INTERIM MANAGEMENT REPORT

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

REPORT ON THE GROUP'S BUSINESS PERFORMANCE AND THE ECONOMIC SITUATION

After about five years of limited growth in most economies, the upswing in Europe that began in early 2017 across the board gathered momentum as the year wore on. This upward trend affects all European countries, albeit in different ways. While the economic data in numerous EU member states (especially those in the East) show above-average growth and the vote on Great Britain's exit from the EU initially spurred exports and thus growth for currency reasons, coincidently it has increasingly put a damper on private investment due to the uncertainty about future prospects. The situation in the continental European countries, where companies' willingness to invest has grown noticeably on account of the rising stability of the economic upturn, presents a different picture. Even though the year 2017 was buffeted by geopolitical tensions yet again and many countries continued to push their protectionist policies, neither these factors—nor the growing strength of the euro vis-à-vis the US dollar—have derailed the positive mood in Europe.
The voestalpine Group benefitted from this largely positive environment as well. Particularly the momentum of the European automotive industry contributed a great deal to the Group's good performance. Furthermore, the consumer goods industry remained stable at a solid level, while the uptick was strong in the mechanical engineering sector and at least noticeable in the oil and gas as well as the construction industry. Only investments in the European railway infrastructure, which were cut at a surprisingly sharp rate starting in the summer of 2016, as well as in the power plant construction sector, which has been suffering for a long time virtually as a matter of course, showed no signs of rebounding. So far, voestalpine has not been affected by the ramifications of the Brexit, neither at its British sites nor outside of Great Britain.
In the United States, private consumption which accounts for about two thirds of the country's economy drove growth yet again. While orders for capital goods have trended upward in the business year 2017/18 to date, volatility remained high nonetheless. The growth of the country's gross domestic product (GDP) also came under pressure from the sharp decline in foreign direct investments in the productive sector. In this connection, the uncertainty surrounding the future of the North American Free Trade Agreement (NAFTA) is increasingly putting a damper on investments, not just in the U.S. but also in all of North America. Conversely, the most recently enacted comprehensive tax reform should enhance the attractiveness of the United States as an economic region; however, so far no concrete steps have been taken with respect to the infrastructure program that was announced with much fanfare. From the vantage point of voestalpine, growth in the North American market during the first three quarters of 2017/18 was uneven. Aerospace generated considerable positive momentum, and the oil and gas sector also exhibited signs of a recovery, at least in terms of its volume. While the American automotive market declined

a bit overall, voestalpine's sites in the United States continued to profit from strong demand on the part of European automakers' local plants. The railway infrastructure in North America showed slight signs of picking up in the course of the year. China's economy continued to grow at a robust pace in 2017, thanks largely to foreign trade, which is its main pillar. But the growth of private consumption also reflected the increasing significance of this sector to the stability of the country's development trajectory. As far as finance is concerned, there are no indications to date of a decline in high lending levels, which continue unabated. voestalpine's sites in China developed very well in 2017. Demand was excellent throughout: in the railway infrastructure segment as well as in both the automotive industry and the consumer goods sector.

Following years of a massive recession, Brazil finally hit rock bottom in 2017 and then began to grow a little bit again. The implementation of the labor market reforms handed the newly formed government an initial success after the 2016 corruption scandal, but many other policy initiatives will be necessary to consolidate the country's large budgetary deficits. Helped along by declining interest rates, private consumption, in particular, has contributed to the rebound of the Brazilian economy, as has the increase in exports that is being fueled by favorable foreign exchange rates. voestalpine's sites took extensive steps in years past to lower costs and boost efficiency with the aim of counteracting the massive economic downturn in this, the largest South American country. This enabled them in the current business year to exploit the economic turnaround and achieve correspondingly positive revenue and earnings growth.

REPORT ON THE FINANCIAL KEY PERFORMANCE INDICATORS OF THE voestalpine GROUP

The 16.8% increase in the revenue of the voestalpine Group from EUR 8,101.2 million in the previous year to EUR 9,460.4 million in the first three quarters of the business year 2017/18 reflects the current economic upturn which, in terms of both breadth and momentum, is the strongest of the past ten years. Buttressed as well by the price increase in raw materials, this has resulted in substantially higher product prices, even though they have had different ramifications in each of the Group's four divisions. The excellent demand for high-quality flat steel products enabled the Steel Division to post the largest increase in percentage terms. Given the already strong upward momentum in delivery volumes last year, the division's revenue growth stems mainly from higher prices and the ongoing optimization of its product mix. By contrast, the revenue growth in each of the three other divisions arises from volume growth alone. The High Performance Metals Division thus benefitted from the positive market conditions overall in both Europe and Asia as well as the brightened mood in the oil and natural gas sector, which allowed the Metal Engineering Division as well to boost its unit sales, while the Metal Forming Division for its part

successfully continued its expansion particularly in the automotive industry.

