

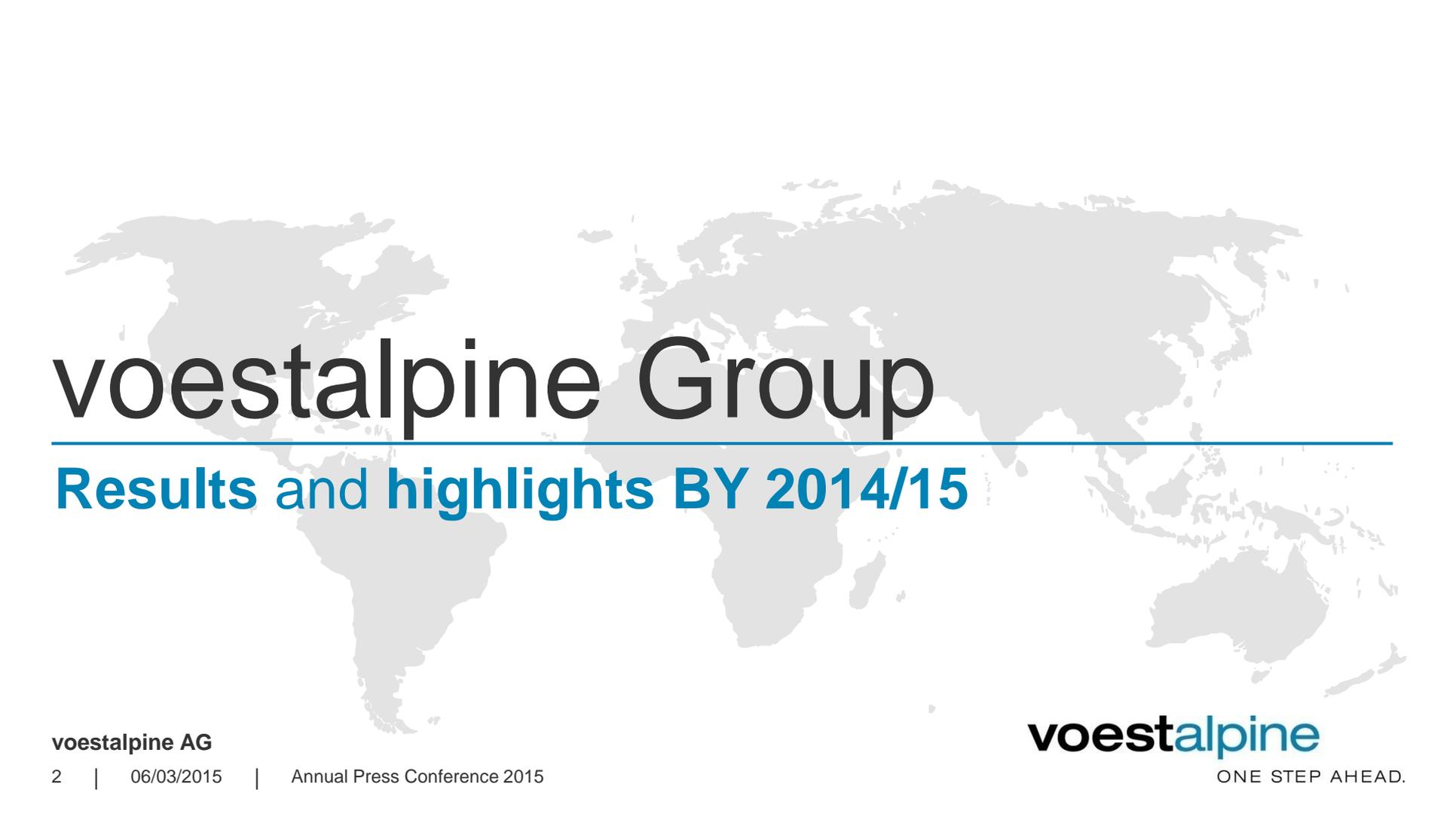


# Business year 2014/15

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Annual Press Conference, June 3, 2015

