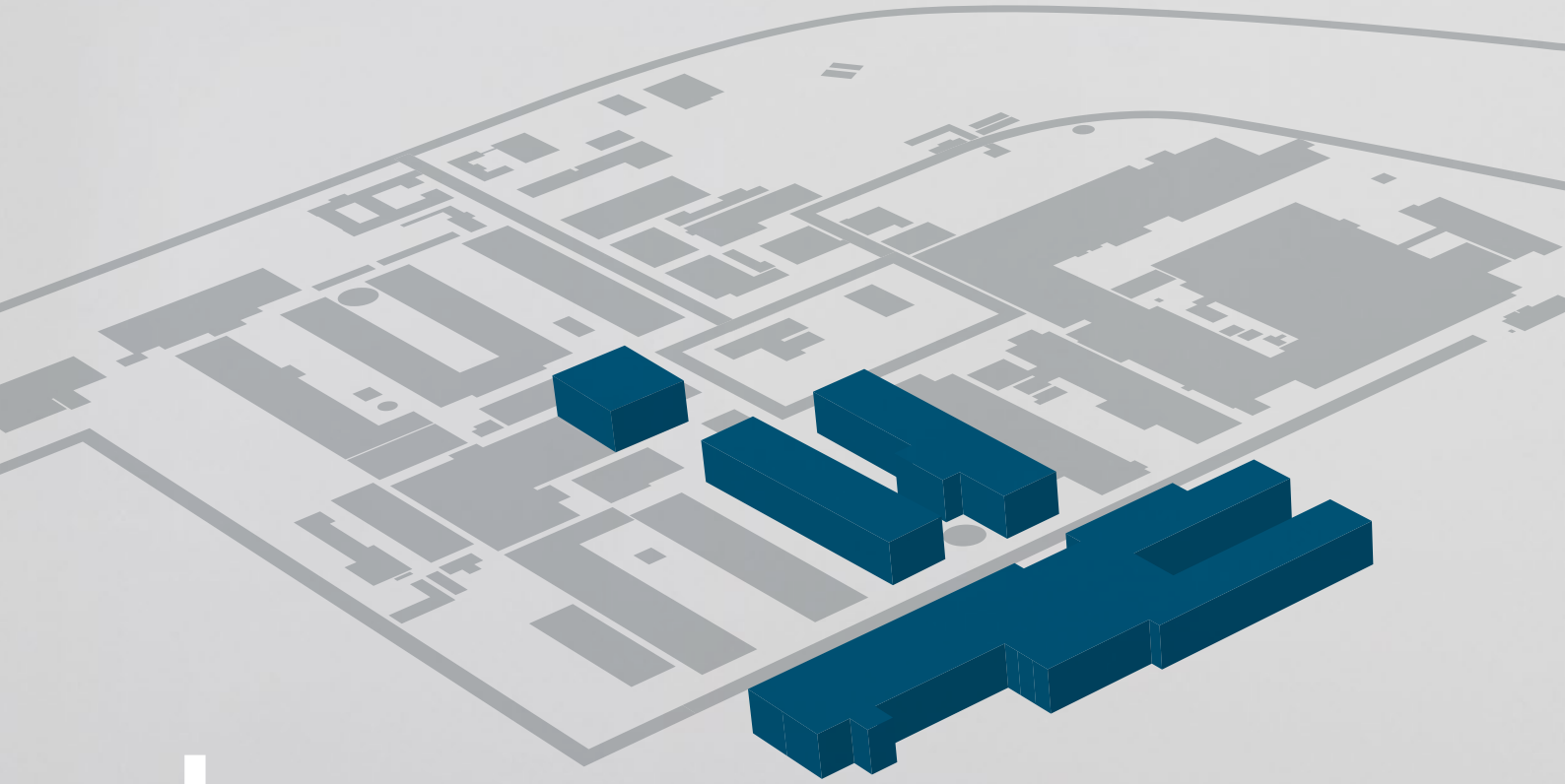
AMAG
AUSTRIA METALL



AMAG Annual Report **2014**

New plant – **new dynamics**

The site expansion project and our innovation campaign make AMAG a leading competence centre for rolled aluminium products and recycled foundry alloys in the heart of Europe.

AMAG
AUSTRIA METALL

New plant –
new dynamics

AMAG Group
at a glance

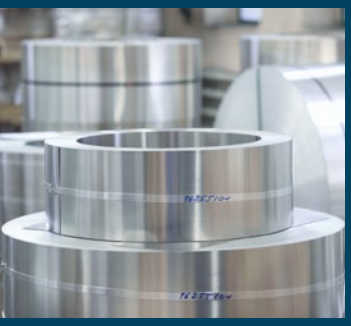
AMAG Austria Metall AG, based in Ranshofen in Upper Austria, is a globally operating producer of primary aluminium, as well as high-quality cast and rolled aluminium products for use in industries such as aviation, automotive, sports equipment, lighting, mechanical engineering, construction and packaging industries.

METAL
Division

- Primary aluminium from North America's largest smelter
- Excellent positioning within the international cost curve on the back of efficient production
- Powered by environmentally-friendly hydroelectric energy

CASTING
Division

- High-quality foundry alloys made from recycled scrap
- Wide-ranging recycling competency and scrap processing technologies
- Environmentally-friendly production thanks to modern smelting and casting furnaces coupled with filter technology



ROLLING
Division

- High-quality aluminium rolled products in the form of sheets, strips and plates
- Large proportion of special products
- Unique worldwide as all alloy families are processed at one single site
- Expansion of the capacity up to 225,000 t thanks to the launch of the new hot rolling mill

SERVICE
Division

- Centrally-organised services for the operating divisions of the AMAG Group at the Ranshofen site
- Expansion and optimisation of the infrastructure for growth at the Ranshofen site

Key figures for the AMAG Group

Key figures for the Group in EUR million	2014	2013	Change in %	2012	2011
Shipments in tons	**375,900**	351,700	6.9 %	344,200	340,900
External shipments in tons	**352,100**	329,600	6.8 %	327,800	322,700
Revenue Group [1]	**823.0**	786.4	4.6 %	819.8	813.1
thereof, Metal Division	**191.8**	188.6	1.7 %	204.4	200.5
thereof, Casting Division	**111.9**	101.2	10.6 %	111.9	125.9
thereof, Rolling Division	**513.8**	491.0	4.6 %	497.9	486.8
thereof, Service Division	**5.4**	5.6	(3.6 %)	5.6	0.0
EBITDA	**114.7**	122.8	(6.6 %)	133.8	149.7
EBITDA margin	**13.9 %**	15.6 %	-	16.3 %	18.4 %
Operating result (EBIT)	**59.0**	72.4	(18.6 %)	83.2	103.6
EBIT margin	**7.2 %**	9.2 %	-	10.2 %	12.7 %
Earnings before taxes (EBT)	**56.0**	65.0	(13.8 %)	77.4	99.1
Net income after taxes	**59.2**	56.0	5.7 %	71.3	88.1
Cashflow from operating activities	**95.2**	122.2	(22.2 %)	117.4	104.5
Cashflow from investing acitivites	**(118.4)**	(125.2)	5.4 %	(75.9)	(43.5)
Total assets	**1,092.5**	933.5	17.0 %	880.0	875.6
Equity	**623.9**	584.4	6.8 %	544.1	542.6
Equity ratio in %	**57.1 %**	62.6 %	-	61.8 %	62.0 %
Working Capital Employed	**241.6**	223.7	8.0 %	250.9	248.3
Capital Employed	**675.7**	602.2	12.2 %	562.8	524.6
ROCE in %	**9.4 %**	10.1 %	-	13.4 %	17.5 %
ROE in %	**9.8 %**	9.9 %	-	13.1 %	16.7 %
Net financial debt	**93.0**	50.0	85.9 %	25.8	13.0
Gearing ratio in %	**14.9 %**	8.6 %	73.3 %	4.7 %	2.4 %
Number of employees-full-time equivalent (annual average) [2]	**1,638**	1,564	4.7 %	1,490	1,422

Stock market indicators in EUR [3]					
Highest price	**28.00**	25.10	11.6 %	23.49	18.94
Lowest price	**21.30**	19.60	8.7 %	15.28	12.98
Closing price	**27.50**	21.68	26.8 %	23.16	15.75
Earnings per share	**1.68**	1.59	5.7 %	2.02	2.50
Price/earnings ratio (P/E ratio)	**16.38**	13.65	20.0 %	11.47	6.30
Dividend per share [4]	**1.20**	0.60	100.0 %	0.60	0.75 +0.75 Bonus
Dividend yield (related to annual average price) in %	**4.8 %**	2.6 %	-	3.1 %	9.3 %
Number of shares	**35,264,000**	35,264,000	0.0 %	35,264,000	35,264,000

1) Since 2013, the Service Division has no longer been disclosing its proceeds as other operating income, but as revenue. The figures for the financial year 2012 have been adjusted accordingly.
2) Average number of employees (full-time equivalents) including temporary help workers and excluding apprentices.
3) Stock market key figures since IPO on April 8, 2011
4) According to proposal to the Annual General Meeting

Contents

Foreword
by the Management Board

Dear Reader,
dear Friend of the Company,

Continuous improvement is a key component in our company philosophy. Over the past few years, we have succeeded in improving our product quality through targeted investment and constant optimisation measures, expanding our product portfolio and constantly increasing our production and shipment volume, and that despite consistently operating at full capacity.

But if we look back over the events of 2014, it is now clear that we have created the framework to ensure that future growth will be even more dynamic than in years past.

One of the first key milestones in our strategy for profitable growth was the launch of our new hot rolling mill, the most important sub-project within the “AMAG 2014” site expansion, and the new plate production centre. Thanks to the implementation of this project proceeding to plan, our overall capacity in the Rolling Division has now increased to up to 225,000 tonnes. At the same time, we are now in a position to offer our customers a considerably broader product range in the field of aluminium plates and tread plates, through to larger product

dimensions. The new plant offers us even more scope for innovation - that we will definitely be harnessing. Parallel to the extension of the hot rolling capacity, the rolling slab casthouse is also being expanded in an effort to both secure the supply of high-quality rolling slabs and maintain the high recycling rate.

Seamlessly following on from “AMAG 2014”, we are continuing to chart our growth course with the “AMAG 2020” project, which was approved by the Supervisory Board on November 4, 2014. As part of “AMAG 2020”, we will invest over EUR 300 million in boosting our production capacity in the Rolling Division to more than 300,000 tonnes. We also intend to extend the product portfolio of strips and sheets to a maximum width of 2,300 mm on the back of the new rolling mill facilities, a cold rolling mill and various upgrading equipment. The new cold rolling mill is scheduled to commence operations in 2017.

These investments will help us enhance our market position and develop our headquarters in Ranshofen into one of the most advanced, leading edge locations in the European aluminium industry.

In these times of rising demand for quality products, the latest rolling technologies and the extensive expertise of our employees can help us completely satisfy the higher demands of our customers. We will intensify customer relationships through increased presence and always be in a position to react flexibly

to customer requirements in the fastest possible time with innovative and tailored aluminium products. The high proportion of special products in our portfolio, which is peerless within the industry, will be extended further in the years ahead and the synergy effects from the fully integrated site maximised.

These investment projects have been launched based on the outstanding growth prospects for aluminium consumption, primarily from the automobile and aviation industry, but also the sports, electronics and packaging sectors. The demand for aluminium rolled products has risen continuously in the recent past, with annual growth rates of 4 - 5 %. High growth rates can also be expected in the coming years, with the growth rate even likely to intensify according to independent market research institutes, particularly due to high demand from the transport sector. Lightweight construction with aluminium is a highly efficient method of reducing weight and therefore cutting the energy consumption and CO_2 emissions of cars as well as commercial and railed vehicles.

At AMAG, great importance is attached to the topic of sustainability in all its facets. We hold a stake in the Alouette smelter in Canada, which almost exclusively covers the high energy requirements for producing primary aluminium with electricity from hydropower. Moreover, AMAG's Ranshofen site stands out from the rest of the industry thanks to its uniquely high recycling ratio. We use 75 - 80 % aluminium scrap on average for the production of our high-quality foundry alloys and rolling slabs. Thanks to the various smelting and processing technologies used in both casthouses

and the extensive recycling expertise of our personnel, almost all types of scrap in various states and compositions can be processed at the site. Indeed, we succeeded in increasing the scrap utilisation volume from 263,300 tonnes in the previous year to a new record mark of 274,200 tonnes this year - achieved thanks in no small part to the outstanding commitment of our employees and the evolution of our recycling centre in Ranshofen.

A highly successful year for AMAG on the stock market.

The AMAG share recorded outstanding development during 2014. Compared to the end of 2013, the share price rose by 26.8 % overall. Added together with the dividend of EUR 0.60 agreed at the Annual General Meeting on April 10, 2014, shareholders enjoyed at total return of 29.6 % for 2014. The share therefore performed significantly better than the leading Austrian index ATX, which recorded a 15.2 % decline during the same period. In relation to the issue price of EUR 19.0, the share has posted a 44.7 % price gain since its IPO, as well as a total shareholder return of 58.9 %.

The market environment continuously improved during 2014. The aluminium price was able to substantially recover from the low at 1,687 USD/t on February 4, 2014 and recorded its high for the year on August 29, 2014 at 2,114 USD/t. At the end of the year, the aluminium price closed at 1,859 USD/t and was there-

Gerald Mayer
Member of the
Management Board
(Chief Finance Officer)

Helmut Wieser
Chairman of the
Management Board
(Chief Executive Officer)

Helmut Kaufmann
Member of the
Management Board
(Chief Operating Officer)

fore 2.7 % up on the 2013 closing price. A recovery in the margin level was also recognisable in the Casting and Rolling divisions during the year.

The shipment volume was substantially increased in all segments during the financial year 2014. With shipments totalling 375,900 tonnes, the record mark from the previous year (351,700 tonnes) was exceeded by 6.9 %. We also achieved great success with our inventory optimisation programme. The metal inventory was continually reduced in 2014 despite the increased production volume. Compared to the end of 2013, the metal inventory fell by 20 %.

With EBITDA of EUR 114.7 million (2013: EUR 122.8 million), we also recorded solid earnings, particularly given the start-up costs for the project “AMAG 2014”, lower effects from aluminium price hedging in the Metal Division and higher raw materials costs in the Rolling Division.

After completing the “AMAG 2014” site expansion project on budget and releasing additional liquidity with the successful inventory optimisation programme, we would like to share our success with our shareholders and are therefore proposing a dividend of EUR 1.20 per share (previous year: EUR 0.60) at the Annual General Meeting on April 16, 2015.

Greater macroeconomic uncertainties as well as high volatility on commodity markets and in the aluminium price make it difficult to issue a precise forecast for the 2015 financial year. However, we are very confident for the financial year 2015 given the

improved margin situation in the Casting and Rolling divisions as well as the higher volumes anticipated on the back of the commissioning of the new hot rolling mill and plate production centre.

Ranshofen, February 27, 2015
The Management Board

HELMUT WIESER
Chairman of the
Management Board
(Chief Executive Officer)

HELMUT KAUFMANN
Member of the
Management Board
(Chief Operating Officer)

GERALD MAYER
Member of the
Management Board
(Chief Finance Officer)

THE FOUN-DATIONS OF **PROFITABLE GROWTH**

“Ranshofen will develop into a top location in the European aluminium industry”

HELMUT WIESER
Chairman of the Management Board
(Chief Executive Officer)

"AMAG 2014" SITE EXPANSION PROJECT

ON TIME AND ON BUDGET

The "AMAG 2014" site expansion project, which was approved on February 28, 2012, includes a new hot rolling mill, a plate production centre, a logistics centre and the extension of the rolling slab casthouse as well as homogenisation capacities.

On September 9, 2014 the commissioning of the new hot rolling mill, the key sub project of "AMAG 2014", started. The new hot rolling mill is half a kilometre in length and over 100 m wide. The construction required 35,000 cubic metres of cement and a total of 10,000 tonnes of plant and machine parts.

New plate production centre

The plate production centre has also largely been completed. At the start of 2014, the construction of the new rolling slab casthouse got underway. The plant is due to commence operations in the first quarter 2015. Thanks to the hard work of our employees, the project will be completed on time despite its scale and complexity. The project will also remain within the budgeted investment volume of EUR 220 million.

MAYER, CFO:

"The AMAG 2014 investment has already been **largely financed by cash flow from operating activities.**"

PROFITABLE GROWTH ON THE BACK OF "AMAG 2014"

The capacity for producing aluminium plates as well as hot-rolled sheets has increased on the back of the launch of the new hot rolling mill and plate production centre. These will now be brought to the market step-by-step over the coming years. In total, the hot rolling mill now has an annual capacity of about 225,000 tonnes. In addition the product portfolio will be expanded significantly towards larger dimensions.

While AMAG was limited to a maximum width of 1,650 mm at the previous rolling mill, the new production centre is able to produce products with a width of up to 2,300 mm. Due to the use of thicker rolling slabs and higher rolling forces, the maximum possible thickness of aluminium plates is also significantly higher.

Rolling slab casthouse

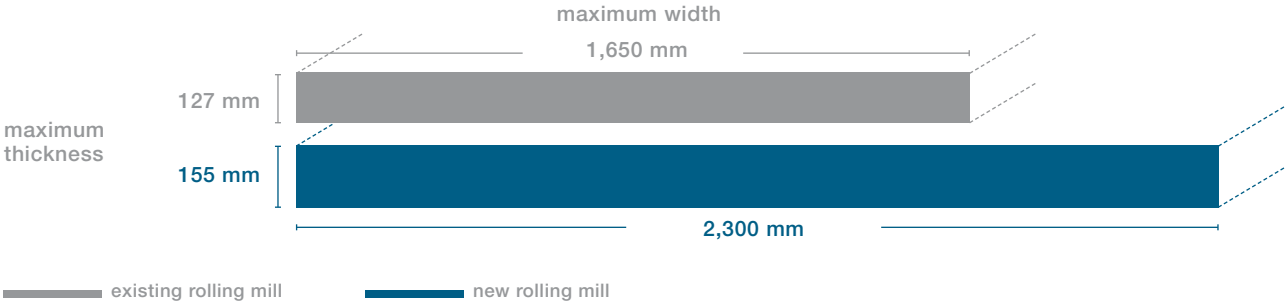
WIESER, CEO:

"The **larger product formats** open up new potential markets."

AMAG will be in a position to achieve additional productivity gains thanks to the processing of larger formats and the high degree of automation.

Heat treatment furnaces in the plate production centre

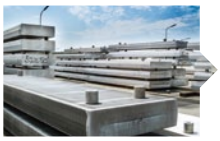
New dimensions for aluminium plates



Larger dimensions of aluminium plates and sheets ≥ 3 mm

AMAG 2014

widths up to 2,300 mm **thicknesses ≥ 3 mm**



ROLLING SLABS

HOT ROLLING

ALUMINIUM **PLATES**

UPGRADING/ FINALIZING

ALUMINIUM **SHEETS ≥ 3 mm**

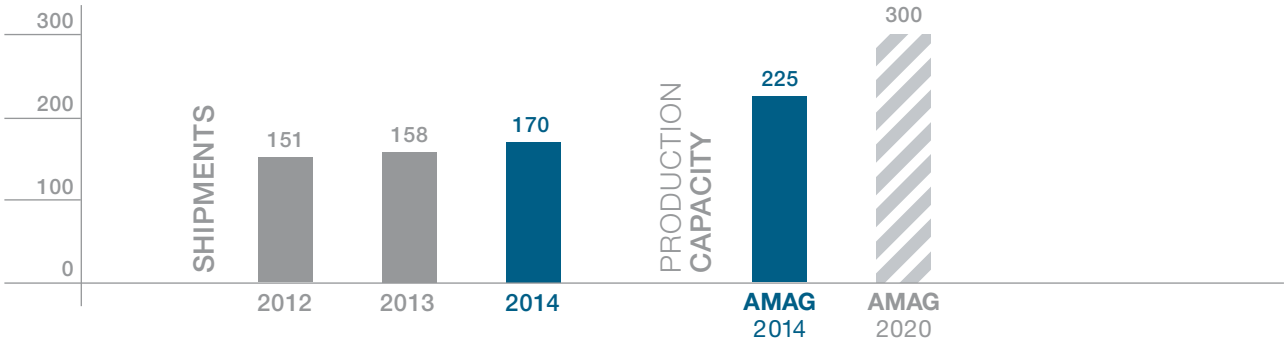
UPGRADING/ FINALIZING

FURTHER PROFITABLE GROWTH WITH "AMAG 2020"

On November 4, 2014, the major investment "AMAG 2020" was agreed. This expansion project with an investment volume of over EUR 300 million encompasses a new cold rolling mill, additional heat treatment capacity as well as further refining units. In addition, the casthouse is to be extended to ensure the supply of rolling slabs.

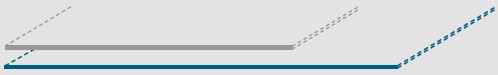
The launch, which is planned for 2017, will boost the overall capacity within the Rolling Division up to over 300,000 tonnes. The product portfolio will also be extended to include sheets and strips with a width of up to 2,300 mm. This investment allows AMAG to increase the degree of specialisation and become an even more attractive growth and innovation partner for customers, particularly those in the automotive, aviation, sports, electronics and packaging industries.

Shipments and production capacity of the Rolling Division in thousand tonnes



Larger dimensions of sheets and strips

AMAG 2020 widths up to 2,300 mm thicknesses ≥ 0.15 mm



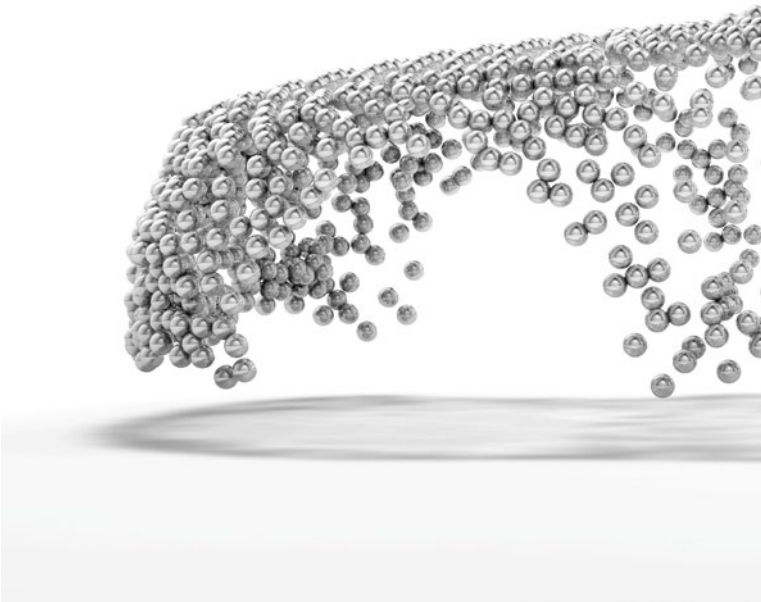
COLD ROLLING

ALUMINIUM
SHEETS/STRIPS

UPGRADING/
FINALIZING

MARKET GROWTH

ACROSS ALL INDUSTRIES AND REGIONS

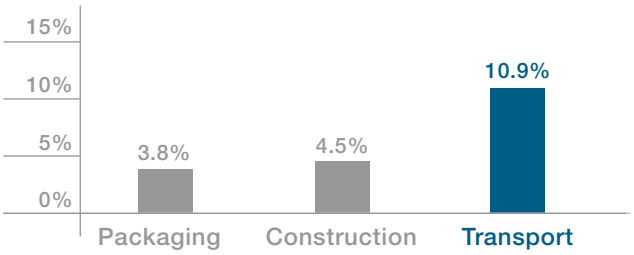


The basis for the AMAG growth strategy is provided by the numerous positive characteristics of aluminium and its resultant growing importance as a material-particularly in areas where weight and mechanical/technological characteristics, reliability and ultimately sustainability are important. Consumption of primary aluminium and rolled products are used as the criteria for assessing the markets in which AMAG operates.

According to CRU[1], the consumption of primary aluminium was up by 7.1 % to 53.8 million tonnes in 2014. Growth in the consumption of primary aluminium of 5.0 % per year is anticipated for the years ahead, with consumption totalling 68.7 million tonnes in 2019. A significant proportion of the primary aluminium is used in the expanding market for rolled products.

The consumption of rolled aluminium products[2] advanced by 5.4 % to 22.7 million tonnes in 2014. The latest forecasts anticipate annual growth of 5.2 % in the consumption of rolled products, which means that global consumption of 29.2 million tonnes is expected for 2019. One major driver of this trend is the increasing demand for lightweight construction solutions in the transport area. Legal provisions are forcing automobile producers around the world to cut their CO_2 emissions. Lightweight construction with aluminium is an efficient way of saving on weight and therefore reducing CO_2 emissions, particularly for cars but also for commercial and railed vehicles. In particular, manufacturers in the European Union and the USA – the main AMAG markets – are playing a pioneering role in the use of aluminium rolled products for bodywork components.

Aluminium rolled products:
Annual consumption growth by 2019 in %



According to the latest CRU forecasts, the demand for hang on parts made of aluminium rolled products will more than double in Western Europe from 292,000 tonnes in 2014 to 641,000 tonnes by 2019. Around 100,000 tonnes of rolled products were used for hang on parts in North America in 2014 according to the latest estimates. By 2019, demand of around 800,000 tonnes is expected. This represents a rise of 700 %.

In aviation, which is also part of the transportation area, attractive growth rates in the consumption of aluminium rolled products are also anticipated for the coming years. According to the latest estimates, aviation will grow by up to 5 % every year. New aeroplanes are required in order to realise this trend. In addition, a range of aeroplanes from older generations with correspondingly high fuel

1) See CRU Aluminium Market Outlook, October 2014
2) See CRU Aluminium Rolled Products Outlook, November 2014

consumption are currently still in service. These will be largely replaced by more fuel-efficient aircraft in the years ahead.

In total more than 30,000 new aircraft will have to be built in the next 20 years according to current forecasts.[3)]

Aluminium will remain the main component employed in production. In North America and Europe alone, an annual increase of 7.2 % and 2.8 % respectively is forecast in the demand for aluminium rolled products.

Demand for aluminium rolled products is also continuously rising in other industries. While the large-volume packaging area is set to record annual growth of 3.8 % up to 2019 according to the most recent estimates, annual growth rates of 4 % to 5 % are expected for the construction and mechanical engineering industry. Broken down by country, the highest growth will primarily be recorded in Asian Pacific countries, with China leading the way with anticipated annual growth of 6.3 %. The demand in our core markets Europe and North America will however also yield attractive growth rates according to CRU estimates, particularly in the field of special products. For Western Europe, annual growth in demand for aluminium rolled products of 3.3 % has been predicted, while analysts anticipate growth rates of 5.2 % per year for North America.

WIESER, CEO:

"According to studies by the leading aircraft manufacturers, **the aircraft fleet will double in the next 20 years.**"

3) See Boeing, Airbus, CRU

HIGH QUALITY & INNOVATIONS

AMAG is a provider of high-quality special products and is also perceived as such by customers according to recent surveys.

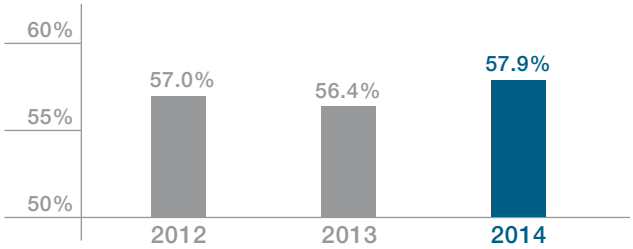
The central characteristic qualifying a manufacturer of aluminium special products as a premium provider is the complete fulfilment of all customer requirements. This demands reliable production of the highest quality as well as excellent delivery reliability, outstanding innovation and high flexibility.

AMAG is, however, not settling for its current high level of quality but is continuously working to further improve its standards to date. One key element of this is the continuous improvement process (CIS), which represents a fixed element of the management system and corporate culture. As part of this, employees are actively integrated into the ongoing optimisation of quality as well as internal processes. CIS promotes a culture of change and constant improvement, and gives staff the opportunity to play a part in shaping processes, to assume responsibility and to better identify with the company and the quality-driven approach of AMAG.

AMAG offers a wide range of special products. The Rolling Division primarily supplies the automotive and aviation industry as well as the sport and leisure industry with high-strength, heat-treatable special alloys. Another focus is foil stock for the packaging industry. Bright products, cathode elements for zinc electrolysis plants, brazing materials for heat exchangers and unique tread plates round out the broad product portfolio.

Customers from the aviation industry and automobile industry have the highest standards with regard to product quality and customer service. In addition, wide-ranging approval processes sometimes lasting several years are necessary for supplying individual products. Further qualifications were gained for outer skin panels in the automotive field in 2014. During the year, the com-

Rolling Division: uniquely high proportion of special products in %



Redesign of the external and internal areas of the Steirereck restaurant in Vienna. *

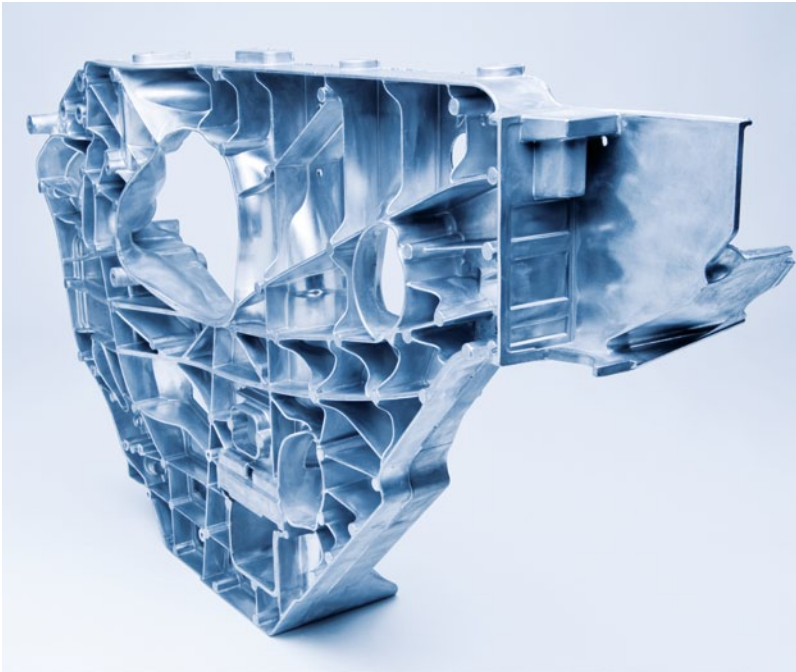
* Architecture: PPAG architects / Picture: © HYPERLINK „http://pierer.net“ pierer.net

The central bay of the new hot rolling mill

pany also completed its first series outer skin panel order.
In the aviation industry, AMAG holds qualifications at almost all notable aircraft manufacturers. For instance, supply agreements for high-strength aluminium sheets and plates spanning several years are in place with Airbus and Boeing.

KAUFMANN, COO:

"AMAG is one of only a handful of producers of aluminium rolled products around the world, that is qualified for both the automobile and aviation industry."



Structural component for new BMW i3, built with AMAG's innovative TopCast® FAST cast alloy *

AMAG employees command outstanding technological expertise. In addition to this know-how, the development of new innovative products is fostered through cooperation with renowned universities and research institutions. The plant in Ranshofen is a truly unique location, producing all alloy families from 1xxx to 8xxx at one single site. This diversity paves the way for the use of synergies between different fields of application. For instance, a high-strength alloy, generally produced for the aviation industry, was used for the production of the side impact bar of the BMW i8.

AMAG has also been able to record new successes in the field of bright products through the development of new, high-quality offerings, primarily for use in architecture. The facade of the transept of the new hot rolling mill or the redesign of the interior and exterior of the Steirereck in Vienna, Austria's best restaurant[4)], are two examples of the high quality and innovation on offer in this product area.

The Casting Division has successfully positioned itself as a series supplier for recycling foundry alloys for suspension and structural components in the automobile industry. These alloys are distinguished not only by outstanding properties in relation to mechanical stability and crash behaviour, but also on account of their high comparative recycling ratio and the use of primary aluminium produced using hydroelectric power.

4) Source: According to Falstaff 2014
* © GDA e.V.

SUSTAINABLE
RAW MATERIALS SUPPLY

AMAG's business operations cover the entire spectrum of raw material production to the highest environmental standards.

The production of foundry alloys for external customers, as well as wrought alloys in the form of rolling slabs for the company's own rolling mill, is carried out at the integrated Ranshofen site. Here, the topic of energy and environmental efficiency are accorded top priority with the use of the most advanced, leading edge production facilities. Depending on the product portfolio, the input stock for the casthouses consists on average around 75 to 80 % recycled aluminium scrap which stems from processing industries and products that have reached the end of their useful life, as well as from our internal Group materials cycle.

Due to the fact that aluminium can be infinitely recycled without a loss of quality, aluminium scrap can be repeatedly used in the value creation chain and used for the production of high-quality aluminium products.

KAUFMANN, COO:

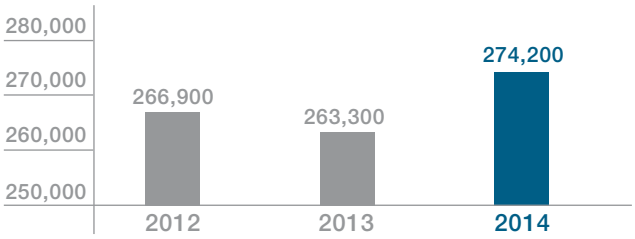
"The recycling of aluminium scrap requires **up to 95 % less energy** than the production of primary aluminium"

In its recycling activities, AMAG is able to draw on different processing and smelting technologies as well as comprehensive know-how. The extensive experience of our employees plays an important role when sampling and analysing the scrap in the scrap sampling phase of scrap deliveries. Optimal utilisation of the recycling material, both from an environmental and commercial point of view, can only be achieved by thoroughly differentiating and separating the material in an alloy-specific way.

