report, which significantly affected the Company's financial situation or its net operating profit during the first nine months of the current business year.

Antitrust proceedings relative to railway superstructure material

As of December 31, 2014, the provisions recognized in the annual financial statements 2013/14 in the amount of EUR 76.4 million for the antitrust proceedings and associated actions and costs as well as for the closure of TSTG Schienen Technik GmbH & Co KG have been reduced to EUR 57.1 million due to the use of these provisions.

Provisions and contingent liabilities

Please note that we are invoking the safeguard clause in accordance with IAS 37.92, according to which detailed information about provisions and contingent liabilities is not provided if this could seriously and adversely impact the Company's interests.

Events after the Reporting Period

No significant events have occurred after the reporting period.