

**voestalpine invests EUR 16 million in expanding the world's largest site for automotive blanks in Linz**

Technology and capital goods group voestalpine continues to expand around the world in the automotive sector. The Group is not only enhancing its presence in the NAFTA region recently, but it is also investing again: some EUR 16 million are intended for further expansion of what is already the world's largest production site for laser-welded blanks in Linz. Rapidly growing demand for innovative lightweight construction solutions for the vehicle sector is generating another 50 new jobs at the site in Upper Austria, and will contribute to increasing annual revenue in this product segment to around EUR 200 million.

A second plant for the production of laser-welded blanks for the automotive industry was opened in fall 2016, making Linz the world's largest production site for this sector. This 2016 investment of around EUR 30 million by voestalpine Automotive Components Linz GmbH, a company in the Metal Forming Division of the voestalpine Group, was the most recent phase in the expansion of the site to date. The 290 employees currently working at the two sites produce around 20 million ultra high-strength steel blanks a year, exported around the world and processed further in automotive manufacturing.

Spurred on by steadily rising demand for lightweight automotive components and a correspondingly high level of orders, after just one year the next investment phase of almost EUR 16 million is about to begin. "The positive developments in the lightweight construction sector, due not least to our innovative product portfolio as well as our steel and forming activities, require correspondingly modern production sites," explains Wolfgang Eder, Chairman of the Management Board of voestalpine AG. International studies forecast that by 2025 the global market for lightweight automotive components will have increased fivefold, to around EUR 100 billion.

**High-tech production site in Linz growing**

"We are growing significantly faster than the market. This is the consequence both of our pioneering technology and our exceptionally innovative, flexible, and highly qualified employees," says Peter Schwab, Member of the Management Board of voestalpine AG and Head of the Metal Forming Division. The latest expansion phase will generate 50 new jobs. Extension will result in additional production and warehousing facilities, as well as a new dispatch area. In the next two years a total area of some 5,000 m<sup>2</sup> will be modified and expanded. At the heart of the development lie the two new laser welding lines. The first will start production in fall 2018 with the second line following in 2019. The additional expansion phase is designed to increase revenue in the blanks sector from its current level of EUR 150 million to EUR 200 million over the coming years.

**High-strength structural components for greater vehicle security**

Laser-welded blanks are used wherever a vehicle needs to be both safer and lighter. While initially mainly larger vehicle components such as side panels, doors, and hatches were manufactured from blanks, now much smaller blank formats are being used in vehicle structures, for example as

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stiffeners and cross-members, A, B, and C pillars, inside door and floor components, etc. The trend is also increasingly towards the use of pioneering hot-formed steels for which voestalpine also offers the leading global technology in Linz. The pre-material, in the form of high-quality flat steel products, is primarily sourced from the Steel Division of the voestalpine Group which is also based in Linz. "Technologically advanced production sites such as that in Linz make us the industry benchmark in this sector. They not only allow us to meet high demands of our automotive customers, but also to secure our technology leadership in the components sector over the long term, and the associated jobs," says Schwab.

### Metal Forming Division

The Metal Forming Division of the voestalpine AG achieved a total sales volume of EUR 2.4 billion and an operating result (EBITDA) of EUR 317 million during 2016/17. The division employs around 11,000 staff members and does business with almost all European car manufacturers. Within the Group, it constitutes the center of competence for highly refined sections, tubes, and precision steel strip products as well as ready-to-install components made of pressed, stamped, and roll-formed parts. Its combination of material expertise and processing competence is unparalleled throughout the industry, and its global presence makes the division the preferred partner to customers who are looking for innovativeness and quality.

### 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, who are collectively a major shareholder in the company with a stake of 14.8 percent.

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