

voestalpine continues upward trend in the third quarter of 2010/11 EBIT forecast for the 10/11 business year increased to 850 m EUR

- *Revenues grow by more than a quarter – EBIT 275% up*
- *A more than tenfold increase in profit before tax*
- *Net financial liabilities reduced further*
- *Niche position as competitive advantage - future segments mobility and energy*
- *Permanent staff increased by 674 employees*
- *Recovery to continue in 2011 - Europe, Asia and South America as drivers*
- *Full capacity during the first half of 2011 - EBIT forecast increased*

Against the general market trend, whereby the economic recovery showed the first signs of stagnation for steel products during the final quarter of last year, voestalpine not only achieved very significant increases in turnover and results during the first nine months of the 2010/11 business year, but also outperformed the figures of the directly preceding quarter during the 3rd quarter of 2010/11, for the sixth time in a row.

This pleasing development was the result of a consistent increase in economic momentum during the course of the year and almost 100% use of all production capacity in the company, and was also boosted by the effects of ongoing efficiency improvements and cost-optimisation programmes.

Market position as competitive advantage - Growth segments are mobility and energy

With regard to the global economic environment, voestalpine's specialisation in challenging product and client segments has proved to be beneficial over the course of the 2010/11 business year so far. The company group benefited from its high business volumes with export nations in the EU, and in particular from its focus on technologically high-quality sectors such as the automobile industry in Germany, challenging machine construction and innovative energy applications.

The company is also increasingly represented at a high level in non-European emerging markets within specialist high-tech segments, such as high speed turnouts, sophisticated tooling steel applications (Asia) and regenerative energy (particularly in South America).

Revenues grow by more than a quarter – EBITDA up by two thirds

The company's revenues increased during the first three quarters of 2010/11 by 1,648.3 million EUR (+ 26.2 %) compared to the comparison period of the previous business year, from 6,288.3 million EUR to 7,936.6 million EUR.

This continuing vitality is also evident when comparing the 3rd quarter 2010/11 with the directly preceding quarter. Boosted by the positive performance of all divisions, voestalpine increased its revenues in the 3rd quarter for the sixth time in a row – rising by 4.1 %, from 2,635.7 million EUR to 2,744.8 million EUR.

The improved economic situation was even more clearly reflected in the development of the results, which were even more notable than the increased sales revenues. As a result of an increase in turnover of 26.2 %, earnings from business operations before interest, taxes, depreciation and amortisation (EBITDA) rose by 66.7 % compared to the first three quarters of 2009/10, from 663.9 million EUR to 1,107.0 million EUR, which is equivalent to an EBITDA margin increase from 10.6 % to 13.9 %.

Profit before taxes almost quadruplicated

With an EBIT of 658.2 million EUR, voestalpine was able to almost quadruple its operating earnings during the first three quarters of 2010/11 in comparison to the equivalent value of the previous year (175.1 million EUR) and increase its EBIT margin from 2.8 % to 8.3 %

The extensively full use of practically all of the company's production capacity, along with the consistent strategy aimed at product, quality and technology leadership, once again enabled the company to take a clear lead with its operating earnings when compared to European competitors.

Profit before taxes rose more than tenfold during the first three quarters of 2010/11 in comparison to the previous year, from 47.5 million EUR to 514.9 million EUR, due to the sharp increase in

operating earnings. The result after taxes (annual net profit)¹ amounts to 400.3 million EUR (compared to 51.6 million EUR in the previous year), taking a tax rate of 22.3 % into account.

Net financial liabilities and gearing ratio reduced further

Due to the good results and investment costs significantly below the amortisation level, it was possible to reduce net financial liabilities by 2.0 % compared to 31st March 2010 from 3,037.3 million EUR to 2,977.4 million EUR, despite a seasonal and capacity usage-related accumulation of working capital, dividend payouts and the outsourcing of pension obligations.

By the end of the 3rd quarter of 2010/11, the gearing ratio for voestalpine (net financing liabilities as a percentage of equity) was 65.4 %, which is significantly below the value of 31st March 2010 (71.3 %) and slightly under that of 30th September 2010 (65.8 %).

Permanent staff increased by 674 employees

As of 31st December 2010, voestalpine employed 40,078 members of staff (not including trainees) as permanent staff. This corresponds to an increase of 1,7% or 674 employees in comparison to 1st December 2009 (39,404).

A further 3,237 were temporarily employed at the end of the 3rd quarter of 2010/11 which is 51.3 % or 1,097 people more than in the previous year. The reduced hours, which were still being worked by 4,140 employees across the company as of 31st December 2009, have now de facto ended: As of 31st December 2010, only 73 employees in the entire company group were still working reduced hours.