The recycling range extends from high-quality, clean external production waste through to highly oxidic and organically contaminated chips and dross, which places high demands on process control and output.

One major advantage when it comes to recycling stems from the fact that the Ranshofen site produces both foundry and wrought alloys and handles all families of alloys in rolling slab production. That is why AMAG requires scrap with different chemical compositions and therefore covers the majority of the product range of

Usage of scrap in tonnes



aluminium scrap sales. AMAG has developed into a competency centre in aluminium recycling and was able to boost scrap input in 2014 to a new record level of 274,200 tonnes. The expansion of the rolling slab casthouse is included in both site expansion projects "AMAG 2014" and "AMAG 2020". This is intended to both ensure the rolling slab supply and sustainably maximise and continually expand the company's recycling competency.

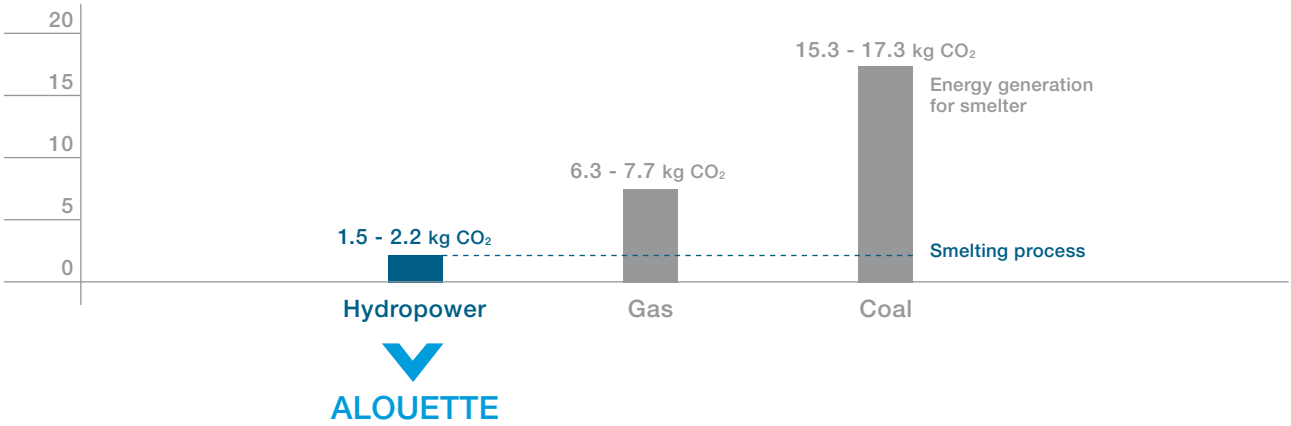
The primary aluminium is produced at the Alouette aluminium smelter in Canada, in which AMAG holds a 20 % stake as part of a joint operation. The raw material used for this production is alumina, while the electrical power required for this process is sourced from hydropower.

In contrast to smelters powered by other energy sources, such as gas or coal, CO_2 emissions at Alouette are limited to the anode combustion in the smelting process. Powering the process with fossil-fuel generated energy results in many times more CO_2 being released than at Alouette.

WIESER, CEO:

"The **Alouette smelter** not only stands out energy from hydropower, it also sets global **benchmarks in terms of energy efficiency."**

CO_2 emissions from producing 1 kg of aluminium by energy source



TO OUR **SHAREHOLDERS**

„In 2014, the AMAG share continued its appreciation since the successful IPO in 2011.“

GERALD MAYER
Member of the Management Board
(Chief Finance Officer)

Report of the Supervisory Board

Dear Ladies and Gentlemen,

In the financial year 2014, the Supervisory Board carried out the tasks assigned to it according to the law and articles of association, and in compliance with the Austrian Corporate Governance Code. The Management Board regularly reported to the Supervisory Board both verbally and in written form, promptly and comprehensively on all material developments within the company, its business policy, the results of operations, the financial position, investments and other fundamental issues relating to company management and planning.

Between meetings, the Management Board kept the Supervisory Board up-to-date on important events. The latest individual issues and projects were discussed in regular conversations between the Management Board and the Chairman of the Supervisory Board.

MAIN TOPICS OF THE MEETINGS

The Supervisory Board of AMAG Austria Metall AG met on February 27, June 11, July 3, September 18, November 4 and November 20, 2014, in accordance with the obligations laid out by law and the articles of association. During these meetings, the Supervisory Board discussed the course of business with the Management Board and advised on the situation as well as the strategic development of the company. Moreover, the Supervisory Board of AMAG Austria Metall AG restructured itself in the meeting on April 10, 2014. A number of members of the Audit, Nomination and Remuneration Committees were newly elected. A Committee for Urgent Matters was also set up.

At the first Supervisory Board meeting on February 27, 2014, the annual financial statements of AMAG Austria Metall AG as of December 31, 2013 were adopted, while the management board report and auditor's report, the report by the Audit Committee pursuant to section 92 para. 4a (5) of the Austrian Companies Act (AktG) on the audit results, the consolidated financial statements including group management report and corporate governance report were approved. The proposal on the appropriation of profits for 2013 was approved. Moreover, the annual activity report of the compliance officer was acknowledged, an amendment to the rules of procedure for the Supervisory Board and Management Board of AMAG Austria Metall AG was made and an amendment to the articles of association prepared for the Annual General Meeting.

In the meeting on June 11, 2014, the "AMAG 2020" strategic site expansion project was discussed in depth.

On July 3, 2014, the Supervisory Board examined the future approach and a strategy check on the strategic site expansion "AMAG 2020" as well as issuer compliance matters.

In the meeting on September 18, 2014, the Supervisory Board discussed technical risk management, as well as the answering of outstanding questions on the strategy project “AMAG 2020”. The positive project progress of the ongoing site expansion programme “AMAG 2014” was examined as part of a site visit.

On November 4, 2014, the implementation of the strategy project “AMAG 2020” was agreed.

In the final meeting of the year on November 20, 2014, future business policy as well as the future development of net assets, financial position and the results of operations were agreed as part of the forecast for 2015, as well as the medium-term planning through to 2024. Moreover, the Supervisory Board also addressed the status of the preliminary audit of the annual financial statements, the results of the self-assessment of the Supervisory Board and precautions for fighting corruption. Moreover, the operational launch of the major investment “AMAG 2014” was celebrated.

SUPERVISORY BOARD AND COMMITTEES

The Supervisory Board of AMAG Austria Metall AG consists of Dr. Josef Krenner (Chairman), Dr. Hanno Bästlein (1st Deputy Chairman), Gerhard Falch (Deputy Chairman), Dr. Heinrich Schaller (Deputy Chairman), Dr. Franz Gasselsberger, Otto Höfl, Patrick Prügger, Prof. Dr. Sabine Seidler and Prof. Dr. Peter Uggowitzer.

Employee representation in the Supervisory Board is provided by Maximilian Angermeier, Robert Hofer, Günter Mikula and Herbert Schützeneder.

The Audit Committee of the Supervisory Board of AMAG Austria Metall AG met on February 7, February 27 and September 18 during the 2014 reporting year, with Supervisory Board members attending. Representatives of the auditor took part in the meetings in order to report on their auditing activities and findings by way of a management letter. The Audit Committee received the declaration of impartiality from the auditor and appointed the auditor for the financial year 2014 after a vote. The Committee agreed the focuses of the audit with the auditor and concluded the fee agreement. In addition, specific accounting topics were discussed in the presence of the auditor. In addition, the functionality and effectiveness of the internal control and risk management system was critically analysed and monitored. The audit results for 2013 were also presented.

In particular, the following topics were covered in both meetings in February 2014:

- UGB (Austrian Business Code) financial statements as of December 31, 2013, the IFRS consolidated financial statements as of December 31, 2013, as well as the Management Board Report and Auditor’s Report on the annual financial statements of AMAG Austria Metall AG as of December 31, 2013
- Report by the Audit Committee pursuant to section 92 para. 4a (5) AktG on the audit results to the Supervisory Board of AMAG Austria Metall AG including proposal on the appropriation of profits
- Auditor’s report on the assessment of the risk management system

The current composition of the Audit Committee of AMAG Austria Metall AG was agreed in the Supervisory Board Meeting on April 10, 2014. It consists of Josef Krenner (Chairman), Hanno Bästlein (Deputy Chairman), Patrick Prügger (financial expert), Franz Gasselsberger and Heinrich Schaller as well as employee representatives Maximilian Angermeier and Robert Hofer. In the meeting of the Audit Committee as of September 18, 2014, the planning for the audit for the financial year 2014 was discussed. Moreover, the internal control system and the risk management system were also addressed in depth. In addition, the implementations from the management letter and the status of the audit 2014 were discussed, and an audit plan for 2015 was defined.

In its meeting on February 27, 2014, the Nomination Committee of AMAG Austria Metall AG advised on the assignment of mandates in the Supervisory Board and expressed corresponding resolution proposals to the Supervisory Board.

The Remuneration Committee of AMAG Austria Metall AG thoroughly addressed the results of the target agreement discussions with the Management Board in its meeting on April 10, 2014.

CORPORATE GOVERNANCE

The Supervisory Board of AMAG is committed to adhering to the Austrian Corporate Governance Code and therefore to responsible company management and control systems designed to deliver sustainable value creation. A summary of our activities in this area is presented in the corporate governance section in this annual report as well as on the website.

AUDITING AND APPROVING THE ANNUAL FINANCIAL STATEMENTS 2014

The annual financial statements, management report and corporate governance report of AMAG Austria Metall AG prepared by the Management Board, as well as the consolidated financial statements prepared in line with the International Financial Reporting Standards (IFRS), the group management report and the disclosures required pursuant to section 245 a UGB as of December 31, 2014, were audited by the auditor Deloitte Audit Wirtschaftsprüfungs GmbH (appointed pursuant to section 270 UGB) and granted an unqualified audit opinion. The Supervisory Board analysed the annual and consolidated financial statements, the management report and group management report as well as the corporate governance report, the proposal for the distribution of profit and the management letter with the audit findings in the presence of the auditor, examined them within the meaning of section 96 AktG and approved them on February 26, 2015. The Supervisory Board agrees with the proposal of the Management Board for the distribution of profit, which is to result in a dividend of EUR 1.20 per eligible share and the remaining amount is to be carried forward. The annual financial statements are therefore adopted pursuant to section 96 para. 4. AktG.

THANKS

The Supervisory Board would like to express its thanks and recognition for the hard work of the Management Board as well as all employees of AMAG. Without their dedication, the gratifying results would not have been possible in this sometimes challenging economic environment. Equally, the Supervisory Board would like to congratulate the Management Board and employees on the successful implementation of “AMAG 2014” and wish them every success with the project “AMAG 2020” - with both of these projects, AMAG has set a course for a successful future.

We also appreciate the trust and close connections we enjoy with our customers, suppliers, financers and shareholders, and look forward to our further successful cooperation.

Ranshofen, February 26, 2015

Dr. Josef Krenner
Chairman of the Supervisory Board

Corporate Governance Report

COMMITMENT TO COMPLY WITH THE AUSTRIAN CORPORATE GOVERNANCE CODE

The Austrian Corporate Governance Code provides domestic stock corporations with a framework for managing and monitoring the company. The Code aims to promote the management and control of companies and groups based on sustainable and long-term value creation. This in turn is intended to create a high degree of transparency for all stakeholders in the company.

The basis for the publically-accessible Code published at www.corporate-governance.at is formed by the guidelines of the Austrian Stock Corporation Act, the Stock Exchange Act and the Capital Market Act, the EU recommendations on the tasks of Supervisory Board members and remuneration of Management Board members as well as the OECD guidelines on corporate governance in its principles. This Corporate Governance Report is based on the status of the revised Code published in July 2012.

The Code, which requires a voluntary commitment, was recognised and implemented by the Management Board and Supervisory Board of AMAG Austria Metall AG in the financial year 2014. AMAG Austria Metall AG is therefore committed to adhering to the Austrian Corporate Governance Code in its latest version.

AMAG Austria Metall AG adheres to all "L rules" as well as "C rules"[5].

COMPOSITION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

Details on the composition of these bodies are summarised in the corporate governance report.

The composition of the Management Board changed in the financial year 2014. Helmut Wieser joined the Management Board of AMAG Austria Metall AG as of March 1, 2014, and became CEO on April 1, 2014. He therefore replaced Gerhard Falch, who entered retirement on March 31, 2014.

At the Annual General Meeting held on April 10, 2014, an increase in the number of shareholder representatives in the Supervisory Board was agreed, with this number rising from eight to nine. Dr. Hanno Bästlein and Gerhard Falch were elected to the Supervisory Board, and Dr. Michael Junghans left the Supervisory Board.

Günter Mikula was appointed to the Supervisory Board from the works council as of August 1, 2014, replacing Georg Schreiner, who entered partial retirement in August 2014.

No member of the Supervisory Board was missing from more than half of the Supervisory Board meetings during the past financial year.

MANAGEMENT BOARD AND SUPERVISORY BOARD REMUNERATION

In the case of all Management Board contracts valid at the end of 2014, a mixture of financial performance criteria and other partially non-financial criteria were taken into account. The financial performance criteria include the return on total capital as well as the consolidated net profit. Upper limits were agreed with all Management Board members. The variable remuneration is limited to 200 % of the fixed remuneration for a Management Board member and 100 % of the fixed remuneration for two Management Board members. The ratio between the fixed and the variable components of the total remuneration of the Management Board totalled around 62 % to 38 % in the financial year 2014.

In 2014, the total remuneration of the CEO Helmut Wieser was EUR 1,564,239 (of which variable EUR 588,714). In 2014, the total remuneration of the Management Board member Dr. Helmut Kaufmann was EUR 738,901 (of which variable EUR 317,503). In 2014, the total remuneration of the Management Board member Gerald Mayer was EUR 738,901 (of which variable EUR 317,503). The remuneration of Gerhard Falch totalled EUR 424,549 (of which variable EUR 76,624).

A contribution-oriented pension scheme exists for all Management Board members. The expenses totalled EUR 106,600 (2013: EUR 57,810) and are contained in the disclosed Management Board remuneration.

A change of control clause exists for all Management Board members. In the event of termination of contract on these grounds, a settlement payment equivalent to the basic annual remuneration is payable.

5) The following rules are included in the Austrian Corporate Governance Code: "L rules" (= Legal), legally prescribed measures; "C rules" (Comply or Explain), the non-adherence to which requires explanation; "R rules" (Recommendations), these are recommendations which in AMAG Austria Metall AG's case are followed as fully as possible.

D&O insurance (directors & officers insurance) exists, and its costs are covered by the company.

The principles of remuneration for members of the Supervisory Board are regulated in the articles of association (section 13), which are published on the website.

In accordance with the resolution of the Annual General Meeting 2014, the remuneration for the Supervisory Board in the financial year 2014 including attendance fees was EUR 194,500. Of this amount, Dr. Josef Krenner received EUR 37,000, Dr. Michael Junghans EUR 29,000, Dr. Franz Gasselsberger EUR 23,500, Otto Höfl EUR 18,000, Patrick F. Prügger EUR 23,000, Dr. Heinrich Schaller EUR 26,500, Prof. Dr. Sabine Seidler EUR 19,500 and Prof. Dr. Peter Uggowitzer EUR 18,000.

Please refer to the remuneration report for the Management Board and Supervisory Board in the notes section of the annual financial statements of AMAG Austria Metall AG.

Until March 31, 2015, a consulting agreement for supporting the completion of the site extension project “AMAG 2014” exists with Supervisory Board member Gerhard Falch, as Falch initiated the project together with his Management Board colleagues and supported it considerably during his time as CEO. The fee for this totalled EUR X43,653 for 2014.

DISCLOSURES ON THE INDEPENDENCE OF SUPERVISORY BOARD MEMBERS

With the exception of Gerhard Falch, all members of the Supervisory Board elected by the Annual General Meeting have confirmed that they view themselves as independent based on the criteria defined by the Supervisory Board (rule 53). The criteria defined by the Supervisory Board for independence largely correspond with Annex 1 of the Austrian Corporate Governance Code.

Due to the reduction in free float to under 20 %, rule 54 is no longer applicable for AMAG.

SUPERVISORY BOARD COMMITTEES

The Supervisory Board is authorised via the articles of association to form committees from within its ranks and define their tasks and rights. Committees can also be granted the right to decision-making. The employee representatives appointed to the Supervisory Board have the right to nominate members to Supervisory Board committees in line with the ratio specified in section 110 para. 1 of the Austrian Labour Relations Act (ArbVG). This does not apply for committees which handle the relationships between the company and the members of the Management Board.

AUDIT COMMITTEE

The Audit Committee is responsible for the auditing and preparation of the adoption of the annual financial statements, the proposal for distributing profit, the management report and the examination of the risk management system. It is also tasked with examining the consolidated financial statements as well as submitting a proposal for the selection of the auditor.

Members of the Audit Committee as of December 31, 2014:

- Dr. Josef Krenner (Chairman)
- Dr. Hanno Bästlein (Deputy Chairman)
- Patrick Prügger (Financial Expert)
- Dr. Franz Gasselsberger
- Dr. Heinrich Schaller
- Maximilian Angermeier
- Robert Hofer

NOMINATION COMMITTEE

The tasks of the Nomination Committee include succession planning, the submission of proposals to the Supervisory Board for filling vacant Management Board mandates and the submission of proposals to the Annual General Meeting for filling vacant Supervisory Board mandates. The committee also has to provide its agreement to appointing and dismissing Group companies’ CEOs.

Members of the Nomination Committee as of December 31, 2014:

- Dr. Josef Krenner (Chairman)
- Dr. Hanno Bästlein (Deputy Chairman)
- Dr. Franz Gasselsberger
- Dr. Heinrich Schaller
- Maximilian Angermeier
- Robert Hofer

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for drafting, concluding, amending and terminating employment agreements with Management Board members. Moreover, it regularly examines the remuneration policy and checks on the execution and enforcement of Management Board agreements.

Members of the Remuneration Committee as of December 31, 2014:

- Dr. Josef Krenner (Chairman)
- Dr. Hanno Bästlein (Deputy Chairman)
- Dr. Franz Gasselsberger
- Dr. Heinrich Schaller

COMMITTEE FOR URGENT MATTERS

The Committee for Urgent Matters is authorised to make decisions which, due to particular urgency, cannot be postponed until the next ordinary Supervisory Board meeting.

Members of the Committee for Urgent Matters as of December 31, 2014:

- Dr. Josef Krenner (Chairman)
- Dr. Hanno Bästlein (Deputy Chairman)
- Dr. Franz Gasselsberger
- Gerhard Falch
- Maximilian Angermeier
- Robert Hofer

NUMBER AND MAIN FOCUSES OF SUPERVISORY BOARD AND COMMITTEE MEETINGS

The Supervisory Board of AMAG Austria Metall AG carried out the tasks assigned to it according to the law and articles of association in the financial year 2014 as part of seven ordinary Supervisory Board meetings and three Audit Committee meetings. In addition to the ongoing reporting on the current business and financial situation of the AMAG Group, these meetings particularly addressed issues relating to the strategic business development project “AMAG 2020”, which was approved on November 4, 2014. Further focuses of the Supervisory Board meetings included project progress on “AMAG 2014”, technical risk management, issuer compliance rules, combating corruption, the budget for 2015 and medium-term planning as well as the preliminary audit of the annual financial statements 2014.

The Audit Committee mainly focused on preparing and examining the Group and single-entity financial statements, the audit findings for 2013 and the audit planning of the auditor for 2014 as well as the effectiveness and functionality of the internal control system, risk management and specific accounting issues.

The Remuneration Committee met once in the financial year 2014 for the results of the target agreement discussions.

EQUAL OPPORTUNITIES FOR WOMEN IN THE MANAGEMENT BOARD, SUPERVISORY BOARD AND LEADING POSITIONS

Prof. Dr. Sabine Seidler, Rector of Vienna University of Technology, became the first female member of the AMAG Supervisory Board in May 2012. The proportion of women in the AMAG Group rose from 12 % to 13 % in the financial year 2014. The proportion of female trainees was up from 17 % in the previous year to 24 %. There are no specific “female quotas” at any of the AMAG Group companies. The continued low ratio compared to other industries is largely due to industry-specific reasons.

AMAG is committed to ensuring equal opportunities in the workplace and works hard to combat female employees being disadvantaged in any way.

AUSTRIAN REGULATION ON COMPLIANCE FOR ISSUERS

According to the Stock Exchange Act and Austrian Regulation on Compliance for Issuers from the Financial Market Authority, a guideline is in effect on “the principles for the disclosure of information within the company as well as relevant organisational measures for avoiding the misuse of insider information”. This guideline is constantly being updated.

A compliance officer and two deputies have been appointed, and they are responsible for the ongoing monitoring of adherence to the relevant provisions and reporting directly to the Management Board as a whole on compliance issues.

The tasks of the compliance officer are also recorded in the AMAG internal control system and the execution of these tasks is regularly checked as part of this system. The employees of

AMAG are receiving ongoing training on the issue of issuer compliance.

Pursuant to the Stock Exchange Act and the Austrian Regulation on Compliance for Issuers, the dealings of members of the Management Board and the Supervisory Board in financial instruments of AMAG Austria Metall AG ("director's dealings") are published on the AMAG website and the website of the Financial Market Authority (FMA).

No infringements against the compliance provisions were identified in 2014.

CODE OF ETHICS

The company has very high ethical standards and AMAG is aware of its role as a leading company in Upper Austria and the responsibility towards the company and its business partners, employees and shareholders that this position entails. The Code of Ethics creates the framework for these standards, and it exists as an internal set of guidelines. It is published on the AMAG website.

Since 2013, a guideline for preventing corruption has also been in place. In an effort to prevent corrupt dealings within AMAG and to support employees in carrying out their work in a moral, legal and ethical manner, clear rules of behaviour have been defined.

AMAG has an internal control structure and an open corporate culture, so that in addition to adhering to the relevant legal provisions, infringements against internal guidelines should also therefore be avoided. Involvement in the company as part of the Employee Foundation boosts the loyalty of the company's employees and reinforces adherence to this behavioural code.

AMAG provides its employees with a communication channel in the form of a compliance line, which employees and business partners can use to report (potential) infringements. In 2014, similar to 2013, no infringements were reported via the compliance line.

COMPOSITION OF THE MANAGEMENT BOARD AS OF DECEMBER 31, 2014

Helmut Wieser

Chief Executive Officer (CEO), born 1953, first appointed member of the Management Board: March 1, 2014, appointed CEO: April 1, 2014, end of current contract: April 2017, assigned Group functions: Strategy and Group communications, investor relations, human resources, sales for key accounts, procurement, service and infrastructure, member of the Supervisory Board of OJSC Novolipetsk Steel (NLMK), Russia and RAIN CII, the holding company of Rütgers GmbH, Belgium

Dr. Helmut Kaufmann

Chief Operating Officer, born 1963, appointed: February 18, 2011, initially appointed to the predecessor company Austria Metall AG in September 2007, end of current contract: August 2016, assigned Group functions: AMAG casting GmbH, AMAG rolling GmbH, company technology, business development, sales, investment planning, occupational safety, management under trade law and management systems

Gerald Mayer

Chief Financial Officer, born 1971, appointed: February 18, 2011, initially appointed to the predecessor company Austria Metall AG in November 2007, end of current contract: August 2016, assigned Group functions: financing, controlling and reporting, accounting, IT, legal, AMAG metal GmbH (Managing Director) and AMAG service GmbH (Managing Director)

COMPOSITION OF THE SUPERVISORY BOARD AS OF DECEMBER 31, 2014

Dr. Josef Krenner

Born 1952, Chairman of the Supervisory Board, respective chairman of the Audit, Nomination and Remuneration Committees as well as the Committee for Urgent Matters, first appointed: May 16, 2012, State Finance Director of the state of Upper Austria since 2000, member of the Supervisory Board of B&C Industrieholding GmbH and Lenzing AG

Dr. Hanno M. Bästlein

Born 1963, First Deputy Chairman of the Supervisory Board, respective deputy chairman of the Audit, Nomination and Remuneration Committees as well as the Committee for Urgent Matters, first appointed: April 10, 2014, Chairman of the Supervisory Board of Duropak GmbH, Deputy Chairman of the Supervisory Board of Lenzing AG, Chairman of the Supervisory Board of VA Intertrading AG

Gerhard Falch

Born 1948, Deputy Chairman of the Supervisory Board, member of the Committee for Urgent Matters, first appointed: April 10, 2014, Chairman of the Supervisory Board of Energie AG OÖ, Chairman of the Supervisory Board of Asamer Baustoffe AG, Deputy Chairman of the Supervisory Board of VA Intertrading AG

Dr. Franz Gasselsberger

Born 1959, member of the Supervisory Board, member of the Audit, Nomination and Remuneration Committees as well as member of the Committee for Urgent Matters, first appointed: May 16, 2012, Chairman of the Supervisory Board of the Bank für Tirol und Vorarlberg AG, Deputy Chairman of the Supervisory Board of BKS Bank AG, member of the Supervisory Board of voestalpine AG and Lenzing AG, Chairman of the Management Board and General Director of Oberbank AG

Otto Höfl

Born 1946, member of the Supervisory Board, appointed: March 21, 2011, reappointed: May 16, 2012, representative of the AMAG Employees' Private Foundation

Patrick F. Prügger

Born 1975, member of the Supervisory Board, member of the Audit Committee (finance expert), first appointed: May 16, 2012, member of the Supervisory Board of Lenzing AG and Semperit AG, member of the management at B&C Industrieholding GmbH since 2011

Dr. Heinrich Schaller

Born 1959, Deputy Chairman of the Supervisory Board, respectively member of the Audit, Nomination and Remuneration Committees, first appointed: May 16, 2012, Chairman of the Management Board of Raiffeisenlandesbank Oberösterreich AG since 2012, Deputy Chairman of the Supervisory Board of voestalpine AG and Raiffeisen Bank International AG

Prof. Dr. Sabine Seidler

Born 1961, member of the Supervisory Board, first appointed: May 16, 2012, Rector at Vienna University of Technology since 2011

Prof. Dr. Peter Uggowitzer

Born 1950, member of the Supervisory Board, first appointed: March 21, 2011, reappointed: May 16, 2012, Professor at ETH Zurich

DELEGATED BY THE WORKS COUNCIL

Max Angermeier

Born 1958, member of the Supervisory Board, respective member of the Audit and Nomination Committees as well as member of the Committee for Urgent Matters, delegated: April 14, 2011, Chairman of the Group works council

Robert Hofer

Born 1977, member of the Supervisory Board, respective member of the Audit and Nomination Committees as well as member of the Committee for Urgent Matters, delegated: December 31, 2011

Günter Mikula

Born 1966, member of the Supervisory Board, delegated: August 1, 2014

Herbert Schützeneder

Born 1957, member of the Supervisory Board, delegated: April 14, 2011

Investor Relations

STOCK MARKETS REACH NEW HEIGHTS

The international stock markets continued their uptrend during the financial year 2014. Supported by the continued expansive monetary policy and low interest rates, both the US and German stock markets were able to reach new heights. The US share index Dow Jones Industrial gained 7.5 % in 2014 and set a new historical all-time high on December 26, 2014 at 18,103 points. The European indices remained largely unchanged over the course of the year. The Eurostoxx 50, which contains the 50 companies with the highest market capitalisation, rose by a total of 1.2 % over the course of 2014. The leading German share index DAX succeeded in recording a new all-time high at 10,093 points on December 5, 2014. At the end of the year, the index closed at 9,806 points - up 2.7% over the start of the year. The key Asian indices also recorded positive developments. The Nikkei 225 was up 7.1 % over the course of the year, while the Hang Seng Index gained 1.3 % during the same period.

The Vienna Stock Exchange recorded weaker development than the international markets in general. The ATX was trading at 2,160 points as of December 30, 2014 and was therefore 15.2 % down on the level recorded at the end of the previous year.

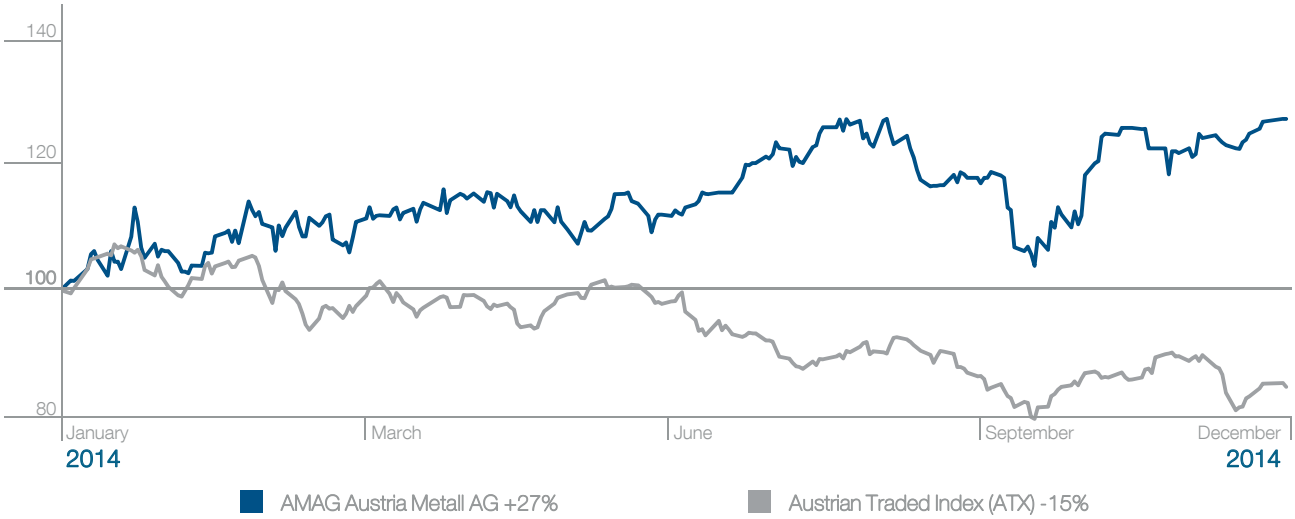
UPBEAT AMAG SHARE PRICE PERFORMANCE

The AMAG share recorded decidedly gratifying developments during 2014. After starting at EUR 21.68, the closing price for 2013, the share price gained momentum during the year and set a new all-time high of EUR 28.00 on November 6, 2014. At the end of the year, the share price was trading at EUR 27.50. This represents a rise of 26.8% compared to the end of 2013. Total shareholder return, including the EUR 0.60 per share dividend paid out in 2014, totalled 29.6%. In relation to the issue price of EUR 19.0, this represents a price gain of 44.7 % or a total shareholder return of 58.9 % including dividends. As of June 23, 2014, the AMAG share was accepted to the VÖNIX, the sustainability index of the Vienna Stock Exchange.

The average trading volume (double counting excluding OTC) in AMAG shares totalled 15,150 following 29,776 in 2013. Market capitalisation increased to EUR 969.8 million as of the end of 2014 (end of December 2013: EUR 764.5 million).

The OTC volume (double counting) totalled EUR 152.6 million during the 2014 reporting year (2013: EUR 91.2 million). This amount was 62.3% of the overall traded volume of EUR 245.0 million (2013: EUR 259.7 million), following on from 35.1% in 2013.

Share price performance in %
January 2, 2014 – December 30, 2014



INVESTOR RELATIONS (IR) WORK

In the interest of ensuring the equal treatment of all shareholders, the company's IR work aims to provide prompt and transparent information on capital market relevant company developments that is made available to all shareholders and interested parties at the same time.

In order to raise the profile of AMAG on the capital market and communicate with our investors in person, AMAG attended a number of roadshows and investor conferences in 2014.

As part of four roadshows, four investor conferences, the participation in one investor fair and numerous telephone conferences and presentations at retail events, the company entered into active dialogue with analysts, private and institutional investors.

WIDE-RANGING ANALYST COVERAGE

In the financial year 2014, six financial institutions regularly produced analyses of the AMAG share: Baader Bank (hold), Erste Group (hold), JP Morgan (neutral), Kepler Cheuvreux (hold), Landesbank Baden-Württemberg (buy) and Raiffeisen Centrobank (hold).

SUSTAINABLE DIVIDEND POLICY

At the 4th Annual General Meeting taking place in Linz on April 16, 2015, the Management Board will propose a dividend of EUR 1.20 per eligible share. This corresponds to a doubling of the dividend compared to the previous year. The dividend yield is 4.8%. The ex-day and date of payment for the dividends is April 28, 2015.

