

voestalpine continues its expansion with a new plant in South Africa

The voestalpine Group is continuing its internationalization strategy and today opens its new Metal Forming Division site in East London, South Africa. The plant for high-quality automotive components is the latest step in the Group's comprehensive globalization strategy in the automotive sector. voestalpine is currently investing significantly more than EUR 100 million in the facilities in South Africa as well as additional plants in China, the USA, Romania, and Germany. The Group has also recently set a record research budget of EUR 140 million in order to further extend its global technological leadership.

The new voestalpine Stamptec South Africa plant marks the opening of another international Metal Forming Division site, located close to the production sites of renowned automotive manufacturers. During its starting phase, 30 employees at the new site will generate around EUR 10 million in revenue each year. The product portfolio includes highly complex body-in-white parts such as press-hardened cross members and aluminum components for vehicle doors. "By using new materials and forming processing we have succeeded in producing components which are absolutely unique in the global marketplace. With our strong focus on innovation we are continuing to drive forward developments in processing, and this provides the basis for our long-term globalization strategy," explains Wolfgang Eder, Chairman of the Management Board of voestalpine AG.

During the business year 2012/13, the voestalpine Group generated 44 percent of its revenue of EUR 11.5 billion in the mobility sector, two-thirds of which was generated from the automotive industry alone. "With this next step in our expansion, in South Africa, we are again fulfilling our customers' increasing demand for local presence. Our goal is to be able to serve our main customers worldwide, especially in the premium segment, with the high quality standards to which they are accustomed," explains Herbert Eibensteiner, Management Board member at voestalpine AG and head of the Metal Forming Division.

Another, significantly larger, production site for high-strength body-in-white parts will open in Cartersville, Georgia (USA) in two months, marking the next step in the Metal Forming Division's globalization strategy for the automotive sector. The US plant will have 220 employees and will be the new central basis for voestalpine's automotive activities in North America.

Record EUR 140 million budget for voestalpine research to secure technological leadership

In order to secure the success of investments in technologically-demanding product sectors and to expand global technological leadership in defined product segments, the voestalpine Group is increasing its budget for research and development for the BY 2014/15 to a record level of over EUR 140 million. Consequently, voestalpine remains the most research-intensive industrial enterprise in Austria. In the past ten years alone, R&D expenditure has risen annually by around 11 percent. As a result, since 2003 annual expenditure for R&D has almost tripled, from EUR 48 million to EUR 140 million. "Research, development and innovation enjoy highest priority at the voestalpine Group. We invest in each of these key areas on an ongoing basis, because we can only secure our future as an international player in the most demanding product segments through specialization paired with technological and quality leadership," adds Eder. voestalpine is currently

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involved in 150 research projects in 21 countries worldwide, undertaken in cooperation with around 70 universities and research institutes. More than 700 R&D experts at 53 research locations are active in this field worldwide. For years voestalpine has been generating forward-looking innovations in high-strength steel, especially for lightweight automotive construction. For example, newly developed multiphase steels for the next generation of car bodies (AHSS – Advanced High-Strength Steels High Ductility) will have up to 60% better forming properties. This enables an additional, significantly greater increase in strength during cold-forming, thereby increasing safety. In future these steels will be used in doors, hatches and visible outer skin panels such as body side panels.

voestalpine Metal Forming Division

The voestalpine Group's Metal Forming Division is active worldwide; in 2012/13, it generated revenue of EUR 2.3 billion and an operating result (EBITDA) of EUR 258 million. The division has round 11,000 employees and produces on behalf of almost all of Europe's automotive manufacturers. The Metal Forming Division is a leading global provider of high-quality metal processing solutions, in particular special tubes and sections, special strip steel as well as complex components for the automotive industry. It has five business areas: Tubes & Sections is a leading global manufacturer of highest quality tubes, profiles, and precision parts; Automotive Body Parts is a direct supplier of innovative, high quality pressed parts in the body-in-white segment to the automotive industry; Precision Strip manufactures cold-rolled special steel strip with a high degree of dimensional stability and excellent surface qualities; Material Handling offers sophisticated product solutions in the high-bay warehouses and system racks segments, and Flamco produces high quality components for heating and portable water installations with a focus on the Benelux market.

The voestalpine Group

The voestalpine Group is a steel-based technology and capital goods group that operates worldwide. With around 500 Group companies and locations in more than 50 countries and on all five continents, the Group has been listed on the Vienna Stock Exchange since 1995. With its top-quality products, the Group is one of the leading partners to the automotive and consumer goods industries in Europe and to the oil and gas industries worldwide. The voestalpine Group is also the world market leader in turnout technology, special rails, tool steel, and special sections. In the business year 2012/13, the voestalpine Group reported revenue of EUR 11.5 billion and an operating result (EBITDA) of EUR 1.45 billion; it had around 46,400 employees worldwide.

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