

voestalpine is producing ultra-high strength automotive components in the USA

The voestalpine Group's 17th production site in the United States began operation today. voestalpine Automotive Body Parts Inc., a subsidiary of the Metal Forming Division, is manufacturing ultra-high strength body-in-white components for premium car manufacturers in Cartersville/Georgia. This EUR 50 million investment (about USD 70 million) will create 220 jobs. It completes the first phase of the Group's extensive internationalization program in the automotive sector. Since 2012, voestalpine has invested over EUR 100 million (USD 140 million) in new plants in China, Germany, Romania, South Africa, and the USA. Additional plants and expanded capacity are in the planning stage.

The steel-based technology and capital goods group voestalpine has consistently expanded its internationalization program. In recent months, new facilities and expanded production capacity went into operation close to the production facilities of well-known premium car manufacturers on four continents. The global presence that already exists in other divisions was thus extended to the automotive sector of the Metal Forming Division. "We are following the automotive manufacturers, particularly the European ones, into the markets of the future and massively expanding our presence there," said Wolfgang Eder, CEO of voestalpine AG. "With our new materials, we have managed to produce components that have absolutely unique selling points on a global level. We are only at the beginning of our development in the processing area and are therefore accelerating our internationalization program." In the business year 2012/13, the voestalpine Group generated 44 percent of its revenue of EUR 11.5 billion (USD 15.8 billion) in the mobility area, with about two-thirds of that coming from the automotive industry.

Long-term contracts as the basis for future growth

In his speech of October last year, President Obama lauded the U.S. activities of voestalpine as one of the top foreign investments in the USA. The production facility in Cartersville has now been inaugurated. "Cartersville is centrally located in the southern automotive cluster close to our customers. When fully operational, we will employ 220 persons," said Herbert Eibensteiner, member of the voestalpine AG Management Board and head of the Metal Forming Division. For the time being, the Group's customers will be European, primarily German automotive manufacturers. Eibensteiner provided specifics about the company's growth plans. "We have landed several long-term contracts for sophisticated automotive components with well-known manufacturers. Our components are in high demand by all of the automotive manufacturers worldwide."

"The U.S. market is of particular strategic importance to the voestalpine Group and is a central element in the pursuit of our goal of increasing Group revenue in North America to EUR 3 billion, or about USD 3.9 billion, by 2020," stated Eder. In all, the Metal Forming Division with its high-quality metal processing solutions contributes about one-fifth of the Group's total revenue. In turn, complex components for the automotive industry make up about half of that.

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Georgia: a location for well-known automotive manufacturers and suppliers

Several European and Asian automotive manufacturers have chosen the southern parts of the USA for production sites. The city of Cartersville is located in the State of Georgia about 60 kilometers (about 37 miles) northwest of Atlanta. In the future, it will be the center of voestalpine's automotive activities in North America in terms of maximum site efficiency. phs-ultraform components and stamped press parts will be assembled at the new plant. Laser-welded blanks and other spare parts for OEMs (Original Equipment Manufacturers) will also be produced there in the future.

Metal Forming Division

The voestalpine Group's Metal Forming Division is active worldwide; in 2012/13, it generated revenue of EUR 2.3 billion and an operating result (EBITDA) of EUR 258 million. The division has around 11,000 employees and produces on behalf of almost all of Europe's automotive manufacturers. The Metal Forming Division is a leading global provider of high-quality metal processing solutions, in particular special tubes and sections, precision strip steel as well as complex components for the automotive industry. It has five business units: Tubes & Sections is a leading global manufacturer of highest quality tubes, profiles, and precision steel tube products; Automotive Body Parts is a direct supplier of innovative, high quality pressed parts in the body-in-white segment to the automotive industry; Precision Strip manufactures cold-rolled precision strip steel with a high degree of dimensional stability and excellent surface qualities; Material Handling offers sophisticated product solutions in the high-bay warehouses and system racks segments, and Flamco produces high quality components for heating and portable water installations with a focus on the market in the Benelux countries.

The voestalpine Group

The voestalpine Group is a steel-based technology and capital goods group that operates worldwide. With around 500 Group companies and locations in more than 50 countries and on all five continents, the Group has been listed on the Vienna Stock Exchange since 1995. With its top-quality products, the Group is one of the leading partners to the automotive and consumer goods industries in Europe and to the oil and 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 2012/13, the voestalpine Group reported revenue of EUR 11.5 billion and an operating result (EBITDA) of EUR 1.45 billion; it had around 46,400 employees worldwide.

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