



voestalpine Group

Press conference

April 22, 2014, Cartersville/Georgia

voestalpine

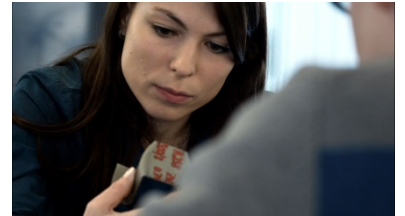
ONE STEP AHEAD.

Group Overview

voestalpine Group

Overview

- Largest Austrian industrial group
- Originally state-owned, **IPO 1995** (Vienna Stock Exchange)
- **100% privatized** since September 2005
- Revenue 2012/13: **EUR 11.5 billion / USD 15.8 billion**
- Operating result (EBITDA): **EUR 1.5 billion / USD 2.1 billion**
- Workforce (March 2013): **46,400**
- Current market capitalization: **EUR 5.3 billion / ~ USD 7.3 billion**



voestalpine Group

Business model

From a steel company to a global technology and capital goods group

- The Group's base is **high-tech steel**
- **Processing of other materials** as well (titanium, aluminum, etc.)
- Consistent “**downstream strategy**” → transformation of the Group from a steel manufacturer to a **technology and capital goods group**
- Combination of **superior metallurgical expertise** and leading **expertise in processing** → new technical solutions and innovative products

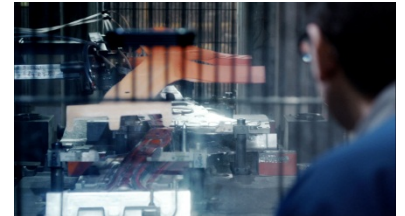


voestalpine Group

Business model (2)

Number 3 in Europe in revenue and market capitalization

- Focus → **markets** with highest technology and quality demands – **mobility and energy** (60% of total revenue)
- **Long-term partnerships** with customers, suppliers, and R&D institutions **as the key to innovation**
- Sustainable **market, quality, technology, and earnings leadership**
- **Industry benchmark** in Europe, including **for environmental standards and resource efficiency**

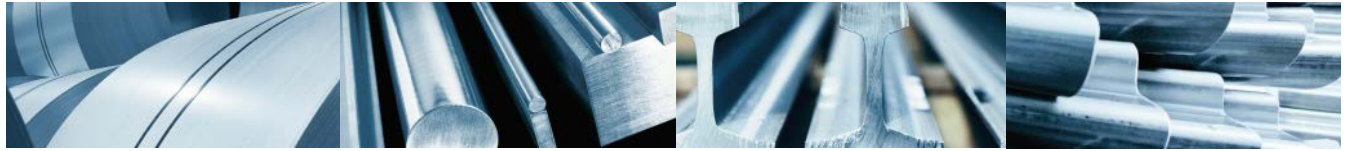


voestalpine Group

Overview of divisions

Business year 2012/13

Revenue: EUR 11.5 billion/
USD 15.8 billion



Division	Steel	Special Steel	Metal Engineering	Metal Forming
Position	Worldwide quality leadership	Worldwide leadership	Worldwide leadership	Worldwide leadership
Revenue (share in %)	33%	23%	25%	19%

voestalpine Group

Global Presence

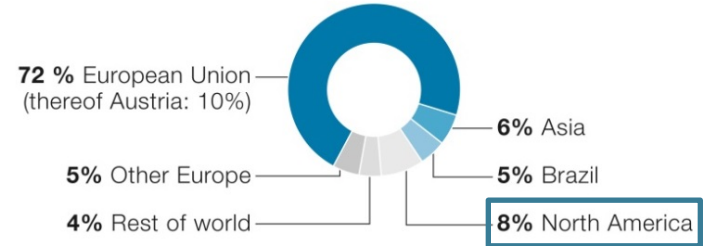


500 Group companies and sites
50 Countries – 5 Continents

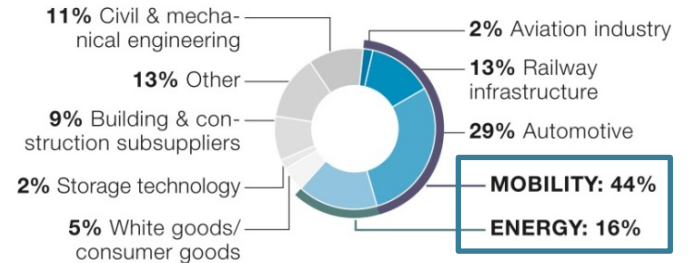
voestalpine AG

Revenue: EUR 11.5 bn (USD 15.8 bn)
 EBITDA: EUR 1.5 bn (USD 2.1 bn)
 Employees: 46,400 (FTE)

Revenue by regions (Business year 2012/13)



Revenue by industries (Business year 2012/13)



voestalpine




ONE STEP AHEAD.

voestalpine in North America

voestalpine Group

Overview of locations in North America



	Land	Revenue	Employees (FTE)	Locations
	USA	€ 842 million \$ 1.1 billion	1,996	49
	Canada	€ 124 million \$ 159 million	129	10
	Mexico	€ 64 million \$ 83 million	378	9
	Total	€ 1 billion \$ 1.3 billion	2,503	68

