

## PRESS RELEASE

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### voestalpine invests more than EUR 100 million in the development and production of high-quality steels at its Donawitz site

**In line with its strategic focus on customer segments with highest technology requirements, the voestalpine Group has decided to invest more than EUR 100 million in two future-oriented projects at its Donawitz site in Austria. One of the projects is to set up a new continuous casting line for producing extremely pure steels as a sophisticated pre-material for premium rails, quality rolled wire, and high-tech seamless tubes. The highly automated production line with an annual capacity of up to 950,000 tons is scheduled to start up operation in 2019. The second project is to set up a completely new research center on company grounds that is dedicated to developing even lighter, more corrosion-resistant, and stronger steel grades.**

The voestalpine Group's Metal Engineering Division is headquartered in Donawitz, Austria. With its innovative steel solutions, it is one of the world's leading providers of special rails for the railway infrastructure, quality rolled wire especially for automobile manufacturers, and high-tech seamless tubes for the oil and gas industry. "This major investment in a continuous casting line will enable us to produce even higher quality pre-material for our products and further expand our technology leadership in our key customer segments. This investment will also serve to secure the Group's Donawitz site," comments Franz Kainersdorfer, Member of the Management Board of voestalpine AG and Head of the Metal Engineering Division. The new line, which will be set up parallel to the existing line and will replace it in future, features fully digitized process control and is state of the art with respect to Industry 4.0.

#### For the steels of the future: Metallurgy Center

On company grounds in Donawitz, voestalpine is setting up a 2800 m<sup>2</sup> "Metallurgy Center" research facility that will work on steels of the future starting in 2018. The center will supplement the steel research center at the flat steel site in Linz. "Ongoing development of steel is the basis for ensuring that our final products meet the highest quality criteria. A small version of an entire steel plant will be built in the research center, enabling us to transfer our findings directly to the large plants", says Kainersdorfer. The goal of the project is to develop new high-performance steels with even higher strength, lower weight, and better corrosion resistance—especially for the mobility and energy sectors. The use of these future materials will allow, for example, stronger yet lighter drive rod components to be used in automotive construction, thereby reducing fuel consumption.

While the existing Metal Engineering Division operating plants require a minimum production quantity of 68 tons of steel, development in the "Metallurgy Center" will work with comparatively low weight units of around 4 tons. The characteristics of the new steel grades will be tested in normal machining processes for producing rolled wire, rails, and seamless tubes. This should help to significantly shorten innovation times for high-performance steels and to supply customers with small quantities, something that has not been possible to date.

### Metal Engineering Division

The voestalpine Group's Metal Engineering Division is the global market leader in turnout technology and related signaling technology, as well as the leading European supplier of premium 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 mechanical engineering and automotive industries, as well as the construction industry. In the business year 2016/17, the division and its Steel, Rail Technology, Wire Technology, Tubulars, Turnout Systems, and Welding Consumables business units generated revenue of around EUR 2.7 billion, of which 40% was generated outside of Europe. The division, with its more than 13,000 employees worldwide, reported an operating result (EBITDA) of EUR 361 million.

### The voestalpine Group

In its business segments, voestalpine is a globally leading technology and capital goods group with a unique combination of material and processing expertise. voestalpine, which operates globally, has around 500 Group companies and locations in more than 50 countries on all five continents. It has been listed on the Vienna Stock Exchange since 1995. With its top-quality products and system solutions using steel and other metals, it is one of the leading partners to the automotive and consumer goods industries in Europe as well as to the aerospace and oil & 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 2016/17, the Group generated revenue of EUR 11.3 billion, with an operating result (EBITDA) of EUR 1.54 billion; it has around 50,000 employees worldwide.

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