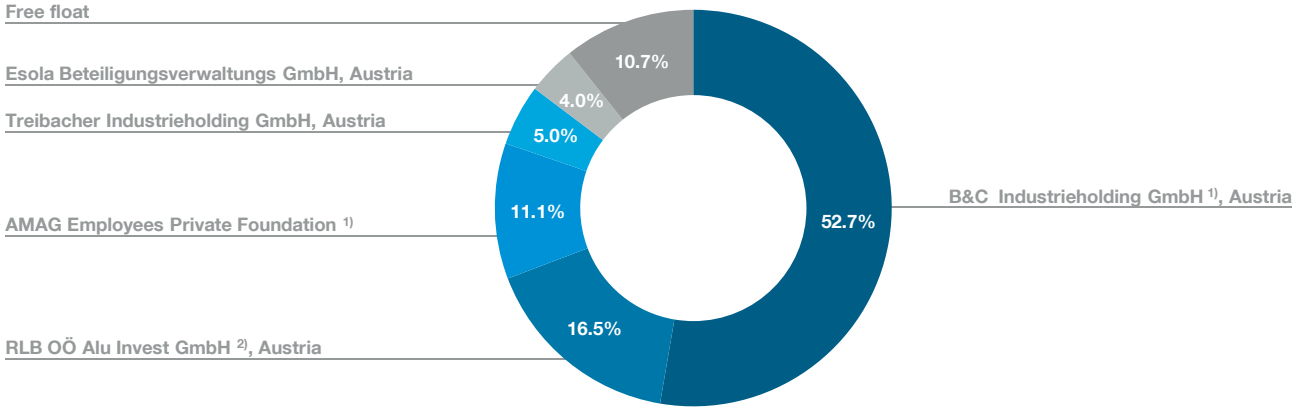
Stock market indicators in EUR	2014	2013
Highest price	**28.00**	25.10
Lowest price	**21.30**	19.60
Average price (volume-weighted)	**24.85**	22.82
Closing price	**27.50**	21.68
Earnings per share	**1.68**	1.59
Cash flow from operating activities per share	**2.70**	3.47
Proposed dividend per share	**1.20**	0.60
Dividend yield (annual average price)	**4.8%**	2.6%
Market capitalisation on the last trading day of the year in EUR million	**969.8**	764.5

STABLE CORE SHAREHOLDER STRUCTURE

One major change to the core shareholder structure was the sale of the AMAG shares held by Oberbank AG (4.9 %) to Eff dreißigeins Beteiligungsverwaltung GmbH, an indirect wholly-owned subsidiary of B&C Industrieholding GmbH. As a result of this transaction, B&C Industrieholding GmbH now holds the majority of the share capital of AMAG.

Moreover, the following change also took place to the shareholder structure: Under a purchase agreement signed on February 26, 2014, Esola Beteiligungsverwaltungs GmbH sold a total of 319,581 AMAG shares, which were transferred to Treibacher Industrieholding GmbH on the same day. As a result of this transaction, Esola Beteiligungsverwaltungs GmbH's share of both share capital and voting rights is now below 5 %.

Ownership structure as at December 31, 2014



1) B&C Industrieholding GmbH and AMAG Employees Private Foundation concluded a shareholders´agreement on March 1, 2013
2) RLB OÖ Alu Invest GmbH is an indirect wholly-owned subsidiary of Raiffeisenlandesbank Oberösterreich AG

Financial calendar 2015

February 27, 2015	**Full year results 2014, press conference**
April 16, 2015	**Annual General Meeting, venue: Linz**
April 28, 2015	**Ex-dividend and payment date**
May 5, 2015	**Report on the 1st quarter 2015**
August 4, 2015	**Half-year financial report 2015**
November 3, 2015	**Report for the first three quarters of 2015**

Information on the AMAG stock

ISIN	AT00000AMAG3
Class of shares	Ordinary shares made out to bearer
Ticker symbol on the Vienna Stock Exchange	AMAG
Indexes	ATX-Prime, ATX BI, ATX GP, VOENIX, WBI
Reuters	AMAG.VI
Bloomberg	AMAG AV
Trading segment	Official Market
Market segment	Prime Market
First day of trading	8 April 2011
Offer price per share in EUR	19.00
Numbers of shares outstanding	35,264,000

GROUP OPERATING AND **FINANCIAL REVIEW**

„The high proportion of special products and our high level of innovation are essential pillars for our profitability.“

HELMUT KAUFMANN
Member of the Management Board
(Chief Operating Officer)

Company profile

AMAG is a producer of high-quality aluminium products for further processing in a large number of growth sectors. The value chain starts with the production of primary aluminium in Sept-Îles, Quebec, Canada.

The manufacturing of foundry alloys and rolling slabs, and the rolling, as well as thermal and mechanical processing, of strips, sheets and plates made from a range of alloys, is performed at the Ranshofen site in Austria.

METAL DIVISION

The Metal Division includes the AMAG Group's 20% interest in the Aluminerie Alouette smelter, and is responsible for the risk management and steering of the metal flows within the AMAG Group. Located in Canada, the Alouette aluminium smelter is one of the most efficient in the world, and benefits from a secure long-term energy supply in a politically stable country.

ROLLING DIVISION

The AMAG Group's Rolling Division is responsible for the production and sale of rolled products (sheets, strips and plates), and precision cast and rolled plates. The rolling mill specialises in premium products for selected markets. It is supplied by our rolling slab casthouse with rolling slabs predominantly manufactured by utilising a very high proportion of aluminium scrap.

CASTING DIVISION

The AMAG Group's Casting Division recycles aluminium scrap to produce high-quality foundry alloys. Its product portfolio covers aluminium materials tailored to customer requirements in the form of ingots, sows and liquid aluminium.

SERVICE DIVISION

Along with the Group management, the Service Division's services include facility management (management of buildings and spaces), energy supplies, waste disposal, and purchasing and materials management. This Division consequently creates the preconditions for the operating divisions to concentrate on their respective core businesses.

Economic environment

GLOBAL ECONOMIC TRENDS

Global economic growth amounted to 3.3% in 2014, equivalent to the previous year's level, according to estimates published by the IMF[6].

Emerging economies are still making the greatest contribution to global economic growth. In 2014, growth in China amounted to 7.4% (2013: 7.7%).

The USA has consigned the recent years' economic crisis to the past in an impressive manner, with its economic situation having improved significantly and growth having gained momentum. Despite the weak start to the year due to weather factors the economic output of 2.4% was slightly above the previous year's level (2013: 2.2%)

The Eurozone economy has improved, with 0.8% year-on-year growth (2013: -0.4%). Market dynamics abated during the second half of the year, however, prompting several downgrades to growth estimates during the course of 2014 accordingly. Overall, economies within the Eurozone are reporting very different trends. While the economic output levels of France (2014: +0.4%) and of Italy (2014: -0.4%) are set to change only marginally compared with the previous year, Germany achieved growth of 1.5% in 2014.

Austria's economy registered 0.4% growth, according to the Austrian Institute of Economic Research (Wifo)[7].

DEMAND FOR ALUMINIUM PRODUCTS

AMAG's Metal and Rolling divisions operate globally, with global consumption of primary aluminium and rolled products being of central importance as a consequence. In terms of primary aluminium[8], global gains of 7.1% were calculated for 2014.

Global demand for rolled products[9] increased by 5.4% in 2014, according to the Commodity Research Unit (CRU).

On a sector basis, rolled products are primarily in demand from the transportation, packaging, construction and mechanical engineering industries. According to the latest CRU figures relating to global demand, the transportation sector saw 9.6% growth in 2014, driven especially by rising demand for lightweight design and construction solutions in the automotive area. The construction industry recorded 5.1% global demand growth compared with 2013. Consumption by the packaging industry was up by 5.1% compared with 2013.

In AMAG's Casting Division, the foundry alloys business ranks as a regional business with a focus on Western and Central Europe. In this context, the automotive industry ranks as the most important client sector, to which this division delivered around two thirds of its shipment volumes in 2014, whether directly or indirectly. The global car market expanded by around 3.5% in 2014[10], particularly driven by growth in China (8.3%) and North America (+5.9%). Year-on-year growth was also achieved in the European Union, however, with new car registrations rising by 5.7% to 12.6 million vehicles.[11]

6) See International Monetary Fund, World Economic Outlook, January 2015
7) See Wifo economic forecast December 2014
8) See CRU Aluminium Market Outlook, October 2014
9) See CRU Aluminium Rolled Products Outlook, November 2014
10) See LMC Automotive, Global Light Vehicle Sales, December 2014
11) See ACEA (European Automobile Manufacturers Association), Press release of January 16, 2015

ALUMINIUM PRICE TRENDS

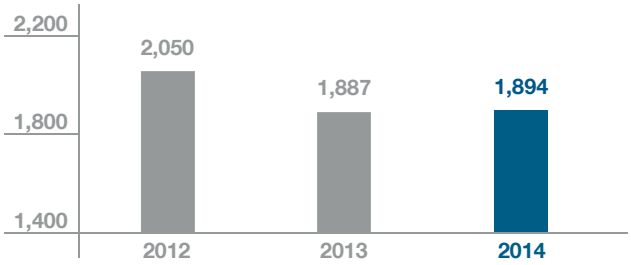
Following its lows at the start of year, the aluminium price (3-month LME) recovered during the course of 2014. Having started the year at the 2013 year-end closing price of 1,811 USD/t, and registering its low for the year of 1,687 USD/t on February 4, 2014, the aluminium price appreciated, posting its high for the year of 2,114 USD/t on August 29, 2014. Consequently, the fluctuation range during 2014 amounted to 427 USD/t. The aluminium price stood at 1,859 USD/t as of December 31, 2014.

The year-average aluminium price amounted to 1,894 USD/t, compared with 1,887 USD/t in the previous year.

Premiums for primary aluminium are added as price components to the aluminium price. These premiums are determined by both the location of delivery, and by the demand and supply situation. Premiums during 2014 stood at an historic all-time high, averaging more than 50% higher marks than the previous year's average.

Especially in the global market excluding China, a market deficit emerged over the course of 2014, with production failing to fully cover primary aluminium demand. Accordingly, stocks of primary aluminium held in LME-registered warehouses fell markedly during the course of the year. LME stocks of 4.2 million tonnes at the end of 2014 were 22.9% below the previous year's level (2013 year-end: 5.5 million tonnes). The CRU reported total inventories, including those of the International Aluminium Institute (IAI) and China, at 7.8 million tonnes as of the 2014 year-end (December 31, 2013: 8.2 million tonnes).

Average LME aluminium price (three-month settlement) in USD/t

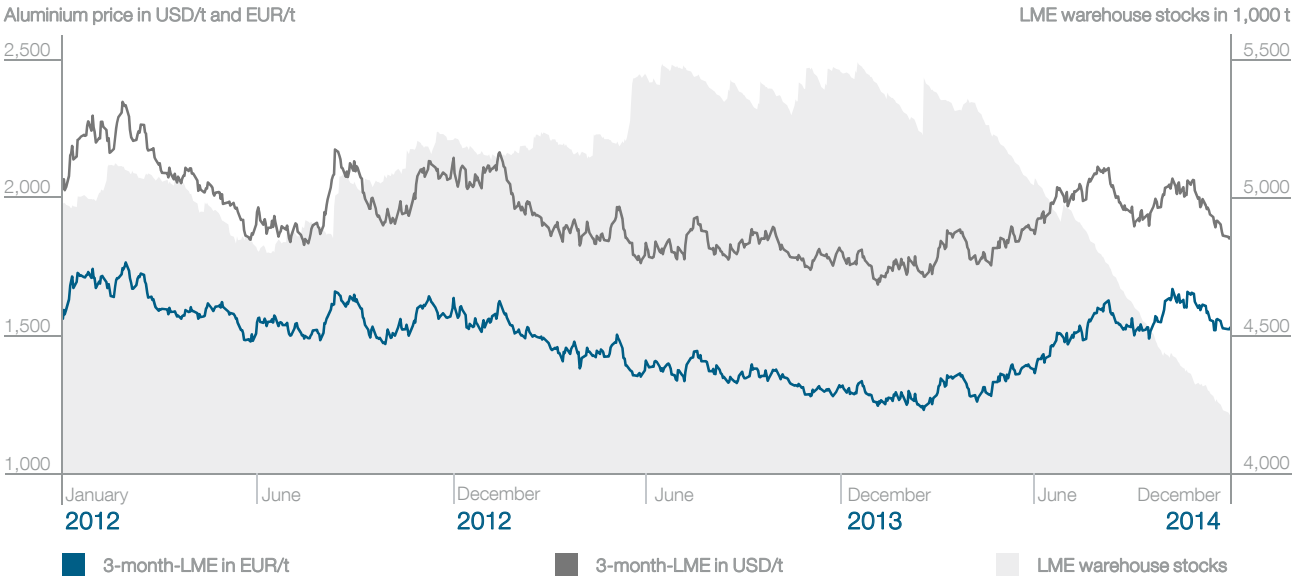


AMAG holds a 20% interest in the Canadian Aluminerie Alouette smelter, which has a long-term electricity contract, and is one of the world's most efficient smelters. Despite the use of hedging instruments, the earnings of the Metal Division reflects LME aluminium price trends. The aluminium price risk exposures of the Casting and Rolling divisions are fully hedged at the Ranshofen site.

Alumina and aluminium scrap are the most important raw materials deployed within the AMAG Group. The alumina price is partially correlated with the price of the aluminium end product. The average alumina price was approximately at the previous year's level. The prices for the raw materials of petroleum coke, pitch and aluminium fluoride fell year-on-year.

Prices for scrap for the rolling slab casthouse rose once again in the 2014 financial year. This is primarily attributable to the increase in the premium for primary aluminium.

Aluminium prices and LME warehouse stocks since 2012



Business performance

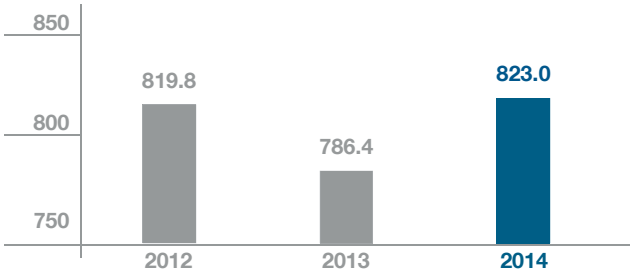
REVENUE AND EARNINGS TRENDS

Revenue and operating earnings

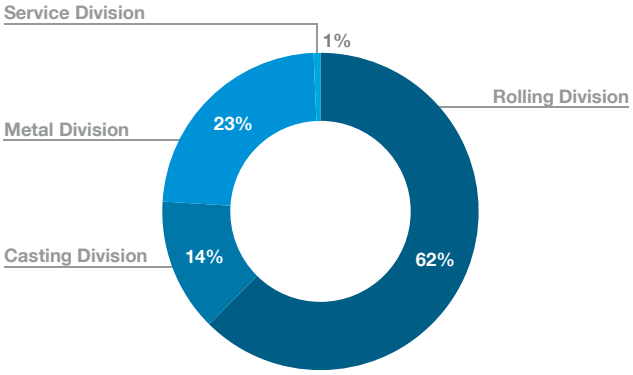
In the 2014 financial year, revenue grew by 4.6% from EUR 786.4 million to EUR 823.0 million, with this increase being particularly attributable to the volume growth that was achieved in the 2014 financial year. External shipment volumes were up by 6.8% from 329,600 tonnes to 352,100 tonnes. The price of aluminium is also an important influencing factor on sales revenue.

Over the course of the year, the aluminium price recovered from the lows from which it had started the year. On a full-year average basis, the aluminium price (3-month LME) of 1,894 USD/t was registered at 0.4% ahead of the previous year's level. The average aluminium price in euros of 1,431 EUR/t was 0.6% above the 2013 comparable value, exerting a correspondingly positive impact on FY 2014 revenue.

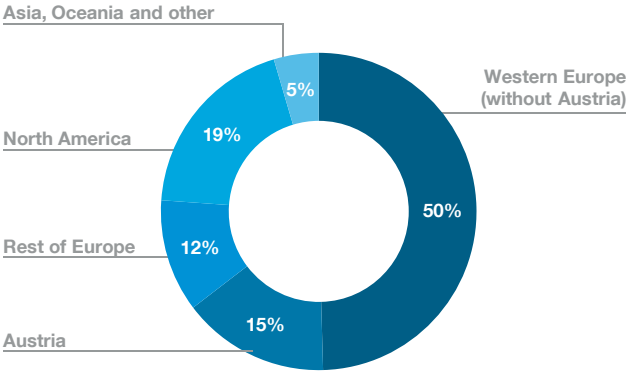
Group revenue in EUR million



Group revenue by divisions, 2014

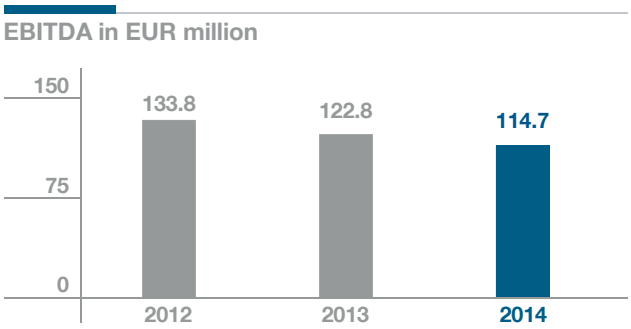


Group revenue by regions, 2014



Revenue by divisions in EUR million	2014	Structure in %	2013	Structure in %	Change in %
Metal Division	191.8	23.3	188.6	24.0	1.7
Casting Division	111.9	13.6	101.2	12.9	10.6
Rolling Division	513.8	62.4	491.0	62.4	4.6
Service Division	5.4	0.7	5.6	0.7	(3.6)
Group revenue	**823.0**	**100.0**	**786.4**	**100.0**	**4.6**

Operating earnings registered a solid performance in the 2014 financial year. EBITDA stood at EUR 114.7 million, compared with EUR 122.8 million in the previous year, with the year-on-year decline being especially attributable to lower earnings contributions from the Metal and Rolling divisions. In the Metal Division, higher premiums for primary aluminium were unable to fully compensate for lower results from aluminium price hedging and the previous year's positive aperiodic effects. In the Rolling Division, earnings were affected by higher raw materials costs, as well as start-up costs for the "AMAG 2014" expansion project, especially in connection with hiring. The 8% increase in shipments had a positive impact on earnings.



EBITDA by divisions in EUR million	2014	Structure in %	2013	Structure in %	Change in %
Metal Division	48.2	42.0	50.8	41.3	(5.2)
Casting Division	4.8	4.2	4.6	3.8	3.4
Rolling Division	59.9	52.2	63.5	51.7	(5.6)
Service Division	1.9	1.7	3.9	3.2	(51.6)
Group EBITDA	**114.7**	**100.0**	**122.8**	**100.0**	**(6.6)**

Consolidated Statement of Income, condensed in EUR million	2014	Structure in %	2013	Structure in %	Change in %
Revenue	823.0	100.0	786.4	100.0	4.6
Cost of sales	(698.1)	(84.8)	(657.2)	(83.6)	(6.2)
Gross profit	**124.9**	**15.2**	**129.3**	**16.4**	**(3.4)**
Other income	7.7	0.9	7.0	0.9	8.7
Selling and distribution expenses	(36.9)	(4.5)	(36.0)	(4.6)	(2.4)
Administrative expenses	(20.9)	(2.5)	(16.8)	(2.1)	(24.7)
Research and development expenses	(9.6)	(1.2)	(8.0)	(1.0)	(20.3)
Other expenses	(6.1)	(0.7)	(3.0)	(0.4)	(100.6)
Earnings before interests and taxes (EBIT)	**59.0**	**7.2**	**72.4**	**9.2**	**(18.6)**
EBIT margin in %	7.2	-	9.2	-	-
Net financial income (expenses)	(2.9)	(0.4)	(7.4)	(0.9)	60.8
EBT	**56.0**	**6.8**	**65.0**	**8.3**	**(13.8)**
EBT margin in %	6.8	-	8.3	-	-
Income taxes	3.2	0.4	(9.0)	(1.1)	135.2
Net income after taxes	**59.2**	**7.2**	**56.0**	**7.1**	**5.7**

Earnings performance

The profit and loss statement, which is prepared according the cost of sales method, reports a cost of sales of EUR 702.5 million for the 2014 financial year. This represents an increase of 6.9% compared with the previous year's figure EUR 657.2 million. The higher level of shipment volumes was particularly responsible for this rise.

Other income of EUR 12.0 million (previous year: EUR 7.0 million) was largely derived from charged-on maintenance services rendered by the Rolling Division, infrastructure services supplied to third-parties by the Service Division. The main reason for this increase was income from currency translation in the Metal Division.

Selling and distribution expenses rose by 2.4%, from EUR 36.0 million to EUR 36.9 million. Besides higher personnel expenses, further factors for this increase included logistics costs connected with the higher level of shipment volumes.

Administrative expenses were up by 24.7%, rising from EUR 16.8 million to EUR 20.9 million, with the increase predominantly reflecting higher personnel expenses and lower income from the release of provisions.

Research and development expenses of EUR 9.6 million were above the previous year's EUR 8.0 million. This higher level of spend was mainly due to higher costs entailed in achieving top level qualifications and for the "AMAG 2014" expansion project. Cooperation with universities was also intensified further.

Other expenses of EUR 6.1 million were above the previous year's EUR 3.0 million. This is attributable to changes in provisions.

Depreciation and amortisation increased by 10.7%, rising from EUR 50.4 million to EUR 55.8 million in 2014. This increase is especially attributable to a high level of investments for the "AMAG 2014" expansion project in the Rolling and Service divisions.

The operating profit (EBIT) of the AMAG Group stood at EUR 59.0 million in 2014, compared with EUR 72.4 million in 2013. The fall compared with 2013 resulted particularly from higher raw materials costs, higher depreciations and start-up costs for the site expansion in the Rolling Division. The corresponding EBIT margin amounted to 7.2% in the year just ended, compared with 9.2% in the previous year.

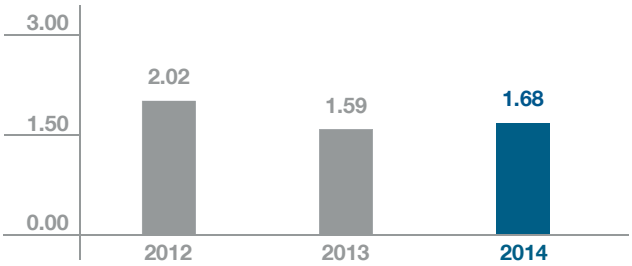
Especially due to effects arising from the measurement of derivatives, the net financial result of EUR -2.9 million was better than in the previous year (2013: EUR -7.4 million).

Due to the aforementioned changes, earnings before tax (EBIT) of EUR 56.0 million were 13.8% below the previous year's EUR 65.0 million.

Current taxes of EUR 7.0 million plus EUR 10.2 million of income from deferred taxes fed through to EUR 3.2 million of tax income in 2014. The deferred taxes are primarily connected with the existing loss carry forwards for the Ranshofen site. Income taxes for 2013 were EUR 9.0 million.

Due to the net tax income, consolidated net income of EUR 59.2 million in 2014 was above the previous year's EUR 56.0 million.

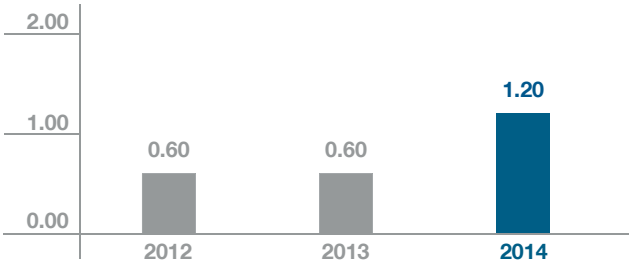
Earnings per share in EUR



Dividend

The Management Board will propose to the Annual General Meeting to be held on April 16, 2015, the approval of a dividend payment of EUR 1.20 per share. This represents a 100.0% increase compared with the dividend for the 2013 financial year, which the Annual General Meeting approved on April 10, 2014, and which was paid out on April 28, 2014. Based on the average share price in 2014 of EUR 24.85, it is equivalent to a 4.8% dividend yield.

Dividend per share in EUR



STRUCTURE OF ASSETS AND CAPITAL

The total assets of the AMAG Group of EUR 1,092.5 million as of the end of 2014 were above the previous year's level (previous year-end: EUR 933.5 million).

Non-current assets increased from EUR 531.4 million to EUR 632.7 million, especially as a result of the rise in capital expenditure for the "AMAG 2014" expansion project. Inventories fell from EUR 200.9 million to EUR 186.6 million despite the higher aluminium price, respectively due to the successful inventory optimisation project. Trade receivables were up from EUR 70.3 million to EUR 86.8 million as a consequence of the higher aluminium price level and greater sales volumes. Other receivables fell from EUR 49.2 million in 2013 to EUR 39.2 million in the financial year elapsed, mainly due to the measurement of derivatives as of the reporting date.

The equity of the AMAG Group advanced from EUR 584.4 million at the end of 2013 to EUR 623.9 million as of the end of 2014. Despite the EUR 21.2 million dividend payment for 2013, equity increased by EUR 39.5 million chiefly as a result of the net income that the Group generated.

Non-current liabilities increased from EUR 227.6 million to EUR 334.3 million, mainly due to the drawing down of a long-term financing. Current liabilities rose from EUR 121.4 million in 2013 to EUR 134.3 million as of the end of 2014, especially due to the measurement of derivatives, and the reclassification of non-current financial liabilities to current financial liabilities.

Consolidated Balance Sheet, condensed in EUR million	2014	Structure in %	2013	Structure in %
Intangible assets, property, plant and equipment	583.2	53.4	488.2	52.3
Other non-current assets	49.5	4.5	43.2	4.6
Non-current assets	**632.7**	**57.9**	**531.4**	**56.9**
Inventories	186.6	17.1	200.9	21.5
Trade receivables	86.8	7.9	70.3	7.5
Current tax assets	2.9	0.3	2.5	0.3
Other receivables	39.2	3.6	49.2	5.3
Cash and cash equivalents	144.3	13.2	79.2	8.5
Current assets	**459.8**	**42.1**	**402.1**	**43.1**
Assets	**1,092.5**	**100.0**	**933.5**	**100.0**
Equity	**623.9**	**57.1**	**584.4**	**62.6**
Non-current liabilities	**334.3**	**30.6**	**227.6**	**24.4**
Current liabilities	**134.3**	**12.3**	**121.4**	**13.0**
Equity and liabilities	**1,092.5**	**100.0**	**933.5**	**100.0**

FINANCIAL POSITION

Cash flow from operating activities

Cash flow from operating activities amounted to EUR 95.2 million in 2014, compared with EUR 122.2 million in the previous year. While the inventory optimization program led to cash inflows, reporting-date related effects of trade receivables and trade payables as well as slightly lower earnings showed a negative impact.

Cash flow from investing activities

Cash flow from investing activities stood at EUR -118.4 million (2013: EUR -125.2 million), being particularly affected by the "AMAG 2014" expansion project, as in the previous year.

Free cash flow

As a consequence, free cash flow amounted to EUR -23.3 million in the 2014 reporting year, compared with EUR -2.9 million in the previous year.

Cash flow from financing activities

Cash flow from financing activities was EUR 85.5 million in 2014. Borrowings were EUR 110.3 million (2013: EUR 21.2 million), while dividend payments were EUR -21.2 million (2013: EUR -21.2 million) and debt repayments were EUR -3.6 million (2013: EUR -0.8 million).

Consolidated Cash flow Statement, condensed in EUR million	2014	2013	Change in %
Cash flow from operating activities	95.2	122.2	(22.2)
Cash flow from investing activities	(118.4)	(125.2)	5.4
Free cash flow	(23.3)	(2.9)	(690.9)
Cash flow from financing activities	85.5	(0.8)	11,377.1

Investments

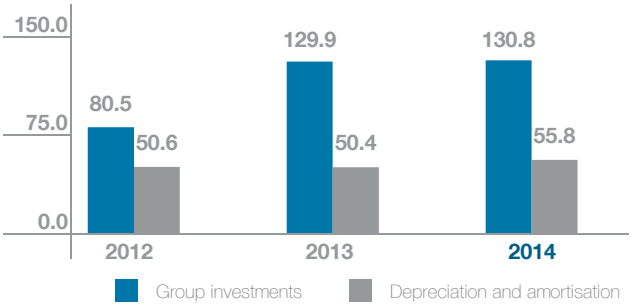
The AMAG Group invested EUR 130.8 million in the 2014 financial year, EUR 128.5 million of which was attributable to property, plant and equipment, and EUR 2.3 million to intangible assets. As a consequence, investments stood at the previous year's level (2013: EUR 129.9 million) and were thus significantly above depreciation and amortisation of EUR 55.8 million (2013: EUR 50.4 million).

Of the total investment of EUR 130.8 million, EUR 87.1 million was attributable to the large-scale "AMAG 2014" expansion project. The expansion project concerns the Rolling and Service divisions. The largest items in 2014 comprised the new hot rolling mill, the stretcher in the new plate production facility, as well as the furnaces and the continuous casting plant for the expansion of the rolling slab casthouse.

Excluding the "AMAG 2014" expansion project, investment volumes of EUR 43.7 million were 15.8% ahead of the 2013 level.

Investment activity in the Metal Division focussed on new refractory linings for the smelter cells. Investments in the Casting and Rolling divisions especially relate to the modernisation of plant and machinery. Most of the investments in the Service Division focus on infrastructure at the Ranshofen site.

Group investments and depreciation and amortisation in EUR million



Metal Division

ECONOMIC ENVIRONMENT

Following its lows at the start of year, the aluminium price (3-month LME) recovered during the course of 2014. Having started the year at the previous year-end closing price of 1,811 USD/t, and having registered its low for the year of 1,687 USD/t on February 4, 2014, the aluminium price appreciated, posting its high for the year of 2,114 USD/t on August 29, 2014. Consequently, the fluctuation range during 2014 amounted to 427 USD/t. The aluminium price stood at 1,859 USD/t as of December 31, 2014. The year-average aluminium price amounted to 1,894 USD/t, compared with 1,887 USD/t in the previous year.

Premiums for primary aluminium are added as price components to the aluminium price. These premiums are determined by both the location of delivery and the demand and supply situation. Premiums during 2014 stood at a historic all-time high, averaging more than 50% above the previous year's average. This rise continues to reflect the shortage of primary aluminium due to the growing market deficit, and the fact that the low level of interest rates has fed through to less expensive warehousing and financing costs.

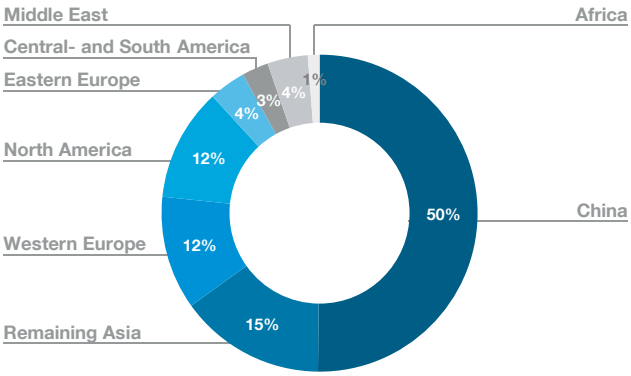
Global consumption of primary aluminium increased from 50.3 million tonnes in 2013 to 53.8 million tonnes (+7.1%), according to the Commodity Research Unit (CRU)[12]. China was the main driver of this trend, with a growth of 11.3% to 27.0 million tonnes. Demand for primary aluminium in North America and Europe also registered positive growth rates of 4.3% and 1.6% respectively.

On the supply side, production of primary aluminium advanced by 6.3%, from 50.6 million tonnes in 2013 to 53.8 million tonnes in 2014. This production growth was driven predominantly by China (+12.4%) and the Middle East (+21.5%). The USA and Europe saw marked declines in production.

Especially in the global market excluding China, a market deficit developed over the course of 2014, with production failing to fully cover demand. Accordingly, stocks of primary aluminium held in LME-registered warehouses fell markedly during the course of the year. LME stocks of 4.2 million tonnes at the end of 2014 were 22.9% below the previous year's level (2013 year-end: 5.5 million tonnes).

12) See CRU, Aluminium Market Outlook, October 2014

Consumption of primary aluminium in 2014 by region: 53.8 million tonnes



See CRU Aluminium Market Outlook, October 2014

ALUMINIUM PRICE RISK MANAGEMENT

The Metal Division hedges the risk exposure of the Rolling and Casting divisions to the aluminium price, which arises from purchases, sales and stocks of aluminium. Derivatives used for hedging purposes are entered into with brokers on the LME (London Metal Exchange). A fee for these services is charged to each division at normal market rates. The Metal Division's earnings also depend on the term structure for aluminium. The difference in aluminium prices between longer-dated transactions and the spot rate narrowed during 2014. At times during the second half of the year, a backwardation was registered in relation to the 3-month price. Overall, the Metal Division generated EUR 3.8 million of gains from the hedging of stocks (2013: EUR 5.1 million).

In order to ensure stable net income flows from the Group's stake in the Alouette smelter, the selling price for a portion of output is hedged on the stock exchange, in some cases for several years, using forwards and options. This limits the risk of losses on the Alouette investment due to low aluminium prices, while also securing the possibility to reap the benefits of rising prices. The projected trend of the aluminium price and the resulting changes in production costs comprise the key decision-making criteria for such hedging transactions. Subsequent physical settlement of such transactions is not envisioned, and they are normally offset by other hedges. Compared to several past years, the Metal Division has currently a greater exposure to aluminium price fluctuations.

This reflects, firstly, the discontinuation of natural price hedging as a result of changing the pricing of alumina into index-based price-fixing, and, secondly, the fact that price hedging proved unattractive during the first few months of 2014 due to the low aluminium price. With the rise in the aluminium price during

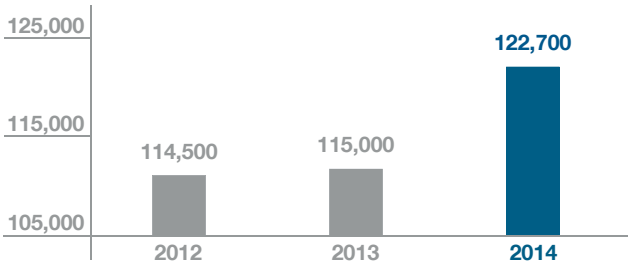
2014, the first hedging measures were realised in the form of forward sales for 2015 and subsequent years.