Coupled with the corresponding positive margin effects, the increase in all of the Group's earnings categories was even more pronounced than the growth in revenue. As a result, the operating result (EBITDA) improved year over year by almost one third, from EUR 1,061.1 million in the first three quarters of 2016/17 to currently EUR 1,405.5 million. Here, too, the Steel Division posted the greatest increase by far, but the other three divisions also succeeded in improving their operating result. The extraordinary profitability of the Steel Division stems primarily from its consistent focus over many years on product and process innovations and the outstanding increase in orders for the most sophisticated strip steel products. The profit from operations (EBIT) presents a similar picture in terms of the distribution of earnings within the Group, except that, in this case the Metal Engineering Division's performance fell slightly short of that the previous year, because its profit from operations for the first six months of 2017/18 already contained EUR 15 million in one-off negative effects from impairment losses on property, plant and equipment in the ultra high-strength fine wires product segment due to challenging market conditions that continue unabated.

Relative to the previous year, the net financial debt fell by 5.0% from EUR 3,545.8 million as of the end of December 2016 to EUR 3,370.1 million as of the close of 2017. The increase in the net financial debt per the end of the third quarter of 2017/18 compared with the March 31, 2017, reporting date (EUR 3,221.1 million) is due to the dividend distributions of just over EUR 200 million in the second business quarter as well as an increase in net working capital (NWC), which was driven chiefly by the need to build up pre-materials in order to offset the volume losses resulting from the pending major repairs of blast furnace A in Linz, Austria, in the summer of 2018; it is also due to higher prices for raw materials. Given comprehensive measures aimed at cutting back working capital in the individual divisions, the net working capital ought to decline in the fourth quarter of 2017/18 by about one half of the increase in the first three quarters of 2017/18, which will have a correspondingly positive impact on the development of both the free cash flow (FCF) and the net financial debt. At EUR 6,303.4 million, equity as of December 31, 2017, reached a new all-time high. This represents an increase of 8.7% compared with the same reporting date the previous year and of 4.0% relative to the most recent reporting date (March 31, 2017). Year over year, therefore, the gearing ratio (net financial debt as a percentage of equity) fell substantially from 61.2% as of the end of December 2016 to 53.5% as of the end of December 2017, but it remained largely unchanged (53.2%) relative to the March 31, 2017, reporting date.

The completion of numerous large-scale projects in the past 18 months lowered the investment expenditure of the voestalpine Group in the first three quarters of 2017/18 by 25.9% to EUR 527.3 million compared with the same period the previous year (EUR 711.4 million). Hence it is also lower than depreciation of EUR 571.0 million as of the close of the third quarter. The Steel Division posted the largest decrease in this connection, while investments by the divisions engaged in processing remained stable on the whole compared with the same period the previous year.

As of December 31, 2017, the voestalpine Group had 50,658 employees (FTE), which denotes an increase of 3.9% compared with 48,765 as per the same reporting date the previous year (December 31, 2016). This growth is due primarily to the Group's expansion of its automotive activities at its international sites as well as to rising demand from the oil and natural gas sector owing to the economic upturn. The number of employees rose by 1.9% over the March 31, 2017, reporting date (49,703).

COMPARISON OF THE QUARTERLY AND NINE-MONTH FIGURES OF THE voestalpine GROUP

In millions of euros	Q 1 2017/18 04/01–06/30/2017	Q 2 2017/18 07/01–09/30/2017	Q 3 2017/18 10/01–12/31/2017	Q 1 – Q 3 2017/18 04/01–12/31/2017	Q 1 – Q 3 2016/17 04/01–12/31/2016	Change in %
Revenue	3,251.5	3,050.8	3,158.1	9,460.4	8,101.2	16.8
EBITDA	513.8	455.1	436.6	1,405.5	1,061.1	32.5
EBITDA margin	15.8%	14.9%	13.8%	14.9%	13.1%	
EBIT	328.8	255.4	250.4	834.6	545.0	53.1
EBIT margin	10.1%	8.4%	7.9%	8.8%	6.7%	
Profit before tax	292.4	221.3	223.5	737.1	461.4	59.8
Profit after tax[1]	218.4	170.5	167.0	555.9	343.9	61.6
Employees (full-time equivalent)	50,047	50,638	50,658	50,658	48,765	3.9

