



NEWS RELEASE

Midrex Technologies, Inc
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voestalpine Signs Contract with Siemens and Midrex for DR Plant

July 04, 2013

Project to use MIDREX® Technology for 2.0 MTPY HBI facility in Texas, USA

The voestalpine Group has announced the signing of a contract with Siemens Industry Inc. and consortium partner Midrex Technologies, Inc. to build a new MIDREX® Direct Reduction Plant for its previously announced direct reduction project in North America.

After deciding to locate the plant on the La Quinta Trade Gateway in San Patricio County near Corpus Christi, Texas (USA) and signing the memorandum of understanding with its first customer, Mexican company AHMSA, voestalpine has taken another step toward the realization of the planned direct reduction plant. As the technology decision was made in favor of the MIDREX® Process, a supply agreement was signed yesterday evening with Siemens Industry Inc. and its consortium partner, Midrex Technologies, Inc. This means that, contingent on the final official permits, the green light has been given for the construction of the new direct reduction plant.

The new MIDREX® Direct Reduction Plant is designed for an annual capacity of 2 million tons of hot briquetted iron (HBI) and will be the largest single HBI producing module in the world.

The consortium of Siemens and Midrex will provide engineering, supply of mechanical and electrical equipment as well as consulting services for the MIDREX® Plant.

Total investment volume will come to around € 550 million and, in addition to the MIDREX® facility, will include comprehensive infrastructure improvements for the project location, particularly the necessary harbor facilities. The launch of production is planned for early 2016; once it is up and running, the plant will have around 150 employees.

“With Siemens and Midrex, we will have highly competent partners with a tried and tested technology at our side. By choosing a U.S. partner company, we are also making a significant contribution to the desired local value added,” stated Wolfgang Eder, CEO and Chairman of the Management Board of voestalpine AG.

Top-tier technology for the voestalpine direct reduction plant

The new MIDREX® Plant will provide the Austrian steel production sites in Linz and Donawitz with access to cost-efficient and environmentally friendly HBI, ensuring their competitiveness over the long term. The site, strategically located on Corpus Christi Bay, covers an area of almost two square kilometers (500 acres), and has direct deep-sea access to the Gulf of Mexico.

The planned MIDREX® Plant will produce high quality HBI (“sponge iron”) from iron ore pellets. HBI is comparable to the highest quality scrap or pig iron and is therefore an excellent pre-material for the manufacture of crude



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steel. In contrast to using purely coke based blast furnaces, the planned direct reduction plant will only use natural gas as the reducing agent, which is much more environmentally friendly. The use of natural gas in the reduction process will help to significantly improve the carbon footprint of the voestalpine Group and will be an important step in the achievement of the Group's ambitious internal energy efficiency and climate protection objectives. The price of natural gas in the USA is about one-quarter of the price in Europe. Around half of the planned two million tons of HBI will be supplied to the Austrian steel plants in Linz and Donawitz. The other half will be sold to partners interested in a supply over the long term.

In May of this year, voestalpine announced that its first potential customer has signed a memorandum of understanding to purchase HBI. From 2016 onwards, Altos Hornos de Mexico (AHMSA), Mexico's largest steel manufacturer, will source several hundred thousand tons of high quality HBI from the new voestalpine location annually. Discussions are underway with a series of other interested parties, some of which are already at an advanced stage.

The voestalpine Group

The voestalpine Group is a steelmaking, processing, and technology group that operates worldwide and manufactures, processes and develops high-quality steel products. With 500 production and sales companies in more than 50 countries on five continents, the Group has been listed on the Vienna Stock Exchange since 1995. With its top-quality flat steel products, the Group is one of the leading partners to the automotive and domestic appliance industries in Europe and to the oil and gas industries worldwide. The voestalpine Group is also the world market leader in railway switch technology, special rails, tool steel, and special sections. In the 2011-2012 business year, the voestalpine Group reported revenue of more than € 12 billion and an operating result (EBITDA) of € 1.3 billion. It staffs roughly 46,500 employees worldwide. For more information, visit <http://www.voestalpine.com/group/en/>.

About Siemens

Siemens Industry Sector is the world's leading supplier of innovative and environmentally friendly products, solutions and services for industrial customers. With end-to-end automation technology and industrial software, solid vertical-market expertise and technology-based services, the Sector enhances its customers' productivity, efficiency and flexibility. With a global workforce of more than 100,000 employees, the Industry Sector comprises the Industry Automation, Drive Technologies and Customer Services Divisions as well as the Metals Technologies Business Unit. For more information, visit <http://www.usa.siemens.com/industry>.

About Midrex

Midrex Technologies, Inc. is an international process engineering and technology company providing steelmakers with commercially proven solutions for greater profitability and has been the leading innovator and technology supplier for the direct reduction of iron ore for more than 40 years. The company offers eco-friendly technologies for ironmaking that provide high productivity, outstanding product quality, and cost competitiveness. Midrex has built its foundation upon the MIDREX® Direct Reduction Process that converts iron ore into high-purity direct



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reduced iron (DRI) for use in steelmaking, ironmaking and foundry applications. Each year, MIDREX® Plants produce about 60 percent of the world's DRI. For more information, visit www.midrex.com.

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