

## **voestalpine focuses on internationalization in the Special Steel segment**

**The global steelmaking, technology, and industrial goods Group voestalpine is continuing to expand its leadership in the global Special Steel segment. The Special Steel Division, headed by Franz Rotter, has acquired a majority stake in the Düsseldorf-based Eifeler Group, with annual revenues of around EUR 50 million and 330 employees. The division has also acquired two companies in China, Rieckermann Steeltech in Shanghai, and P.M.Technology in Shenzhen, with around 100 employees. The Special Steel Division's revenue target is EUR 5 billion by 2020.**

It was only at the end of December that voestalpine had defined its ambitious goals up to 2020. Important measures are already being undertaken across all four divisions to promote internationalization and acquire new companies. A start has been made by voestalpine's Special Steel Division (formerly Böhler Uddeholm), currently active at 60 sites in 50 countries, which is continuing to strengthen its international presence by taking over nine companies belonging to the German coating specialist Eifeler, as well as two production and servicing sites belonging to the Rieckermann group in China. With this move the Special Steel Division (including tool steel, high-speed steel, special steels, alloys, and special forged components for the aviation industry, heavy vehicle construction, and the energy sector), with its current staff of 12,400 employees, has laid the foundation for its target of increasing revenue from EUR 3 billion to over EUR 5 billion by 2020. The division is intensively pursuing global growth and is focusing on the promising mobility and energy markets.

### **Greater added value brings growth in the mobility and energy segments**

"These acquisitions enable us to achieve significant growth of our market share for premium products and sophisticated special materials in the mobility sector," explained Franz Rotter, Management Board member of voestalpine AG and head of the Special Steel Division. "This will make it possible for us to not only increase and improve distribution but to significantly extend the customer-specific value chain in the high-end segment of the energy and mobility sectors, the industries where we see enormous growth," said Rotter. The Group intends to increase its processing activities to around 75%, compared to the conventional steel sector, and this development is being realized by the division headed by Rotter. "Up to 2020, we will spare no efforts in continuing to extend our leadership position in terms of market, technology, quality, and results," stressed Rotter.

### **High quality coating technologies – dramatic expansion of the service sector**

The Special Steel Division has acquired nine companies from the Düsseldorf-based Eifeler Group, six in Germany, two in Switzerland, and one in the USA, with a total revenue of around EUR 50 million and 330 employees. The companies specialize in high quality, innovative coating of components, primarily for the tools industry. "We are already the global market and technology leaders in tool steel. With the expertise at the newly acquired sites, we can continue to strengthen our position further," Rotter said. In China, a huge growth market, the division has acquired the company Rieckermann Steeltech (Shanghai) Ltd. and P.M.Technology (Shenzhen) Ltd. At both sites, around 100 employers are involved in the pre-processing and heat treatment of steel products. "As well as expanding

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distribution, we will establish and develop the sector of highly sophisticated special materials for local demand,” Rotter specified. These materials will be used for oil and gas production, energy and power plant technology, and the aviation industry; they have a great potential for growth in China. “Our aim is to significantly expand our special materials business over the coming years,” explained the head of the Special Steel Division.

### **Important steps in the voestalpine Group’s expansion strategy**

The current acquisitions are key measures for the Group’s long-term expansion strategy. As part of its growth target, the voestalpine Group plans to increase revenue, especially in the processing sector, from its current levels of around EUR 12 billion to around EUR 20 billion by 2020. In the Special Steel sector, the Group aims to increase revenue from around EUR 3 billion to more than EUR 5 billion. A key focus of the tool steel business area is to strengthen the customer-specific value chain by expanding processing, coating, and heat treatment capacity.

### **Special Steel Division has nearly 12,400 employees worldwide**

The voestalpine Special Steel Division is focused on the most technically sophisticated materials and customer-tailored services. It is the global market leader in tool steel and one of the leading providers of high-speed steels and special forgings. The most important customer segments are automotive, energy (production as well as oil and gas exploration), mechanical engineering as well as the consumer goods industry and aviation. In the business year 2011/12, the division, with its two business areas of High Performance Metals and Special Forgings, achieved revenue of almost EUR 3 billion, around 40% of which was generated outside of Europe, an operating result (EBITDA) of EUR 430 million; it has a workforce of around 12,400 employees worldwide.

### **The voestalpine Group**

The voestalpine Group is a steelmaking, processing, and technology group that operates worldwide and manufactures, processes, and develops high-quality steel products. With 500 production and sales companies in more than 50 countries on five continents, the Group has been listed on the Vienna Stock Exchange since 1995. With its top-quality flat steel products, the Group is one of the leading partners to the automotive and domestic-appliance industries in Europe and to the oil and gas industries worldwide. The voestalpine Group is also the world market leader in railway switch technology, special rails, tool steel, and special sections. In the 2011/12 business year, the voestalpine Group reported revenue of more than EUR 12 billion and an operating result (EBITDA) of EUR 1.3 billion. It staffs roughly 46,500 employees worldwide.

### **Please direct your inquiries to**

voestalpine AG  
Peter Felsbach  
Spokesman

voestalpine-Straße 1  
4020 Linz  
Phone: +43/50304/15-2397  
peter.felsbach@voestalpine.com  
www.voestalpine.com