

voestalpine AG response to the German Cartel Office's rail cartel announcement issued today

Today, the German Cartel Office ended the still open "private market" part of the rail cartel case by imposing a fine following the July 5, 2012 settlement of the earlier part of the proceedings related to deliveries of rail tracks and rail equipment to Deutsche Bahn, the German railway company. This second part is related to deliveries of rail tracks and rail equipment to private German rail operators, industrial customers, and construction companies. The result of these investigations – which impacted several companies – is that voestalpine was fined EUR 6.4 million for these deliveries. For voestalpine, this means that the German Cartel Office proceedings in the cartel case are fully and finally settled.

"Our fast, comprehensive, and unconditional cooperation with the German Cartel Office, which we have practiced since the proceedings began in the spring of 2011, made it possible to bring this complex process to a close comparatively fast. This also helped the voestalpine Group avert much greater damage," stated Wolfgang Eder, CEO of the voestalpine Group, immediately after receiving notification of the fine. "However, this does not change the fact that the events that led to these proceedings have left a bitter aftertaste within the company. We have learned from the consequences of this experience, and compliance has taken on a totally new dimension within the company."

The discussions that will now take place on how to handle the damage will have a complexity similar to those with Deutsche Bahn. Negotiations on the Deutsche Bahn's claim for damages related to "rail deliveries" in the first part of the proceedings were ended for voestalpine in May 2013 when the company paid an agreed amount. At that time, the content and details of the agreement were kept confidential. voestalpine is the only company to date with whom Deutsche Bahn has achieved an agreement on damages resulting from direct deliveries. As far as voestalpine is concerned, the only open areas are "just" the claims for damages resulting from indirect rail deliveries to Deutsche Bahn as well as the "private market" part of the proceedings, which the Cartel Office closed today. For the "rail cartel" issue as a whole and the closure of the rolling mill in Duisburg at the end of this year, the voestalpine Group already put aside provisions amounting to EUR 205 million in March 2012. These provisions are still considered sufficient in light of the latest decision.

"We are aware of our special responsibility to our customers regarding this antitrust proceeding – especially in view of the fact that we want to continue working with these customers in an atmosphere of trust and openness. We will therefore quickly enter negotiations to resolve the "private market" damages as soon as possible," states Franz Kainersdorfer, Member of the voestalpine AG Management Board for the Metal Engineering Division, who is responsible for rail-relevant business.

voestalpine AG

The voestalpine Group

The voestalpine Group is a steel-based technology and capital goods group that operates worldwide. With 500 group companies and locations in more than 50 countries and on all 5 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 more than EUR 11.5 billion and an operating result (EBITDA) of EUR 1.45 billion. It staffs roughly 46,400 employees worldwide.

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