

voestalpine AG

Condensed interim consolidated financial statements as of 12/31/2016

In accordance with International Financial Reporting Standards (IFRS).
This report is a translation of the original report in German, which is solely valid.

Consolidated statement of financial position

Assets

| | 03/31/2016 | 12/31/2016 |
|---|-----------------|-----------------|
| A. Non-current assets | | |
| Property, plant and equipment | 6,006.5 | 6,289.9 |
| Goodwill | 1,544.4 | 1,552.6 |
| Other intangible assets | 414.1 | 422.8 |
| Investments in entities consolidated according to the equity method | 112.4 | 106.3 |
| Other financial assets | 69.8 | 72.2 |
| Deferred tax assets | 242.4 | 227.1 |
| | 8,389.6 | 8,670.9 |
| B. Current assets | | |
| Inventories | 2,973.1 | 3,291.5 |
| Trade and other receivables | 1,513.3 | 1,579.4 |
| Other financial assets | 355.8 | 365.0 |
| Cash and cash equivalents | 774.8 | 370.4 |
| | 5,617.0 | 5,606.3 |
| Total assets | 14,006.6 | 14,277.2 |

In millions of euros

Equity and liabilities

| | 03/31/2016 | 12/31/2016 |
|--|-----------------|-----------------|
| A. Equity | | |
| Share capital | 317.8 | 317.8 |
| Capital reserves | 553.7 | 552.0 |
| Hybrid capital | 497.9 | 497.9 |
| Retained earnings and other reserves | 4,102.0 | 4,266.1 |
| Equity attributable to equity holders of the parent | 5,471.4 | 5,633.8 |
| Non-controlling interests | 180.2 | 163.7 |
| | 5,651.6 | 5,797.5 |
| B. Non-current liabilities | | |
| Pensions and other employee obligations | 1,229.1 | 1,259.7 |
| Provisions | 71.6 | 70.0 |
| Deferred tax liabilities | 122.0 | 121.1 |
| Financial liabilities | 3,342.8 | 3,258.0 |
| | 4,765.5 | 4,708.8 |
| C. Current liabilities | | |
| Provisions | 567.2 | 559.4 |
| Tax liabilities | 98.3 | 64.3 |
| Financial liabilities | 898.2 | 1,053.5 |
| Trade and other payables | 2,025.8 | 2,093.7 |
| | 3,589.5 | 3,770.9 |
| Total equity and liabilities | 14,006.6 | 14,277.2 |

In millions of euros

Consolidated statement of cash flows

| | 04/01– 12/31/2015 | 04/01– 12/31/2016 |
|---|----------------------|----------------------|
| Operating activities | | |
| Profit after tax | 508.5 | 343.9 |
| Non-cash expenses and income | 345.0 | 519.5 |
| Changes in working capital | | |
| Change in inventories | –43.4 | –271.1 |
| Change in receivables and liabilities | –15.6 | 54.2 |
| Change in provisions | 43.2 | –47.2 |
| | –15.8 | –264.1 |
| Cash flows from operating activities | 837.7 | 599.3 |
| Investing activities | | |
| Additions of other intangible assets, property, plant and equipment | –986.9 | –779.6 |
| Income from disposals of assets | 11.0 | 10.3 |
| Cash flows from the acquisition of control of subsidiaries | 19.6 | –27.2 |
| Cash flows from the loss of control of subsidiaries | 0.1 | 2.0 |
| Additions/divestments of other financial assets | 9.1 | –1.8 |
| Cash flows from investing activities | –947.1 | –796.3 |
| Financing activities | | |
| Dividends paid | –204.8 | –213.7 |
| Dividends paid non-controlling interests | –43.8 | –16.2 |
| Acquisition of non-controlling interests | –2.3 | –3.7 |
| Capital increase | 85.3 | – |
| Increase in long-term financial liabilities | 419.6 | 483.5 |
| Repayment of long-term financial liabilities | –138.4 | –607.6 |
| Repayment of long-term finance lease liabilities | –9.9 | –3.9 |
| Change in current financial liabilities and other financial liabilities | –28.7 | 148.4 |
| Cash flows from financing activities | 77.0 | –213.2 |
| Net decrease/increase in cash and cash equivalents | –32.4 | –410.2 |
| Cash and cash equivalents, beginning of reporting period | 464.5 | 774.8 |
| Net exchange differences | –1.7 | 5.8 |
| Cash and cash equivalents, end of reporting period | 430.4 | 370.4 |

