

# REPORT OF THE SUPERVISORY BOARD ON THE BUSINESS YEAR 2018/19

During the business year 2018/19, the Supervisory Board fulfilled its responsibilities under the law and the Articles of Incorporation, holding seven plenary sessions, four Audit Committee meetings, and eight General Committee meetings. In both the General Committee and the Audit Committee meetings, the Management Board provided comprehensive oral and written information regarding the development of the company's business and its financial position.

In addition to these regular reports on the Group's current business and financial position—in particular, its Strategy 2025—the meetings of the Supervisory Board dealt with the core elements of the voestalpine Group's digital transformation, matters involving innovation and IT as well as issues related to human resources in the long term. Moreover, both the General Committee and the Supervisory Board dealt intensively during the reporting period with the succession of the current Chairman of the Management Board, Dr. Wolfgang Eder. This process led to the appointment at the Supervisory Board meeting on June 5, 2018, of Dipl.-Ing. Herbert Eibensteiner as the new chairman of the Management Board effective July 3, 2019. Until now, Mr. Eibensteiner has been the member of the Management Board responsible for the Steel Division. At the Supervisory Board meeting on December 18, 2018, Dipl.-Ing. Hubert Zajicek was appointed his successor as the member of the Management Board responsible for the Steel Division. Hence the Management Board of voestalpine AG will be constituted as follows after the Annual General Meeting of voestalpine AG on July 3, 2019:

- » **Herbert Eibensteiner**  
Chairman of the Management Board
- » **Robert Ottel**  
Chief Financial Officer (CFO)
- » **Franz Rotter**  
Head of the High Performance Metals Division
- » **Franz Kainersdorfer**  
Head of the Metal Engineering Division
- » **Peter Schwab**  
Head of the Metal Forming Division
- » **Hubert Zajicek**  
Head of the Steel Division

In particular, the Audit Committee dealt with the preparation and review of the approval of the company's consolidated financial statements and the individual financial statements; the review of the auditor's independence; the selection process for a new auditor as well as topics related to the internal control system, the risk management system, and Internal Audit.

Please refer to the Consolidated Corporate Governance Report 2018/19 for further information on the composition and workings of the Supervisory Board and its committees.

The Annual Financial Statements and the Consolidated Financial Statements as of March 31, 2019, were audited by Grant Thornton Unitreu GmbH Wirtschaftsprüfungs und Steuerberatungsgesellschaft, Vienna, Austria, which was elected in accordance with Section 270 Austrian Commercial Code (*Unternehmensgesetzbuch – UGB*). The auditor attended three of the four meetings of the Audit Committee and was available for questions and discussions.

The audits did not give rise to any objections and showed that the Annual Financial Statements and the Consolidated Financial Statements, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as mandated by Section 245a Austrian Commercial Code, conform to statutory requirements. The auditor issued an unqualified audit opinion both for the Annual Financial Statements and the Consolidated Financial Statements and confirmed that the Management Report is consistent with the Annual Financial Statements and that the Consolidated Management Report is consistent with the Consolidated Financial Statements.

Following the Audit Committee's prior review of the financials, on June 4, 2019, the Supervisory Board reviewed and approved the Annual Financial Statements as of March 31, 2019. The Annual Financial Statements are herewith deemed adopted pursuant to Section 96 (4) Austrian Stock Corporation Act (*Aktiengesetz – AktG*). Furthermore, following the Audit Committee's prior review, the Supervisory Board reviewed and approved the Management Report as well as the Consolidated Financial Statements including the Consolidated Management Report and the Consolidated Corporate Governance Report for the business year 2018/19. At its meeting on September 26, 2018, the Supervisory Board reviewed and approved the Corporate Responsibility Report for the business year 2017/18.

The Consolidated Corporate Governance Report was audited by Grant Thornton Unitreu GmbH Wirtschaftsprüfungs und Steuerberatungsgesellschaft as part of the annual external review of

voestalpine AG's compliance with the Corporate Governance Code; it was determined that the Report is consistent with the facts on the ground and that the rules are being complied with. Compliance with the C rules of the Code pertaining to the auditor (Rules 77 to 83) was reviewed by the law firm, WOLF THEISS Rechtsanwälte GmbH & Co KG. This review, too, confirmed compliance with the rules. The Corporate Responsibility Report was also audited by Grant Thornton Unitreu GmbH Wirtschaftsprüfungs und Steuerberatungsgesellschaft. The audit procedures did not bring to light any facts and circumstances that would cause us to assume that the Report of voestalpine AG does not comply with the legal requirements as well as the Global Reporting Initiative (GRI) standards.

It is established hereby that the company ended the business year 2018/19 with a net profit of EUR 197,000,000.00. We propose paying a dividend of EUR 1.10 per share entitled to a dividend to the shareholders and to carry forward the remaining amount.

The Supervisory Board

Dr. Joachim Lemppenau  
(Chairman)

Linz, June 4, 2019

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