MANAGEMENT OF THE 20% INTEREST IN THE ALOUETTE SMELTER

The proportionate procurement of alumina forms one of the core tasks of the Metal Division. Purchasing volumes amounted to around 230,000 tonnes in 2014 (2013: around 240.000 tonnes). In 2014, the pricing of this key raw material was conducted on the basis of the Alumina Price Index (API).

The Alouette smelter has an annual capacity of about 600,000 tonnes of primary aluminium. The production volume attributable to the Metal Division amounted to 116,300 tonnes in 2014, consequently slightly above the previous year's level of 116,000 tonnes. The creditworthiness of buyers forms a key consideration in the sale of the primary aluminium output attributable to the Metal Division.

Metal Division shipments in tonnes (rounded)



2014 EARNINGS TRENDS

Of the annual revenue of EUR 580.3 million, EUR 388.5 million was attributable to intragroup sales revenues. These consisted mainly of deliveries of input materials, including primary aluminium, scrap and rolling slabs, to the casthouse and rolling mill. Overall, the revenue of the Metal Division was ahead of the previous year's level in line with volumes (2013: EUR 547.3 million).

The Metal Division generated EUR 48.2 million of EBITDA in the 2014 financial year, compared with EUR 50.8 million in the previous year, with the EBITDA margin reducing from 9.3% to 8.3%. The main reasons for this decline comprise lower effects from aluminium price hedging and a non-recurring positive extraordinary effect in the previous year. The higher premium level for primary aluminium and positive effects from currency conversions failed to compensate for this fully.

The operating result (EBIT) reduced year-on-year accordingly from EUR 28.5 million to EUR 24.2 million, with the EBIT margin amounting to 4.2% compared with 5.2% in the previous year.

INVESTMENTS

Investment in property, plant and equipment and intangible assets in the Metal Division amounted to EUR 20.6 million (previous year: EUR 17.4 million). This increase was mainly due to the rise in the number of smelter cells fitted with refractory linings.

Key figures for the Metal Division in EUR million	2014	2013	Change in %
Revenue	580.3	547.3	6.0
thereof, internal revenue	388.5	358.7	8.3
EBITDA	48.2	50.8	(5.2)
EBITDA margin in %	**8.3**	**9.3**	**-**
EBIT	24.2	28.5	(15.1)
EBIT margin in %	**4.2**	**5.2**	**-**
Investments	20.6	17.4	18.1
Employees [1]	207	205	1.0

1) Includes a 20% pro rata share of the labour force at the Alouette smelter

Casting Division

ECONOMIC ENVIRONMENT

The Casting Division's key geographical markets are mainly Germany and Austria, as well as other neighbouring countries. The automotive sector (including its respective supply industry) comprises the largest customer for the Division, with a 62% share of shipments. Consequently, the health of the European automotive industry has a strong bearing on the Division's performance.

In line with the slight recovery of the European economy, European Union[13] new car registrations registered a positive trend compared with the past two years. A total of 12.6 million new cars were registered in Europe in 2014, reflecting 5.7% growth compared with the previous year's 11.9 million units. In particular, Spain and the United Kingdom saw high growth rates of 18.4% and 9.4% respectively. Germany also achieved total growth of 2.9%, however.

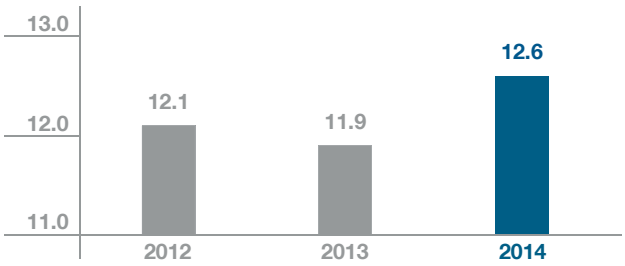
Automotive production in Germany, the most important market for the Casting Division, reported further growth in 2014. A total of 5.62 million units were produced, representing 3.4% year-on-year growth.[14]

2014 FINANCIAL YEAR

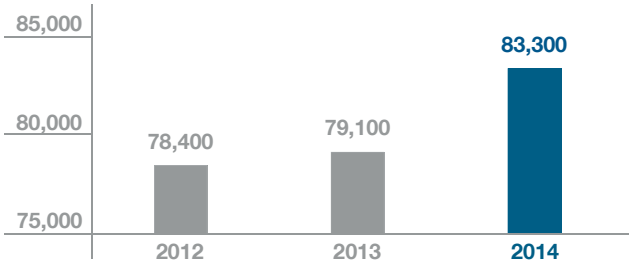
The Casting Segment makes a significant contribution to sustainable raw material supplies at the Ranshofen location as a result of its high level of expertise in scrap recycling and the deployment of different processing and smelting technologies. In 2014, too, targeted reworking in the Casting Division resulted in the qualification of additional scrap types for the Rolling Division. As a result of these targeted reworking activities for the Rolling Division, the raw materials basis for the integrated site in Ranshofen is being expanded, thereby generating additional added value within the AMAG Group.

Further successes were achieved in 2014 in the product area of recycling alloys for structural components in the automotive area, in close cooperation with renowned German automotive manufacturers. An innovative recycling cast alloy was delivered on a series basis for an electrical vehicle to a renowned German automotive manufacturer, for example. This alloy is not only distinguished by outstanding properties in relation to mechanical stability and crash behaviour, but also on account of its net ecological impact. The production of this alloy entails a minimum 20% share of recycled aluminium scrap. The primary aluminium deployed is also manufactured using hydroelectric power.

European Union new car registrations in million units



Casting Division shipments in tonnes (rounded)



13) See ACEA (European Automobile Manufacturers Association), press release of January 16, 2015
14) See VDA (German Association of the Automotive Industry), press release of January 5, 2015

2014 EARNINGS TRENDS

The capacities of the Casting Segment were again fully utilised in 2014, boosting total shipment volumes by 5.3%, from 79,100 tonnes in 2013 to 83,300 tonnes in 2014, as the result of minor capacity enhancement and product mix changes.

An increase in shipment volumes also resulted in a rise in revenue from EUR 110.4 million to EUR 121.7 million, reflecting 10.3% growth.

In addition, higher shipment volumes also helped to boost the EBITDA of the Casting Segment from EUR 4.6 million to EUR 4.8 million. The EBIT margin amounted to 3.9%, compared with 4.2% in the previous year. Operating profit (EBIT) grew to EUR 2.3 million (previous year: EUR 2.0 million), with the EBIT margin standing at 1.9% (2013: 1.8%).

INVESTMENTS

Investment in property, plant and equipment in the Casting Division amounted to EUR 1.0 million in 2014 (previous year: EUR 2.0 million). One of the focus points was on modernising the operating plants.

EMPLOYEES

The average number of employees of 122 stood at the previous year's level (121 employees).

Key figures for the Casting Division in EUR million	2014	2013	Change in %
Revenue	121.7	110.4	10.3
thereof, internal revenue	9.8	9.2	6.5
EBITDA	4.8	4.6	3.4
EBITDA margin in %	**3.9**	**4.2**	**-**
EBIT	2.3	2.0	13.4
EBIT margin in %	**1.9**	**1.8**	**-**
Investments	1.0	2.0	(47.9)
Employees	122	121	0.8

Rolling Division

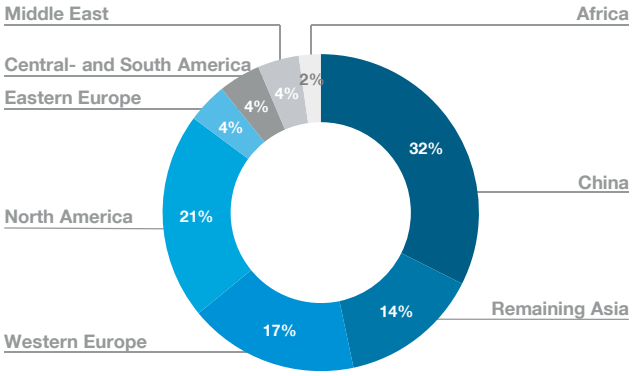
ECONOMIC ENVIRONMENT

Global demand for rolled aluminium products continued to register marked growth in 2014, thereby following on from the past years' growth trend. Global consumption was up by 5.4%, from 21.5 million tonnes to 22.7 million tonnes, according to the latest estimates published by the CRU[15].

All regions registered gains in this context. For example, consumption of rolled aluminium products were up by 2.4% to 3.9 million tonnes in our core market of Western Europe. An increase of 3.6% to 4.8 million tonnes was registered in North America. Countries from the Asia-Pacific region continued to record the strongest growth. In China, consumption advanced by 10.0% compared with 2013 to 7.4 million tonnes.

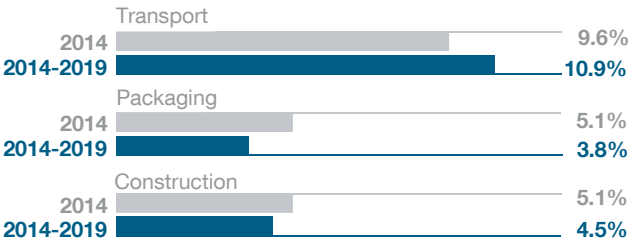
The transportation sector comprised the strongest driver of growth for rolled aluminium products in 2014, and will continue to do so in subsequent years. Consumption of rolled aluminium products in the transportation area was up by 9.6% to 3.1 million tonnes in 2014.

Consumption of rolled products in 2014 by region: 22.7 million tonnes



See CRU Aluminium Rolled Products Outlook, November 2014

Annual growth by industry in %



See CRU Aluminium Market Outlook, October 2014

The CRU anticipates that consumption will continue to register marked growth over the coming years, rising by 5.2% per annum on average up to 2019. The transportation area is set to experience the fastest pace of growth in this context, at 10.9% per year. The automotive industry is the main driver of these gains. Respective legislation is forcing the industry to significantly reduce CO_2 emissions over the coming years. Accordingly, reducing vehicle weight and an increasing emphasis on lightweight construction methods are becoming indispensable. The deployment of rolled aluminium products will play a key role in this context, especially in the area of vehicle body and structural components.

The CRU also anticipates that other sectors, such as mechanical engineering, electronics, and the construction packaging industries, will report attractive annual growth rates of between 4% and 6%, however.

2014 FINANCIAL YEAR

The Rolling Division continued to serve nine product areas in 2014, which reported growth overall. Capacities that were added through optimisation measures and Investment immediately fed through to higher production volumes, thereby augmenting organic volume growth. A new shipments record was posted at shipment volumes of 169,900 tonnes. The previous year's level of 157,600 tonnes was consequently exceeded by 7.8%. In addition, the share of specialty products saw a further year-on-year increase.

The successful commissioning of the new hot rolling mill as part of the "AMAG 2014" expansion project represented the most important highlight of the 2014 financial year. This project not only expanded capacity by as much 225,000 tonnes, but also extended the product portfolio towards larger dimensions in the

15) See CRU Aluminium Rolled Products Market Outlook, November 2014

area of aluminium plates and hot-rolled sheets. Thanks to having completed this plant on time, its first aluminium plates were already shipped to customers in the final quarter of 2014.

The Rolling Division recorded further successes in the automotive industry area. Additional qualifications of materials were achieved with several German and North American automotive manufacturers. Direct deliveries of rolled aluminium products to automotive producers was up by 45% in 2014. The Rolling Division also achieved significant growth with brazed clad products.

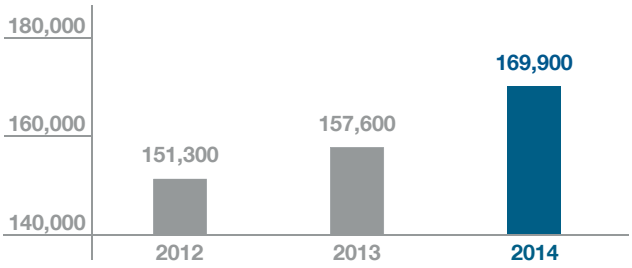
In the aerospace industry area, too, the Rolling Division again achieved high shipment volumes, boosting deliveries of aerospace sheets. Moreover, the reduction of stocks of aluminium plate among aircraft manufacturers might be nearing its end. The aerospace industry continues to be characterised by rising build rates and full order books for the coming years.

Other focal points of the Rolling Division's product portfolio include the sports, leisure and electronics industries, foil stock, tread plate and quality bright products.

High-quality rolled products are manufactured using rolling slabs. Some rolled products require low-alloy, electrolysis-based input materials. AMAG procures such rolling slabs from qualified suppliers. However, the majority of the rolling slabs are produced from aluminium scrap, predominantly using state-of-the-art casting technology in our own wrought alloy casthouse at the Ranshofen site. A total of 194,500 tonnes of rolling slabs were produced in 2014 (2013:190,100 tonnes).

The extensive use of scrap is vital for environmental and economic reasons, since it makes production more energy efficient and uses fewer resources. The recycling rate in the wrought alloy foundry was maintained at a high level in 2014 accordingly. Scrap utilisation volumes were increased by 2.8% year-on-year. Investment in the Ranshofen recycling centre and increased internal deliveries by the Casting Division also made a positive contribution in this context.

Rolling Division shipments in tonnes (rounded)



2014 EARNINGS TRENDS

Revenue of EUR 601.0 million in the 2014 reporting year was above the previous year's EUR 569.4 million, which is particularly attributable to the higher shipment volumes.

EBITDA amounted to EUR 59.9 million in the 2014 financial year, following EUR 63.5 million in the previous year. This fall mainly reflected higher raw materials costs in connection with the rise in the level of premiums for primary aluminium. Furthermore, earnings of the Rolling Division were affected negatively by start-up costs for the site expansion project AMAG 2014, particularly in form of personnel expenses. However the increase in shipments by 12,300 tonnes to 169,900 tonnes had a positive effect on earnings.

The EBITDA margin amounted to 10.0% (previous year: 11.1%).

The operating result (EBIT) reduced by 14.1% to EUR 39.5 million in 2014, with depreciation and amortisation increasing by 17% as a result of investments.

Key figures for the Rolling Division in EUR million	2014	2013	Change in %
Revenue	601.0	569.4	5.5
thereof, internal revenue	87.2	78.4	11.2
EBITDA	59.9	63.5	(5.6)
EBITDA margin in %	**10.0**	**11.1**	**-**
EBIT	39.5	46.0	(14.1)
EBIT margin in %	**6.6**	**8.1**	**-**
Investments	90.3	73.9	22.3
Employees	1,181	1,117	5.7

INVESTMENTS

Investments in property, plant and equipment and in intangible assets amounted to EUR 90.3 million in 2014, 22.3% above the previous year's EUR 73.9 million.

The "AMAG 2014" expansion project formed the focus of investment activity 2014. Plant installation was concluded and largely commissioned in both the plate manufacturing facility and the new hot rolling mill. The expansion of the wrought alloy casthouse is also about to be completed. It is expected to be commissioned in the first quarter of 2015.

Along with modernisation measures, individual investments geared to improving product quality and plant security were also realised.

EMPLOYEES

The number of employees (full-time equivalents) amounted to 1,181 individuals on a year-average basis, 5.7% above the previous year's 1,117 staff, reflecting the personnel requirements for the "AMAG 2014" expansion project.

Service Division

Through providing infrastructure and services, the Service Division makes an important contribution to the AMAG Group's sustainable corporate success, profitability and continued growth.

SERVICE DIVISION AREAS

The facility management function is responsible for around 300 hectares of ground area, with buildings occupying approximately 90 hectares of this total space. A large number investment and maintenance projects were realised at the Ranshofen site in 2014. The most important project was the construction of the wrought alloy casthouse for the "AMAG 2014" expansion project. The transportation concept was also revised, and optimised with an additional bypass road.

In 2014, the supplies function provided a procurement volume of 163 GWh (previous year: 151 GWh) of electric energy and approximately 35 million m³ of natural gas (previous year: around 33 million m³ of natural gas).

The Service Division also handles waste disposal, and takes steps aimed at preventing waste and increasing recycling. The works services function comprises site infrastructure services such as security guards and messengers.

As already in 2013, the purchasing function continued to focus its activities on providing commercial support to the "AMAG 2014" expansion project in 2014. Initial preparatory work was also performed for "AMAG 2020", a further-reaching expansion project.

In order to improve supplier management, the AMAG suppliers have been integrated into our supply chain with an improved electronic connection. This is intended to boost the efficiency of communication, leverage synergies, and consequently reduce costs. Spare parts management was optimised in the 2014 financial year, especially through the construction of a new warehouse. This ensures better supply security.

2014 EARNINGS TRENDS

Revenue amounted to EUR 61.7 million in 2014 (previous year: EUR 58.8 million), and include services for the other divisions as well as for entities outside the Group.

The Service Division generated EUR 1.9 million of EBITDA (previous year: EUR 3.9 million), with the year-on-year difference being primarily attributable to increased provisions.

INVESTMENTS

Investments of EUR 18.9 million (previous year: EUR 36.6 million) related in particular to infrastructure and buildings for the "AMAG 2014" expansion project at the Ranshofen site, and the purchase of an extension to plots of land.

Key figures for the Service Division in EUR million	2014	2013	Change in %
Revenue	61.7	58.8	4.8
thereof, internal revenue	56.2	53.2	5.7
EBITDA	1.9	3.9	(51.6)
EBITDA margin in %	**3.1**	**6.7**	**-**
EBIT	(7.0)	(4.1)	(73.4)
EBIT margin in %	**(11.4)**	**(6.9)**	**-**
Investments	18.9	36.6	(48.4)
Employees	128	121	5.8

Key financial performance indicators

RETURN ON CAPITAL EMPLOYED

Return on capital employed (ROCE) is defined as the ratio between net operating profit after taxes (NOPAT) and average capital employed, expressed as a percentage.

In other words, ROCE measures the profitability of a business based on average capital employed in the course of the financial year.

Average capital employed comprises the total of average equity and average net debt (long-term and short-term interest-bearing financial liabilities less liquid assets and short-term securities).

The return on capital employed of the AMAG Group amounted to 9.4% in 2014, compared with 10.1% in the previous year. Net operating profit after taxes (NOPAT) was 4.5% lower year on year, while average capital employed rose by 12.2%.

The rise in capital employed is also attributable to the "AMAG 2014" expansion project. While most of the related investments have already been realised, significant positive earnings contributions from this project are anticipated until from 2015.

RETURN ON EQUITY

Return on equity is the ratio between net income after taxes and average equity, expressed as a percentage. It shows the profitability in relation to average equity employed in the course of the financial year.

The return on equity declined from 9.9% in the previous year to 9.8% in the 2014 reporting year elapsed. This development is caused by a stronger increase in equity than in net income after taxes.

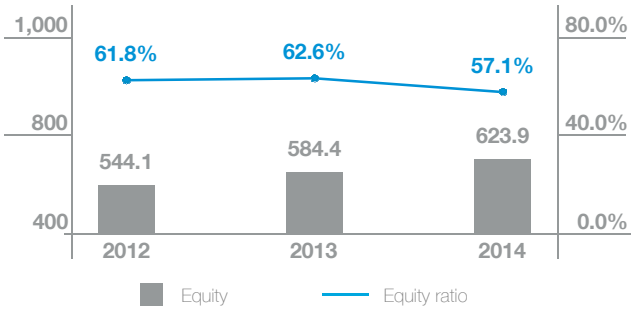
Calculation of ROCE and ROE in EUR million	2014	2013
Net income after taxes	59.2	56.0
Net interest income (expenses)	(6.0)	(6.5)
Taxes on interest income	1.5	1.6
NOPAT	**63.7**	**60.9**
Equity [1]	604.2	564.3
Non-current interest-bearing financial liabilities [1]	172.3	117.8
Current interest-bearing financial liabilities [1]	11.0	1.8
Cash and cash equivalents [1,2]	(111.7)	(81.8)
Capital Employed [1]	**675.7**	**602.2**
ROCE in %	**9.4**	**10.1**
Net income after taxes	59.2	56.0
Equity [1]	604.2	564.3
ROE in %	**9.8**	**9.9**

1) Year average
2) Cash and cash equivalents

EQUITY RATIO IN %

The equity ratio expresses the relationship between equity and the sum of equity and liabilities. The 57.1% equity ratio recorded in 2014 remains at a solid level (previous year: 62.6%).

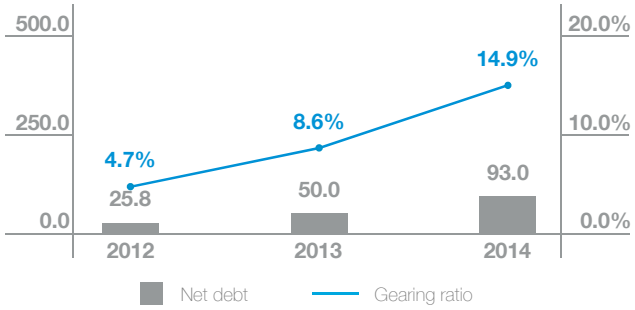
Equity (EUR million) and equity ratio in %



NET FINANCIAL DEBT

Net debt comprises cash and cash equivalents and loans receivable less borrowings. The net financial debt of EUR 93.0 million as at the end of 2014 was above the previous year's level primarily as a consequence of investments (2013 year-end: EUR 50.0 million).

Net debt (EUR million) and gearing ratio in %



Human resources

EMPLOYEES AND PERSONNEL STRATEGY

A key objective of the AMAG personnel strategy is to further develop the company's own employees' expertise in accordance with the planned capacity expansions at the Ranshofen site, and to create attractive employment possibilities for future qualified staff. To this end, AMAG has developed a very positive employer image over recent years. The AMAG employer brand stands for mutual respect and appreciation, high ethical standards and an operating atmosphere characterised by trust.

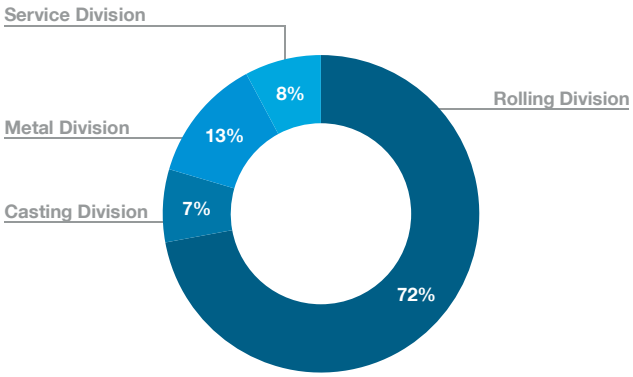
FACTS AND FIGURES

The total number of personnel (including apprentices) rose by 5.0%, amounting to 1,763 individuals as of the end of the year. The AMAG Group employed a total of 1,638 staff (full-time equivalents) on average over the course of 2014. The Group's focus on industrial operations means that 64.4% of staff are classified as blue-collar workers, 30.8% as salaried employees and 4.8% as apprentices.

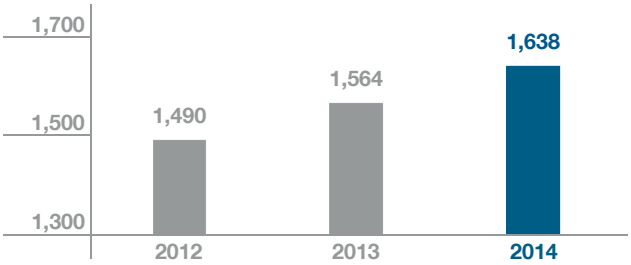
A total of 12.6% of employees work in the Metal Division, 7.4% in the Casting Division, 72.1% in the Rolling Division and 7.8% in the Service Division. In terms of geographic distribution, the majority of the workforce is based in Austria.

The employees participate in their company's success insofar as the AMAG Employees' Private Foundation comprises a core shareholder of AMAG. The AMAG Employees' Private Foundation holds 3.9 million shares in AMAG, equivalent to an 11.1% interest.

Employees by division



Employees, full-time equivalent (annual average)



STAFF DEVELOPMENT

Employee development, with its related activities and measures, enjoys a high priority at AMAG. Every member of staff has an annual appraisal to set objectives and discuss personal development. Constructive feedback is particularly important for an open corporate culture and employee satisfaction. Such feedback runs not only from managers to employees, but also from employees to the management. This enables the company to reflect on its interpersonal behaviour, and to identify strengths and potentials for improvement. The measures derived from the feedback process are designed to improve personal and team performance. The appraisal is also a tool for pinpointing training and development needs. These can range from technical training courses to health and safety topics or social skills. The Group offers programs tailored to the needs of different groups of employees, such as apprentices, blue-collar workers, existing managers and up-and-coming young managers.

APPRENTICESHIP TRAINING AT AMAG

The training of apprentices enjoys a high priority within the company. AMAG has been training apprentices for more than 65 years. Over this period, an estimated more than 2,000 young people have been prepared for their professional lives. As of December 2014, a total of 85 AMAG apprentices were being trained for varying vocations, including 75 industrial apprentices and 10 commercial apprentices. AMAG trains its apprentices on an application-oriented basis in state-of-the-art workshops in cooperation with the closely-aligned Braunau Training Centre (ABZ). Along with both theoretical and practical training stages at the workshops of ABZ and AMAG, particular importance is also attributed to promoting social skills. Experience-oriented learning programs cover important topics such as communication and conflict management, target-oriented thinking and motivation,

teamwork and responsible behaviour within an operational context. Along with classical apprenticeships, young people who are embarking on their careers also have the opportunity to take apprenticeships that include secondary school leaving certificates.

EDUCATION AND FURTHER TRAINING

Employees who are already working within the production area have the option of acquiring the necessary knowledge of management, conflict and team management at the company's Master Academy. The company also offers modular seminar programs for up-and-coming young managers and senior managers.

AMAG YOUNG TALENTS PROGRAM

A new training program was launched in autumn 2014 to prepare our young talented individuals even better to meet the growing challenges of the future. Through imparting various management tools, the "AMAG Young Talents Program" to be held during the course of the year will help the participants to acquire additional areas of expertise. This course will be rounded out with practice-related project work, as well as evening get-togethers where our young employees will have the opportunity to meet business experts.

COOPERATION WITH FURTHER EDUCATION INSTITUTIONS

The AMAG Group makes recourse to strategic cooperation ventures with further education institutions in order to provide additional teaching and research in technical and specialist areas of relevance for AMAG on a basis that bears a close relationship with operational practice. Opportunities for cooperation are highly varied. These partnerships take a variety of different forms, from offering bachelor, master and doctoral theses to providing students with the chance to complete project-based internships. The Group also comes into contact with students by participating in careers fairs and organising information evenings. Additionally, AMAG invites university professors to hold lectures at the company, and the Group's managers give talks at the higher education institutions.

ATTRACTIVE EMPLOYER

Interesting career challenges with future prospects, performance-based compensation, flexible working time models, structured and targeted location and further training measures, as well as social benefits and employee profit participation make AMAG an attractive employer within the region.

A low staff turnover rate of 1.4% in 2014 and an average period of employment within the company of 12.1 years not only speak for AMAG as an employer, but also ensure that acquired knowledge and expertise remain within the company.

CONTINUOUS IMPROVEMENT PROCESS (CIP)

Continuous improvement refers to the ongoing, incremental improvement of Group processes by the employees. This increases AMAG's competitiveness, as well as giving staff the opportunity to play a part in shaping processes, to assume responsibility and to deepen their relationship with the company. It also promotes a culture of change and constant improvement. The CIP is the cornerstone of AMAG's innovative capabilities.

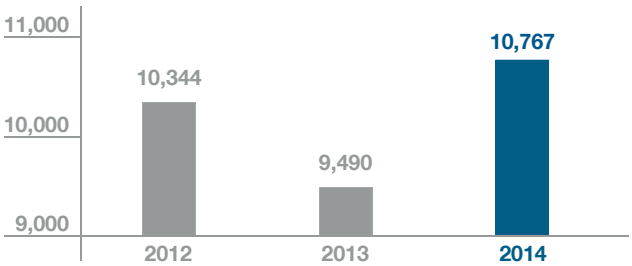
The topic of total plant efficiency formed a key focal point in 2014. This comprises the extensive training of all managers at the Ranshofen site, as well as numerous further-reaching projects and workshops.

Further CIP focal points in 2014:

- Occupational safety
- Standardisation of new plants
- Quality

With 10,767 suggestions submitted, a new record was set at the Ranshofen location. This represents an increase of 13.5% compared with the previous year's 9,490 suggestions, equating to 7.4 suggestions per participating employee 2014 (previous year: 7.3 suggestions).

Number of suggestions as part of the CIP



OCCUPATIONAL HEALTH & SAFETY

Over and above adherence to mandatory requirements, AMAG's zero accidents strategy aims extend beyond adherence to statutory requirements by informing all employees of potential safety risks, analysing and evaluating such risks, and taking appropriate steps to eliminate them.

Due to the success of the "Consistently Safe" occupational safety initiative that we launched in 2012, we continued to operate it in 2014 with extensive training measures, safety audits, and workshops as part of the continuous improvement process.

Safety Certificate Contractors (SCC) certification is also carried out for operational managers of smaller suppliers that regularly work for AMAG. Larger suppliers normally already have such certification. Electronic training entailing knowledge testing is also required for third-party firms.

Occupational safety staff remain intensively involved in the "AMAG 2014" and "AMAG 2020" expansion projects. They support the project teams from as early as the planning stage and subsequently through the entire project phase, making an important contribution to the safe implementation of these expansion projects. As a consequence, the "AMAG 2014" project was implemented without any significant safety incidents.

The accident rate amounted to 1.8% in 2014, with the internationally established comparable figure of LTI (lost time injuries) standing at 12.3.

Workplace health promotion has been central to the company's philosophy since 1999. The aim is not only to help prevent illness, but also to help employees enjoy the best possible standards of health – which additionally boosts productivity and job satisfaction. Our principles, and the workplace health promotion measures that we have implemented, were confirmed with a further seal of quality certification from the Network of the Association for Workplace Health Promotion (BGF). This certification is valid until 2017.

An extensive health survey (SALSA) was conducted at the Ranshofen site in 2014, which was evaluated by the Upper Austrian Regional Health Insurance Fund. This provides certification for AMAG of a positive result compared with the rest of its sector, with both organisational and social resources ranking above average compared to other industrial operations.

The "AMAG Vital Check" plays a key role in our efforts to promote individual health. This is a voluntary general medical check-up, with different supplementary tests offered each year.

In 2014, all employees were also offered financial support for individual measures to improve their health (including smoking cessation seminars and fitness programs etc).

As a result of these wide-ranging measures and activities, AMAG's sick-leave rates are significantly lower than the Austrian metals industry average.

The AMAG Group's health and safety system was recertified in accordance with the Occupational Health and Safety Assessment System (OHSAS) 18001 standard in 2012. Certification is valid until 2015.

Sustainability

AMAG's sustainability concept is based on six defined priority topics, and forms a key element in the successful development and growth of the company. The six priority topics of the AMAG strategy comprise:

SUSTAINABLE BUSINESS

Sustainable business refers to profitable growth that is also accompanied by favourable societal and environmentally compatible developments. AMAG's growth unfolds in a specialised market entailing high quality standards, innovative strengths, and processing of aluminium that is both environmentally compatible and sparing on resources. We set particular store by conducting our business activities in a manner that is responsible and moral, and legally and ethically impeccable. On this basis, we aim to expand our business profitably within the context of fair competition. Our compliance rules, code of ethics, and comprehensive risk management system support the achievement of this aim.

SOUND RELATIONSHIPS WITH CUSTOMERS

Our strategy is based on acquiring new customers and building up long-term, trust-based partnerships with them. We do this by offering proven, high-quality, innovative products that satisfy customer requirements, and by maximising customer satisfaction.

HONEST RELATIONSHIPS WITH EMPLOYEES

This objective covers the recruitment of new employees, retention of current staff, and offering structured training and development programs, pension schemes, helping employees to balance work and family commitments, health and safety initiatives, and an open corporate culture.

COMMITMENT TO ENVIRONMENTAL PROTECTION

Our commitment to environmental protection is backed up by a comprehensive management system which is certified according to the ISO 14001 and 50001 standards. The system is based on wide-ranging performance criteria and medium and long-term targets, as well as corresponding management control measures.

RESPONSIBLE VALUE CHAIN MANAGEMENT

This area involves dealing responsibly with the individuals and organisations that have a stake – be it directly or indirectly – in the Group's development, in particular by means of employee-friendly working conditions, and the conservation of raw materials across the value chain.

A FUTURE-VIABLE SOCIETY

AMAG is well aware of its role and responsibilities as a leading company. Besides creating attractive employment opportunities, cooperation with schools and universities, as well as supporting sports, social and cultural activities, form key elements of social commitment and involvement.

Further information on the topic of sustainability can be found on our website at www.amag.at, as well as in our biannual sustainability report, which ranked first in the 2014 Austrian Sustainability Reporting Awards (ASRA), in the "GRI First Report" category.

Research and development

AMAG's research strategy was reviewed and updated in 2014 in consultation with the Group's science and technology advisory board.

The commissioning of the new hot rolling mill and the cast house expansion as part of the "AMAG 2014" expansion project – an important milestone for both AMAG and its customers – played a key role in determining R&D work in highly varied areas. Both input materials and finished products can now be cast and rolled in larger dimensions. Appropriate manufacturing concepts and procedures need to be developed for this.

