

PRESS RELEASE

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voestalpine in Styria secures 30,400 jobs and EUR 2.7 billion a year in value

The activities of the voestalpine Group at its nine Styrian sites have a significant economic impact across Austria: according to a study by the *Industriewissenschaftliches Institut (IWI)* for the business year 2016/17 which was presented today in Graz, every euro of value produced by voestalpine in Styria generates around two further euros for Austria. This development is driven not least by investments of over EUR 1 billion scheduled over the coming four years, including the world's most advanced special steel plant in Kapfenberg.

As a leading international company voestalpine has an outstandingly positive impact on the domestic economy: with a total of 13 production companies in Styria, the technology and capital goods Group supplies demanding customers in the global railway infrastructure, aerospace, automotive, and oil & gas industries. Around 9,400 employees at the voestalpine sites in Styria generated a total revenue of EUR 3.1 billion in the business year 2016/17; the export quota amounted to 86 percent. As a current *IWI (Industriewissenschaftliches Institut)* study shows¹, this represents a production value of around EUR 6 billion for the Austrian economy, EUR 4.3 billion of which is generated in Styria. Gross value creation for Austria overall as a result of the Group's presence in Styria is EUR 2.7 billion (Styria: EUR 1.6 billion).

Creating prosperity and jobs

Highly qualified employees, an attractive research environment, and geographical proximity to important customers are some of key factors for Styria as a location. "The strong international focus at voestalpine combined with its regional roots is essential to our success. The current *IWI* study once again shows that industrial production at a highly sophisticated technological level is the prerequisite for securing prosperity in our country over the long term. Our activities in Styria alone create a total of around 30,400 jobs across Austria, more than half of them directly in the region," says Wolfgang Eder, Chairman of the Management Board of voestalpine AG. The associated macroeconomic level of employee compensation amounts to a total of EUR 1.44 billion.

Equally significant are the tax payments made by the voestalpine companies in Styria, with annual fiscal and social security contributions of EUR 831 million. "Manufacturing companies like voestalpine in Styria are at the heart of the Austrian economy—a fact that the present study based on empirical data can impressively illustrate," says Herwig W. Schneider, Head of the *IWI*.

The most advanced special steel plant in the world with significant investment effects

In addition to ongoing operations, the intensive investment activities being undertaken by voestalpine in Styria are having a considerable economic impact. According to the *IWI* study, planned construction of the most advanced special steel plant in the world at the site in

¹ September 2017

Kapfenberg—an investment of up to EUR 350 million—will trigger a production value of around EUR 575 million during the construction phase alone, from 2018 to 2021, of which EUR 375 million will remain in the federal state of Styria. The added value this creates amounts to EUR 242 million (Styria: EUR 145 million). In addition, the project will generate 3,500 jobs in Austria and 1,950 jobs in Styria during this period. The first structural preparations have already begun; the official groundbreaking ceremony will be held in spring 2018.

“Together with construction of the new special steel plant, we are investing around EUR 500 million in new and innovative production technologies through to 2021 in Kapfenberg alone. As well as continuously expanding our capacities in the aerospace sector, we are paying particular attention to driving forward the digitalization of plants and processes,” explains Franz Rotter, Member of the Management Board of voestalpine AG and Head of the High Performance Metals Division. A competence center for digitalization is also currently being established at the site, and will bundle the Group’s internal expertise in this field.

Continued intensive investment activities

A further major investment is the new and already fully operational, fully automated wire rod mill at the Metal Engineering Division headquarters in Leoben/Donawitz. During construction (2013 to 2017) this project generated value of over EUR 60 million for Austria as a business location (Styria: EUR 40 million), a production value of EUR 150 million (Styria: EUR 100 million), and created a total of 800 jobs (Styria: 450). “We have recently undertaken numerous measures in Styria from which both our employees and the region as whole profit—from construction of the most advanced wire rod mill in the world to an employee center with its own childcare facilities. Over the coming four years we plan continued intensive investment activities to the total value of EUR 650 million, as a means of further extending the global innovation leadership of our companies here,” says Franz Kainersdorfer, Member of the Management Board of voestalpine AG and Head of the Metal Engineering Division.

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.

voestalpine AG

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