

PRESS RELEASE

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voestalpine driving expansion in Asia—new railway infrastructure and automotive plants, expansion of services and additive manufacturing

voestalpine generated revenue of over one billion euros in the expanding Asian market during the past business year. Revenue in China alone is forecast to rise from its current level of over EUR 550 million to EUR 800 million by 2020. Now the Group is setting two further milestones on its path to achieving this growth: in the railway infrastructure sector an important step in expanding in the booming Chinese urban traffic sector has been taken with the founding of a further joint venture for the production of turnouts. In addition, recently automotive activities have been significantly extended with the startup of the second component plant in China.

The voestalpine Group is active at 80 sites in Asia with a workforce of almost 5,000 employees, 3,000 of whom are based in China. The key customer segments include the automotive, railway infrastructure, consumer goods, and energy industries. Last week the Supervisory Board of voestalpine AG focused on the ongoing expansion plans and future potentials offered by this region during its meeting held in China for the first time. The agenda for the meeting of this, the Group's ultimate control body, also included visits to the local production sites in Shanghai (High Performance Metals Division), and Suzhou (Metal Forming and Metal Engineering Divisions). "As a leading provider of tomorrow's mobility solutions, voestalpine profits in the Asian market both from expansion in public transport networks, and growing levels of private consumption. By currently expanding our production capacities in the rail and automotive sector, we are responding to growing demand for leading technological product solutions in the world's largest growth market," explains Wolfgang Eder, Chairman of the Management Board of voestalpine AG.

Second joint venture for turnout systems

With its Chinese New Turnout Technologies Co., Ltd. (CNTT) joint venture established in 2007, voestalpine has established a leading position in the Chinese railway infrastructure sector over the past years: the Group's Metal Engineering Division has secured around a quarter of the market for high-speed turnouts through the joint venture it leads, with annual revenue in this segment amounting to roughly EUR 100 million. By acquiring the majority stakeholding in what is now its second turnout plant in China, voestalpine Railway Systems, the world's largest full-service provider for fully digitalized rail tracks, is establishing itself as a technology supplier for the country's strongly growing urban traffic sector. The new company at the site in Ruzhou, in the central Chinese province of Henan, has a workforce of 120 employees. The local joint venture partners are the rail infrastructure operator Zhengzhou Railway Bureau, a subsidiary of Chinese Railway Corporation, and the China Railway Material Group (CRM), the largest national distributor of track construction components. Over 100 new metro systems and tramway projects are planned in China in the coming years alone.

Automotive plant in Tianjin operational

The Group's Metal Forming Division is also consistently driving its globalization strategy, and is now entering the run-up phase at the second automotive production site in China (the first was opened in Shenyang in 2015). voestalpine Automotive Components Tianjin Co., Ltd. is specialized in the production of highly complex body-in-white parts for premium automotive customers. The double-digit million euro investment includes several expansion phases, while the number of employees will increase from the current level of 30 to around 80 by 2020.

3D know-how also in demand in Asia

By setting up a network of more than 60 service and processing sites, the High Performance Metals Division, which is specialized in high performance steels, has succeeded in doubling its annual revenue in Asia over the past ten years, to almost EUR 400 million. Current investments at the site in Shanghai, which went into operation in mid-2017, include the world's largest vacuum heat treatment furnace and establishing competence centers for 3D metal printing in Taiwan and Singapore. Since last year voestalpine has also been a member of the top-level research center ARTC (Advanced Remanufacturing and Technology Centre) in Singapore which, with the involvement of international technology companies including Rolls Royce and Siemens, is forging ahead with a range of innovations, including in additive manufacturing (3D printing).

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 2017/18 the Group generated revenue of almost EUR 13 billion, with an operating result (EBITDA) of just under EUR 2 billion; it has 51,600 employees worldwide.

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