A large proportion of the Group's R&D activities related to the transportation segment, which is reporting above-average growth: along with increasing the formability (ductility) and strength of materials, improving crash performance, and understanding the behaviour of materials in the joining process, the focus was on qualifications in the automotive area. Recycling remains strategically essential, and is also being expanded in order to secure the raw materials base and the high scrap input. Results of simulating thermomechanical processes have been implemented into optimised process parameters. Simulation will continue to play a major role in R&D activities as a consequence. A number of scientifically underpinned process optimisations that we have launched have resulted in a marked enhancement of productivity in the manufacturing of existing and future products.

The Casting Division has responded to growing demand, and expanded its range of malleable alloys for suspension and structural components by cooperating with OEMs on development. As a qualified liquid metal supplier, AMAG already supplies to a recently constructed large-scale foundry for a German premium automotive manufacturer, for example.

Together with a leading German OEM, a new die casting alloy offering a high level of flexibility and ductility for a recycling alloy and a high scrap component was also developed as an input material for structural components. In addition, these development activities were also extended from the structural area other automotive areas (such as aggregates and rims).

In the recycling area, salt input for cleaning scrap was reduced as a result of work conducted as part of a dissertation with Leoben University. At the same time, the metal lost during smelting was reduced to a minimum.

In the Rolling Division, AMAG successfully achieved important qualifications in the automotive body area as the result of its R&D activities. The qualification for automotive body applications was also followed in the same year by the first series production order from a renowned German premium car manufacturer. Further qualifications are about to be concluded.

A further focus on automotive area applications is occurring in the EU Alive Project ("advanced high-volume affordable lightweighting for future electric vehicles"), where AMAG is the only aluminium supplier to be working together with important European automotive manufacturers and suppliers on recycling alloys. Here, a high crash impact component produced by means of a new forming process has been presented together with partners. Finally, based on AMAG know-how and material, a 7xxx alloy was deployed for the first time in a series application in crash-impacted components of a car of a major German premium manufacturer. AMAG has thereby opened the door to a new segment within the automotive area.

The company also advanced further with qualifications in the aerospace area. In particular, qualifications of aerospace alloys in the new product formats of AMAG 2014 and their process manufacturing routes were launched, some of which have also been concluded.

NADCAP certification, which the aerospace industry requires for the heat treatment of certain products, comprised a further milestone. Following an intensive preparatory period, we mastered this qualification outstandingly.

Lightweight design and construction in a multi-materials mix in the transportation segment also requires that aluminium materials know-how be expanded to include joining with other materials. This topic was investigated in cooperation ventures with OEMs and suppliers. This showed that materials surfaces, composition and morphology had to be researched too. AMAG is optimally equipped for this with its own department to develop and characterise surfaces: a materials mix was developed for braze clad products that exhibits reduced corrosion accompanied by significantly higher durability in the case of 7xxx material. Here, the first test batches for practice tests have been produced together with customers.

The company also pushed ahead with the development of new foil stock products. The product was structured significantly more durably by means of material combination, allowing a higher scrap input rate, and also good adhesive properties for the subsequent binding process. Here, too, qualification tests at the customer were passed successfully.

In the product area of cathode elements for zinc electrolysis, a new manufacturing process allows the durability of the cathode elements to be doubled compared with standard elements.

The new product AMAG TopResistant® was developed for abrasion-proof materials in the construction area. Substantiated through highly varied and globally standardised procedures, it was shown that AMAG TopResistant® exhibits significantly less wear through exposure to abrasion than comparable materials.

The rapid and targeted product development, particularly of specialty products that are so important to AMAG, is only possible in collaboration with expert scientific partners. The cooperation venture has now been taken to a new level along with the Chair for Nonferrous Metallurgy at Leoben University. The establishment of an endowed chair for aluminium materials technology represents a decisive step towards long-term networking between research and industry. Research activity in the aluminium area was intensified as part of further expanding this chair within the university environment, especially with the aim of jointly and further developing aluminium application areas on a continuous basis. This includes the further development of superplastic materials for automotive construction, enhancing the durability of aircraft materials, and basic research projects for further specialty products such as foil stock and brazed applications.

This commitment as part of the endowed professorship also promotes further training of AMAG employees and the acquisition of additional highly qualified staff.

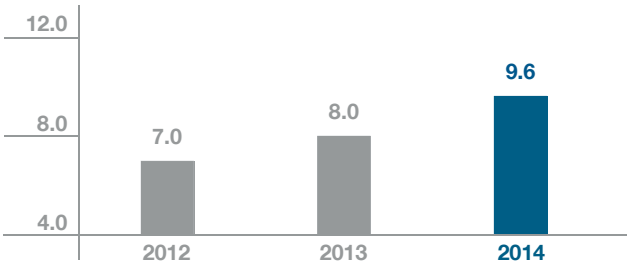
A committed research academic was found for this professorship who is firmly anchored within the worldwide academic community in the aluminium alloys area, and who has access to a noteworthy, top-level network of scientific colleagues. Along with numerous publications in peer-reviewed journals and many distinctions for his fundamental research work, he is extremely familiar with the overall conditions for industrial aluminium production.

The activities outlined above, and other cooperation ventures with research partners enable AMAG to investigate the material of aluminium in a scientific depth that is resulting in new and highly relevant scientific knowledge. An end-to-end process modelling approach is pursued for critical products.

Research and development expenditures amounted to EUR 9.6 million in 2014, up 20.3% compared with the previous year (EUR 8.0 million). Most of this spending was attributable to the Rolling Division.

A total of around 76 individuals (full-time equivalents) were engaged with R&D and innovation tasks in 2014.

AMAG Group research and development expenditure in EUR million



Risk and **opportunity** report

A formalised risk management system designed to identify, assess and manage all the Group's significant risk exposures and opportunities is integral to our business activities. We strive to identify risks at an early stage, and limit them by responding proactively. At the same time we seek to capitalise on the business opportunities open to us. A balanced approach to opportunity and risk management is one of the Group's key success factors.

RISK MANAGEMENT SYSTEM

AMAG's risk management system is aimed at a sustainably positive trend in net assets, the financial position and the results of operations across the entire Group. The system relies primarily on:

- Groupwide standards to regulate operational processes with a view to identifying, analysing, assessing and communicating risks, and actively managing risks and opportunities,
- active hedging of specific risks (aluminium price and exchange rate volatility),
- covering certain risks under a comprehensive insurance strategy.

Risks are managed on the basis of these standards at all levels in the management hierarchy. Strategic risks are reviewed on an annual basis, and any business policy adjustments required are made as part of an institutionalised process. The standards, and the scope and amount of insurance cover, are subject to ongoing review and are updated whenever necessary.

In addition, audits are carried out by an external auditor on a case-by-case basis in selected areas of the business to determine the effectiveness of the internal control system.

INTERNAL CONTROL SYSTEM

The AMAG Group's internal control and risk management systems are based on the Internal Control and Enterprise Risk Managing Frameworks – internationally recognised standards established by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission – and on ISO 31000:2010. The objective is for the relevant managers to identify and manage potential risks.

MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM WITH RESPECT TO THE ACCOUNTING PROCESS

As a matter of principle, the establishment of an appropriate internal controlling and risk management system in relation to the financial accounting process and financial reporting is the responsibility of the respective management. The AMAG Group has established Groupwide mandatory standards for the management of the most important business risks, and for the accounting and financial reporting process. The standards are implemented by the management teams within the various divisions, and augmented where necessary.

The integrated financial accounting and reporting system for the Ranshofen site is performed centrally. Appropriate organisational measures ensure compliance with statutory requirements, and that entry in the books of accounting and other records is complete, correct, timely and proper. The entire process from procurement to payment is governed by stringent regulations and guidelines, which are intended to ensure that all associated risks are avoided.

The regulations require functional separations, regulations relating to signing authorities, joint signatory powers for payments restricted to a limited number of persons, and system-supported checks for the deployed software (SAP). The financial accounting systems are by and large based on standard software, and protected against unauthorised access.

A standardised financial reporting system is available throughout the AMAG Group. The management is kept up-to-date on all important matters, including additional company-specific information as required. The Austria Metall AG Supervisory Board is informed at the Supervisory Board meeting, which occurs at least every quarter, about current business progress, and also annually about the Group's operating planning and medium-term strategy. The Supervisory Board is also informed directly in special cases.. The audit committee meetings also confer about the internal controlling system, the risk management system and corruption prevention measures.

PERSONNEL RISKS

As a result of that expertise and commitment, AMAG Group staff form a critical factor to the success of AMAG. In order to secure and strengthen this factor, investments in occupational safety ("consistently safe") and the promoting of health enjoy a very high priority. In the accident prevention area, extensive measures are in place, such as job evaluation and safe structuring, preventative

measures and ongoing staff training. AMAG prides itself on its performance-related rewards system, its training and continuing education programs, its early identification and promotion of talent, and its attractive incentive system for managers.

The investment in the AMAG expansion projects will create additional jobs at the Group. Employer branding activities have also been stepped up, to strengthen AMAG's position as an attractive employer. The "Young Talents" program was launched in the context of orderly successor planning and the need for highly qualified staff connected with the plant expansion. This initiative offers up-and-coming young managers a well based training program to prepare them for their future management tasks.

OPERATIONAL RISKS

Production-related risks

At various stages in the value chain, AMAG's operating companies are exposed to the risk of interruption of operations and risks with respect to quality and occupational safety. As the result of comprehensive established procedures in production, quality management and occupational safety, including as part of the continuous improvement process (CIP), which encourage employees to assume personal responsibility, such risks are largely avoided. The risks of plant breakdown and interruption of energy supply at AMAG are also countered with systematic preventive maintenance and regular risk-based maintenance (RBM). Modernisation and replacement investments are also planned long-term. Additional security is provided by machine breakdown insurance.

Technological development risks

In technologically advanced sectors such as aerospace, automotive engineering and sport, the risk exists of aluminium being displaced by the development of alternative lightweight materials with comparable properties, such as carbon fibre composites, plastics, magnesium or advanced steels. The AMAG Group endeavours to offset this potential risk by carefully monitoring the market, by engaging in joint development work with its customers, and by continuously improving the properties of the aluminium materials offered. In parallel, it works on developing new applications for aluminium alloys.

Natural hazard risks

Appropriate measures are taken to minimise natural hazard risks.

- Fire prevention: structural, technical and organisational measures appropriate to the potential hazards. Examples include works fire services, fire compartments, fire alarm systems, carbon dioxide fire protection systems, and fire insurance policies.
- Flood and other natural hazard risks: ongoing improvement of preventive measures.

Information-processing risks

The Group's primary focus in this sensitive area is on data security, systems compatibility and effectiveness, access protection, and operating reliability. The Chief Information Officer is responsible for Groupwide control of IT activities on the basis of the Group's IT standard.

The standard is designed to ensure that IT services meet the requirements with respect to availability, reliability, disaster tolerance and response time, and that human and product resources are used effectively and efficiently in providing IT services.

Security and user authorisation systems are also in place. Back-up computer centres are available to reduce the risk of a system failure caused by defective hardware, data loss or data tampering.

Risks arising from insufficient supervisory systems and fraudulent activities

An extensive internal controlling system has been set up to identify risks at an early stage, and to monitor and avoid them. The system provides all of the instruments and procedures required for the avoidance and timely identification of risks, and for appropriate responses to any risk incidents.

BUSINESS RISKS

Procurement risks

The prices and availability of electricity and alumina represent a significant risk to the Alouette smelter in which AMAG owns an interest. This risk is minimised by medium- and long-term supply contracts, however.

The chief risk for the casthouses is a potential shortage of ample scrap metal of sufficient quality. This risk is minimised through long-term contracts with scrap dealers and major collection points, and by internationally diversified sourcing. The additional primary metal required is a liquid commodity, available in the form of ingots or sows. AMAG has annual supply contracts with recognised international suppliers with which the company maintains long-standing business relationships.

The rolling mill sources most of its rolling slabs, which use a high percentage of recycled materials, from its own casthouse in Ranshofen. To ensure proper and full supply of the primary metal requirements, recognised international suppliers were selected on the basis of a competitive tender.

Materials procurement risk for AMAG Group can be considered as low accordingly.

Sales risks

The AMAG Group's broadly diversified product range and its expertise mean that it is not dependent on a few large customers. In 2014, its top 10 customers accounted for about 40% of sales.

Long-term agreements with key customers help to keep sales risks to a minimum. At the same time, we are continuing to work on extending the product range and target markets into premium segments that require innovative solutions and top quality. Meeting the highest standards, particularly those of the automotive and aerospace industries, is of crucial importance to AMAG. The Group's Rolling Division supplies to sectors entailing low-to-medium cyclical risk, such as the packaging and sports equipment industries, although it also has customers in cyclical industries such as construction, aerospace, automotive, and automotive suppliers.

Our focus on premium products and the wide range of customer sectors ensures a balanced portfolio. Relations with large customers are also supported by joint development projects and high-quality customer service. The Casting Division's ability to supply liquid aluminium also contributes to good customer relationships. Aluminium price risks and currency risks are minimised by active hedging.

Project risks

The risks related to the “AMAG 2014” and “AMAG 2020” expansion projects are monitored in regular project supervision meetings headed by the AMAG Management Board and the executive managers with the respective responsibilities, and with the participation of the project team. A particular focus is on deadlines and costs, and on ensuring that the technical progress of the project is on schedule. The sales and procurement risks associated with the additional production volumes are also monitored. The ongoing search for ways to minimise risks and implement risk-reducing measures forms a key task for the project supervisors.

Competitive and capital market risks

The AMAG Group is committed without reservation to fair competition, fair and legally compliant contracts with its business partners, and compliance with capital market regulations. This commitment takes the form of appropriate rules and regulations (for example, anti-trust law corruption prevention directives), and AMAG's Code of Ethics.

A Compliance Department has also been created to provide support across the Group in the implementation of the various compliance requirements. The Department conducts regular training courses and monitors compliance with internal regulations. A compliance hotline also exists that can be used to report any breaches.

Research and development risks

The general increase in protected intellectual property rights, encouraged in particular by the continuing consolidation of the aluminium industry, poses a risk for development work.

When planning development activities, it is consequently absolutely essential to review and document the present status of research in Austria and abroad, in order to establish the extent of related risk, including the implications for the competitive situation and intellectual property rights. Internal technical risks and the effects of a project on the Group's financial performance must be clarified when submitting a project proposal. An R&D steering group consisting of the Group's senior management and an external group of renowned experts regularly reviews project proposals and the progress of existing projects. In addition, joint research activities are also conducted in situ at customers' locations. This is intended to minimise the risk of defective developments. Patents are monitored by external lawyers as a further method for minimising risk.

Environmental risks

Environmental risks are minimised by certified environmental management systems within the relevant Group companies. Rising environmental protection expenses are partly offset by savings on energy and waste disposal costs enabled by the deployment of state-of-the-art technologies. Past pollution from earlier use of the Ranshofen site has been rectified by prompt implementation of remedial measures. The expected costs are otherwise covered by provisions. Input materials carrying pollution risks are exhaustively examined at the time of delivery.

Legal risks

The AMAG Group is active on a wide range of national markets. It monitors the relevant legal requirements and proposed legislation in these countries so that it can respond to changes in the legal environment in good time. The Group's operating companies are supported by AMAG's legal department where appropriate.

Risks of product liability damages are eliminated as far as possible by quality assurance measures. Any residual risks are largely covered by liability insurance policies. The AMAG Group has standard terms and conditions of sale for customers and standard purchasing conditions for suppliers. As a general rule these are also used by the individual operating companies. In the case of important supply agreements, for example in the aircraft industry, particular attention is paid in the individually negotiated contractual terms

and conditions to special clauses limiting liability, and excluding liability for claims resulting from defects.

Financial risks

As a producer and processor of aluminium, the AMAG Group is principally exposed to metal price risks and currency risks. Aluminium is traded in US dollars on the LME. Without appropriate hedging measures, the volatility of aluminium prices and the US dollar exchange rate would have a direct impact on AMAG's profitability. The mandatory Group guidelines – the Metal Management Guidelines and the Financial Management Guidelines – set out the procedures for recording and hedging these two main risks.

In order to stabilise the earnings of AMAG's interest in the Alouette smelter, the sales prices of part of the production have been hedged on a rolling basis by forward sales and options, so as to reduce the risk of losses. As a general rule, aluminium price volatility risks are hedged in Ranshofen.

The AMAG Group's metal management function registers all LME-related aluminium purchases and inventories, and all of the operating companies' LME-related sales, and constantly calculates the aluminium price risk exposure. The "metal book", an SAP application developed at AMAG, comprises an important aid in managing the exposure.

Contracts with brokers and investment banks are utilise to hedge the metal price risks pertaining to open aluminium positions, so that the market price risks of the underlying transactions are fully offset by the hedges' countervailing movements. All underlying and hedge transactions in the metal book are marked to market daily.

Since foundry alloys and LME prices are largely insufficiently price-correlated, foundry alloy sales are hedged by physical purchases of input materials. The position is monitored constantly.

Potential margin requirements associated with hedging (liquidity risks) are covered with liquid funds or bank guarantees. Counterparty risks on derivatives with a positive market value are limited by the careful selection of international banks and brokers, and a limit policy for risk diversification.

The AMAG Group operating companies utilise credit insurance and banking collateral such as guarantees and letters of credit to limit default risk on receivables.

Risks in respect of bank balances are actively managed by setting deposit limits for each bank, and – where available – making recourse to credit ratings and regularly monitoring CDS spreads. AMAG Austria Metall AG provides working capital financing for the whole of the AMAG Group, using cash flow forecasts to ensure adequate liquidity throughout the Group. Centralised daily euro clearing serves the purpose of financial equalisation within the Group. AMAG Austria Metall AG also controls the financing of investments, projects and exports, and manages the relevant transactions for the operating companies. To the extent that receipts and payments in the same foreign currency do not provide a natural protection against exchange rate risk, AMAG deploys exchange futures and options to hedge major foreign currency exposures. These transactions are carried out by Austria Metall GmbH. Any remaining exchange rate risks are consequently to be categorised as minor. Interest rate risk in connection with the issue of a promissory loan note is hedged with an interest swap.

RISKS FROM THE INTEREST IN ALUMINERIE ALOUETTE

The key aspects of the joint operations carried out at the Alouette smelter are set out in the consortium agreement: major decisions require 90% of the shareholder votes. With the present ownership structure, or even with a change in structure, the risk exists of conflicting interests among the shareholders.

AMAG also has obligations that are crucial to day-to-day production operations, and failure to fulfil such obligations could lead to the loss of voting rights, and liability on the part of AMAG for possible damages. This applies, for example, with respect to the procurement of AMAG's share of the alumina required for production.

As part of the planned expansion of capacity at the Alouette smelter, the consortium members, the Government of Quebec and electricity company Hydro Quebec signed a long-term power supply contract in June 2012. Under the agreement, the consortium members have obligated themselves to purchase the agreed electricity volume that is realised only with the expansion of the smelter. In the event of non-fulfilment of the agreement, Alouette's owners would be obliged to pay a penalty, which would have an impact on AMAG's profit in proportion to its equity interest.

Extensive measures are in place to protect against operational risks in connection with the smelter. The risk of damages from events such as the loss of production owing electrical power outages caused by bad weather is largely covered.

BUSINESS OPPORTUNITIES

In its role as the holding company, AMAG Austria Metall AG holds all the shares and interests in the AMAG Group. The operative business is conducted by Austria Metall GmbH and its subsidiaries.

The AMAG Group concentrates systematically on premium products in attractive market niches across a broad spread of industrial sectors.

Considerable potential exists for successful growth in marketing AMAG's high-quality products worldwide. As a consequence, we are working to extend out international sales and marketing network.

As a leading supplier of innovative products, the AMAG Group is also flexible enough to respond rapidly to customers' requests for tailored solutions. The Group is early to exploit the opportunities brought by change, and with its broadly diversified industry portfolio is well positioned for the future. Especially in times of economic turbulence, the Management Board sees AMAG's strategic orientation and its market positioning – combining primary aluminium from Alouette with high-quality rolled products and recycling foundry alloys from Ranshofen – as a successful combination of stability and long-term growth opportunities in attractive markets.

AMAG's integrated facility with casthouses and rolling mill, and its physical proximity to strong industrial regions, facilitates continuing technological development and close customer support, particularly in the liquid aluminium supply business. The two casthouses at Ranshofen offer the smelting technologies for practically all types of scrap, high-level skills and expertise in scrap sorting, and special plant for scrap processing.

Our outstanding technological capabilities in rolling, cladding, and the surface and heat treatment of rolled products, open up opportunities for further expansion in attractive growth sectors, such as automotive, aerospace, construction, bright products and engineering applications, and high-strength materials for sports industry applications, as well as braze clad materials and cathode sheets. The new hot rolling mill allows the product portfolio to be expanded to comprise larger dimensions (gauge, thickness). Additional market potentials can be tapped as a consequence, and existing customer relationships are being strengthened and expanded. Productivity enhancement improves the cost position and competitiveness on the global market.

Disclosures pursuant to section 243a(1) UGB

The following disclosures are made in compliance with section 243a UGB [Austrian Business Code]:

1. The share capital of AMAG Austria Metall AG is EUR 35,264,000, and is divided into 35,264,000 no par shares, each corresponding to one euro of the share capital. All the shares confer the same rights and obligations. Every share carries a right to one vote at the annual general meeting (AGM). No other classes of shares exist.

2. The Management Board is aware of the following agreements between shareholders:

- Participation agreement between B&C Industrieholding GmbH and Oberbank AG: Besides agreements concerning the exercising of the voting rights arising from shares in AMAG, which result in attribution of all shares to the B&C Group that are held by B&C Industrieholding GmbH and Oberbank AG, B&C Industrieholding GmbH and Oberbank AG have agreed that B&C Industrieholding GmbH shall be entitled to acquire ordinary shares in AMAG held by Oberbank Industrie- und Handelsbeteiligungsholding GmbH if: (i) Oberbank Industrie- und Handelsbeteiligungsholding GmbH decides to sell the ordinary shares that it holds (or any part thereof) to any entity not belonging to the Oberbank Group ("Oberbank AG and all the companies which are wholly owned by the latter and in which it holds all the voting rights"); or ii) the company that owns these ordinary shares in AMAG were no longer to be a member of the Oberbank Group. These rights of pre-emption and first refusal on the part of B&C Industrieholding GmbH shall expire two years after the termination of the participation agreement, or on December 31, 2019 at the earliest. According to an announcement made by Oberbank AG on October 17, 2014, Oberbank AG has sold the 1,729,737 ordinary shares to the B&C Group. The participation agreement remains in place for the remaining 36,264 ordinary shares (equivalent to 0.1% of the share capital) held by Oberbank AG.

- Shareholder agreement between B&C Industrieholding GmbH and AMAG Arbeitnehmer Privatstiftung (ANPS): ANPS have agreed, inter alia, that B&C Industrieholding GmbH shall, in the event that ANPS decides to sell all or any part of the 3,922,106 ordinary shares in AMAG and like number of voting rights held by it (approximately 11.12% of the voting rights), it has a right to acquire those shares that ANPS intends to sell. These rights of pre-emption and first refusal on the part of B&C Industrieholding GmbH shall expire two years after the termination of the participation agreement, or on December 31, 2019 at the earliest.

- On March 1, 2013, B&C Industrieholding GmbH and RLB OÖ Alu Invest GmbH concluded an agreement on rights of pre-emption and first refusal in respect of 2,292,160 AMAG ordinary shares currently owned by RLB OÖ Alu Invest GmbH (approximately 6.50% of the voting rights). This agreement relating to pre-emption and first refusal rights shall end on December 31, 2016.

3. Direct or indirect holdings in the company representing ten percent or more of its capital are made up as follows:

B&C Industrieholding GmbH[16]	52.7%
Raiffeisenlandesbank Oberösterreich Alu Invest GmbH	16.5%
AMAG Arbeitnehmer Privatstiftung	11.1%

4. No shares exist that carry special control rights.

5. The voting rights attaching to the shares held in AMAG Austria Metall AG by the AMAG Employees' Private Foundation are exercised by the latter's management board, which has three members. The manner in which these voting rights are exercised requires the approval of the Foundation's advisory board, however. Decisions are taken at joint meetings of the Foundation's management board and advisory board. Approval is passed with a simple majority. The advisory board consists of three members who are nominated by the Group works council. The chairperson of the management board has a casting vote. The AMAG Group's Austrian employees are the beneficiaries of the Foundation.

6. Amendments to the company's articles of association require a simple majority of the votes cast and the capital, unless the law prescribes a greater majority. Supervisory Board members can be recalled before the end of their term of office by a simple majority.

7. With a resolution by the AGM of AMAG Austria Metall AG of February 24, 2011, the company's Management Board was authorised pursuant to Section 169 of the Austrian Stock Corporation Act (AktG), subject to the approval of the Supervisory Board, to increase the company' s share capital by up to EUR 15,000,000 by issuing 15,000,000 no par bearer shares in one or more tranches within five years of the entry of the resolution in the register of companies, in other words, by March 8, 2016, against cash or non-cash capital contributions, including under whole or partial exclusion of subscription rights, and to determine the issue price – which

16) It was publicly announced on October 16, 2014 that B&C Industrieholding including its indirect and direct subsidiaries holds the majority in AMAG.

may not be lower than the proportion of the current share capital represented by each no par share – and the other terms and conditions of the issue in consultation with the Supervisory Board (Authorised Capital established by section 4 (5) of the Articles of Association). The capital increase effected by the initial public offering employed 5,264,000 EUR of the Authorised Capital. With a resolution by the AGM of AMAG Austria Metall AG of March 21, 2011, the company's Management Board was authorised pursuant to Section 174 of the Austrian Stock Corporation Act (AktG), subject to the approval of the Supervisory Board, within five years of the adoption of the resolution, in other words, by March 20, 2016, to issue, in one or more tranches, convertible bonds conferring the right to convert such bonds into and/or subscribe to up to 15,000,000 no par bearer shares corresponding to up to EUR 15,000,000 of the company's share capital, including under whole or partial exclusion of subscription rights. The issue price and the conversion ratio must be in accordance with the interests of the company, existing shareholders and convertible bond subscribers, as well as generally accepted investment mathematics methods, and the company's quoted share price; including by making recourse to expert third parties. The Management Board must determine the issue price and all the other terms and conditions of the issue, including the possible complete or partial exclusion of subscription rights for existing shareholders, subject to the approval of the Supervisory Board. A conditional increase in the company' s capital was implemented pursuant to Section 159 (2) (1) of the Austrian Stock Corporation Act (AktG) to satisfy conversion and/or subscription rights in respect of convertible bonds issued in accordance with the authorisation conferred by the AGM resolution of March 21, 2011. A conditional capital increase may be implemented only if convertible bond holders exercise their right to exchange the bonds for and/or subscribe to the company's shares (conditional capital as defined by Section 4 (6) of the Articles of Association). The number of shares actually issued or potentially capable of being issued in accordance with the conditions of the convertible bonds and the number of shares specified by the authorised capital may not exceed 15,000,000.

8. Loans as part of a promissory loan note, three committed credit lines, and four bilateral loan agreements contain change-of-control clauses that grant the lending banks a right of termination in the case of a change of control at AMAG Austria Metall AG. AMAG Austria Metall AG has entered into no other material agreements that would enter into effect, be modified or terminate as a result of a change of control at AMAG Austria Metall AG due to a takeover bid.

9. The employment contracts of two members of the Management Board contain change of control clauses. In the event of termination of contract on these grounds, a settlement payment equivalent to the basic annual remuneration is payable.

Outlook and events after the reporting period

EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred since the end of the 2014 financial year.

OUTLOOK

Economic outlook

After the world economy expanded by 3.3% in 2014, the IMF is forecasting 3.5%[17] economic growth for 2015. This estimate nevertheless reflects several downgrades from previous estimates. The IMF currently identifies a rise in economic risks. Firstly, geopolitical tensions could intensify further. Secondly, risks exist in connection with an exit from expansive monetary policy, continued low inflation, and greater risk appetite on financial markets.

The IMF perceives the global economy as exhibiting differing trends at present. China remains the most important motor of growth, although slightly slower growth of 6.8% is anticipated in 2015 compared with 7.4% in 2014. As far as the USA is concerned, the dynamics of the economic upturn should strengthen, with the IMF forecasting 3.6% growth for 2015, compared with 2.4% in 2014. The Eurozone economic recovery is expected to continue, albeit remaining at comparatively low growth rate of 1.2% in 2015, a forecast that also reflects several past downgrades.

Aluminium market outlook

Recourse was made to CRU forecasts, among others, in determining the overall conditions for medium-term growth and the outlook for AMAG for 2015. According to recent forecasts, demand for primary aluminium[18] and rolled products[19] should grow by 5.0% and 5.2% per year until 2019.

The CRU expects global primary aluminium consumption to be up by 6.0% to 57.1 million tonnes in 2015. This growth is to be driven chiefly by rising demand in China, which is set to increase by 8.7% to 29.3 million tonnes. Demand for primary aluminium in North America is forecast to rise by 5.1% to 6.5 million tonnes in 2015. With a look to Western Europe, 1.9% growth to a total of 6.4 million tonnes is forecast. The CRU predicts that sharp increases in output in China and the Middle East will boost world primary aluminium production to 57.1 million tonnes in 2015, reflecting 6.2% growth. In the global market excluding China, the CRU expects the market deficit to expand, with demand not being fully covered by primary aluminium production. As only a low level of net exports are anticipated from China, the world excluding China is expected to cut primary aluminium stocks further.

European automotive industry trends are the main drivers for the Casting Division. Growth of 1.5% is anticipated for 2015 in this context.[20]

17) See International Monetary Fund, World Economic Outlook Update, January 2015
18) See CRU, Aluminium Market Outlook, October 2014
19) See CRU Aluminium Rolled Products Market Outlook, November 2014
20) See CRU Aluminium Rolled Products Market Outlook, November 2014

As far as rolled products are concerned, the CRU is signalling that the market will continue to report overall growth of 6.0% in 2015. The transportation sector should prove to be the main growth driver in this context. Here, the Institute sees 13.6% growth from 3.1 million tonnes to 3.6 million tonnes. The electronics and electrical sector is expected to expand by 8.8% to 1.1 million tonnes, and the construction sector is forecast to increase by 5.0% to 2.7 million tonnes. Consumption in the engineering sector is anticipated to rise by 2.2% to 2.0 million tonnes in 2015, and the large-volume packaging area is forecast to increase by 4.8% to 12.2 million tonnes.

The CRU believes that the aluminium rolled products area will see growth in all regions. Promising growth rates of 3.1% and 7.0% are anticipated for the core markets of Western Europe and North America respectively. For China, the CRU forecasts 8.0% consumption growth.

Business trend outlook for 2015

Due to greater macroeconomic uncertainties and high volatility on commodity markets and in relation to the aluminium price, a precise forecast for the 2015 financial year is not possible at present time.

Taking current conditions into account, the Management Board takes an overall positive view of the 2015 financial year.

On the basis of the current hedging structure of the 2015, the Metal Division's earnings are highly exposed to aluminium price fluctuations. The continued high level of premiums as well as the lower euro exchange rate could prove beneficial for earnings growth. This might at least partially compensate for the impact arising from the expiry of a currency hedge for a power supply contract concluded by Alouette smelter, which has exerted a favorable effect to date.

The market environment for the Casting and Rolling divisions has improved in relation to margins compared with 2014. Customer demand activity and order book positions in the Casting and Rolling divisions remain high. Above and beyond this, the commissioning of the new hot rolling mill and plate production are expected to feed through to volume growth within the Rolling Division, resulting in additional earnings contributions.

Ranshofen, February 10, 2015

The Management Board

Helmut Wieser	Helmut Kaufmann	Gerald Mayer
Chairman of the Management Board	Member of the Management Board	Member of the Management Board
(Chief Executive Officer)	(Chief Operating Officer)	(Chief Finance Officer)

CONSOLIDATED **FINANCIAL STATEMENTS**

Consolidated statement of **financial position** as of December 31, 2014

Assets in EUR thousand	Chapter G	December 31, 2014	December 31, 2013
Intangible assets	1	**6,363**	4,160
Property, plant and equipment	1	**576,874**	484,074
Other non-current assets and financial assets	2	**9,521**	15,915
Deferred tax assets	3, H8	**39,989**	27,271
Non-current assets		**632,748**	**531,420**
Inventories	4	**186,584**	200,940
Trade receivables	5	**86,756**	70,268
Current tax assets		**2,906**	2,497
Other receivables	6	**39,222**	49,181
Cash and cash equivalents	7	**144,285**	79,164
Current assets		**459,754**	**402,050**
TOTAL ASSETS		**1,092,501**	**933,470**

Equity and liabilities in EUR thousand	Chapter G	December 31, 2014	December 31, 2013
Share capital	8	**35,264**	35,264
Capital reserves	8	**379,337**	379,337
Hedging reserve	8	**449**	17,493
Revaluation of defined benefit plans	8	**(15,161)**	(9,408)
Exchange differences	8	**29,958**	5,761
Retained earnings	8	**194,043**	155,989
Equity		**623,890**	**584,437**
Non-current provisions	9	**79,032**	68,796
Interest-bearing non-current financial liabilities	11	**219,043**	125,554
Other non-current liabilities	13	**11,820**	5,682
Deferred tax liabilities	H8	**24,452**	27,557
Non-current liabilities		**334,347**	**227,589**
Current provisions	10	**12,103**	15,678
Interest-bearing current financial liabilities	11	**18,272**	3,641
Trade payables	12	**55,428**	60,811
Current tax liabilities		**6,093**	4,813
Other current liabilities	13	**42,369**	36,501
Current liabilities		**134,264**	**121,445**
TOTAL EQUITY AND LIABILITIES		**1,092,501**	**933,470**

The following notes to the consolidated financial statements form an essential component of the consolidated statement of financial position.