**Welcome!**



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## Results and highlights BY 2014/15

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## Business year 2014/15 – Economic environment

- Viewed globally, economic development inconsistent
  - Europe (eurozone): volatile and subdued development, moderate revival of growth beginning in 2015 (“quantitative easing,” investment offensive at EU level)
  - North America: continuing, positive growth trend; (temporary) consolidation phase in early 2015
  - China: growth rates remain high (Ø +7%)
  - Brazil and Russia: between stagnation and recession
- Deflationary raw materials prices (ore and oil), shifts in rates of exchange (esp. US dollar vs. euro)



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## Business year 2014/15 – Highlights

- Despite negative price trends (iron ore, oil), **revenue up by 1%** from EUR 11.1\* to EUR 11.2 billion
- **EBITDA** rose to EUR 1.53 billion (+11.4%), **EBIT** increased to EUR 886 million (+12.4%)
- **Positive non-recurring effects** (EBITDA: EUR 61.9 million, EBIT: EUR 45.2 million)
- **Profit before tax** and **profit for the period** rose **disproportionately** from EUR 641 to EUR 741 million (+15.6%) and EUR 503 to EUR 594 million (+18%) respectively
- **Gearing ratio** at **58.4%** higher than previous year (46%) ⇒ special effects in statement of financial position
- **Investments** up from EUR 936 million to almost **EUR 1.2 billion (+ 25.8%)**
- **Dividend per share** goes from EUR 0.95 to **EUR 1.00 \*\***
- **Efficiency improvement and cost optimization program** shows first effects on earnings



\* Business year 2013/14 retroactively adjusted (change of accounting method); \*\* proposal to Annual General Shareholders' Meeting

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## Long-term added value

- At around 23,000, headcount in Austria at highest level since IPO in 1995
- Environmental expenditures at Austrian sites in the last 10 years > EUR 2.4 billion
- Annual expenses for R&D rose in the last 10 years from EUR 57 million to an absolute record of EUR 140 million\*
- Development of dividend since IPO in 1995
  - Total dividend payments of EUR 2.2 billion (more than 50% of shareholders in Austria)
  - Average dividend yield of 3.8%
- Investments in new assets amounting to an all-time high of EUR 1.2 billion, of which 50% outside Austria for the first time
- Direct reduction plant in Texas more than 50% complete; largest ever foreign investment in the USA by an Austrian company

\*Includes R&D plant investments

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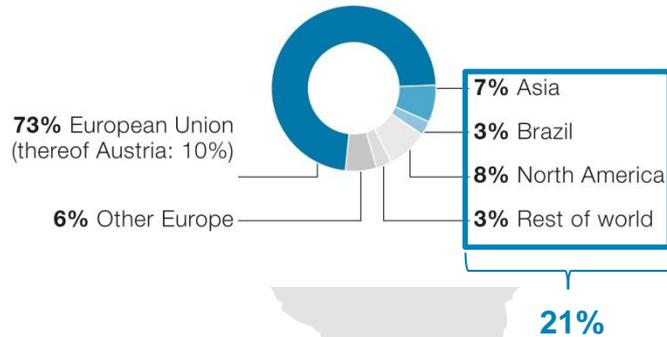
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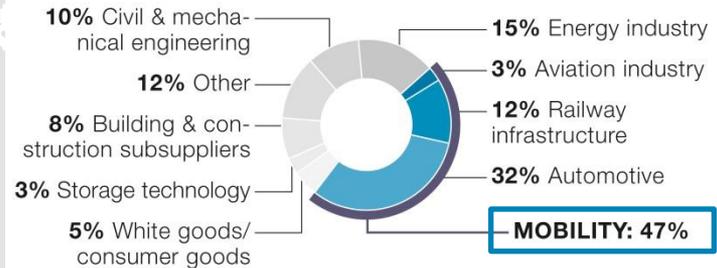
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## Revenue 2014/15 by regions and industries