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

Net financial debt can be broken down as follows:

NET FINANCIAL DEBT

In millions of euros	12/31/2016	12/31/2017
Financial liabilities, non-current	3,258.0	2,855.9
Financial liabilities, current	1,053.5	1,854.2
Cash and cash equivalents	–370.4	–728.1
Other financial assets	–365.0	–583.5
Loans and other receivables from financing	–30.3	–28.4
Net financial debt	**3,545.8**	**3,370.1**

STEEL DIVISION

QUARTERLY DEVELOPMENT OF THE STEEL DIVISION

In millions of euros				Q 1 – Q 3		
	Q 1 2017/18 04/01–06/30/2017	Q 2 2017/18 07/01–09/30/2017	Q 3 2017/18 10/01–12/31/2017	2017/18 04/01–12/31/2017	2016/17 04/01–12/31/2016	Change in %
Revenue	1,213.3	1,085.5	1,176.2	3,475.0	2,703.9	28.5
EBITDA	227.8	214.9	209.5	652.2	368.9	76.8
EBITDA margin	18.8%	19.8%	17.8%	18.8%	13.6%	
EBIT	150.2	137.7	130.9	418.8	155.8	168.8
EBIT margin	12.4%	12.7%	11.1%	12.1%	5.8%	
Employees (full-time equivalent)	10,810	10,905	10,879	10,879	10,869	0.1

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The European steel manufacturers' production volume rose dramatically in the course of 2017 thanks to the ongoing upturn in the European market despite continued large steel imports into Europe. While the demand for consumer goods has been developing along a positive trajectory for a few years due to the continued low-interest environment, 2017 finally saw a substantial increase in the demand for capital goods as well. The decline in cheap imports from China as a result of the restrictions on trade that were imposed at the EU level was immediately offset by imports of products from other source countries, primarily India, South Korea, and Turkey. As far as raw materials are concerned, the prices of both iron ore and scrap as well as metallurgical coal rose toward the end of 2017 especially on account of China's continued high demand for raw materials, weather-related bottlenecks in North America, and logistical problems in Australia.

Throughout the calendar year 2017, order levels in all of the Steel Division's major customer segments were excellent—above all the automotive industry, which is the key driver of demand for high-quality steel grades. Following several years of volatility, in 2017 the European mechanical engineering sector finally gained considerable momentum, and the growth of the consumer goods sector (not least the white goods industry) was stable on a solid level. Overall sentiment in the construction industry, which had weakened over the years due to economic factors, improved noticeably in the past twelve months.

The Heavy Plate business segment performed much better than the challenging market environment would lead one to expect. While the number of awards in the pipeline segment of the oil and natural gas industry, a key customer segment, was modest at best, in its capacity as a provider of highest-quality heavy plate the division succeeded in securing several project awards based on most demanding specifications, for example, in the deep sea segment.

Once again, the successful shift of the product mix toward innovative, highest-quality products in keeping with the Group's long-term strategy turned out to be the key to the Steel Division's general success to date in the business year 2017/18.

The direct reduction plant in Corpus Christi, Texas, USA, became fully operational at the start of the business year 2017/18, but hurricane Harvey caused an unplanned production stop in the second quarter. Thanks to comprehensive preparatory and safety measures, however, the plant was started up again within a few weeks, thus ensuring unrestricted deliveries to external and Group customers alike.

FINANCIAL KEY PERFORMANCE INDICATORS

The improvement in the Steel Division's key financial performance indicators in the first three quarters of 2017/18 considerably bests that of the voestalpine Group's other divisions. For one, the year-over-year increase in revenue by 28.5% from EUR 2,703.9 million to EUR 3,475.0 million stems from rising raw material costs. For another and in particular, it reflects the excellent demand

for high-quality flat steel products. Because delivery volumes had already reached a very high level the previous year, besides the ongoing improvement of its product mix the division's excellent earnings growth is largely due to the favorable environment in pricing terms along with the corresponding effects on the margins. The start-up losses incurred the previous year for the HBI facility in Corpus Christi, Texas, USA, also had an adverse effect on earnings in the same period the previous year. In a highly positive environment overall, the operating result (EBITDA) of the Steel Division rose year over year by 76.8% from EUR 368.9 million (margin of 13.6%) to EUR 652.2 million (margin of 18.8%), and the profit from operations (EBIT) by 168.8% from EUR 155.8 million (margin of 5.8%) to EUR 418.8 million (margin of 12.1%).