Consolidated statement of **profit or loss** for the 2014 financial year

acc. to the cost of sales method in EUR thousand	Chapter H	1-12/2014	1-12/2013
Revenue	**1**	**822,956**	**786,445**
Cost of sales	3	**(698,082)**	(657,175)
Gross profit		**124,875**	**129,270**
Other income	4	**7,660**	7,049
Selling and distribution expenses		**(36,908)**	(36,040)
Administrative expenses		**(20,936)**	(16,785)
Research and development expenses		**(9,645)**	(8,020)
Other expenses		**(6,093)**	(3,037)
Earnings before interest and taxes (EBIT)		**58,953**	**72,436**
Net interest result		**(5,979)**	(6,548)
Other financial result		**3,071**	(877)
Net financial income (expenses)	**7**	**(2,907)**	**(7,425)**
Earnings before taxes (EBT)		**56,046**	**65,011**
Current taxes		**(7,007)**	(17,237)
Deferred taxes		**10,173**	8,254
Income taxes	**8**	**3,166**	**(8,983)**
Net income after taxes		**59,212**	**56,028**
Of which			
Attributable to the equity holders of the parent		**59,212**	56,028
Total number of no-par-value shares		**35,264,000**	35,264,000
Earnings per share		**1.68**	1.59
Proposed dividend per non-par-value share (in EUR)	**G8**	**1.20**	**0.60**

The following notes to the consolidated financial statements form an essential component of the consolidated statement of profit or loss.

Consolidated statement of **comprehensive income** for the 2014 financial year

in EUR thousand	1-12/2014	1-12/2013
Net income after taxes	**59,212**	**56,028**
Items that are or may be reclassified to profit or loss		
Currency translation differences	**24,197**	(7,271)
Changes in the hedging reserve		
Recognized (expenses) and income during the financial year	**(13,346)**	23,649
Reclassifications of amounts that have been recognized in the statement of profit or loss	**(11,174)**	(16,755)
Deferred taxes relating thereto	**6,268**	(1,783)
Currency translation differences	**1,208**	(554)
Items that will never be reclassified to profit or loss		
Remeasurement of defined benefit plans	**(6,897)**	11,056
Deferred taxes relating thereto	**1,875**	(2,970)
Currency translation differences	**(730)**	114
Other comprehensive income for the year net of tax	**1,400**	**5,484**
Of which		
Attributable to the equity holders of the parent	**1,400**	5,484
Total comprehensive income for the year	**60,612**	**61,513**

Consolidated statement of **cash flows** for the 2014 financial year

in EUR thousand	1-12/2014	1-12/2013
Earnings before taxes (EBT)	**56,046**	**65,011**
Interest income (expenses)	**5,979**	6,548
Depreciation, amortization and impairment losses / reversal of impairment losses on non-current assets	**55,791**	50,382
Losses/gains from the disposal of non-current assets	**(151)**	1,016
Other non-cash expenses/income	**1,289**	(1,400)
Changes in inventories	**17,288**	10,088
Changes in trade receivables	**(16,211)**	6,818
Changes in trade payables	**(17,648)**	10,020
Changes in provisions	**(5,000)**	(8,263)
Changes in derivatives	**637**	(574)
Changes in other receivables and liabilities	**7,721**	1,396
	105,741	**141,042**
Tax payments	**(6,613)**	(14,528)
Interest received	**675**	603
Interest paid	**(4,652)**	(4,883)
Cash flow from operating activities	**95,151**	**122,234**
Proceeds from disposals of non-current assets	**158**	1,428
Payments for investments in property, plant and equipment and intangible assets	**(119,843)**	(127,651)
Proceeds from grants for investments	**1,253**	1,045
Cash flow from investing activities	**(118,431)**	**(125,178)**
Repayments of borrowings	**(3,656)**	(825)
Proceeds from borrowings	**110,273**	21,225
Dividends paid	**(21,158)**	(21,158)
Cash flow from financing activities	**85,458**	**(758)**
Change in cash and cash equivalents	**62,177**	**(3,702)**
Cash and cash equivalents at the beginning of the period	**79,164**	84,337
Effect of exchange rate changes on cash and cash equivalents	**2,943**	(1,471)
Cash and cash equivalents at the end of the period	**144,285**	**79,164**

Consolidated statement of **changes in equity** for the 2014 financial year

in EUR thousand	Share capital	Capital reserves	Hedging reserve	Revaluation of defined benefit plans	exchange differences	Retained earnings	Equity
Balance as of January 1, 2013	35,264	379,337	12,937	(17,608)	13,033	121,119	544,082
Net income after taxes						56,028	56,028
Other Comprehensive income for the year net of tax			4,556	8,200	(7,271)		5,484
Total comprehensive income for the year			**4,556**	**8,200**	**(7,271)**	**56,028**	**61,513**
Transactions with equity holders							
Dividend distributions						(21,158)	(21,158)
Balance as of December 31, 2013 = January 1, 2014	**35,264**	**379,337**	**17,493**	**(9,408)**	**5,761**	**155,989**	**584,437**
Net income after taxes						59,212	59,212
Other Comprehensive income for the year net of tax			(17,044)	(5,753)	24,197		1,400
Total comprehensive income for the year			**(17,044)**	**(5,753)**	**24,197**	**59,212**	**60,612**
Transactions with equity holders							
Dividend distributions						(21,158)	(21,158)
Balance as of December 31, 2014	**35,264**	**379,337**	**449**	**(15,161)**	**29,958**	**194,043**	**623,890**

Notes to the consolidated financial statements

A THE COMPANY

The corporate purpose of AMAG Austria Metall AG and its Group companies (referred to below as the "Group" or "AMAG") comprises the production, processing and distribution of aluminium, and of aluminium wrought and cast products.

As an Austrian holding company, AMAG Austria Metall AG is registered in the companies register at Ried im Innkreis District Court, and his headquarter is located in 5282 Ranshofen, Lamprechtshausener Strasse 61, Austria. The company prepares consolidated financial statements as the ultimate parent company of the AMAG Group. The shares of AMAG Austria Metall AG have been listed on the Prime Market of the Vienna Stock Exchange since April 8, 2011. The companies of the AMAG Group have been included in the consolidated financial statements of B&C Industrieholding GmbH since July 1, 2013.

B BASIS OF ACCOUNTING

Conformity with IFRS

The consolidated financial statements for the 2014 financial year were prepared in accordance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB), which must be applied in the European Union, and they comply with Section 245a of the Austrian Commercial Code (UGB).

Functional currency

The consolidated financial statements have been prepared in euros, the company's functional currency. The amounts presented in the consolidated financial statements have been commercially rounded to the nearest thousand. The totals of the values and percentages presented may differ as the result of such rounding.

Approval

The Management Board approved the consolidated financial statements and released them for forwarding to the Supervisory Board on February 10, 2014.

C CURRENCY TRANSLATION

The consolidated financial statements of AMAG Austria Metall AG have been prepared in euros, and the separate financial statements of the consolidated companies have been prepared in their respective functional currencies. When preparing the consolidated financial statements, the assets and liabilities of entities applying a functional currency other than the euro are translated at the European Central Bank reference rate as at the end of the reporting period, and their statements of profit or loss at the annual average of the refer-

ence rate. Any resultant differences are recognised under the exchange differences item in other comprehensive income. In the event of the disposal of a foreign operation, the related exchange differences recognised as other comprehensive income are reclassified to profit or loss.

Foreign currency transactions are recognised at the time of the transaction, applying the exchange rate prevailing at that date. Monetary foreign currency positions are measured applying the rates as of the balance sheet date. Translation differences are recognised in profit or loss in the period in which they occur. Non-monetary items measured at historical cost in a foreign currency are translated applying the exchange rate at the transaction date. Non-monetary items measured at fair value in a foreign currency are translated applying the exchange rate at the date when the fair value was measured. In the year under review, translation differences of EUR 579 thousand were recognised in profit or loss (previous year: EUR 2,263 thousand).

The exchange rates of the currencies that are of significance for the AMAG Group have changed as follows:

per EUR	Closing rate at the end of the reporting period		Annual average rate for the reporting period	
	December 31, 2014	December 31, 2013	1-12/2014	1-12/2013
U.S. Dollar (USD)	1.2141	1.3791	1.3288	1.3281
Canadian Dollar (CAD)	1.4063	1.4671	1.4669	1.3685
Pound Sterling (GBP)	0.7789	0.8337	0.8064	0.8493
Swiss Franc (CHF)	1.2024	1.2276	1.2146	1.2309
Japanese Yen (JPY)	145.2300	144.7200	140.3772	129.6595
Norwegian Krone (NOK)	9.0420	8.3630	8.3551	7.8051

D CONSOLIDATION PRINCIPLES

Scope of consolidation and consolidation method

Compared with the previous year's reporting date, the scope of consolidation has not changed, and as of December 31, 2014 comprises both the parent company, AMAG Austria Metall AG, and 16 fully consolidated companies, as well as one jointly controlled operation (see section N "Group companies").

The consolidated financial statements include AMAG Austria Metall AG and the entities controlled by it. Control exists when AMAG Austria Metall AG has exposure, or rights, to variable returns from its involvement with an investee, and has the ability to use its power over the investee to affect the amount of the investor's returns.

Through AMAG Erste Beteiligungsverwaltungs GmbH, AMAG Austria Metall AG wholly owns Austria Metall GmbH, which, in turn, directly or indirectly wholly owns the other consolidated companies. A detailed presentation of the consolidated subsidiaries and the interests held in them is given in the notes, under section N "Group companies".

The annual financial statements of the subsidiaries that are included in consolidation are based on uniform accounting policies. The reporting date of all these companies was December 31, 2014.

Intragroup transactions are eliminated on consolidation.

Intragroup trade and other receivables are offset against the corresponding intragroup liabilities as part of the consolidation of liabilities.

All intragroup expenses and income are eliminated as part of the consolidation of expenses and income, as well as intragroup profit or loss arising from intragroup delivery and service transactions.

Business combinations

Acquisitions of businesses are accounted for applying the acquisition method in accordance with IFRS 3. Entities acquired or disposed of during a given reporting period are consolidated or deconsolidated on the date when control is gained or lost. No corporate acquisitions or disposals occurred during the financial year under review.

Upon the acquisition of an investment, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities, provisions and contingent liabilities of the investee at the time of the acquisition is recognised as goodwill. If the acquisition cost is below the Group's share of the net fair value of the identifiable assets and liabilities acquired, as well as the provisions and contingent liabilities of the investee assumed at the time of the acquisition, such difference is recognised in profit or loss after a renewed examination.

Joint operation

The Group operates the Alouette smelter in Canada as part of a joint arrangement with other companies under the terms of a contractual agreement that gives the parties joint control over Alouette's commercial operations (Aluminerie Alouette Inc. – hereinafter referred to as "Alouette"). Through the joint arrangement, the parties have joint control of the business operations of the aluminium smelter (see also "Accounting judgements and estimates"). In accordance with the agreement, a 20% share of the assets, obligations for liabilities and expenses is attributable to the Group. As a consequence, pursuant to IFRS 11, the Group assumes the proportionate assets, obligations for liabilities and expenses in this jointly controlled operation. Each party itself is responsible for sales, as Alouette does not realise sales revenues with third parties. As a consequence, the expenses correspond to the proportion of profit or loss from the joint arrangement.

The consolidated financial statements as of December 31, 2014 comprise the following amounts for the jointly controlled operation of Aluminerie Alouette Inc.:

in EUR thousand	**2014**	**2013**
Non-current assets	172,337	155,601
Current assets	19,640	19,145
Non-current provisions and liabilities	18,453	19,637
Current provisions and liabilities	32,414	21,299
Expenses	91,956	86,247

The significant agreements relating to the joint operation Alouette smelter are set out in an consortium agreement. In the case of significant decisions regarding the business of Alouette resolutions of 90% approval,is required. Given the current ownership structure, and also if it were to change, the risk exists of divergent interests, and consequently potential conflicts between Alouette's owners.

Pursuant to the existing consortium agreement, obligations exist that are of essential importance for current production operations. A failure to satisfy such obligations could result in a loss of co-determination rights, implying liability on the part of AMAG for potential losses. This applies, for example, with respect to the procurement of AMAG's share of the alumina required for production.

E ACCOUNTING POLICIES

First-time or early adoption of standards

In the 2014 financial year, the following amended standards were applied for the first time as required, or were adopted early:

Improvement to IFRS 10, IFRS 12, IAS 27 Investment Entities: subsidiaries that satisfy the definition of an investment entity (e.g. certain investment funds) are exempt from the consolidation regulations of IFRS 10, and are instead measured at fair value. This amendment has no effect on the AMAG Group.

Additional disclosure requirements under IFRS 7 have been introduced in connection with the amendments to IAS 32. These relate to the offsetting of financial instruments, and are designed to permit the reconciliation of gross and net risk positions. In future it will be necessary to disclose instruments subject to master netting arrangements or similar agreements, even if the underlying instruments are not offset. This amendment requires that AMAG make additional disclosures in the notes to its consolidated financial statements.

It only remains possible to offset financial instruments if the conditions imposed by IAS 32 are met. The only changes made to the application guidance as a result of the amendments to IAS 32 comprised clarifications of the terms "currently" and "simultaneously". This amendment has no effect on the AMAG Group.

IAS 36 Impairment of Assets – Disclosures relating to the recoverable amount for non-financial assets: requirement to disclose the recoverable amount only for assets and cash-generating units to which impairment losses were applied during the period under review, or where impairment losses have been reversed. This amendment has no effect on the AMAG Group.

Under the amendment to IAS 39, under certain circumstances hedge accounting will not be deemed to have been discontinued even if a derivative is formally derecognised, where novations due to the introduction of a new law or regulation result in a change in the counterparty. This amendment has no effect on the AMAG Group.

Standards adopted, but not yet applied

Application of the following new, revised or supplemented standards of the IASB and interpretations of the IFRIC is voluntary, and these will not be applied early.

Standard/ Interpretation	Application mandatory	Endorsement Status	Impact on the consolidated financial positions of AMAG Group
IFRS 9 Financial Instruments	01/01/2018	-	under examination
IFRS 14 Regulatory Deferral Accounts	01/01/2016	-	none
IFRS 15 Revenue Recognition	01/01/2017	-	under examination
Amendments to IFRS 10, IFRS 12 and IAS 28 Investment entities: exceptions from the requirement to consolidate	01/01/2016	-	none
Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture	01/01/2016	-	none
Amendment of IFRS 11 Acquiring an interests in joint ventures and joint operations	01/01/2016	-	under examination
Amendmet to IAS 1 Presentation of Financial Statements	01/01/2016	-	under examination
Amendment to IAS 16 and 38 Clarification of Acceptable Methods of Depreciation and Amortisation	01/01/2016	-	under examination
Amendment to IAS 16 and 41 Bearer Plants	01/01/2016	-	none
Amendment to IAS 27 Equity Method	01/01/2016	-	none
IFRIC 21 Levies	01/01/2014	13/06/2014	under examination
Amendment to IAS 19 Defined Benefit Plans: Contributions made by employees or third parties	01/07/2014	-	under examination
Other Annual Improvements to IFRS - Cycle 2010 - 2012	01/07/2014	-	under examination
Other Annual Improvements to IFRS - Cycle 2011 - 2013	01/07/2014	18/12/2014	under examination
Other Annual Improvements to IFRS - Cycle 2012 - 2014	01/01/2016		under examination

The new version of IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement", and all previous versions of IFRS 9. Previous versions of IFRS 9 can be applied early within a limited period, as long as the related relevant first-time application date predates February 1, 2015. IFRS 9 does not replace rules for a portfolio fair value hedge against interest rate risks pursuant to IAS 39. The part of the IFRS 9 project that originally related to this topic was pursued further as a separate IASB agenda project under the heading of "macro hedges", as it entailed greater time requirements, and it was not anticipated that the project would be completed

quickly. A discussion paper was published for this project in April 2014 as part of due process: "Accounting for Dynamic Risk Management: a Portfolio Revaluation Approach to Macro Hedging". Given this, the possibility exists to continue to opt to apply the rules for a portfolio value hedge against interest rate risks, or to present hedging relationships pursuant to the general rules of IAS 39.

IFRS 14 allows first-time IFRS adopters to retain their existing national accounting regulations for price-regulated business transactions if the effects of the price regulation are reported separately.

IFRS 15 aggregates within one standard the rules relating to revenue recognition. In future, the decisive factor for the recognition of revenue is no longer the transfer of significant opportunities and risks, but instead the date on which the customer gains control of the agreed goods and services, and can draw benefit from them. In the future, IFRS 15 replaces IAS 11 "Construction Contracts" and IAS 18 "Revenue".

The amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosures of Interests in Other Entities" and IAS 28 "Interests in Associates and Joint Ventures" relate to the consolidation exception for investment entities: "Investment Entities: Applying the Consolidation Exception" (Amendments to IFRS 10, IFRS 12 and IAS 28). The amendments serve to clarify three questions relating to the application of the consolidation exception for investment entities that measure their subsidiaries at fair value.

The amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Interests in Associates and Joint Ventures" concerning the disposal or contribution of assets between an investor and its associate or joint venture relate to the elimination of an inconsistency between the requirements of IFRS 10 and IAS 28. This clarifies the treatment of unrealised gains arising from transactions between an investor and its associate or joint venture.

Amendments to IFRS 11: the acquirer of shares in a jointly controlled operation that comprise an operation pursuant to IFRS 3 is required to apply all principles relating to the accounting of business combinations deriving from IFRS 3 and other IFRS, as long as they do not contravene the guidelines in IFRS 11.

The amendments to IAS 1 concerning presentation in the notes to the financial statements relate mainly to clarifications and provide help in making decisions concerning the question as to which information is to be presented in the notes to the financial statements.

Amendments to IAS 16/IAS 38: the amendments provide guidelines to select the depreciation or amortisation methods for property, plant and equipment, and intangible assets.

Amendments to IAS 16/IAS 41: the amendments include fruit-bearing plants that are no longer subject to significant biological changes within the application scope of IAS 16, allowing them to be treated in the same way as property, plant and equipment.

Amendments to IAS 27: this amendment re-admits the possibility to equity-account investments in subsidiaries, joint ventures and associates in separate financial statements.

IFRIC 21 "Levies" provides guidance on how an entity should account for a liability to pay a levy imposed by a government. The interpretation specifies that the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by legislation. This interpretation is to applied in the EU for financial years commencing on or after July 1, 2014,

The amendments to IAS 19 simplify the recognition of pension plan contributions made by employees or third parties.

The 2010-2012, 2011-2013 and 2012-2014 IFRS Annual Improvements Cycles clarify existing standards. The annual improvements in the 2011-2013 IFRS cycles have already been adopted by the EU, and are applicable for financial years commencing on or after January 1, 2015.

Significant accounting policies

The principal accounting policies applied in the presentation of the consolidated financial statements of AMAG Austria Metall AG are set out below.

Consolidated statement of financial position

The consolidated financial statements have been prepared on the basis of historical cost, with the exception of financial instruments measured at fair value.

Non-current and current assets and liabilities

Pursuant to IAS 1, the consolidated statement of financial position is structured on a term basis. Assets and liabilities with maturities of up to one year are classified as current, and those with maturities of over one year as non-current. The maturities are always determined with reference to the date at the end of the reporting period.

Intangible assets and property, plant and equipment

Purchased intangible assets are measured at cost. Intangible assets with finite useful lives are amortised over such lives, and are tested for impairment if indications of impairment exist. Amortisation is on a straight-line basis, over periods of between four and 28 years. In the case of intangible assets with finite useful lives, the amortisation period and method are reviewed at least at the end of each financial year. Intangible assets with indefinite useful lives are tested annually for impairment, and the indefinite useful life assessment is reviewed annually. No intangible assets with indefinite useful lives exist at present.

Changes in the amortisation method or period necessitated by changes in the expected useful life or the expected consumption of the future economic benefits of an asset are treated as changes in estimates. The intangible assets comprise purchased industrial property rights, franchises, trademarks and other rights, licences, patents and software.

Property, plant and equipment is capitalised at cost, less any accumulated depreciation and impairment losses, if subject to wear and tear. The expected useful life and depreciation method applied are reviewed periodically to assess whether they reflect the economic benefits embodied by the assets.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsidies for investments in plant are offset directly against cost.

Depreciation is applied on a straight line basis over the expected economic life of the asset:

Office, factory and other buildings	25-50 years
Plant and machinery	2-50 years
Other fixtures and fittings, tools and equipment	2-20 years

Cost comprises the cost to replace a part of an asset if the related recognition criteria are met. If large parts of items of property, plant and equipment must be replaced at regular intervals, the Group recognises such parts as separate assets with their own useful lives and depreciation methods. When performing major inspections, the cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement, provided that the recognition criteria are met. The present value of the expected cost of post-use disposal of an asset is included in the cost of the asset if the criteria for recognition of a provision are met.

Expenditure arising after the commissioning of non-current assets, such as repair, maintenance and reconditioning costs, is expensed, as a matter of principle.

If it is likely that the subsequent costs will lead to additional economic benefits from the use of the asset, such costs are capitalised.

Spare parts and servicing equipment are carried as property, plant and equipment if they meet the recognition criteria of IAS 16; they are otherwise recognised as inventories.

The costs of production for property, plant and equipment include direct costs and production-related production overheads. Administrative expenses are not capitalised. Subsidies for property, plant and equipment are recognised as cost reductions. Items of property, plant and equipment that are not yet operational are recognised as assets under construction, and measured at cost. Depreciation does not commence until the assets concerned are ready for operation.

Borrowing costs that are directly attributable to the cost of an asset that necessarily takes a substantial period of time to make ready for its intended use or sale are capitalised as part of the cost of the asset in accordance with IAS 23.

On each reporting date, the Group examines the carrying amounts of property, plant and equipment and intangible assets in order to determine whether indications of impairment exist. If such indications are identifiable, the recoverable amount of the asset is estimated in order to determine the scope of any impairment loss to be applied. If the recoverable amount for the specific asset cannot be estimated, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. In the case of intangible assets with indefinite useful lives and in the case of those that are not yet available for use, impairment testing is conducted annually, and whenever indications of impairment exist.

The recoverable amount is the higher of an asset's fair value less costs of disposal, and its value in use. When calculating value in use, the estimated future cash flows are discounted applying a pretax interest rate. This pretax interest rate reflects both the current market assessment of the time value of money, and the risks inherent in the asset, to the extent that these have not already been taken into consideration in the estimated cash flows.

If the estimated recoverable amount of an asset (or cash-generating unit) exceeds its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The impairment loss is recognised immediately in profit or loss.

If the impairment loss is to be reversed subsequently, the carrying amount of the asset (or cash-generating unit) is increased to the level of the more recent estimate of the recoverable amount. In this context, the increase in the carrying amount is to be limited to the amount that would have been derived if no impairment loss had been reported for the asset (or cash-generating unit) in previous years.

Leases

Under IAS 17, the criterion for the attribution of a leased asset to the lessor or lessee is determined by assessing to which party all of the significant risks and rewards inherent in ownership transfer. Leased items of property, plant and equipment that represent asset purchases financed by long-term borrowings (finance leases) are recognised at the lower of the fair value or the present value of the minimum lease payments at the commencement of the lease term, in accordance with IAS 17. Depreciation is over the economic life of the assets. The commitments arising from the future lease payments are recognised as liabilities. The other lease or hire contracts are treated as operating leases, and the assets are attributed to the lessor or owner, while the current lease payments are expensed. Only operating leases exist within the AMAG Group at present.

Inventories

Raw materials and consumables that are fully interchangeable and destined for use are measured applying consumption tracking methods (weighted average cost, and first-in, first-out methods). Inventories that are not normally exchangeable are recognised at cost, including incidental purchase costs. Impairment losses are applied whenever the net realisable value is below the carrying amount.

Work in progress and finished goods are capitalised at the lower of costs of conversion or net realisable value. Costs of conversion include direct material and production costs, as well as reasonable material and production overheads, based on normal production capacity. General administrative and selling costs are not taken into consideration. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The aluminium price component of the inventories that have been designated as a fair value hedge are carried at fair value. The aluminium price component of inventories that does not form part of a hedge is measured at cost. If the market value (average value of customer orders) is lower on the reporting date, this market value is recognised.

Financial assets and liabilities

The Group's financial assets and liabilities comprise other non-current assets and financial assets, trade receivables and payables, other receivables and payables, cash and cash equivalents, and interest-bearing borrowings.

Financial assets and liabilities as defined by IAS 39 are classified as financial assets or financial liabilities at fair value through profit or loss, as loans and receivables, as held-to-maturity investments or as available-for-sale financial assets. Financial assets are measured at fair value on initial recognition. Settlement date accounting is normally applied to standard market purchases and sales of financial instruments. Price offers by banks or similar pricing models are used to estimate the fair value of financial instruments at the end of a reporting period. The fair values of financial assets and liabilities generally correspond to their market prices on the balance sheet date. In the absence of quoted prices on active markets, they are calculated applying generally accepted valuation models and current market parameters (especially interest rates, exchange rates and counterparties' credit ratings). To this end, the cash flows generated by the financial instruments are discounted to the balance sheet date.

Derecognition of financial assets

Financial assets are derecognised if the contractual rights conferred by the assets expire, or the Group has transferred its contractual rights to receive cash flows from the assets, or assumed a contractual obligation to pay the cash flows to a third party immediately under an agreement that meets the conditions set out in IAS 39.19 (a so-called "pass-through arrangement"), and has either (a) transferred substantially all the risks and rewards entailed in ownership of the financial asset or (b) neither transferred nor retained substantially all the risks and rewards entailed in ownership of the financial asset, but has transferred control of the asset.

If the Group transfers its contractual rights to receive cash flows from an asset, or enters into a pass-through arrangement, and neither transfers nor retains substantially all the risks and rewards entailed in ownership of the financial asset, but retains control of the transferred asset, then the Group continues to recognise the asset to the extent of its continuing involvement in the latter. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled, or expires.

Other non-current financial assets and financial assets

Other non-current assets and financial assets comprise non-consolidated investments, available-for-sale financial assets and other non-current assets. These are reported at cost less any impairment. Impairment losses are recognised in profit or loss. Impairment losses are reversed directly in equity in the case of equity instruments, and in profit or loss in the case of debt instruments.

Interest on securities is accrued in the appropriate periods and reported under the net interest result. Income from non-consolidated investments and sundry other financial assets is shown under the other net financial result.

Receivables

Receivables are classified as loans and receivables in accordance with IAS 39, and measured at amortised cost less any impairment losses. Foreign currency receivables are measured at the average rate prevailing on the balance sheet date. If indications of impairment exist, an impairment loss is recognised up to the present value of the future cash flows. The proportion of uncollectible receivables is calculated on the basis of term structure. An impairment loss is also recognised if objective evidence exists that a receivable is unlikely to be collected. Impairment losses are recorded on an allowance account. Receivables are only derecognised in the event of insolvency or unsuccessful attempts to enforce claims by taking legal action. Reversals of impairment losses are recognised in profit or loss. Interest-free or low-interest receivables with an expected residual maturity of over one year are discounted.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short-term investments. They are marked to market on the balance sheet date.

Liabilities

Liabilities are recognised at amortised cost in accordance with IAS 39, applying the effective interest method. The effective interest method amortises the difference between the cost and the nominal value, applying the effective interest rate. The effective interest rate is the rate that discounts the estimated future cash flows until maturity, or the next market price-oriented interest rate adjustment date, to the current carrying amount of the financial asset or financial liability.

Derivative financial instruments and hedging

Derivative financial instruments

Derivative instruments that do not meet the criteria for hedge accounting as per IAS 39 are classified as held for trading, and recognised at fair value through profit and loss in accordance with IAS 39. Measurement takes account of the risk of default by the counterparty and by the Group, where material.

Cash flow hedges

In the case of a cash flow hedge, the effective portion of the change in fair value is recognised in other comprehensive income, under the hedging reserve item, whereas the ineffective portion is recognised immediately in profit or loss, under the other net financial result. If the hedge subsequently results in the recognition of an asset or liability, the amounts deferred in equity are reclassified to profit or loss in the same period or periods during which the hedged position affects profit or loss. However, if a hedge of a forecast transaction results in the recognition of a non-financial asset or liability, the amounts are recorded as part of the cost of that asset or liability at the time of recognition.

Interest rate swaps are used to hedge against interest rate risk. Fixed interest is paid on the notional value of the swap contract and, in return, the Group receives variable interest payments on the same principal amount. These interest rate swaps offset the impact of future changes in interest rates on the cash flows derived from the underlying variable-rate financial liabilities.

The Group uses forward contracts and options to hedge part of future sales of its share of production from Aluminerie Alouette Inc. The derivatives used for this purpose are classified as cash flow hedges.

Fair value hedges

In a fair value hedge, both the underlying transaction in relation to the hedged risk and the derivative hedging instrument are measured at fair value, and changes in the latter are recognised in profit or loss. Some of the physical inventories are hedged by forward sales on the LME, and hedge accounting is partly used for these contracts. Subsequent measurement is at market value, as a matter of principle.

Physical stocks are hedged against exchange rate and price movements.

Firm commitment

When an off-balance-sheet firm commitment (customer order) is designated as a hedged item, the subsequent cumulative change in the fair value of the commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Embedded derivatives

Derivatives embedded in other financial instruments or host contracts are treated as separate derivatives if their risks and characteristics are not closely related to those of the host contracts.

Power supply contract concluded by Aluminerie Alouette Inc.

Alouette has a power contract with a state-owned utility that directly ties the rate to be paid by Alouette to the market price of aluminium under a contractual pricing formula. This contract contains an embedded derivative due to the linkage between electricity and aluminium prices. This derivative will act as a hedging instrument for future primary aluminium sales by way of a cashflow hedge. The fair value of the derivative is measured on the basis of a model. Given the monopolistic electricity market in Canada, no liquid electricity market exists in the conventional sense (in other words, a mark-to-market price is not directly observable). A discounted cash flow analysis is consequently employed to value the derivative, applying an electricity reference price, related yield curves, and forward aluminium prices.

In order to obtain a market-based valuation of the contract, the present value of future electricity payments is subsequently calculated applying aluminium forward prices, and compared with the present value of future electricity payments based on Alouette's reference electricity price. This approach provides a model-based valuation of the embedded derivative. Other non-current and can receivables include a total fair value of EUR 12,732 thousand as of December 31, 2014 (previous year: EUR 15,089 thousand).

Share capital

Only ordinary shares exist, all of which have been issued, and all of which carry the same rights.

Capital reserves

The capital reserves include shareholder contributions, payments made by shareholders in connection with the issuance of shares, and effects arising from reorganisations.

Provisions for severance payments, pensions, medical care benefits and service anniversary bonuses

Provisions for defined benefit pension plans and post-employment medical care plans, as well as severance payments and service anniversary bonuses obligations, are remeasured annually by independent actuaries.

The obligations and costs are measured applying the projected unit credit method, in accordance with IAS 19. The projected benefits are attributed to the entire period of employment.

Provisions are measured based on the following financial and demographic assumptions:

Discounting rates are determined on a country-specific basis reflecting returns achieved on the market by top grade industrial bonds. The pension schemes of the Austrian companies are measured on the basis of yield trends as determined by MERCER Deutschland, and in accordance with the obligations' residual durations. In Canada, Fiera Capital's "CIA Method Accounting Discount Rate Curve" is applied as a reference in an analogous manner.

Salary growth is derived from the beneficiaries' wage and salary trends over recent years, taking expectations about the future into account. The consumer price index serves as the basis for pension adjustments in Austria. In Canada, cost trends for medical care services reflect the circumstances prevailing there.

Staff turnover rates are calculated on a country-specific basis. No staff turnover is taken into consideration for the pension obligations in Austria because no commitments to active employees exist.

Actuarial gains and losses other than those related to service anniversary bonuses are stated under other comprehensive income.

For the Austrian companies, current data from the Austrian Actuaries Association (AVÖ), the 2008-P mortality tables with generational effect for salaried employees, are utilised (although not for invalidity and marriage probability). These are derived from Ettl-Pagler basic probability data that have been used to date, being further developed with new assumptions concerning further mortality trends in the form of generation tables deriving from existing period tables. At the Canadian company Aluminerie Alouette Inc., the "CPM2014Priv projected with scale CPMB1D2014" are applied as the basis for mortality, with a reduction in the mortality rate of 2.5%.

Where a pension plan qualifies for offsetting of the plan assets against the provision required by IAS 19, such offsetting is performed.

Current service cost and any past service cost are reported among personnel expenses, with the net interest expense on the measurement of the aforementioned obligations being reported in the net financial result.

At some Group companies, defined contribution pension commitments have been made to certain employees. Since no obligations exist beyond the annual contributions, the latter are expensed for the periods concerned.

Other provisions

Other provisions are formed if an obligation to third parties arises from a past event, utilisation is probable, and the prospective level of the provisioning amount can be estimated reliably on the balance sheet date.

Consolidated statement of profit or loss

Research and development expenses

Research costs are expensed in the period in which they are incurred. Development costs are expensed if the criteria for capitalisation as per IAS 38 are not met. A total of EUR 9,645 thousand were recognised as research and development expenses in the year under review (previous year: EUR 8,020 thousand).

Revenue recognition

Revenue from deliveries is not recognised until the significant risks and rewards of ownership of the goods delivered have transferred to the buyer. In the AMAG Group, satisfaction of this criterion is primarily based on contractually agreed Incoterms. Revenue from services is recognised if the service has been rendered, the level of revenue can be calculated reliably, and the economic benefit is likely to accrue to the Group.