Revenue by **regions** (Business year 2014/15)



Revenue by **industries** (Business year 2014/15)



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## Key figures 2014/15 – Overview

		2013/14*	2014/15	Change in %
Revenue	millions of EUR	11,077	11,190	+1.0
Operating result (EBITDA)	millions of EUR	1,374	1,530	+11.4
Profit from operations (EBIT)	millions of EUR	788	886	+12.4
Profit before tax (EBT)	millions of EUR	641	741	+15.6
Profit for the period	millions of EUR	503	594	+18.0
Earnings per share	EUR	2.59	3.11	+20.1
Dividend per share	EUR	0.95	1.00**	+5.3
Employees (full-time equivalent as of March 31)		47.485	47.418	-0.1

\* Business year 2013/14 retroactively adjusted; \*\* proposal to Annual General Shareholders' Meeting

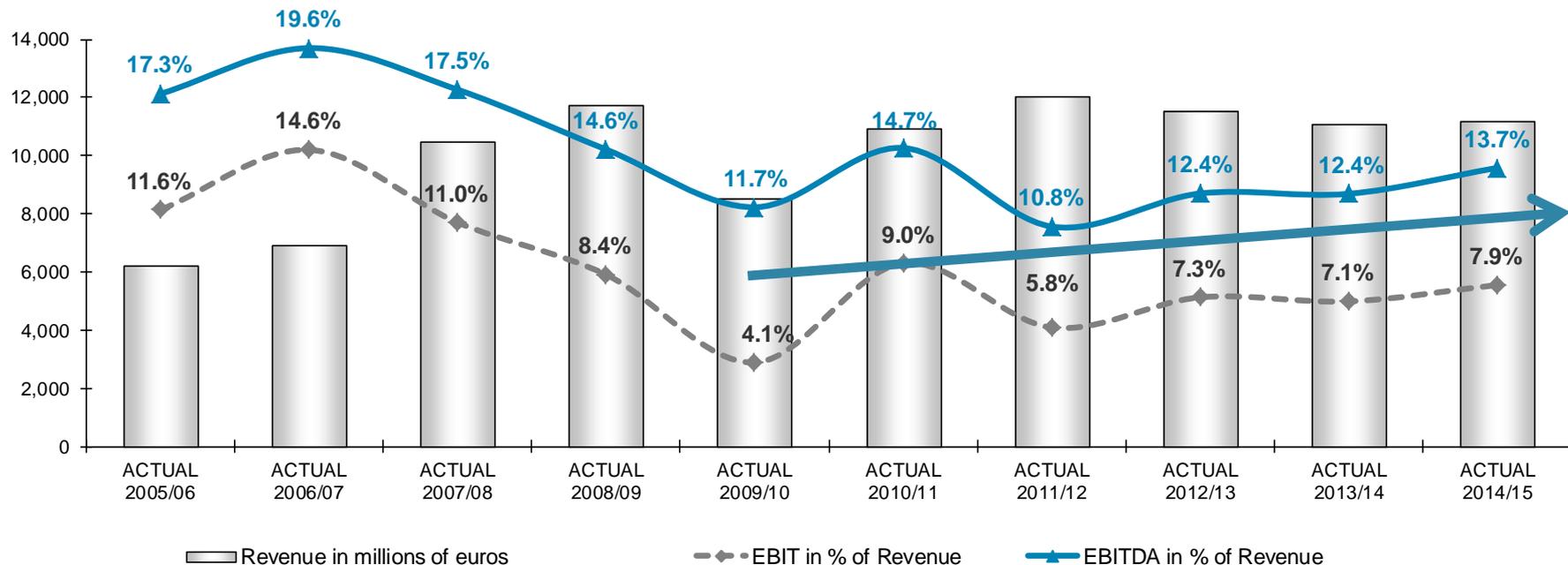
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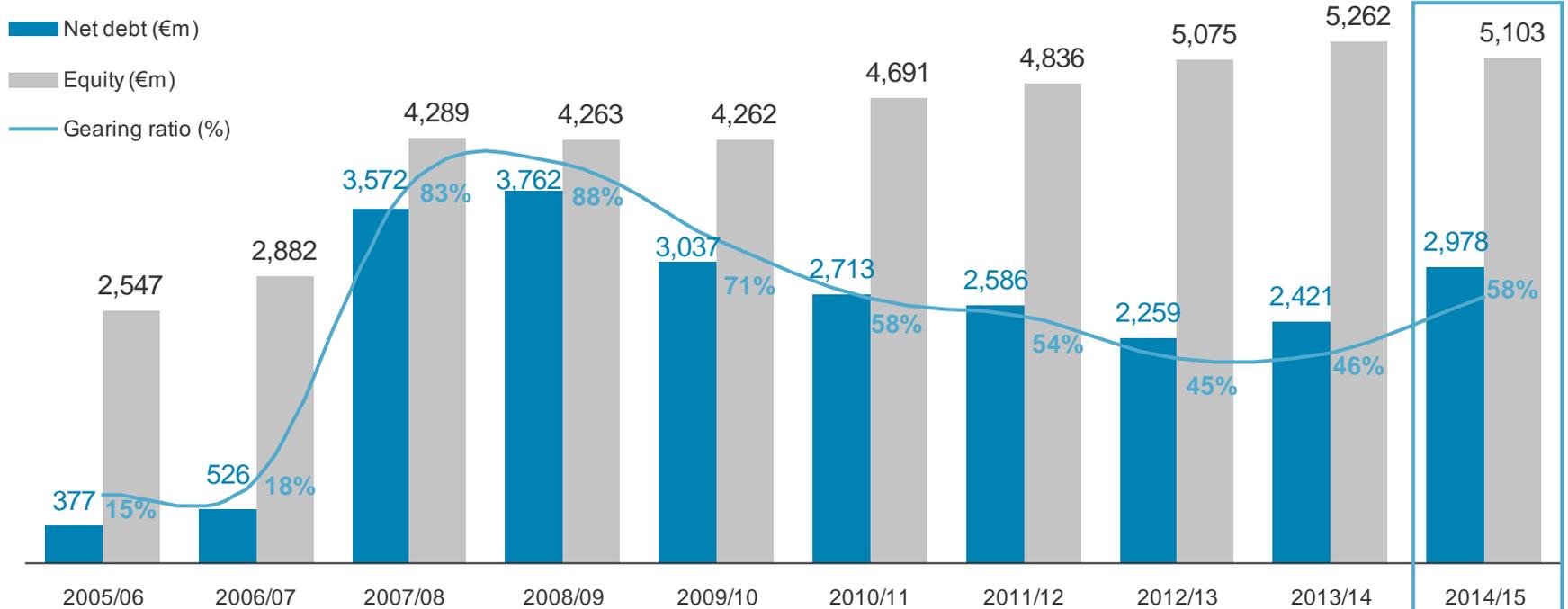
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## Long-term development of EBIT/EBITDA margins



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## Development of gearing ratio



