

## Global player voestalpine secures railway infrastructure orders worldwide

Technology and capital goods group voestalpine is now a European and global market leader in railway and turnout technology, generating almost 15 percent of Group revenue in this segment. Buoyed by the current global revival of the railway sector, the voestalpine Group's Metal Engineering Division, which covers the railway infrastructure sector, is consistently winning major international orders. Supported by an active policy of increased internationalization, rails and turnouts are being delivered to North America, Saudi Arabia, India, and China, amongst others.

Increased global investment is currently going into extending railway infrastructure. The USA, with its rail network of over 250,000 km in length – together with Canada, the second largest network in the world after Europe – is currently experiencing a boom.

### Investment in railway infrastructure fuels development in the USA

The constantly growing demand for heavy haul (freight) and light railways in North America over the past years has resulted in a continually high level of demand for railway infrastructure products. New US projects, especially those in the heavy haul and high-speed sectors, will therefore continue to offer great potential going forward. As the global market leader for railway systems, the voestalpine Metal Engineering Division is excellently equipped to meet this demand. The division generates 50 percent of its over EUR 2.8 billion of revenue in the railway sector, and its subsidiary, voestalpine Nortrak, has a US market share of around 45 percent in the trackwork components and turnout systems sectors. With already 68 locations, employing a staff of 2,700 and generating revenue of EUR 1 billion in North America, voestalpine considers this region an important growth market for the Group as a whole. This revenue should grow to around EUR 3 billion by 2020. Promising projects in the railway sector will contribute to this growth. "Projects to extend transit networks are currently underway in San Francisco, Los Angeles, and New York, as well as in Toronto, Canada. voestalpine is a key supplier of turnout systems for all these customers," says Franz Kainersdorfer, Member of the Management Board of voestalpine AG and Head of the Metal Engineering Division.

### voestalpine railway know-how also in Asia and Europe

voestalpine has also recently won attractive orders in Asia and Europe. The Group will deliver 21,000 tons of heat-treated premium rails as well as turnout and signaling technology for the Metro in Riyadh, Saudi Arabia, from the start of 2015 onwards. This continues the pattern of dynamic business in the region, following pre-projects supplying 100,000 tons of premium quality rails. Worldwide, Austrian know-how is also greatly in demand in the high-speed sector (up to 380 km/h) and heavy haul freight traffic (up to 40 tons axle load), with projects currently underway to extend the line between Mecca and Medina in Saudi Arabia, and the North-South Magistrale. In China the voestalpine Group holds around 30 percent of the local turnouts market after establishing a joint venture with a local partner in the high-speed sector. China plans to add around 10,000 km to its high-speed rail network by 2020. "Since setting up the company in 2007, voestalpine has won contracts for almost 1,000 high speed turnouts," says Kainersdorfer. Large volume orders have

## **voestalpine AG**

also been booked in India: “voestalpine has already supplied more than 65,000 tons and over 1,000 km of heat-treated, high performance rails for no fewer than six metro systems in India,” says the Head of the Metal Engineering Division with delight. Further modernizations and extensions are planned in France, Italy, Poland, Spain, and Turkey. “Order levels are very good for the next 12 to 24 months. We are harnessing the global upswing in the railway sector and intensively following Group strategy of using high-tech products in this sector to internationalize further,” explains Kainersdorfer.

By using the latest technologies, voestalpine has a clear competitive advantage when it comes to producing high-quality products for track systems. This will both secure and extend the Group’s global market leadership position in the special rails and turnout technology sectors over the long term. voestalpine is more than ready to face constantly changing and increasingly demanding customer requirements: in addition to its state-of-the-art production processes and years of experience, this pioneering position is secured by focusing on research and development. The Group has almost 800 employees working in R&D worldwide, and has secured around 3,500 patents.

### **Metal Engineering Division**

The voestalpine Metal Engineering Division is the global market leader in turnout technology and complete rail systems, and is the European market leader in special rails and quality wire. The division is also a leading provider of seamless tubes and high-quality welding consumables. Customer segments include the railway infrastructure industry, the oil and gas industry, the steel and construction industry, as well as the mechanical engineering and automotive industries. In the business year 2013/14, the division and its Steel, Rail Technology, Wire Technology, Tubulars, Turnout Systems, and Welding Consumables business units generated revenue of more than EUR 2.8 billion, of which around 40% was generated outside of Europe. The division, with its approximately 11,900 employees worldwide, reported an operating result (EBITDA) of EUR 435 million.

### **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 2013/14, the voestalpine Group reported revenue of EUR 11.2 billion and an operating result (EBITDA) of EUR 1.4 billion; it has around 48,100 employees worldwide.

**voestalpine AG**

**Please direct your inquiries to**

voestalpine AG  
Peter Felsbach  
Head of Group Communications | Spokesman

voestalpine-Strasse 1  
4020 Linz  
Phone: +43/50304/15-2090  
[peter.felsbach@voestalpine.com](mailto:peter.felsbach@voestalpine.com)  
[www.voestalpine.com](http://www.voestalpine.com)

**voestalpine**

ONE STEP AHEAD.