As a matter of principle, expense-related government grants are recognised as revenue on a scheduled basis over the period that is required to offset the expenses that they subsidise. In the 2014 financial year, expense-related government grants of EUR 1,991 thousand were recognised in profit or loss (previous year: EUR 1,031 thousand).

The interest is accrued on a pro rata basis at the respective interest rate. Dividends are recognised when shareholders' rights to receive payment are substantiated.

Borrowing costs

Borrowing costs comprise interest and other costs incurred in connection with borrowings. Borrowing costs that are directly attributable to the purchase, construction or manufacturing of an asset that necessarily takes a substantial period of time to make ready for its intended use or for sale are capitalised as part of the cost of the asset. All the other borrowing costs are recognised as expenses in the period in which they are incurred.

Income taxes

Tax assets and tax liabilities are offset when they relate to income taxes levied by the same taxation authority, and a right exists to set off such tax assets against tax liabilities. The income tax liability is based on the annual profit, taking deferred tax into account. Deferred tax is calculated applying the balance sheet liability method. Deferred tax reflects the tax effects of the temporary differences between the reported carrying amounts of assets and liabilities, and the corresponding amounts, on the basis of respective tax regulations. Deferred tax assets and liabilities are measured applying the tax rates (and tax regulations) that are expected to apply to the period when the deferred tax assets are expected to be realised or the liabilities settled.

Deferred taxes are recognised for all taxable temporary differences that give rise to deferred tax liabilities. Deferred tax assets are recognised only if it is probable that sufficient future taxable profit will be available for the deferred tax asset to be utilised. For this purpose, the carrying amounts of the deferred tax assets are reviewed at the end of each reporting period.

The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of the asset to be utilised. Deferred tax is recognised directly in equity if the tax relates to items that are recognised directly in equity, and this tax is offset against or credited to equity in the same or a different period.

Deferred tax assets are recognised in relation to non-forfeitable tax loss carryforwards under the assumption that sufficient taxable income will be generated in the future to realise the tax loss carryforwards. Tax planning for the coming years is utilised as the basis for measurement. Corresponding impairments are recognised to offset uncertainties in assumptions.

In Austria, dividend payouts from the Group companies to the Group parent company are free of tax. Pursuant to double taxation treaties between Canada and Austria, dividend payments incur withholding tax of 5%. If the entire net profit of the Canadian subsidiary of USD 78 million were to be distributed as a dividend, EUR 3.9 million of withholding tax would be incurred. No dividend payment from Canada is currently planned.

Accounting judgements and estimates

When preparing the consolidated financial statements, it is to some extent necessary to make estimates and assumptions that influence the reported assets, provisions and liabilities, the disclosures of other commitments as at the end of the reporting period, and the presentation of income and expenses for the reporting period. Actual future results may differ from the estimates, and this may have a significant impact on the consolidated financial statements.

The Management Board of AMAG Austria Metall AG believes that it has made reasonable assumptions, such that the consolidated financial statements in all material respects give a true and fair view of the Group's financial position and performance.

The estimates and underlying assumptions are subject to considerable uncertainty, and their accuracy is consequently scrutinised constantly. Changes in the estimates are recognised in the periods in which they are made.

Accounting judgements

The interest held in smelting company Aluminerie Alouette Inc., Sept-Îles, Canada, is classified as a jointly controlled operation (IFRS 11.15) within the AMAG Group primarily for the following reasons:

- The agreement between the various partners regulates the joint control of Alouette's operations.
- The partners own pro rata shares of all of the company's assets.
- Alouette does not generate any revenue from third parties, and the company's owners are obligated to purchase a pro rata share of total output. The partners are also obligated to meet cash calls on a pro rata basis in order to fulfil Alouette's financing and liquidity requirements.
- For this reason, the partners are the primary source of cash flows, and consequently obligated to cover any debts that Alouette might incur.

As part of the planned expansion of capacity at the Alouette smelter, the consortium members, the Government of Quebec and the Hydro Quebec electricity company signed a long-term power supply contract in June 2012. Under the agreement, the consortium members have obligated themselves to purchase the agreed electricity volume that is realised only with the expansion of the smelter. In the event of non-fulfilment of the agreement, Alouette's owners would be obligated to pay a penalty, which would have an impact on the AMAG Group's profit in proportion to its equity interest. This obligation comprises a contingent liability pursuant to IAS 37.28, because an outflow of resources cannot be excluded.

Assumptions and estimation uncertainties

The following notes to the financial statements include information about assumptions and uncertainties relating to estimates which can generate a considerable risk that necessitates a significant adjustment during the following financial year:

If an asset is tested for impairment at the level of a cash-generating unit, assumptions must be made about future cash inflows and cash outflows, in particular. These relate to both the planning period and trends in the subsequent period. To calculate future cash inflows and cash outflows, the management determines planning assumptions that are updated and regularly compared with external information sources. In particular, these planning assumptions take into account expectations about the profitability of the product portfolio, future market share trends, economic trends (such as changes in foreign currency exchange rates, interest rates and commodity prices), and legal conditions, as well as empirical data. In the year under review, no indications existed of impairment to assets.

When measuring provisions for severance payments, pensions, medical care benefits and service anniversary bonuses, assumptions are to be made relating to financial parameters (discount rate, salary increases) and demographic parameters (staff turnover rate, calculation basis). The discount rate is determined on the basis of market yields achieved by top grade fixed-interest corporate bonds on the balance sheet date. In Austria, the data tables produced by MERCER Deutschland serve as the basis, and in Canada, Fiera Capital's "CIA (Canadian Institute of Actuaries) Method Accounting Discount Rate Curve". Derived from past years' trends, salary growth comprises expected future increases that are estimated annually depending on inflation and career trends (except pensions), among other factors. As of December 31, 2014, provisions of EUR 63,075 thousand were recognised for severance payments, pensions, medical care benefits and service anniversary bonuses (previous year: EUR 53,463 thousand). Further details can be found in the notes to the consolidated statement of financial position, section 9.

To measure deferred tax assets, assumptions relating to future taxable income and the timing of realisation are to be made. For this, budgeted operating business results and earnings effects arising from the reversal of taxable temporary differences are taken into account. As the future trend of business is uncertain, and lies partially outside the Group's control, assumptions that are to be made in connection with the recognition of deferred tax assets are connected with uncertainties. In the year under review, deferred tax assets in relation to temporary differences were recognised in an amount of EUR 5,948 thousand (previous year: EUR 1,958 thousand).

Within the AMAG Group, non-forfeitable loss carryforwards exist at the Austria Metall GmbH tax group and at the AMAG Austria Metall AG tax group. Deferred tax assets relating to non-forfeitable loss carryforwards are measured on the basis of medium-term planning for the coming three years, which is reconciled with the tax planning account. The Austria Metall GmbH tax group anticipates taxable income during this period. The deferred tax assets relating to loss carryforwards for this tax group amount to EUR 34,041 thousand (previous year: EUR 25,313 thousand). A tax planning account for the same period was also prepared for the AMAG Austria Metall AG tax group. This shows that no positive tax results arise. Therfore, no deferred tax assets were taken into account in relation to the loss carryforwards existing within this tax group. Further details can be found in the notes to the consolidated statement of financial position, section 3.

Non-current provisions for other risks are formed if an obligation to third parties exists, an outflow of resources is probable, and the prospective obligation can be estimated reliably. The amount recognised as a provision comprises the best possible estimate of the obligation on the balance sheet date. Provisions with an original term of more than one year are recognised with the satisfaction amount discounted to the reporting date. Provisions are reviewed regularly, and adjusted to reflect new information or a change in circumstances.

Contingent liabilities as per IFRS 3 deriving from previous years for environmental cleanup costs for potential hazardous sites exist in an amount of EUR 5,700 thousand (previous year: EUR 5,700 thousand). The recognised values were retained pursuant to IFRS 3.56, as neither the recognition for derecognition nor the criteria for a provision pursuant to IAS 37 were met as of the balance sheet date.

The AMAG Group is obligated to clean leachate deriving from a closed and sealed waste site to comply with prescribed consensus levels. This obligation was measured with the present value of the estimated operating costs until 2029. The congruent maturity interest rate deriving from the European government yield curve was applied as the interest rate. The carrying amount of the non-current portion of the provision amounts to EUR 4,615 thousand (previous year: EUR 3,189 thousand).

Further details can be found in the notes to the consolidated statement of financial position, section 9.

F CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities are not shown on the statement of financial position, apart from those accounted for in accordance with IFRS 3. They are disclosed when the possibility of an outflow of resources embodying economic benefits cannot be excluded, although the criteria for the recognition of a provision are not met.

Contingent assets are disclosed in the consolidated financial statements only if an inflow of resources embodying economic benefits is probable.

G NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1 Consolidated statement of changes in non-current assets

Changes in historical cost

in EUR thousand	As of Jan. 1, 2014	Exchange differences	Additions	Disposals	Reclassifi-cations	As of Dec. 31, 2014
Intangible assets	**4,581**	**413**	**2,350**	**(29)**	**0**	**7,315**
Undeveloped land	8,118	0	5,890	(11)	0	13,997
Land - developed land	21,639	597	19	0	0	22,255
Buildings - developed land	131,758	3,908	4,739	(303)	19,673	159,775
Plant and machinery	466,106	33,242	92,521	(9,592)	64,689	646,966
Other fixtures and fittings, tools and equipment	26,059	215	6,219	(742)	846	32,597
Advance payments made and assets under construction	98,265	671	19,078	(57)	(85,208)	32,748
Property, plant and equipment	**751,944**	**38,634**	**128,466**	**(10,705)**	**0**	**908,339**

in EUR thousand	As of Jan. 1, 2013	Exchange differences	Additions	Disposals	Reclassifi-cations	As of Dec. 31, 2013
Intangible assets	**2,021**	**(118)**	**2,469**	**0**	**209**	**4,581**
Undeveloped land	8,375	0	0	0	(257)	8,118
Land - developed land	22,199	(199)	0	(618)	257	21,639
Buildings - developed land	118,298	(1,278)	11,168	(250)	3,820	131,758
Plant and machinery	424,227	(10,647)	40,294	(6,735)	18,968	466,106
Other fixtures and fittings, tools and equipment	22,833	(64)	4,048	(1,075)	317	26,059
Advance payments made and assets under construction	49,923	(245)	71,928	(28)	(23,313)	98,265
Property, plant and equipment	**645,855**	**(12,433)**	**127,438**	**(8,706)**	**(209)**	**751,944**

Depreciation and amortisation

in EUR thousand	As of Jan. 1, 2014	Exchange differences	Additions	Disposals	Reclassifi-cations	As of Dec. 31, 2014
Intangible assets	**421**	**22**	**538**	**(29)**	**0**	**952**
Undeveloped land	0	0	0	0	0	0
Land - developed land	2,789	389	214	0	0	3,392
Buildings - developed land	42,883	1,700	8,507	(222)	0	52,868
Plant and machinery	207,748	16,009	42,637	(8,969)	0	257,425
Other fixtures and fittings, tools and equipment	14,451	152	3,895	(717)	0	17,780
Advance payments made and assets under construction	0	0	0	0	0	0
Property, plant and equipment	**267,870**	**18,250**	**55,253**	**(9,908)**	**0**	**331,465**

in EUR thousand	As of Jan. 1, 2013	Exchange differences	Additions	Disposals	Reclassifi-cations	As of Dec. 31, 2013
Intangible assets	**258**	**(3)**	**167**	**0**	**0**	**421**
Undeveloped land	53	0	0	0	(53)	0
Land - developed land	2,642	(122)	216	0	53	2,789
Buildings - developed land	35,556	(493)	7,988	(168)	0	42,883
Plant and machinery	178,508	(4,806)	38,578	(4,532)	0	207,748
Other fixtures and fittings, tools and equipment	12,003	(44)	3,434	(942)	0	14,451
Advance payments made and assets under construction	0	0	0	0	0	0
Property, plant and equipment	**228,762**	**(5,465)**	**50,216**	**(5,643)**	**0**	**267,870**

Carrying amounts

in EUR thousand	Historical cost Dec. 31, 2014	Accumulated Amort./Depr. Dec. 31, 2014	Book values Dec. 31, 2014	Book values Dec. 31, 2013
Intangible assets	**7,315**	**952**	**6,363**	**4,160**
Undeveloped land	13,997	0	13,997	8,118
Land - developed land	22,255	3,392	18,863	18,850
Buildings - developed land	159,775	52,868	106,907	88,874
Plant and machinery	646,966	257,425	389,541	258,359
Other fixtures and fittings, tools and equipment	32,597	17,780	14,817	11,608
Advance payments made and assets under construction	32,748	0	32,748	98,265
Property, plant and equipment	**908,339**	**331,465**	**576,874**	**484,074**

Advance payments made and assets under construction

During the course of the financial year, investments in the "AMAG 2014" expansion project are recognised as additions to assets under construction, and reclassified to the corresponding non-current asset categories when they are completed and commissioned.

Impairment losses and reversals of impairment losses

As in the previous year, in 2014 no impairment losses, or reversals of impairment losses, were applied to intangible assets or property, plant and equipment.

Specialist spare parts

In the year under review, specialist spare parts in an amount of EUR 4,804 thousand were recognised as assets (previous year: EUR 0 thousand).

Subsidies for property, plant and equipment

In the 2014 financial year, subsidies for property plant and equipment in an amount of EUR 225 thousand were granted (previous year: EUR 757 thousand).

Borrowing costs

In the 2014 financial year, borrowing costs in an amount of EUR 219 thousand were capitalised in relation to qualifying assets (previous year: EUR 238 thousand). The calculated effective interest rate for the ERP financing of 1.59% was applied as the basis (previous year: 1.51%).

Finance leases

The AMAG Group has not concluded any finance leases.

Operating leases

The company is the lessee under a number of operating leases relating to buildings, machinery, office space and other items.

They do not contain either extension clauses or purchase options, nor do they place any restrictions on the Group's activities with regard to dividends, additional borrowing or other leasing agreements.

Lease payments of EUR 1,167 thousand were expensed in the year under review (previous year: EUR 873 thousand).

The Group's future obligations under operating leases are as follows:

Payment obligations under operating leases in EUR thousand	2014	2013
Up to one year	624	703
More than one year up to five years	594	573
Over five years	0	0
	1,218	**1,276**

Obligations arising from investments in plant

Obligations arising from investments in plant amounted to EUR 11,699 thousand as of December 31, 2014 (previous year: EUR 61,866 thousand).

2 Other non-current assets and financial assets

in EUR thousand	2014	2013
Equity investments	27	26
Other non-current assets	2,499	4,418
Derivatives recognized as non-current assets	6,642	11,117
Securities available for sale	354	354
	9,521	**15,915**

This item includes binding commitments for government subsidies, and undertakings from customers subject to insolvency or bankruptcy proceedings to pay receivables.

Derivatives recognised as non-current assets include EUR 6,642 thousand of cash flow hedge derivatives (previous year: EUR 10,828 thousand), and held-for-trading derivatives of EUR 0 thousand (previous year: EUR 290 thousand).

The carrying amount of the cash flow hedge derivatives also includes the non-current portion of EUR 6,070 thousand of the derivative embedded in the power supply contract concluded by Aluminerie Alouette Inc. (previous year: EUR 9,045 thousand) – see section E Accounting policies.

Securities include non-controlling interests of less than 20% in three companies. The fair value of the available-for-sale securities remained unchanged at EUR 354 thousand.

3 Deferred tax assets

in EUR thousand	2014	2013
Deferred tax assets affecting net income	32,476	23,969
Deferred tax assets not affecting net income	7,513	3,302
	39,989	**27,271**

This item includes deferred tax assets relating to loss carryforwards in an amount of EUR 34,041 thousand (previous year: EUR 25,313 thousand). Deferred tax assets were capitalised for the entire loss carryforwards of the Austria Metall GmbH tax group in an amount of EUR 135,848 thousand (previous year: EUR 163,903 thousand), and for the pre-consolidation losses of AMAG Erste Beteiligungsverwaltungs GmbH in an amount of EUR 317 thousand (previous year: EUR 0 thousand).

As it is unlikely that they can be realised, no deferred tax assets have been recognised for loss carryforwards in an amount of EUR 20,931 thousand (previous year: EUR 81,182 thousand).

4 Inventories

in EUR thousand	2014	2013
Raw materials and consumables	108,325	113,390
Work in progress	34,618	34,671
Finished goods	42,563	52,461
Merchandise	1,079	418
	186,584	**200,940**

This item includes impairment losses of EUR 16,888 thousand (previous year: EUR 16,058 thousand). Of the change in the impairment loss, EUR 1,303 thousand is attributable to additions (previous year: EUR 1,131 thousand), EUR 1,225 thousand to consumption (previous year: EUR 1,446 thousand), and the remainder relates to prior years' currency translation differences and adjustments. The carrying amount of inventories measured at fair value less costs of disposal was EUR 14,707 thousand (previous year: EUR 12,814 thousand).

Inventories of EUR 442,469 thousand were carried in the statement of profit or loss in the period under review (previous year: EUR 437,022 thousand), EUR 441,979 thousand of which was attributable to cost of sales (previous year: EUR 436,609 thousand).

5 Trade receivables

in EUR thousand	2014	2013
Trade receivables	87,875	71,319
Trade receivables related parties	9	62
Receivables from equipment sales	236	0
Impairment trade receivables	(1,364)	(1,113)
	86,756	**70,268**

The change in impairment losses was as follows:

in EUR thousand	2014	2013
As of January 1	1,113	1,176
Addition	256	494
Reversal	(5)	(558)
As of Dec. 31	**1,364**	**1,113**

The gross carrying amount of the impaired receivables amounts to EUR 4,738 thousand (previous year: EUR 3,445 thousand).

6 Other receivables

in EUR thousand	2014	2013
Other receivables and advanced payments	15,408	20,392
Derivatives recognized as current assets	23,339	28,448
Financial receivables - funds in transit	475	341
	39,222	**49,181**

Other receivables and prepayments include tax assets of EUR 9,999 thousand (previous year: EUR 8,450 thousand), firm commitments of EUR 439 thousand (previous year: EUR 487 thousand) and current receivables from government subsidies amounting to EUR 1,752 thousand (previous year: EUR 1,030 thousand).

In accordance with IAS 39, derivative instruments are divided into the following categories, and report the following market values of the end of the reporting period:

- Derivatives not designated or recognised as hedging instruments in accordance with IAS 39: EUR 8,377 thousand (previous year: 16,254 thousand). Under this item, an amount of EUR 19,027 thousand (previous year: EUR 23,157 thousand) was offset against derivative financial instruments recognised under current liabilities, due to an enforceable claim for netting.
- Derivative financial instruments which are designated as hedging instruments in documented fair value hedges of reported assets or firm commitments, and which are determined to have been effective: EUR 4,776 (previous year: EUR 79 thousand).
- Derivative financial instruments which are designated as hedging instrument in documented cash flow hedges, and which are determined to have been effective: EUR 10,186 thousand (previous year: EUR 12,116 thousand). The carrying amount of the cash flow hedge derivatives also includes the current portion of EUR 6,662 thousand of the derivative embedded in the power supply contract concluded by Aluminerie Alouette Inc. (previous year: EUR 6,044 thousand) – see section E Accounting policies.

The following tables show the figures both before and after offsetting. For further details, please refer to the notes to the consolidated statement of financial position, section 13.

Offsetting financial assets and liabilities 2014 in EUR thousand	before Offsetting	Offsetting	after Offsetting
Derivatives recognized as current assets	42,366	(19,027)	23,339
Derivatives recognized as current liabilities	40,109	(19,027)	21,082

Offsetting financial assets and liabilities 2013 in EUR thousand	before Offsetting	Offsetting	after Offsetting
Derivatives recognized as current assets	51,605	(23,157)	28,448
Derivatives recognized as current liabilities	12,979	(23,157)	12,979

7 Cash and cash equivalents

in EUR thousand	2014	2013
Cash in hand	27	27
Current account surplus	31,212	23,450
Assessments	110,545	38,379
Securities	2,500	17,308
	144,285	**79,164**

These items in the statement of financial position relate to the cash positions at the start and end of the reporting period that are contained in the consolidated statement of cash flows.

8 Equity

Changes in equity are presented in a separate table (consolidated statement of changes in equity).

Share capital

The share capital comprises 35,264.000 no par shares, each corresponding to EUR 1.00 of the share capital. All shares are fully paid in, and in circulation.

Capital reserves

Of the capital reserves of EUR 379,337 thousand (previous year: EUR 379,337 thousand), EUR 94,752 thousand (previous year: EUR 94,752 thousand) is attributable to appropriated capital reserves, and EUR 284,585 thousand is attributable to unappropriated capital reserves (previous year: EUR 284,585 thousand).

Hedging reserve

The hedging reserve comprises gains and losses from the effective portion of cash flow hedges. Cumulative gains or losses from hedging transactions that are recognised under the hedging reserve are transferred to the statement of profit or loss only when the hedged transaction affects results. The change in the reserve in the year under review is primarily due to the change in the US dollar exchange rate.

Remeasurement of defined benefit plans

Actuarial gains and losses from the provisions for severance payments, pensions and medical care benefits are fully recognised in the reserves in the period in which they are accrued.

Exchange differences

The reserves for exchange differences recognise differences arising from the translation of the financial statements of subsidiaries that report in a foreign currency. The change in the reserve in the year under review is primarily due to the change in the US dollar exchange rate.

Retained earnings

Retained earnings consist of cumulative retained earnings from the period under review and from prior periods.

The company paid out a dividend of EUR 21,158 thousand in the financial year under review (EUR 0.60 per share).

The Management Board proposes that EUR 1.20 per share (a maximum of EUR 42,317 thousand in total) will be distributed as a dividend to shareholders from the parent company's profit for the year.

Authorised capital

With a resolution by the annual general meeting (AGM) of AMAG Austria Metall AG on February 24, 2011, the company's Management Board was authorised, pursuant to Section 169 of the Austrian Stock Corporation Act (AktG) and subject to the approval of the Supervisory Board, to increase the company's share capital by up to EUR 15,000,000 by issuing 15,000,000 no par bearer shares in one or more tranches within five years of the entry of the resolution in the company register, in other words, by March 8, 2016, against cash or non-cash capital contributions, including under whole or partial exclusion of subscription rights, and to determine the issue price – which may not be lower than the proportion of the current share capital represented by each no par share – and the other terms and

conditions of the issue in consultation with the Supervisory Board (Authorised Capital established by section 4 (5) of the Articles of Association). The capital increase effected by the initial public offering employed 5,264,000 shares from the Authorised Capital.

With a resolution by the AGM of AMAG Austria Metall AG of March 21, 2011, the company's Management Board was authorised, pursuant to Section 174 of the Austrian Stock Corporation Act (AktG) and subject to the approval of the Supervisory Board, within five years of the adoption of the resolution, in other words, by March 20, 2016, to issue, in one or more tranches, convertible bonds conferring the right to convert such bonds into and/or subscribe to up to 15,000,000 no par bearer shares corresponding to up to EUR 15,000,000 of the company's share capital, including under whole or partial exclusion of subscription rights. The issue price and the conversion ratio must be in accordance with the interests of the company, existing shareholders and convertible bond subscribers, as well as generally accepted investment mathematics methods, and the company's quoted share price; including by making recourse to expert third parties. The Management Board must determine the issue price and all the other terms and conditions of the issue, including the possible complete or partial exclusion of subscription rights for existing shareholders, subject to the approval of the Supervisory Board.

A conditional increase in the company's share capital was implemented pursuant to Section 159 (2) (1) of the Austrian Stock Corporation Act (AktG) to satisfy conversion and/or subscription rights in respect of convertible bonds issued in accordance with the authorisation conferred by the AGM resolution of March 21, 2011. A conditional capital increase may be implemented only if convertible bond holders exercise their right to exchange the bonds for and/or subscribe to the company's shares (conditional capital as defined by Section 4 (6) of the Articles of Association). The number of shares actually issued or potentially capable of being issued in accordance with the conditions of the convertible bonds and the number of shares specified by the authorised capital may not exceed 15,000,000.

Restrictions

Following an internal review, the Management Board is not aware of any restrictions in the meaning of Section 243a Z2 of the Austrian Commercial Code (UGB).

Additional disclosures regarding capital management

AMAG is not subject to any capital requirements under its Articles of Association. Due to the volatile nature of the aluminium business and the high fixed assets ratio, a sound capital structure provides the basis for financial flexibility, among other objectives.

The main aim of AMAG's capital management is to secure the Group's growth and further development, and to optimise returns for shareholders. The management exclusively regards the consolidated equity as measured pursuant to IFRS as its equity capital. The capital structure is monitored constantly, and is as follows as of the end of the reporting period:

in EUR thousand	2014	2013
Total Equity	623,890	584,437
Equity ratio	57.1%	62.6%
Balance-sheet total	1,092,501	933,470

9 Non-current provisions

in EUR thousand	2014	2013
Provisions for severance payments	24,339	27,085
Provisions for pensions	26,944	16,299
Provisions for medical care benefits	7,305	5,459
Provisions for service anniversary bonuses	4,486	4,621
Other non-current provisions	15,957	15,333
	79,032	**68,796**

Provisions for severance benefits

Employees of Austrian Group companies who joined the Group before January 1, 2003 are entitled to severance payments upon reaching retirement age or in the event that their employment contract is terminated. The entitlement is determined by years of service and final salary ("old severance"). These obligations are accounted for as defined benefit plans.

For employees who joined after January 1, 2003, contributions to employee benefit funds (MVKs) in an amount of EUR 553 thousand (previous year: EUR 473 thousand) have been made for severance entitlements in defined contribution plans.

The provisions for severance benefits changed as follows:

in EUR thousand	2014	2013
Present value of the obligation as of January 1	27,085	26,376
Reclassifications	27	0
Current service cost	818	824
Interest cost	912	885
Payments	(772)	(1,018)
Expected value of the obligation as of Dec. 31	**28,070**	**27,068**
Present value of the obligation as of Dec. 31	**24,339**	**27,085**
Revaluation of the period (Other comprehensive income)	**(3,731)**	**17**
thereof from changes in demographic assumptions	(3,520)	0
thereof from changes in financial assumptions	188	0
thereof from changes in experiential assumptions	(399)	17

Due to a modified appraisal, in the case of current calculations it was assumed that all employee departures from the company that did not occur on the basis of working incapacity, decease or retirement comprise solely the giving of notice to the respective employee or unjustified early departure, which consequently carry no entitlement. In the previous year, it was assumed that 50% of employee

departures from the company occurred without entitlement to severance benefit. This resulted in actuarial gains arising from a modification of demographic assumptions, as listed in the table.

The calculations were based on the following parameters:

	2014	2013
Increase in salary in %	3.50	5.00
Discount factor in %	2.00	3.50
Staff turnover in %	2.00	2.00
Female retirement age/pension age (years) in years	60	60
Male retirement age/pension age (years) in years	65	65

The average remaining duration of the obligations amounts to 13.9 years (previous year: 13.8 years).

The effects on earnings are as follows:

in EUR thousand	2014	2013
Included in personnel expenses		
Current service cost	(818)	(824)
Included in net interest expenses		
Interest cost	(912)	(885)

For the following financial year, severance benefits are expected in an amount of EUR 334 thousand (previous year: EUR 809 thousand).

A sensitivity analysis is important, especially in relation to changes in the parameters of interest rates and reference values. In this context, the management regards changes in each case of one percentage point up and down as realistic assumptions. A corresponding change in these parameters effects, firstly, service cost and interest cost, and, secondly, the present value of the obligation, as follows:

Sensitivity (in %)	2014		2013	
	+1 %	-1 %	+1 %	-1 %
Effect of changes in salaries				
on the current service cost and interest cost	11.4 %	(9.4 %)	16.7 %	(13.8 %)
on the defined benefit obligation	14.0 %	(11.8 %)	13.7 %	(11.6 %)
Effect of changes to the discount factor				
on the current service cost and interest cost	2.9 %	(4.4 %)	(0.1 %)	(0.9 %)
on the defined benefit obligation	(12.3 %)	14.9 %	(12.1 %)	14.6 %

Provisions for pensions

Defined benefit plans

Provisions for pensions relate mainly to provisions in Austria and Canada that are recognised as defined benefit plans in accordance with IAS 19, and are largely covered by plan assets. Calculations are made on the basis of an actuarial report applying country-specific parameters and calculation methods.

The measurement of the obligations of the Austrian subsidiaries to former managerial staff arising from individual contractual commitments is based on biometric information drawn from the 2008-P (Ettl-Pagler) tables for salaried employees prepared by the Austrian Actuaries Association (AVÖ). Entitlements are based on final salary and are index-linked. The group of beneficiaries largely comprises individuals who are already entitled to benefits, as well as former employees who are not yet entitled to benefits. A pensionable retirement age of 61.5 years is applicable to the latter within the scope of individual contractual arrangements. No staff turnover rate is taken into consideration as the beneficiaries no longer include any active employees, and because of the obligation's short remaining term.

In Canada, a defined benefit scheme is in place for all employees who joined the Group before June 2012. The benefits are determined by years of service and average salary. Since June 2012, only production staff have received contracts that include defined benefit plans. The pensionable age for both men and women lies between 55 and 65 years. The measurement comprises a distribution over this period, with an ascending weighting. Staff turnover is taken into account differentiated according to age and gender.

The provisions for pensions changed as follows:

in EUR thousand	2014	2013
Present value of the obligation as of January 1	60,234	67,795
Reclassification	(27)	0
exchange differences	1,883	(4,216)
Current service cost	1,574	2,093
Contributions to plan assets (employees)	612	593
Interest cost	2,525	2,507
Payments from plan assets	(2,325)	(2,400)
Expected value of the obligation as of Dec. 31	**64,475**	**66,373**
Present value of the obligation as of Dec. 31	**75,733**	**60,234**
Revaluation of the period (Other comprehensive income)	**11,258**	**(6,139)**
Fair value of plan assets as of January 1	43,935	40,246
exchange differences	1,326	(2,719)
Expected return on plan assets	1,869	1,498
Contributions to plan assets (employer)	1,560	2,418
Contributions to plan assets (employees)	612	593
Payments from plan assets	(2,325)	(2,400)
Expected value of plan assets as of Dec. 31	**46,977**	**39,635**
Fair value of plan assets as of Dec. 31	**48,789**	**43,935**
Revaluation of the period (Other comprehensive income)	**1,812**	**4,300**
Provisions for pensions Dec. 31	**26,944**	**16,299**
Revaluation of the period (Other comprehensive income)	**9,446**	**(10,439)**
thereof from changes in demographic assumptions	(16)	1,114
thereof from changes in financial assumptions	11,076	(11,015)
thereof from changes in experiential assumptions	(1,614)	(538)

The calculations were based on the following parameters:

	2014	2013
Austria		
Increase in salaries in %	2.00	2.50
Discount factor (%) in %	1.50	3.00
Canada		
Increase in salary in %	3.00	3.00
Discount factor (%) in %	4.00	5.00

The average residual duration of the obligations amounts to 7.9 years in Austria (previous year: 7.5 years), and to 21.3 years in Canada (previous year: 20.2 years).

The effects on earnings are as follows:

in EUR thousand	2014	2013
Included in personnel expenses		
Current service cost (employer)	(2,186)	(2,686)
Contributions to plan assets (employees)	612	593
Included in net interest expenses		
Interest cost	(656)	(1,010)

Pension expenses are included in the following statement of profit or loss items:

in EUR thousand	2014	2013
Cost of sales	(2,044)	(2,515)
Selling and distribution expenses	(170)	(181)
Administrative expenses	(211)	(182)
Research and development expenses	(33)	(34)
Other expenses	(16)	(16)
	(2,473)	**(2,927)**

Plan assets are invested in Austria with APK Pensionskasse AG, in different investment and risk classes (IRCs) depending on the respective structure of the obligations. Assets relating to pensions drawn by retired employees are invested in IRC2, which has an investment and risk strategy based on significantly shorter maturities than those applied under IRC19, which manages assets related to projected benefit obligations. The Group is obligated to meet any funding shortfalls only in the event that returns do not cover the funding requirements for ongoing pension payments from APK.

Supplementary payments of EUR 607 thousand are anticipated in the 2015 financial year.

In Canada, the individual pension schemes are invested in each case in their own pension funds that are all held under joint asset management (Fiducie Desjardins), for whose management Letko Brosseau & Associates and Aberdeen Asset Management Inc. are responsible.

Employer contributions to the plan assets of the Canadian subsidiary are estimated at EUR 1,204 thousand in the 2014 reporting period.

Changes in plan assets in the respective IRCs are as follows:

Fair value of plan assets in EUR thousand	2014			2013		
	VRG2	VRG19	Kanada	VRG2	VRG19	Kanada
Fair value of plan assets as of January 1	13,350	2,590	27,995	14,213	2,440	23,593
exchange differences	0	0	1,326	0	0	(2,719)
Expected return on plan assets	350	118	1,402	477	85	936
Contributions to plan assets	383	0	1,789	405	0	2,605
Payments from plan assets	(1,770)	0	(555)	(1,765)	0	(634)
Actuarial (gains)/losses	444	61	1,307	20	65	4,215
Fair value of plan assets as of Dec. 31	**12,756**	**2,769**	**33,264**	**13,350**	**2,590**	**27,995**

The investment structure is outlined below:

Investment to plan assets as of Dec. 31 (in %)	2014			2013		
Classes of assets	VRG2	VRG19	Kanada	VRG2	VRG19	Kanada
Shares	28.0	46.5	61.8	28.6	46.0	66.0
Bonds	50.2	37.9	29.9	46.1	31.2	29.0
Real estate	3.1	4.6	0.0	3.5	9.4	5.0
Cash	10.6	6.8	0.0	12.9	5.8	0.0
Other	8.1	4.2	8.3	8.9	7.6	0.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

The plan assets predominantly comprise assets whose prices are quoted on active markets. Of the equity instruments in IRC2 and IRC19, in each case around one third comprise US shares, approximately one quarter euro-denominated shares, and approximately one quarter shares from the Asian region. The debt instruments of both IRCs comprise more than two thirds government bonds, of which around one half derive from the OECD area, and one third comprise corporate bonds. The debt instruments in the Canadian plan assets comprise exclusively foreign currency securities (non-euro). Of the equity instruments, 23% are denominated in euros and 74% in foreign currencies, with 3% deriving from emerging markets.