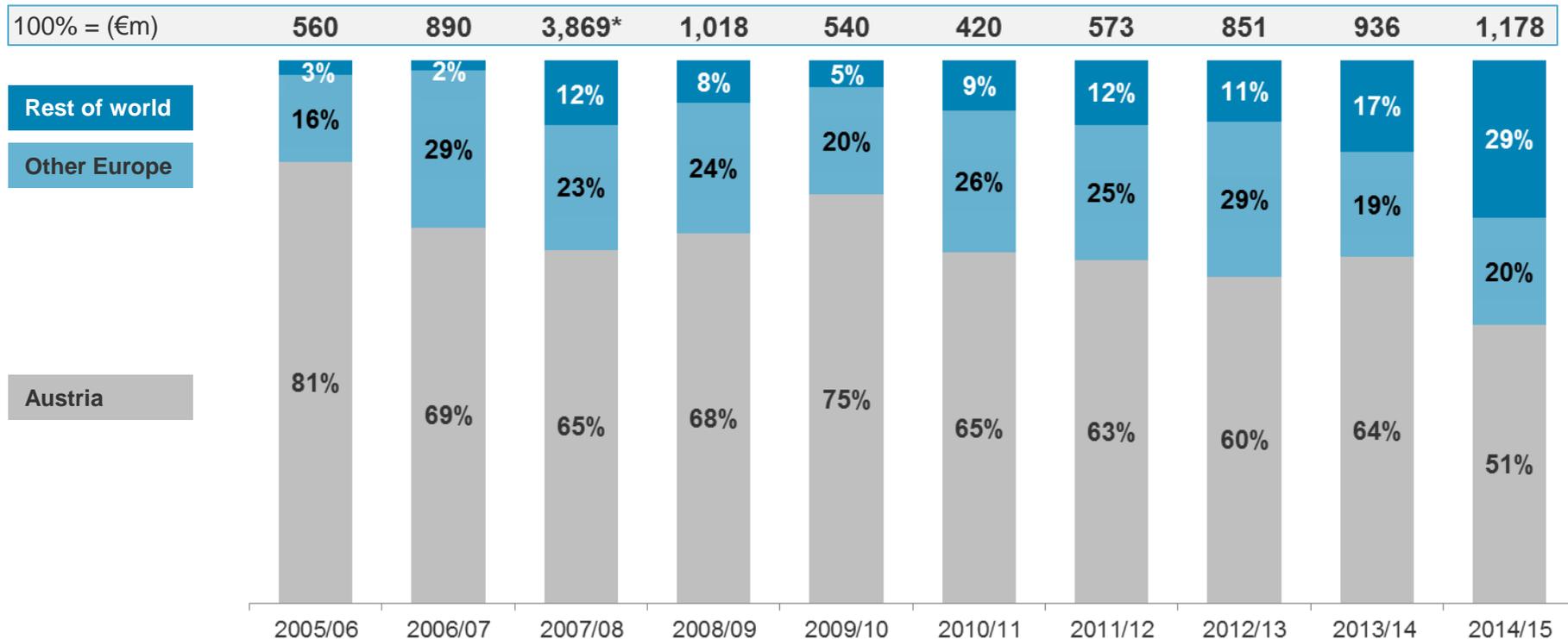


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## Internationalization

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\*acquisition of BÖHLER-UDDEHOLM.