At 10,879 employees, as of December 31, 2017, the Steel Division had almost the same number of employees (FTE) as in the previous year (10,869 as of December 31, 2016).

HIGH PERFORMANCE METALS DIVISION

QUARTERLY DEVELOPMENT OF THE HIGH PERFORMANCE METALS DIVISION

In millions of euros				Q1–Q3		
	Q1 2017/18 04/01– 06/30/2017	Q2 2017/18 07/01– 09/30/2017	Q3 2017/18 10/01– 12/31/2017	2017/18 04/01– 12/31/2017	2016/17 04/01– 12/31/2016	Change in %
Revenue	739.3	692.1	703.5	2,134.9	1,949.5	9.5
EBITDA	127.4	99.1	102.5	329.0	284.5	15.6
EBITDA margin	17.2%	14.3%	14.6%	15.4%	14.6%	
EBIT	89.6	62.6	66.7	218.9	178.5	22.6
EBIT margin	12.1%	9.0%	9.5%	10.3%	9.2%	
Employees (full-time equivalent)	13,823	13,950	14,049	14,049	13,587	3.4

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The economic environment of the High Performance Metals Division improved significantly year over year during the first nine months of 2017/18. This positive change relative to the previous business year clearly stabilized, especially with respect to investments in the onshore oil and gas sector, but offshore activities remained at a low level. The automotive industry and the consumer goods industry—both major drivers of demand for tool and high-speed steel—continued to grow at a dynamic pace worldwide. Sales of special forging products for the aerospace industry were a bit more volatile in the business year to date than in the previous years, even though the fundamentals remained positive overall regardless. By contrast, there has been no recovery in conventional power plant and energy engineering.

Regionally speaking, the High Performance Metals Division benefitted first and foremost from Europe's economic recovery. The automotive industry was the main driver of strong order levels yet again, followed by the recovering mechanical engineering industry as well as the oil and gas sector. Developments in the NAFTA region, too, were fueled largely by these industrial segments. The economic climate in Brazil exhibited slight signs of a recovery on the heels of a multi-year recession. In Asia, particularly China, the division benefitted chiefly from excellent developments in consumer goods, which triggers high demand for tool steel. The acquisitions of the previous years as well as the opening of new business locations in the Value Added Services segment have further strengthened our global market position in the tool steel segment. The development of additive manufacturing processes for components in the challenging metals segment in Europe as well as in North America and Asia has enabled the High Performance Metals Division to push its strategy of becoming the market leader in cutting-edge

technologies. Linking these local manufacturing centers with the powder production plants in both Kapfenberg, Austria, and Hagfors, Sweden, serves to ensure the division's technology leadership across the entire process chain.

FINANCIAL KEY PERFORMANCE INDICATORS

The key performance indicators (KPIs) reflect the pleasing performance of the High Performance Metals Division in the first three quarters of 2017/18. Revenue rose by 9.5% compared with the previous year, from EUR 1,949.5 million to EUR 2,134.9 million. The general increase in revenue, which helped to more than offset higher alloy prices; an improvement in the product mix especially with respect to tool steel; as well as an increase in sales volumes (particularly in Europe and Asia) were key to this expansion. These factors also led to a substantial improvement in results year over year. The operating result (EBITDA) rose in the first three quarters by 15.6%, from EUR 284.5 million in the previous year to EUR 329.0 in the current year. The profit from operations (EBIT) improved in the same period by 22.6%, from EUR 178.5 million to EUR 218.9 million. In turn, this caused the EBITDA margin to rise from 14.6% to 15.4%, and the EBIT margin from 9.2% to 10.3%.

As of the end of the third quarter of the business year 2017/18, the number of employees (FTE) in the High Performance Metals Division was 14,049 and thus 3.4% higher than the figure (13,587) in the same quarter of the previous business year, largely due to economic factors.

