

PRESS RELEASE

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voestalpine starts construction of the world's most advanced special steel plant in Kapfenberg, Austria

Around half a year after announcing the location decision, today's groundbreaking ceremony marked the official start of the three-year construction phase for the new voestalpine special steel plant in Kapfenberg, Austria. From 2021 onwards, each year the fully digitalized plant will produce around 205,000 tons of sophisticated high-performance steels, especially for the international aviation and automotive industries as well as for the oil & gas sector, while at the same time securing more than 3,000 highly skilled jobs in the region over the long term. Preparations for the major project with an investment volume of up to EUR 350 million are already fully underway: the construction site is currently being prepared, with work focusing on energy supply and logistics infrastructure.

The new high-tech special steel plant which, once operative, is intended to replace the existing voestalpine Böhler Edelstahl GmbH & Co KG plant in Kapfenberg and designed to produce premium quality pre-materials for aircraft components, tools for the automotive industry, equipment for oil & gas extraction, and for the 3D printing of highly complex metal parts. "Today's groundbreaking ceremony for the new plant is not only a milestone for our Group, and Kapfenberg as a location, but also a positive signal for European industry, as this is the first investment in a completely new steel plant in decades. This investment provides voestalpine with a global technological lead and cost advantage in manufacturing high-performance steels, and allows us to remain globally competitive over the long term, even when producing at a traditional European location," says Wolfgang Eder, Chairman of the Management Board of voestalpine AG. "The basis for this is the comprehensive expertise of our employees in Styria which, in the end, was the decisive factor behind choosing this location."

International benchmark in digitalization and environmental protection

The state-of-the-art plant will set international standards in digitalized production processes. Around 8,000 process data will be recorded in parallel, and implemented or evaluated on an ongoing basis. "The high degree of digitalization at the new special steel plant is the prerequisite for being able to supply our customers with even higher material qualities, and, in doing so, to further extend our global market leadership in tool and special steels. The relevant development work and qualifying our employees in robotics, sensor technology, and data analysis takes place at our own digitalization competence center located directly on the site of the plant," explains Franz Rotter, Member of the Management Board of voestalpine AG and Head of the High Performance Metals Division. The investment is also setting new standards in environmental protection: the centerpiece of the plant—an electric arc furnace which melts down ultra-pure scrap combined with various alloy metals into special steels—will operate using only electricity generated from renewables. In addition, an efficient recovery system ensures that the heat generated during the process is used within the plant, as well as being fed into the public district heating network. In terms of cooling the production facilities, using closed circuits allows the volume of cooling water to be reduced by up to 90 percent.

Structural preparations forging ahead

The site preparations for construction of the new production facility, on an existing plot adjacent to the work's premises which is roughly the size of six soccer fields (around 50,000 m²), have been underway since fall 2017. This includes leveling the construction site, supplying the power in the form of two substations, and constructing access roads and assembly areas. The first contracts for hall construction and plant engineering are scheduled to be awarded this summer. Installation of the equipment is planned from 2019 onwards. The three-year construction phase will itself create up to 1,000 temporary jobs at the site.

Major project creating significant value

With an investment volume of around EUR 350 million, the voestalpine project is having a significant economic impact: as an *IWI* study carried out in September 2017 shows, during the construction phase alone (2018–2021), about EUR 240 million of gross value will be generated nationally, EUR 145 million of which in Styria. All in all, the production value resulting from the project amounts to a total of around EUR 575 million (of which in Styria: EUR 375 million). The project indirectly secures 3,500 jobs in Austria during the construction phase, more than half of them in Styria.

High Performance Metals Division

The voestalpine AG's High Performance Metals Division is focused on producing and processing high-performance materials and customer-specific services including heat treatment, high-tech surface treatments, and additive manufacturing processes. Due to its unique sales and service network at about 160 sites around the world the division offers its customers material availability and processing as well as local points of contact. The division is the global market leader for tool steel and a leading provider of high-speed steel, valve steel, and other products made of special steels, as well as powder materials, nickel-based alloys, and titanium. The most important customer segments are the automotive, oil and natural gas exploration, and mechanical engineering industries as well as the consumer goods and aerospace industries. In the business year 2016/17, the division reported revenue of around EUR 2.7 billion, of which about 50% was generated outside Europe, and an operating result (EBITDA) of EUR 395 million; it has around 13,700 employees worldwide.

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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