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# Energy and Climate

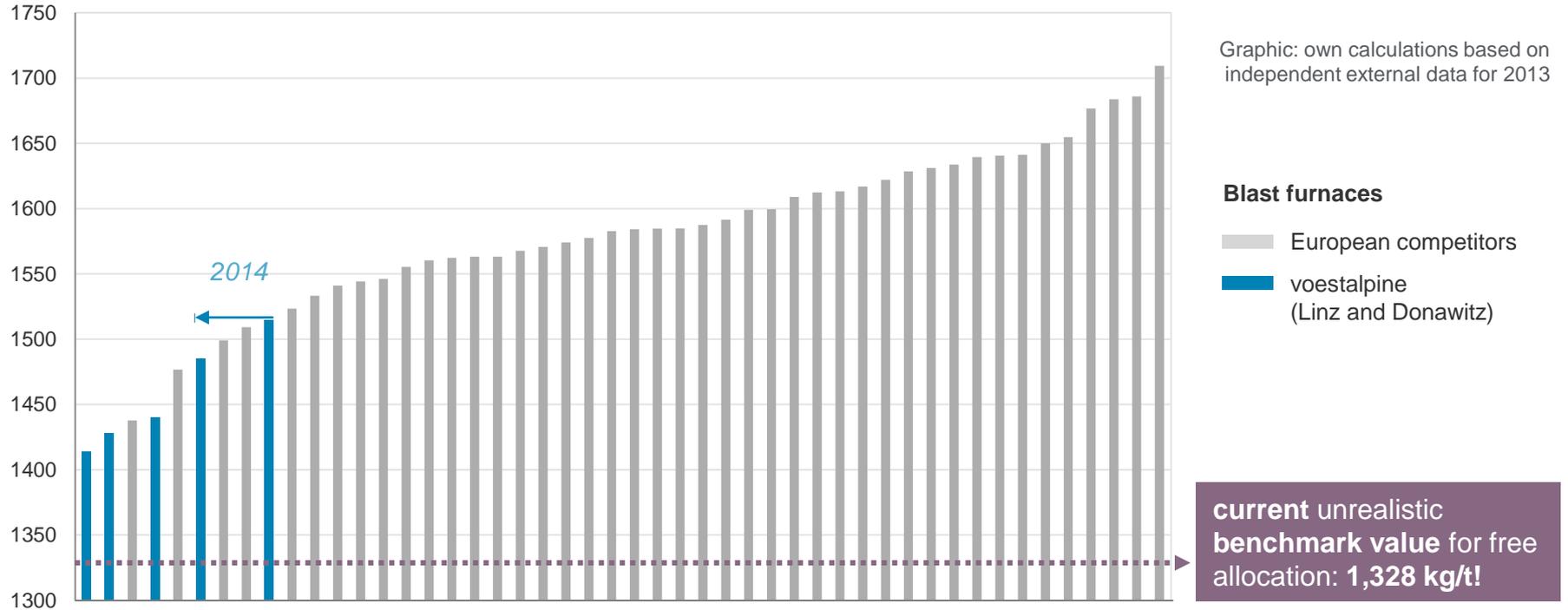
## Current developments

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- **Intervention with regard to current emissions trading scheme resolved starting 2019**
  - Increase of CO<sub>2</sub> price by marked and permanent reduction of emission trading certifications in the current period (up to 2020)
- **Reform of EU emissions trading (for the period from 2021 to 2030)**
  - Will protective measures for the “best ones” also be defined or only the burdens?
- **UN Climate Conference in Paris, November 30 – December 11, 2015**
  - Will there be uniform and binding global regulations or will the EU continue its unilateral pioneering role?
- **EU energy union**
  - Affordable and available energy through coordinated EU policies or a patchwork of national regulations?

# International comparison: voestalpine as benchmark

## CO<sub>2</sub> input in kg/t pig iron



# Project in Texas on schedule

## Absolute environmental benchmark

### ■ Construction

- Completed by the end of 2015
- Currently, 1,300 construction workers
- 137-meter-high reduction tower 2/3 completed, loading port completed

### ■ Customers

- 80% of sales volume (40% of which goes to Linz and Donawitz) already contractually fixed