In millions of euros

Consolidated statement of comprehensive income

Consolidated income statement

| | 04/01– 12/31/2015 | 04/01– 12/31/2016 | 10/01– 12/31/2015 | 10/01– 12/31/2016 |
|---|----------------------|----------------------|----------------------|----------------------|
| Revenue | 8,380.4 | 8,101.2 | 2,593.7 | 2,693.4 |
| Cost of sales | –6,547.2 | –6,330.1 | –2,033.6 | –2,105.0 |
| Gross profit | 1,833.2 | 1,771.1 | 560.1 | 588.4 |
| Other operating income | 261.2 | 261.1 | 94.7 | 118.3 |
| Distribution costs | –768.3 | –796.0 | –253.7 | –269.1 |
| Administrative expenses | –462.4 | –449.3 | –153.4 | –155.6 |
| Other operating expenses | –290.9 | –253.2 | –97.6 | –108.1 |
| Share of profit of entities consolidated according to the equity method | 154.2 | 11.3 | 1.8 | 2.2 |
| EBIT | 727.0 | 545.0 | 151.9 | 176.1 |
| Finance income | 21.7 | 35.6 | 6.4 | 10.2 |
| Finance costs | –120.2 | –119.2 | –34.4 | –36.3 |
| Profit before tax | 628.5 | 461.4 | 123.9 | 150.0 |
| Tax expense | –120.0 | –117.5 | –36.2 | –39.8 |
| Profit after tax | 508.5 | 343.9 | 87.7 | 110.2 |
| Attributable to: | | | | |
| Owners of the parent | 479.9 | 325.8 | 78.7 | 101.2 |
| Non-controlling interests | 11.7 | 1.2 | 3.4 | 3.4 |
| Share planned for hybrid capital owners | 16.9 | 16.9 | 5.6 | 5.6 |
| Basic and diluted earnings per share (euros) | 2.74 | 1.86 | 0.45 | 0.58 |

In millions of euros

Consolidated statement of comprehensive income

Consolidated other comprehensive income

| | 04/01– 12/31/2015 | 04/01– 12/31/2016 | 10/01– 12/31/2015 | 10/01– 12/31/2016 |
|---|----------------------|----------------------|----------------------|----------------------|
| Profit after tax | 508.5 | 343.9 | 87.7 | 110.2 |
| Items of other comprehensive income that will be reclassified subsequently to profit or loss | | | | |
| Cash flow hedges | –17.8 | 8.9 | 1.6 | 4.6 |
| Net investment hedges | –10.4 | – | –2.8 | – |
| Currency translation | –70.9 | 56.4 | 23.7 | 38.7 |
| Share of result of entities consolidated according to the equity method | 0.1 | 0.4 | 3.8 | 0.6 |
| Subtotal of items of other comprehensive income that will be reclassified subsequently to profit or loss | –99.0 | 65.7 | 26.3 | 43.9 |
| Items of other comprehensive income that will not be reclassified subsequently to profit or loss | | | | |
| Actuarial gains/losses | 62.7 | –33.4 | 2.8 | 62.5 |
| Actuarial gains/losses of entities consolidated according to the equity method | –1.2 | – | –1.2 | – |
| Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss | 61.5 | –33.4 | 1.6 | 62.5 |
| Other comprehensive income for the period, net of income tax | –37.5 | 32.3 | 27.9 | 106.4 |
| Total comprehensive income for the period | 471.0 | 376.2 | 115.6 | 216.6 |
| Attributable to: | | | | |
| Owners of the parent | 447.3 | 357.4 | 106.9 | 206.4 |
| Non-controlling interests | 6.8 | 1.9 | 3.1 | 4.6 |
| Share planned for hybrid capital owners | 16.9 | 16.9 | 5.6 | 5.6 |
| Total comprehensive income for the period | 471.0 | 376.2 | 115.6 | 216.6 |

In millions of euros

Consolidated statement of changes in equity

| | Q 1 – Q 3 2015/16 | | | Q 1 – Q 3 2016/17 | | |
|---|-------------------|---------------------------|----------------|-------------------|---------------------------|----------------|
| | Group | Non-controlling interests | Total | Group | Non-controlling interests | Total |
| Equity as of April 1 | 5,050.6 | 64.4 | 5,115.0 | 5,471.4 | 180.2 | 5,651.6 |
| Total comprehensive income for the period | 464.2 | 6.8 | 471.0 | 374.3 | 1.9 | 376.2 |
| Dividends to shareholders | -174.8 | -45.2 | -220.0 | -183.7 | -17.4 | -201.1 |
| Dividends to hybrid capital owners | -30.0 | – | -30.0 | -30.0 | – | -30.0 |
| Tax effect on transactions with hybrid capital owners | 5.6 | – | 5.6 | 5.6 | – | 5.6 |
| Capital increase | 85.3 | – | 85.3 | – | – | – |
| Share-based payment | -1.0 | – | -1.0 | -1.7 | – | -1.7 |
| Other changes | 4.1 | 175.6 | 179.7 | -2.1 | -1.0 | -3.1 |
| Equity as of December 31 | 5,404.0 | 201.6 | 5,605.6 | 5,633.8 | 163.7 | 5,797.5 |

In millions of euros