

voestalpine awarded major contract for pipeline project in the United Arab Emirates

The voestalpine Group has secured another major contract in the pipeline segment of today's highly competitive energy sector. voestalpine Grobblech GmbH, a company in the Group's Steel Division, will deliver 95,000 tons of premium linepipe plates for the IGD-E natural gas project in Abu Dhabi, in the United Arab Emirates. Through to spring 2016, this business deal ensures excellent capacity utilization in Linz, Austria, where this leading provider of sophisticated linepipe plates is based.

Over the next two years Abu Dhabi, the capital of the United Arab Emirates, is constructing a 114km high-pressure IGD-E pipeline to supply natural gas extracted in the Arabian Gulf to the city, in order to meet its 15% annual growth in demand for natural gas. Construction is scheduled for completion in 2017, enabling an additional eleven million cubic meters of natural gas to be produced and piped daily. Having succeeded in demonstrating the quality of its products, voestalpine Grobblech GmbH is supplying its long-term partner, Indian tube manufacturer Jindal SAW, with 95,000 tons of sour-gas-resistant linepipe plates for the pipeline construction. The material will be processed on site into pipes with a diameter of around a meter (42 inches) by the partner company on behalf of gas company GASCO which is in charge of the project. The delivery period for the contract runs from October 2015 to March 2016. "Market conditions in the energy sector are extremely challenging at the moment. As the leading manufacturer of high quality and innovative high-strength linepipe plates, that makes it all the more satisfying to have won another major contract," says Wolfgang Eder, Chairman of the Management Board of voestalpine AG.

Highest quality to withstand extreme conditions

The challenge of the IGD-E natural gas project lies in the need to transport sour, i.e. unrefined, gas. This places extreme quality demands on the transport pipeline itself. Production of the linepipe plates is regarded as highly quality-critical: The pipes require especially thick walls of 42 to 46 mm in order to withstand extreme operating pressures, as well as the necessary material strength. "Only a very few manufacturers worldwide are able to meet these particular specifications. This major contract not only ensures capacity utilization at our plants over the coming months, it also confirms our position as the global market leader in this demanding product segment," explains Herbert Eibensteiner, Member of the Management Board of voestalpine AG and Head of the Steel Division. voestalpine Grobblech GmbH is currently investing in a new quarto rolling stand at the site in Linz in order to further optimize the manufacturing process (completion scheduled for November 2015).

Successful implementation of further pipeline projects

After the South Stream Project was stopped at the end of 2014, and with voestalpine having supplied a total of 140,000 tons of special plate (120,000 tons for line 1 and 20,000 tons for line 2) for the project, the current contract ensures solid growth in the heavy plate business unit during the second half of this business year. This follows its previous focus on deliveries for the Brazilian Rota 3 pipeline project to which voestalpine supplied 117,000 tons of linepipe plates for the deep-ocean pipeline in one of the world's largest oil fields close to Rio de Janeiro.

voestalpine AG

voestalpine Grobblech

voestalpine Grobblech GmbH is a company belonging to the voestalpine Group's Steel Division and operates worldwide. The product portfolio is focused on the energy sector and includes sour-gas-resistant linepipe plates, high-strength deep-ocean plates for pipeline construction, and structural steels for offshore platforms. As Europe's leading producer of roll-bonded clad plates and heads, voestalpine Grobblech manufactures shell plates and heads for boiler construction, and is a premium supplier of high-strength and wear-resistant steels to the vehicle, crane, and mining industries. During the business year 2014/15 the company generated revenue of EUR 676 million with a staff of 697 employees and an export quota of 84%.

Steel Division

As the largest Group division in terms of revenue, the voestalpine Steel Division has attained global quality leadership in highest quality steel strip and a leading position worldwide in heavy plate for the most sophisticated applications as well as in casings for large turbines. The division is a strategic partner to Europe's premium automotive manufacturers and major automotive suppliers. It is also one of the largest suppliers to the European consumer goods and white goods industries, as well as to the mechanical engineering sector. The division produces heavy plate for the energy sector which is used under extreme conditions in the oil & gas industries, for example, for deep-sea pipelines or in the permafrost regions of the world. In the business year 2014/15, the division generated revenue of almost EUR 4 billion and reported an operating result (EBITDA) of EUR 450 million. It has around 11,100 employees worldwide.

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 2014/15, the voestalpine Group reported revenue of EUR 11.2 billion and an operating result (EBITDA) of EUR 1.5 billion; it had around 47,500 employees worldwide.

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