As of 31st December 2010, voestalpine trained 1,648 apprentices around the world - almost the same number as in the previous year (1,718).

¹ Before non-controlling shares and hybrid capital interest

Recovery to continue in 2011 - Europe, Asia and South America as drivers

The increasingly stable upward trend in global economic development witnessed in 2010 has remained strong at the beginning of 2011. This will continue to be supported in particular by the large Asian economies and parts of South America, in particular Brazil. In the USA, several recent indicators have suggested an improving economic recovery, although at the same time uncertainties surrounding the sharp rise in public debts and ongoing high unemployment rates are becoming increasingly evident.

In Europe, the basic trend of the 2nd half of 2010 will continue. This means sustained strong economic growth in Middle and Northern Europe, positive economic signals from Central Europe first signs of recovery in Eastern Europe. Economies remain under pressure in the majority of Southern European countries in addition to those in the far west of the continent.

Apart from a few exceptions, the situation in the main industrial segments appears to be positive: The automobile and commercial vehicle industry, machine construction, consumer goods industry and predominately also the energy sector and railway infrastructure, which is an important sector for voestalpine, continue to develop positively around the world. In comparison to the past two years, a clear recovery is also evident in the aviation supply industry. The only major industrial sector which is not finally on the path to recovery after the crisis is the construction and construction supply industry, which continues to suffer in many countries, particularly due to the reluctance of governments to make investments while attempting to reduce costs.

Stable full capacity during the first half of 2011 - EBIT forecast 2010/11 increased

Against this background, overall it is anticipated that the economic situation in the sector will be largely positive in the major economic regions of the world in 2011, and that demand is likely to continue to increase in most product areas.

For voestalpine, the current economic environment will lead to stable full capacity with a relatively secure price level in all divisions, at least until summer 2011. Taking into account the development of results in the 3rd quarter, which were significantly higher than original expectations, and despite

the seasonal effects of the 4th quarter (1st calendar quarter of 2011), an EBIT of around 850 million Euros is on the horizon for the entire business year 2010/11, which exceeds previous expectations.

voestalpine Group

voestalpine is a globally active group with a number of specialized and flexible companies that produce, process and further develop high-quality steel products. The Group is represented by 360 production and sales companies in more than 60 countries.

With its highest quality flat steel products, voestalpine is one of Europe's leading partners to the automotive, white goods and energy industries. Furthermore, voestalpine is the world market leader in turnout technology, tool steel and special sections, as well as number one in Europe in the production of rails.

The voestalpine Group generated revenues of EUR 8,55 billion in the business year 2009/10 and employs around 40,000 staff throughout the world.

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Q1 2010/11 vs. Q2 2010/11 vs. Q3 2010/11

	In millions of euros ¹			Change Q2 to Q3 in %
	Q1 2010/11 04/01– 06/30/2010	Q2 2010/11 07/01– 09/30/2010	Q3 2010/11 10/01– 12/31/2010	
Revenue	2,556.1	2,635.7	2,744.8	4.1
EBITDA	350.9	359.6	396.5	10.3
EBITDA margin	13.7%	13.6%	14.4%	
EBIT	203.3	210.9	244.0	15.7
EBIT margin	8.0%	8.0%	8.9%	
Profit before tax	156.5	160.9	197.5	22.7
Profit for the period ²	121.1	128.6	150.6	17.1
Earnings per share (euros)	0.60	0.64	0.78	33.3
Investments	80.0	89.2	106.9	19.8
Depreciation	147.6	148.7	152.6	2.6
Capital employed	7,990.0	7,841.7	8,066.8	2.9
Equity	4,435.9	4,370.0	4,553.4	4.2
Net financial debt	2,981.8	2,873.5	2,977.4	3.6
Net financial debt in % of equity	67.2%	65.8%	65.4%	
Employees (excl. temporary personnel and apprentices)	39,595	39,862	40,078	0.5

Q1 – Q3 2009/10 vs. Q1 – Q3 2010/11

	Q1 – Q3 2009/10 04/01 – 12/31/2009	Q1 – Q3 2010/11 04/01 – 12/31/2010	Change in %
In millions of euros ¹			
Revenue	6,288.3	7,936.6	26.2
EBITDA	663.9	1,107.0	66.7
EBITDA margin	10.6%	13.9%	
EBIT	175.1	658.2	275.9
EBIT margin	2.8%	8.3%	
Profit before tax	47.5	514.9	984.0
Profit for the period ²	51.6	400.3	675.8
Earnings per share (euros)	-0.05	2.02	
Investments	381.3	276.1	-27.6
Depreciation	488.7	448.9	-8.1
Capital employed	7,995.6	8,066.8	0.9
Equity	4,091.6	4,553.4	11.3
Net financial debt	3,323.5	2,977.4	-10.4
Net financial debt in % of equity	81.2%	65.4%	
Employees (excl. temporary personnel and apprentices)	39,404	40,078	1.7