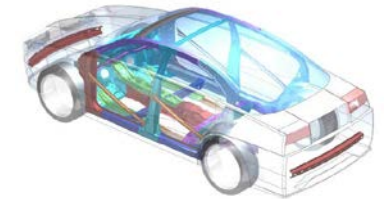
voestalpine Group

Presence in North America^{*)}

- North American share of revenue^{*)}: currently 8%, > EUR 1 billion (about USD 1.3 billion)
- 36 companies with a total of 68 locations and 2,503 employees in the USA, Canada, and Mexico
 - USA: 28 companies, 49 locations (16 producing), 1,996 employees (FTE)
 - Mexico: 4 companies, 9 locations (7 producing), 378 employees (FTE)
 - Canada: 4 companies, 10 locations (2 producing), 129 employees (FTE)

^{*)} Business year 2012/13

- Hot-dip galvanized, ultra-high tensile hot-stamping steel, including forming technology
- Technology is unique worldwide – properties and advantages:
 - Highest tensile strength (up to 1,500 Mpa) → advantages for lightweight construction
 - Excellent corrosion resistance
 - Complex, large components with highly precise dimensional accuracy and design freedom
 - Unique crash performance
 - Tailored property parts: components can be manufactured with different material and thickness combinations (custom-tailored adjustment to component requirements)



Combination of leading materials technology competence and future-oriented forming technology

voestalpine Group

Product highlights – Dreamliner

Global Rollforming
Corporation
Shelbyville/KY

- Highlight Dreamliner
 - Seat rails for the Boeing 787 manufactured by voestalpine
 - Technological innovations
 - Production using laser-welded titanium
 - Production of variable thicknesses (weight reduction)
 - Seat rails are load-bearing part of the aircraft

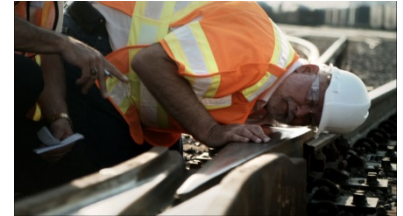


voestalpine Group

Product highlights – Rails and light rail

voestalpine Nortrak
Inc.; 7 locations
in North America

- voestalpine Nortrak Inc. provides rails and special rail systems
- Largest manufacturer of turnouts in North America
- Segment **Transit Systems** (light rail systems) is booming in urban metropolitan areas
 - **Engineering competence:** 40 employees for engineering and development
- **High-speed turnouts and rails**
 - Top speeds of around 380 km/h
 - **Ultra-long (up to 120 m), unwelded rails**
 - **High-speed turnouts**, innovative drive systems, locking and monitoring systems, diagnostic systems



Strategy 2020

voestalpine Group

Strategy 2020

- Consistent continuation of value-added growth
- Growth focused on the mobility and energy industries; target: 70% of total revenue → leading global position in core segments
- Expansion primarily outside of Europe; in Europe, consolidation of market, quality, and technology leadership
- Definitive transformation to a technology and capital goods group
- Sustainable consolidation of earnings leadership

Target revenue 20/21:
EUR 20 billion
(~ USD 27.6 billion)

Target EBIT margin (Ø): 9%

Target EBITDA margin (Ø): 14%

Target ROCE (Ø): 15%

voestalpine Group

Strategy 2020 – Objectives North America

- **Target: EUR 3 billion revenue (~ USD 3,9 billion) – 15% of Group's revenue**
 - Currently > EUR 1 billion (USD 1.3 billion), around 8% of Group's revenue
- **Current focal points**
 - Customer sectors of mobility (railway infrastructure technology, automotive components, aviation) and energy (oil, natural gas, turbines)
 - Current investments
 - Direct reduction plant in Texas for the production of HBI; Group's largest foreign investment (EUR 550 million / USD 740 million)
 - Plant for ultra-high strength body-in-white components in Cartersville/Georgia (EUR 50 million / USD 69 million)



voestalpine Automotive Body Parts Inc./Cartersville

voestalpine Group

voestalpine Automotive Body Parts Inc.

- Plant for **ultra-high strength body-in-white** components of the Metal Forming Division in Cartersville/Georgia
- Investment: **EUR 50 million (USD 69 million)**
- **New jobs: 220**
- Automotive site located in the **immediate vicinity of production plants of notable European automobile manufacturers** → clients' requirements for local presence are fulfilled
- **Target revenue 2020/21: ~ EUR 100 million / ~ USD 139 million**



voestalpine Group

voestalpine Automotive Body Parts Inc.

- Product segments – voestalpine Automotive Body Parts Inc.
 - Press and assembling parts as well as phs-ultraform components, laser-welded blanks, and spare parts production in the future
- Business Park Cartersville (Highland 75) under development
 - voestalpine Automotive Body Parts Inc. → first company on site
 - Cartersville: already location for several international automotive suppliers – active expansion policy continues
 - Current and potential customers within reach (Daimler, BMW, Volkswagen, etc.)



voestalpine Group

voestalpine Automotive Body Parts Inc. – Next steps

- Further expansion at the Cartersville site
- Construction of the phs-ultraform facility
- Investment: ~ EUR 13.7 million / USD 19 million
- Groundbreaking ceremony: April 22, 2014
- Construction start: Summer 2014
- Start of production as scheduled : Q2/2016





voestalpine Group

Press conference

April 22, 2014, Cartersville/Georgia

voestalpine AG
www.voestalpine.com

voestalpine
ONE STEP AHEAD.