METAL ENGINEERING DIVISION

QUARTERLY DEVELOPMENT OF THE METAL ENGINEERING DIVISION

In millions of euros				Q 1 – Q 3		
	Q 1 2017/18 04/01–06/30/2017	Q 2 2017/18 07/01–09/30/2017	Q 3 2017/18 10/01–12/31/2017	2017/18 04/01–12/31/2017	2016/17 04/01–12/31/2016	Change in %
Revenue	770.0	741.2	727.8	2,239.0	1,994.9	12.2
EBITDA	87.2	90.5	83.9	261.6	254.6	2.7
EBITDA margin	11.3%	12.2%	11.5%	11.7%	12.8%	
EBIT	47.0	34.4	42.5	123.9	140.0	–11.5
EBIT margin	6.1%	4.6%	5.8%	5.5%	7.0%	
Employees (full-time equivalent)	13,274	13,450	13,267	13,267	12,822	3.5

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

In contrast to the Group's other divisions, for a good part of the current business year the Metal Engineering Division was confronted with challenging conditions in its core segments. Particularly the demand from the European railway infrastructure market, which is important to the Rail Technology business segment, has been very restrained for quite some time now. Owing to the continued decline in investments in the maintenance and expansion of the European rail network, the few remaining projects triggered fierce price competition.

In contrast to the rail sector, the general climate in the Turnout Systems business segment was characterized by a satisfactory level overall of project activity. The division's global positioning, especially excellent developments in China, made it possible to cushion weaknesses in individual regional markets (the U.S., for example).

The successful start-up of the wire rod mill in the Wire Technology business segment, which boasts state-of-the-art technology, has already led to an excellent level of product quality in the first few months of full operations. As far as demand is concerned, order levels for high-quality wire from the automotive industry were excellent,

whereas project inquiries from the oil and natural gas sector remained few and far between, as before. Due to the ongoing challenges in the market, the ultra high-strength fine wires product segment, which serves primarily the solar and photovoltaics industry, had to recognize EUR 15 million in impairment losses on property, plant and equipment in the first half of 2017/18, which had a corresponding negative one-time effect on earnings.

In the Tubulars business segment, the upward trend in volumes that had made itself felt in quarters past continued in the third quarter of the business year 2017/18, but prices did not rise as much as had been expected at the start of the business year. This is due mainly to the fact that, following the strong recovery that began in the summer of 2016, in the past few months the number of active rigs in the United States has tended to move laterally. But this did not affect the division's production of seamless tubes, which has remained at full capacity throughout the business year 2017/18 to date.

The Welding Consumables business segment managed to stay positive at a stable level despite the fierce competition that has continued unabated throughout the first nine months of 2017/18 on account of the ongoing difficulties in the energy market.

FINANCIAL KEY PERFORMANCE INDICATORS

The key performance indicators for the Metal Engineering Division in the first three quarters of 2017/18 were driven chiefly by the recovery in the oil and natural gas sector in terms of quantities, the intensified price competition in the Rail Technology business segment, as well as nonrecurring start-up effects in the Wire Technology segment. The revenue growth by 12.2% from EUR 1,994.9 million in the first three quarters of 2016/17 to EUR 2,239.0 million in the current business year reflects, for one, the generally higher price level overall that stems from higher raw materials prices and, for another, the upward trend in the business volume of the Tubular business segment.

The operating result (EBITDA) rose during this period by 2.7% from EUR 254.6 million (margin of 12.8%) to EUR 261.6 million (margin of 11.7%) subject, however, to substantially divergent trends in the individual business segments. While margins in the Rail Technology business segment declined as a result of stiff competition, the operating profit margin in the Tubulars segment rose mainly on account of the substantial year-over-year improvement in capacity utilization. In contrast to EBITDA, at EUR 123.9 million (margin of 5.5%), the profit from operations (EBIT) in the first nine months is 11.5% lower than the previous year (EUR 140.0 million, margin of 7.0%) due to the Wire Technology business segment. For one, current depreciation has risen in the wake of the start-up of the new wire rod mill while, for another, depreciation in the first half of 2017/18 contains EUR 15 million in negative one-off effects from impairment losses on property, plant and equipment in the ultra high-strength fine wires product segment due to challenging market conditions that continue unabated.

As per the close of the third quarter of 2017/18, the Metal Engineering Division had 13,267 employees (FTE), an increase of 3.5% over the same reporting date the previous year (12,822), due largely to the expansion of the production volume in the Tubulars segment.