Steel Division

	Q1-Q3					
	Q 1 2010/11 04/01- 06/30/2010	Q 2 2010/11 07/01- 09/30/2010	Q 3 2010/11 10/01- 12/31/2010	2009/10 04/01- 12/31/2009	2010/11 04/01- 12/31/2010	Change in %
Revenue	922.2	1,014.2	1,038.1	2,291.5	2,974.5	29.8
EBITDA	134.6	139.4	142.6	289.5	416.6	43.9
EBITDA margin	14.6%	13.7%	13.7%	12.6%	14.0%	
EBIT	81.1	84.8	85.8	128.1	251.7	96.5
EBIT margin	8.8%	8.4%	8.3%	5.6%	8.5%	
Employees (excl. temporary personnel and apprentices)	9,516	9,488	9,473	9,530	9,473	-0.6

Railway Systems Division¹

	Q1-Q3					
	Q 1 2010/11 04/01- 06/30/2010	Q 2 2010/11 07/01- 09/30/2010	Q 3 2010/11 10/01- 12/31/2010	2009/10 04/01- 12/31/2009	2010/11 04/01- 12/31/2010	Change in %
Revenue	667.9	668.4	695.6	1,710.5	2,031.9	18.8
EBITDA	91.0	93.6	107.2	266.9	291.8	9.3
EBITDA margin	13.6%	14.0%	15.4%	15.6%	14.4%	
EBIT	63.0	66.2	78.2	172.1	207.4	20.5
EBIT margin	9.4%	9.9%	11.2%	10.1%	10.2%	
Employees (excl. temporary personnel and apprentices)	9,743	9,833	9,948	9,689	9,948	2.7

Special Steel Division¹

	Q 1–Q 3						Change in %
	Q 1 2010/11 04/01– 06/30/2010	Q 2 2010/11 07/01– 09/30/2010	Q 3 2010/11 10/01– 12/31/2010	2009/10 04/01– 12/31/2009	2010/11 04/01– 12/31/2010		
Revenue	613.8	623.1	658.2	1,369.9	1,895.1	38.3	
EBITDA	77.1	78.3	92.5	41.3	247.9	500.2	
EBITDA margin	12.6%	12.6%	14.1%	3.0%	13.1%		
EBIT	36.6	38.5	51.2	–111.0	126.3	213.8	
EBIT margin	6.0%	6.2%	7.8%	–8.1%	6.7%		
Employees (excl. temporary personnel and apprentices)	11,097	11,135	11,207	11,011	11,207	1.8	

Profilform Division¹

	Q 1–Q 3						Change in %
	Q 1 2010/11 04/01– 06/30/2010	Q 2 2010/11 07/01– 09/30/2010	Q 3 2010/11 10/01– 12/31/2010	2009/10 04/01– 12/31/2009	2010/11 04/01– 12/31/2010		
Revenue	273.5	283.0	275.4	633.5	831.9	31.3	
EBITDA	39.1	39.5	36.8	46.9	115.4	146.1	
EBITDA margin	14.3%	14.0%	13.4%	7.4%	13.9%		
EBIT	28.4	28.9	26.3	13.5	83.6	519.3	
EBIT margin	10.4%	10.2%	9.6%	2.1%	10.0%		
Employees (excl. temporary personnel and apprentices)	4,032	4,113	4,144	4,015	4,144	3.2	

Automotive Division

In millions of euros

	Q1 – Q3					Change in %
	Q 1 2010/11 04/01– 06/30/2010	Q 2 2010/11 07/01– 09/30/2010	Q 3 2010/11 10/01– 12/31/2010	2009/10 04/01– 12/31/2009	2010/11 04/01– 12/31/2010	
Revenue	242.6	234.1	265.8	601.6	742.5	23.4
EBITDA	26.4	26.6	30.2	46.0	83.2	80.9
EBITDA margin	10.9%	11.4%	11.4%	7.7%	11.2%	
EBIT	12.8	12.1	16.6	4.5	41.5	822.2
EBIT margin	5.3%	5.2%	6.2%	0.7%	5.6%	
Employees (excl. temporary personnel and apprentices)	4,555	4,638	4,658	4,520	4,658	3.1

1 As organized since 1st April 2010