### ■ Suppliers

- Full supply of iron ore pellets (from Brazil and Sweden) ensured

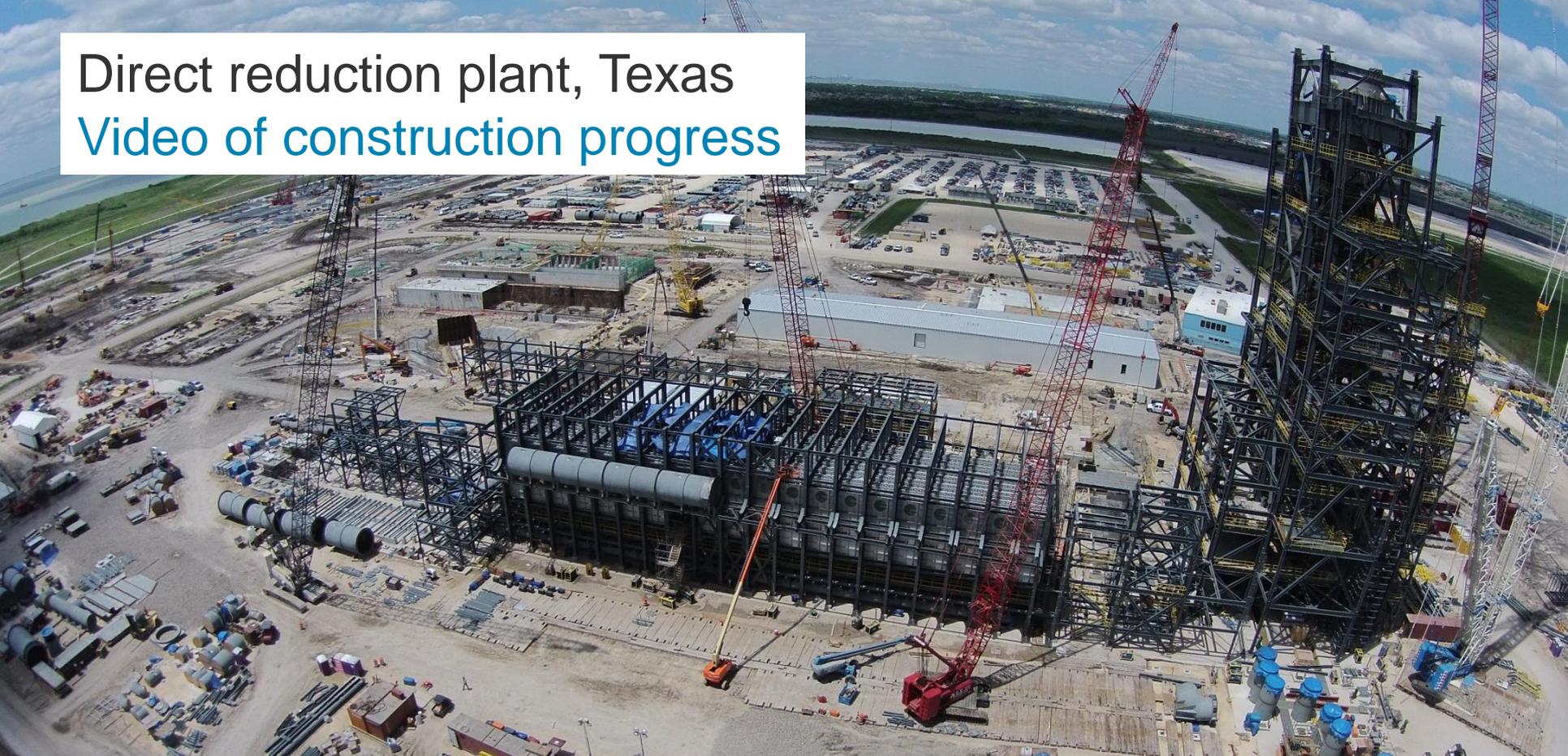
### ■ Environment

- Zero waste due to recycling of iron dust and iron slurry
- Maximum raw material efficiency by pressing dust into briquettes
- Closed water piping system



# Direct reduction plant, Texas

## Video of construction progress



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## Outlook 2015/16

- **North America:** return to solid growth after seasonal weakness at start of year
- **China and Southeast Asia:** unchanged, stable development
- **India:** increasing revival of economy
- **Brazil:** continuing economic problems
- **Russia:** still in recession
- **Europe:**
  - Economic measures by EU Commission and ECB (“quantitative easing”) stimulate economic development in 2015
  - Former “crisis countries” (Ireland, Spain, Portugal) begin impressive turnaround
- **Oil price development:** negative, direct impact on oil and natural gas sectors; positive for broad-based consumer behavior
- **Automobile and mechanical engineering sectors:** continued strong development

**Expectations: further improvement of earnings (EBITDA, EBIT)**





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Annual Press Conference

Vienna, June 3, 2015

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