METAL FORMING DIVISION

QUARTERLY DEVELOPMENT OF THE METAL FORMING DIVISION

In millions of euros				Q 1 – Q 3		
	Q 1 2017/18 04/01– 06/30/2017	Q 2 2017/18 07/01– 09/30/2017	Q 3 2017/18 10/01– 12/31/2017	2017/18 04/01– 12/31/2017	2016/17 04/01– 12/31/2016	Change in %
Revenue	672.7	648.9	676.2	1,997.8	1,754.0	13.9
EBITDA	88.6	75.1	72.6	236.3	223.3	5.8
EBITDA margin	13.2%	11.6%	10.7%	11.8%	12.7%	
EBIT	61.3	47.4	44.2	152.9	146.9	4.1
EBIT margin	9.1%	7.3%	6.5%	7.7%	8.4%	
Employees (full-time equivalent)	11,300	11,498	11,634	11,634	10,650	9.2

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The performance of the Metal Forming Division in the first three quarters of the business year 2017/18 was solid overall. Against the backdrop of continually rising sales volumes, especially in the European automotive industry, order levels from automakers remained excellent, particularly in the Automotive Components business segment. High incoming order levels drove the Division's performance at non-European sites in the United States, China, and South Africa that produce mainly for German premium manufacturers.

In the Tubes & Sections business segment, the favorable economic environment in the European Union also supported the demand for tailor-made pipes and profiles. Recent quarters have seen a substantial upturn in the market for commercial vehicles and agricultural machines as well as in the construction industry. So far, the British construction industry has not suffered any noticeable setbacks either, despite the ongoing Brexit negotiations. Year-to-date developments in Brazil have produced slight signs of an economic recovery for the first time in years. In the United States, customer order levels were average overall, as before, while in China the upward trend solidified, especially with respect to customized product solutions.

The outstanding performance of the Precision Strip business segment, which continues unabated, stems from the interaction of a very solid business climate and the segment's excellent market position. It benefitted not just from positive economic conditions, among others in the packaging and sawmill industry, but also from its strong market position in these product segments.

In its capacity as a provider of high-bay warehouses and system racks, the Warehouse & Rack Solutions business segment, which supports projects from the development stage through to assembly, also did well thanks to solid market conditions that remain unchanged. In this connection, online commerce—in particular and not just in Europe—turned out to be a reliable driving force in a pleasantly stable project landscape overall.

FINANCIAL KEY PERFORMANCE INDICATORS

The Metal Forming Division slightly improved its key financial indicators in the first three quarters of 2017/18 compared with the same period the previous year. The increase in revenue stems primarily from the Group's continued work to push its international activities in the Automotive Components segment and the excellent performance of the Precision Strip business segment. On the whole, the Division boosted its revenue by 13.9%, from EUR 1,754.0 million the previous year to EUR 1,997.8 million the current year.

The improvement in earnings is largely due to the excellent performance of the Precision Strip business segment, while the results of the other three segments were more or less the same year over year. Specifically, the operating result (EBITDA) rose year over year by 5.8%, from EUR 223.3 million to EUR 236.3 million, while the profit from operations (EBIT) improved by 4.1%, from EUR 146.9 million to EUR 152.9 million. The EBITDA margin decreased from 12.7% to 11.8%

and the EBIT margin from 8.4% to 7.7%, because the growth in revenue was stronger than the growth in individual result categories. On the whole, however, the analysis of earnings growth in the Metal Forming Division must take into account that the division's current earnings potential is still limited by the large number of new automotive projects that are being implemented or are in the operational start-up phase.
As of December 31, 2017, the number of employees (FTE) in the Metal Forming Division was 11,634 or 9.2% higher than the past year's figure of 10,650. This increase is largely due to the expansion of the non-European sites in the automotive segment.

OUTLOOK

The first nine months of the business year 2017/18 brought highly positive developments overall for the voestalpine Group in terms of both revenue and earnings. This despite specific expenditures resulting from the simultaneous implementation of a number of large-scale projects that are of strategic importance to the Group's future. Among others, this includes the start-up of a total of nine new automotive component plants on three continents, the operational launch of the first fully digitalized wire rod mill worldwide, the preparations for the general overhaul of the Group's largest blast furnace next summer as well as the launch of the new special steel plant project.

Despite the challenges associated with these developments, at EUR 1.4 billion the operating result (EBITDA) for the first three quarters of 2017/18 has just about reached the EUR 1.54 billion level that was achieved for the entire business year 2016/17! From today's perspective, both revenue and the operating result (EBITDA) for the last quarter of 2017/18 should be more or less on par with the first-quarter results. This confirms the expectation regarding the substantially positive year-over-year development in both revenue and earnings that was expressed as early as at the start of the business year.