A sensitivity analysis is important, especially in relation to changes in the parameters of interest rates and reference values. In this context, the management regards changes in each case of one percentage point up and down as realistic assumptions. A corresponding change in these parameters effects, firstly, service cost and interest cost, and, secondly, the present value of the obligation, as follows:

Sensitivity (in %)	2014		2013	
	+1%	-1%	+1%	-1%
Effect of changes in salaries				
on the current service cost and interest cost	14.2%	(12.1%)	15.7%	(13.1%)
on the defined benefit obligation	9.5%	(8.1%)	10.2%	(8.7%)
Effect of changes to the discount factor				
on the current service cost and interest cost	(16.4%)	18.3%	(15.3%)	17.9%
on the defined benefit obligation	(14.6%)	19.1%	(14.1%)	18.3%

Defined contribution plans

In Austria, managers and employees are also entitled to defined contribution plans after they have been employed by the company for a certain period of time. The Group companies make payments into a pension scheme depending on salary.

In Canada, payments are made into defined contribution plans for administrative staff, managers and senior employees of Aluminerie Alouette Inc. The total amount of such payments in the year under review stood at to EUR 899 thousand (previous year: EUR 835 thousand).

Provisions for medical care benefits

Defined benefit supplementary health insurance has been taken out for employees of Aluminerie Alouette Inc. who joined the company before April 1, 2009. The benefits are determined by years of service and average salary. The pensionable age for both men and women lies between 55 and 65 years. The measurement comprises a distribution over this period, with an ascending weighting. Staff turnover is taken into account differentiated according to age and gender.

The provisions for pensions changed as follows:

in EUR thousand	2014	2013
Present value of the obligation as of January 1	5,459	6,354
exchange differences	292	(659)
Current service cost	141	191
Interest cost	282	243
Payments	(50)	(36)
Expected value of the obligation as of Dec. 31	**6,122**	**6,093**
Present value of the obligation as of Dec. 31	**7,305**	**5,459**
Revaluation of the period (Other comprehensive income)	**1,183**	**(634)**
thereof from changes in demographic assumptions	(21)	278
thereof from changes in financial assumptions	1,079	(975)
thereof from changes in experiential assumptions	124	63

The calculations were based on the following parameters:

	2014	**2013**
Salary increase in %	3.00	3.00
Increase in costs in %	4.60	4.60
Discount rate in %	4.00	5.00

The average remaining duration of the obligations amounts to 18.4 years (previous year: 17.2 years).

The effects on earnings are as follows:

in EUR thousand	2014	2013
Included in personnel expenses		
Current service cost	(141)	(191)
Included in net interest expenses		
Interest cost	(282)	(243)

In the following year, employer contributions are expected to amount to EUR 50 thousand (previous year: EUR 36 thousand).

The effects of a one percentage point change in the projected movement of medical care benefits costs were as follows:

Sensitivity (in %)	2014		2013	
	+ 1%	- 1%	+ 1%	- 1%
Effect on the current service cost and interest cost	19.6%	(15.6%)	20.6%	(16.2%)
Effect on the defined benefit obligation	17.8%	(14.3%)	18.9%	(15.2%)

Provisions for service anniversary bonuses

The provision for service anniversary bonuses relates to the provisions that Group companies in Austria form for payments under collective agreements and/or works agreements, depending on length of service.

The change in provisions for service anniversary bonuses was as follows:

in EUR thousand	2014	2013
Present value of the obligation as of January 1	4,621	3,846
Current service cost	296	253
Interest cost	152	129
Payments	(287)	(128)
Expected value of the obligation as of Dec. 31	**4,782**	**4,100**
Present value of the obligation as of Dec. 31	**4,486**	**4,621**
Revaluation of the period (recognized in profit and loss)	**(296)**	**521**

The calculations were based on the following parameters:

	2014	2013
Increase in salaries in %	3.00	5.00
Discount factor (%) in %	2.00	3.50
Staff turnover in %	2.00	2.00
Female retirement age/pension age (years) in years	60	60
Male retirement age/pension age (years) in years	65	65

The average remaining duration amounted to 12.4 years, as in the previous year.

The effects on earnings are as follows:

in EUR thousand	2014	2013
Included in personnel expenses		
Current service cost	(296)	(253)
Actuarial gains/(losses)	296	(521)
Included in net interest expenses		
Interest cost	(152)	(129)

Other non-current provisions

The change in other non-current provisions was as follows:

in EUR thousand	After-care costs	Others	Total
Book value as of January 1	12,061	3,272	15,333
exchange differences	117	0	117
Utilization	(15)	(10)	(25)
Reversal	0	(548)	(548)
Addition	3,557	491	4,048
Addition/deduction of accrued interest	(124)	0	(124)
Reclassification to current provisions	(1,997)	(847)	(2,844)
Book value as of Dec. 31, 2014	**13,599**	**2,358**	**15,957**

in EUR thousand	After-care costs	Others	Total
Book value as of January 1	13,201	1,947	15,148
exchange differences	(361)	0	(361)
Utilization	(9)	(64)	(73)
Reversal	0	(1,666)	(1,666)
Addition	1	3,287	3,288
Addition/deduction of accrued interest	381	0	381
Reclassification to current provisions	(1,152)	(232)	(1,385)
Book value as of Dec. 31, 2014	**12,061**	**3,272**	**15,333**

Along with the following item, provisions for long-term cleanup costs also include contingent liabilities pursuant to IFRS 3, and the provision for leachate cleaning at a waste site, which is described in more detail in chapter E Assumptions and estimation uncertainties.

Aluminerie Alouette Inc. is required to dispose professionally of contaminated furnace linings of electrolysis cells at the end of their expected operational lives. Provisions are formed for the estimated disposal costs at their present value as of the commissioning date. The discounting factor is calculated based on five-year maturity Canadian government bonds. The carrying amount of the non-current portion of the provision amounts to EUR 2,840 thousand (previous year: EUR 2,713 thousand).

Other non-current provisions primarily comprise the provision for pending losses on onerous contracts. All customer orders are investigated for losses. This entails comparing estimated costs, taking inflation into account, with agreed prices. If the costs exceed the expected revenues, the difference is discounted applying a congruent maturity interest rate (congruent maturity European government yield curve on euro-denominated government bonds), and a provision is formed. The respective contracts run until 2018. The carrying amount of the provision amounts to EUR 2,304 thousand (previous year: EUR 3,207 thousand).

10 Current provisions

The change in current provisions was as follows:

in EUR thousand	Customer Complaints	Customer Bonus	After-care costs	Others	Total
Book value as of January 1	5,585	3,826	2,279	3,988	15,678
exchange differences	0	0	46	4	49
Utilization	(268)	(2,844)	(3,215)	(765)	(7,092)
Reversal	(1,977)	(435)	0	(3,280)	(5,691)
Addition	866	3,597	333	1,404	6,200
Addition/deduction of accrued interest	0	0	114	0	114
Reclassification from non-current provisions	0	0	1,997	847	2,844
Book value as of Dec. 31, 2014	**4,206**	**4,144**	**1,555**	**2,198**	**12,103**

in EUR thousand	Customer Complaints	Customer Bonus	After-care costs	Others	Total
Book value as of January 1	5,683	3,165	804	13,393	23,045
exchange differences	0	0	(110)	(24)	(134)
Utilization	(220)	(2,340)	(2,613)	(1,397)	(6,569)
Reversal	(4,145)	(154)	0	(10,081)	(14,380)
Addition	3,731	3,154	2,436	2,941	12,262
Addition/deduction of accrued interest	0	0	69	0	69
Reclassification from non-current provisions	536	0	1,692	(844)	1,385
Book value as of Dec. 31, 2014	**5,585**	**3,826**	**2,279**	**3,988**	**15,678**

Under reclaims, all open reclaim cases are measured in relation to their estimated expenses, and recognised as provisions. As of the balance sheet date, bonus agreements with customers also exist that set out the terms and conditions of a rebate that is not to be paid until after the product is purchased. A provision has been formed for this obligation under customer bonuses.

The cleanup provision relates to the current portion of the cleanup costs. Other provisions primarily comprise the current portion of the provision for pending losses on onerous contracts. Further notes can be found under G. 9. Other non-current provisions.

11 Interest-bearing financial liabilities

in EUR thousand	2014	2013
Interest-bearing non-current financial liabilities	219,043	125,554
Interest-bearing current financial liabilities	18,272	3,641
	237,315	**129,194**

Financial liabilities increased by EUR 108,121 thousand in the reporting period to EUR 237,315 thousand. The change arises chiefly from drawing down a long-term financing facility in an amount of EUR 100 million with a four-year term and a 0.9% interest rate. This facility was not secured by real property.

12 Trade payables

in EUR thousand	2014	2013
Trade payables	55,428	60,811
	55,428	**60,811**

Of the trade payables EUR 23,923 thousand are attributable to investment liabilities (previous year: EUR 13,279 thousand).

13 Other liabilities

in EUR thousand	2014	2013
Other non-current liabilities	11,820	5,682
Other current liabilities	42,369	36,501
	54,189	**42,184**

Other non-current liabilities include derivative financial instruments in a total amount of EUR 7,707 thousand (previous year: EUR 1,692 thousand). These comprise derivative instruments with a negative fair value not designated or recognised as hedging instruments in accordance with IAS 39 and consequently recognised as liabilities amounting to EUR 24 thousand (previous year: EUR 585 thousand),

as well as derivative financial instruments designated as hedging instruments in documented cash flow hedges which are determined to have been effective, amounting to EUR 7,682 thousand (previous year: EUR 1,102 thousand).

Derivative financial instruments designated as hedging instruments in documented fair value hedges of reported assets or firm commitments which are determined to have been effective amount to EUR 0 (previous year: EUR 6 thousand).

Other current liabilities are composed as follows:

in EUR thousand	2014	2013
Derivatives recognized as current liabilities	21,082	12,979
Liabilities due to employees	13,296	10,601
Other tax liabilities	3,125	3,127
Liabilities due to social security carriers	2,174	2,037
Deferred income	41	176
Sundry other liabilities	2,651	7,581
	42,369	**36,501**

Current derivative liabilities include derivatives with a negative fair value that are not designated or recognised as hedging instruments in accordance with IAS 39 amount to EUR 11,314 thousand (previous year: EUR 11,466 thousand). Their main purpose is to hedge risks associated with AMAG's aluminium stocks and order book. Under this item, an amount of EUR 19,027 thousand (previous year: EUR 23,157 thousand) was offset against derivative financial instruments recognised under current assets, due to an enforceable claim for netting. For more details, please refer to the notes relating to the consolidated statement of financial position, section 6.

The remaining current derivative liabilities are divided into the following categories, in accordance with IAS 39; their fair values as at the end of the reporting period are also provided:

- Derivatives designated as hedging instruments in documented fair value hedges of reported assets or firm commitments which are determined to have been effective: EUR 401 (previous year: EUR 636 thousand).
- Derivatives designated as hedging instruments in documented cash flow hedges which are determined to have been effective: EUR 9,367 thousand (previous year: EUR 876 thousand).

H NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The AMAG Group prepares its statement of profit or loss applying the cost of sales method.

1 Revenue

As the AMAG Group operates in several business segments, this reduces the risk of dependency on a small number of customers. Its ten largest customers account for 39.5% of sales revenue (previous year: 36.1%), and the largest single customer, which is attributable to the Rolling Division, accounts for 8.3% (previous year: 8.1%).

Further information on divisional revenue can be found under segment information. Due to the high cost of preparing reports on revenue deriving from different customers by comparable product and service, such reports are not presented. Only the Service Division generates revenue from services.

Revenue includes EUR 13,549 thousand of income from derivatives that are designated as cash flow hedges pursuant to IAS 39 (previous year: EUR 17,901 thousand of income).

2 Segment information

Business divisions

Reporting by business divisions (the Metal, Casting, Rolling and Service divisions) and consolidation conforms to the Group's organisational and management structure, and this serves as the basis for segment information.

Production of primary aluminium, management of metal production streams, hedging the aluminium price risk exposure of AMAG's operating subsidiaries, and marketing primary aluminium fall under the remit of the Metal Division.

The Casting Division is responsible for the production of high-quality cast aluminium alloys from aluminium scrap for use by various sectors, including the automotive sector and supply industry, as well as the engineering and electrical engineering sectors.

The Rolling Division manufactures high-quality rolled aluminium products such as sheets, strips and plates for applications in the automotive sector and supply industry, and in the sports, engineering, transportation and other industrial sectors. The Division also specialises in bright products, customised cathode elements for zinc electrolysis plants, brazing materials, tread plate and high strength alloys. The portfolio is rounded out by foil stock materials for the packaging industry.

The Service Division provides all centralised services to AMAG's operating divisions at the Ranshofen facility, and the entire Group management functions for the AMAG Group. Its tasks particularly span the entire facility management at the Ranshofen site. The value of its land and buildings is attributed in its entirety to this division. Energy supply, waste disposal, general site services and materials management are also included in the Service Division. The revenue reported in the Service Division relates entirely to the provision of services.

No business divisions were combined in order to create the four reportable divisions described above. The accounting principles applied to prepare the segment information for AMAG Austria Metall AG are based on the IFRSs applied in the preparation of the consolidated financial statements.

AMAG Austria Metall AG evaluates divisional performance on the basis of shipments and earnings before interest, tax, depreciation and amortisation (EBITDA), among other indicators.

Inter-divisional sales and purchases of materials and services are calculated on the basis of market prices. Divisional assets and liabilities comprise all assets and liabilities recognised on the basis of the financial statements that are prepared by the operating divisions and included in the consolidated financial statements. Divisional investment comprises additions to intangible assets, and to property, plant and equipment.

Inter-divisional transactions

The revenue, expenses and income of each division include elimination of intragroup balances between business divisions and geographical segments. Interdivisional transfer prices are based on comparable, standard market terms.

Business divisions

2014 in EUR thousand	Metal	Casting	Rolling	Service	Consoli-dation	Group
Shipments in tons	**122,741**	**83,300**	**169,863**		**(23,814)**	**352,090**
of which internal [1)]	**4,864**	**18,950**	**0**		**(23,814)**	**0**
Revenue						
External	191,805	111,923	513,800	5,428	0	822,956
Internal	388,474	9,819	87,250	56,226	(541,769)	0
	580,280	**121,742**	**601,050**	**61,654**	**(541,769)**	**822,956**
Gross profit	**31,392**	**6,586**	**76,131**	**12,218**	**(1,453)**	**124,875**
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**48,151**	**4,787**	**59,902**	**1,904**	**0**	**114,744**
Depreciation and amortization	23,974	2,482	20,402	8,934	0	55,791
Earnings before interest and taxes (EBIT)	**24,177**	**2,305**	**39,501**	**(7,030)**	**0**	**58,953**
Interest income	2,317	0	133	3,901	(5,676)	675
Interest expenses	(2,051)	(405)	(6,690)	(3,184)	5,676	(6,653)
Net interest income (expenses)	**266**	**(405)**	**(6,557)**	**717**	**0**	**(5,979)**
Other financial income (expenses)	1,227	0	(68)	1,912	0	3,071
Net financial income (expenses)	**1,493**	**(405)**	**(6,625)**	**2,628**	**0**	**(2,907)**
Earnings before taxes (EBT)	**25,670**	**1,901**	**32,876**	**(4,401)**	**0**	**56,046**
Income taxes	(5,910)	(453)	(7,305)	16,833	0	3,166
Net income after taxes	**19,760**	**1,448**	**25,571**	**12,432**	**0**	**59,212**
Balance sheet						
Division assets	394,457	32,196	380,549	624,020	(338,720)	1,092,501
Division liabilities	137,702	20,693	245,614	242,357	(177,754)	468,611
Other disclosures						
Investments (excluding financial investments)	20,559	1,044	90,291	18,922	0	130,816
Employees FTE	207	122	1,181	128	0	1,638

1) Internal shipments includes deliveries of materials from Alouette in the Metal Division, and reworking operations in the Casting Division.

2013 in EUR thousand	Metal	Casting	Rolling	Service	Consolidation	Group
Shipments in tons	**115,014**	**79,112**	**157,583**		**(22,148)**	**329,560**
of which internal [1)]	**1,682**	**20,466**	**0**		**(22,148)**	**0**
Revenue						
External	188,634	101,163	491,019	5,630	0	786,445
Internal	358,672	9,218	78,431	53,197	(499,518)	0
	547,305	**110,381**	**569,450**	**58,827**	**(499,518)**	**786,445**
Gross profit	**32,446**	**6,302**	**81,242**	**11,587**	**(2,307)**	**129,270**
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**50,778**	**4,632**	**63,474**	**3,934**	**0**	**122,818**
Depreciation and amortization	22,306	2,599	17,490	7,988	0	50,382
Earnings before interest and taxes (EBIT)	**28,472**	**2,033**	**45,985**	**(4,053)**	**0**	**72,436**
Interest income	2,740	9	295	3,145	(5,586)	603
Interest expenses	(3,364)	(414)	(5,856)	(3,103)	5,586	(7,151)
Net interest income (expenses)	**(624)**	**(405)**	**(5,561)**	**43**	**0**	**(6,548)**
Other financial income (expenses)	(1,353)	(0)	(209)	686	0	(877)
Net financial income (expenses)	**(1,977)**	**(405)**	**(5,770)**	**728**	**0**	**(7,425)**
Earnings before taxes (EBT)	**26,495**	**1,627**	**40,214**	**(3,325)**	**0**	**65,011**
Income taxes	(11,224)	(426)	(11,589)	14,256	0	(8,983)
Net income after taxes	**15,271**	**1,201**	**28,626**	**10,931**	**0**	**56,028**
Balance sheet						
Division assets	381,163	37,239	301,208	465,093	(251,233)	933,470
Division liabilities	139,877	27,447	170,703	123,713	(112,707)	349,034
Other disclosures						
Investments (excluding financial investments)	17,415	2,003	73,850	36,639	0	129,907
Employees FTE	205	121	1,117	121	0	1,564

1) Internal volumes include material supplies from Alouette in the Metal Division, and reprocessing volumes in the Casting Division.

Geographical divisions

2014 in EUR thousand	Production site Austria	Production site Canada	Total	Consoli-dation	Group
Revenue					
Austria revenue [1]	117,183	203,795	320,978	(196,683)	124,295
Western Europe	502,397	0	502,397	0	502,397
Other markets	196,264	0	196,264	0	196,264
	815,844	**203,795**	**1,019,640**	**(196,683)**	**822,956**
Earnings					
Earnings before interest, taxes, depreciation and amortization (EBITDA)	56,600	56,586	113,186	1,558	114,744
Earnings before interest and taxes (EBIT)	24,772	32,623	57,395	1,558	58,953
Balance sheet					
Division assets	888,830	284,058	1,172,888	(80,387)	1,092,501

2013 in EUR thousand	Production site Austria	Production site Canada	Total	Consoli-dation	Group
Revenue					
Austria revenue [1]	111,319	185,111	296,430	(178,713)	117,716
Western Europe	474,908	0	474,908	0	474,908
Other markets	193,821	0	193,821	0	193,821
	780,047	**185,111**	**965,158**	**(178,713)**	**786,445**
Earnings					
Earnings before interest, taxes, depreciation and amortization (EBITDA)	83,018	39,552	122,570	248	122,818
Earnings before interest and taxes (EBIT)	54,931	17,257	72,188	248	72,436
Balance sheet					
Division assets	760,538	257,783	1,018,321	(84,850)	933,470

1) Aluminium production at the Alouette smelter in Canada is charged on a pro rata basis to the Austrian metal management subsidiary, which in turn sells AMAG's share of production.

3 Cost of sales

The cost of sales includes expenses of EUR 521.6 million for materials and purchased services. The entire expenses for materials and purchased services are recognised under the following items in the statement of profit or loss:

in EUR thousand	2014	2013
Cost of sales	521,646	500,051
Selling and distribution expenses	62	392
Administrative expenses	242	12
Research and development expenses	260	339
Other expenses	2,715	1,819
	524,925	**502,614**

The cost of sales includes gains and losses from derivatives designated as hedging instruments in cash flow hedges in accordance with IAS 39 amounting to EUR 1,081 thousand (previous year: EUR -1,056 thousand), and income from derivatives designated as hedging instruments in fair value hedges in accordance with IAS 39 amounting to EUR -2,436 thousand (previous year EUR 17,068 thousand). The change in value of the hedged aluminium stocks amounts to EUR 9,231 thousand (previous year: EUR 10,981 thousand).

4 Other income

in EUR thousand	2014	2013
Gains from the disposal of property, plant and equipment and intangible assets	332	193
Insurance income	123	130
Grants and government subsidies	1,991	1,031
Income from currency translation	1,187	1,806
Other income	4,027	3,888
	7,660	**7,049**

Sundry other income mainly comprises income from maintenance services and services provided by the accredited testing station to third parties.

5 Personnel expenses

Personnel expenses are composed as follows:

in EUR thousand	2014	2013
Wages	58,594	56,040
Salaries	33,413	30,446
Expenses for severance payments and contributions to employee benefit funds	1,428	1,550
Retirement benefit obligation	2,473	2,927
Expenses for social security contributions	20,823	19,378
Other expenses for social benefits	332	313
	117,063	**110,654**

Personnel expenses are included in the following items in the statement of profit or loss:

in EUR thousand	2014	2013
Cost of sales	88,340	85,191
Selling and distribution expenses	8,751	8,230
Administrative expenses	12,180	10,770
Research and development expenses	6,008	4,630
Other expenses	1,784	1,833
	117,063	**110,654**

Management Board members and senior employees

The variable remuneration of the AMAG Management Board is based on a number of indicators including return on capital employed (ROCE) and consolidated net income after tax. The ratio of fixed to variable components in the total remuneration of Management Board members is approximately 62:38 (previous year: around 63:37). Management Board compensation stood at EUR 3,467 thousand in the 2014 financial year (previous year: EUR 1,961 thousand).

Executive staff within the Group received EUR 6,202 thousand of compensation (previous year: EUR 6,064 thousand).

Expenses for severance payments and contributions to employee benefit funds are comprised as follows:

in EUR thousand	2014	2013
Board members	29	31
Executive employees	175	280
Other employees	1,224	1,240
	1,428	**1,550**

Pension expenses are comprised as follows:

in EUR thousand	2014	2013
Board members	107	58
Executive employees	176	179
Other employees	2,190	2,691
	2,473	**2,927**

A premium of EUR 41 thousand (previous year: EUR 45 thousand) was paid for D&O liability insurance.

The retirement scheme for Management Board members and managing directors of consolidated companies is comprised entirely of defined contribution plans. The Group has no obligation to meet any funding shortfalls.

Supervisory Board

Remuneration of EUR 195 thousand was paid to the Supervisory Board of AMAG Austria Metall AG in 2014 (previous year: EUR 179 thousand).

Remuneration for members of the Supervisory Board is determined by the Annual General Meeting, in consideration of responsibility borne by, and activities undertaken, by the Supervisory Board. In particular, the company's size and organisational structure, and the scope of decisions made by the Supervisory Board, are taken into account. In contrast with Management Board compensation, the company's financial position is not relevant to the remuneration of the Supervisory Board. The activity of the Supervisory Board of the AMAG Group is not subject to performance-based measurement.

The distribution of remuneration between Supervisory Board members is decided by the Supervisory Board.

Headcount

Average number of employees (Full Time Equivalent)	2014	2013
Blue-collar employees	1,117	1,076
White-collar employees	521	488
	1,638	**1,564**

The headcount includes a 20% share of the workforce in 2014 at the Aluminerie Alouette joint operation, or 200 employees (previous year: 199 employees).

6 Depreciation and amortisation

Depreciation and amortisation is distributed among the income statement items as follows:

in EUR thousand	2014	2013
Cost of sales	54,082	48,837
Selling and distribution expenses	171	163
Administrative expenses	675	550
Research and development expenses	519	520
Other expenses	343	312
	55,791	**50,382**

7 Net financial income (expenses)

in EUR thousand	2014	2013
Interest income	675	603
Interest expenses	(6,653)	(7,151)
Other financial income (expenses)	3,071	(877)
	(2,907)	**(7,425)**

Interest expenses comprised the following items:

in EUR thousand	2014	2013
Interest expenses from financial instruments at fair value	0	0
Interest expenses from financial liabilities at amortized cost	(3,901)	(3,409)
Interest expenses from provisions	(1,992)	(2,718)
Interest expenses from non-financial liabilities	(761)	(1,023)
	(6,653)	**(7,151)**

Interest expenses from provisions include the net interest expense from provisions for employee benefits, as well as the discounted interest from non-current provisions.

Other financial income (expenses) includes income from non-consolidated investments amounting to EUR 195 thousand (previous year EUR 154 thousand expense), the effects of currency translation of financing, totalling EUR 1,498 thousand (previous year: EUR 1,172 thousand), as well as income from derivatives not designated as hedging instruments in accordance with IAS 39 amounting to EUR 823 thousand (previous year: EUR -2,050 thousand expense).

8 Income taxes

Income taxes comprise income taxes paid and payable, as well as deferred tax. Parts of AMAG Group subsidiaries are subject to group taxation.

Tax reconciliation

in EUR thousand	2014	2013
Earnings before taxes (EBT)	56,046	65,011
Tax expenses at 25%	**14,011**	**16,253**
Not deductable expenses	1,012	189
Tax-free income	(290)	(202)
Other tax rates	286	316
Minimum corporate tax	7	5
Tax expenses previous years	(357)	2,163
Allocation and release of deferred taxes on losses carried forward	(16,504)	(12,905)
Other	(1,330)	3,164
Current tax expenses	**(3,166)**	**8,983**
Tax payments	6,613	14,528

The year-on-year decline in consolidated income tax expense derived primarily from aperiodic effects. The current tax expense was affected mainly by the formation of deferred taxes in relation to loss carryforwards (see section H 3 Deferred tax assets). The total tax expense for the previous year includes adjustments arising from a tax inspection, and an amount relating to an increase in transfer prices required as the result of a mutual agreement procedure.

Deferred tax

	Deferred taxes 2014		Deferred taxes 2013	
in EUR thousand	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Property, plant and equipment	184	34,221	0	35,069
Other non-current assets and financial assets	1,510	5,268	2,492	3,459
Inventories	709	194	1,969	0
Receivables	489	7,705	2,416	9,329
Losses carried forward	34,041	0	25,313	0
Untaxed reserves	1,676	0	1,676	0
Provisions	15,587	401	9,354	855
Liabilities	12,648	3,518	5,574	511
Others	0	0	142	0
	66,844	**51,307**	**48,936**	**49,222**
Offsetting towards the same taxation authority	26,855	26,855	21,665	21,665
Net deferred tax assets and liabilities	**39,989**	**24,452**	**27,271**	**27,557**

The following table shows the changes and distribution of changes in deferred tax among those components that are recognised in profit or loss, and those recognised directly in equity:

in EUR thousand	Deferred tax assets	Deferred tax liabilities
As of Jan. 1, 2013	25,707	31,725
Profit and loss changes	3,081	(7,241)
Cash flow hedges	(1,586)	197
Revaluation of defined benefit pension plans	68	3,038
Currency translation differences	0	(162)
Not recognised in profit or loss	(1,518)	3,073
As of Dec. 31, 2013	**27,271**	**27,557**
As of Jan. 1, 2014	27,271	27,557
Profit and loss changes	8,507	594
Cash flow hedges	3,940	(2,328)
Revaluation of defined benefit pension plans	271	(1,603)
Currency translation differences	0	232
Not recognised in profit or loss	4,211	(3,699)
As of Dec. 31, 2014	**39,989**	**24,452**

I NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows is presented using the indirect method. A distinction is made in the statement between cash flows deriving from operating, investing and financing activities.

Other non-cash expenses and income primarily include measurement effects deriving from currency translation. The change in investment liabilities of EUR 10,644 thousand (previous year: EUR 1,900 thousand) is included in the item for payments for investments in property, plant and equipment and intangible assets.

Cash and cash equivalents comprise cash on hand of EUR 27 thousand (previous year: EUR 27 thousand) and short-term investments amounting to EUR 144,257 thousand (previous year: EUR 79,138 thousand).

J FINANCIAL INSTRUMENTS

Risk management strategies

AMAG Austria Metall AG is exposed to risks arising from changes in exchange rates, interest rates and quoted share prices, which can have an impact on assets, liabilities and planned transactions. The handling of such risks is regulated in Group-wide valid guidelines that are updated constantly and adjusted to reflect changes in circumstances. The aim of financial risk management is to limit market

risk by means of the Group's ongoing operating and financial activities. Derivative instruments are deployed solely for hedging purposes.

Liquidity risks

Liquidity risk refers to the risk that the company will not have uninterrupted access to funding in order to settle its financial obligations. Accordingly, the Group takes steps to ensure that sufficient cash and cash equivalents are available, and that financing requirements can be met through credit facilities. Liquidity risks are determined by liquidity planning, which is conducted across the Group on the basis of different currencies. Capital measures for the Group companies are planned on the basis of these results.

In order to protect against liquidity risk, securitised and unsecuritised credit lines of EUR 130,000 thousand are available to the AMAG Group (previous year: EUR 130,000 thousand). The Group also has at its disposal credit guarantee lines of EUR 41,183 thousand (previous year: EUR 58,755 thousand).

The residual terms of the liabilities are as follows:

2014 in EUR thousand	**Book value**	**Gross cash flow**	**With a residual term of less than 1 year**	**With a residual term of more than 1 but less than 5 years**	**With a residual term of more than 5 years**
Financial liabilities	237,315	271,995	21,032	213,973	36,990
Other non-current liabilities without derivatives	4,114	4,114	0	4,114	0
Derivatives recognized as non-current liabilities	7,707	7,707	0	7,707	0
Trade payables	55,428	55,428	55,428	0	0
Current tax liabilities	6,093	6,093	6,093	0	0
Other current liabilities without derivatives	21,286	21,286	21,286	0	0
Derivatives recognized as current liabilities	21,082	21,082	21,082	0	0
	353,025	**387,706**	**124,922**	**225,794**	**36,990**

2013 in EUR thousand	Book value	Gross cash flow	With a residual term of less than 1 year	With a residual term of more than 1 but less than 5 years	With a residual term of more than 5 years
Financial liabilities	129,194	162,686	5,540	121,695	35,451
Other non-current liabilities without derivatives	3,990	3,990	0	3,990	0
Derivatives recognized as non-current liabilities	1,692	1,692	0	1,692	0
Trade payables	60,811	60,811	60,811	0	0
Current tax liabilities	4,813	4,813	4,813	0	0
Other current liabilities without derivatives	23,522	23,522	23,522	0	0
Derivatives recognized as current liabilities	12,979	12,979	12,979	0	0
	237,003	**433,179**	**113,206**	**249,072**	**70,902**

Credit risks

Credit risk and the risk of default by contractual partners is managed by way of credit assessments, credit limits and routine checks. Where appropriate, the Group obtains government export guarantees or guarantees from private credit insurers in order to minimise default risk.

The Group operates exclusively with financial partners with good credit ratings, which also serves to reduce credit risk.

With regard to assets, the reported values of the relevant primary financial instruments represent the maximum credit or default risk. Provisions are formed for all identified risks. The management is of the opinion that no other credit risks above and beyond these will arise.

Trade receivables that are not yet due are owed mainly by long-term business partners. Creditworthiness is assessed on the basis of internal guidelines. Credit insurance has been taken out with various insurers in relation to a significant proportion (80.3%) of trade receivables (previous year: 80.4%). An excess is payable in the event of a claim. Impairment allowances equivalent to the maximum excess are recognised for such receivables, based on local management's assessment. Impairment losses are applied to uninsured receivables, depending on their overdue nature.

in EUR thousand	2014	2013
Not yet due	**71,835**	**58,247**
Overdue receivables	**11,547**	**9,689**
Less than 30 days overdue	10,299	9,113
More than 30 days, but less than 60 days overdue	867	349
More than 60 days, but less than 90 days overdue	225	98
More than 90 days, but less than 180 days overdue	155	128
	83,382	**67,935**
Receivables written-down	4,738	3,445
Total Trade receivables	**88,120**	**71,381**

None of the other receivables are overdue.

Market risks

Currency risk

Currency risk refers to the risk that the value of a financial instrument may change due to exchange rate fluctuations. The Group concludes exchange futures and options transactions (cash flow hedges) in order to limit the currency risk arising from cash flows from operating activities. The fair value of assets and liabilities reported in the statement of financial position is hedged using exchange forward transactions and options (fair value hedges).

The Group is exposed to currency risk on account of the fact that it operates, and generates revenue, in various countries around the world. Foreign currency receivables and liabilities related to transactions that require disclosure are recognised at the time when the respective contract is entered into, as are undisclosed items, in particular recurring transactions required for operating activities (e.g. anticipated purchases of raw materials and consumables, and revenue).

Production costs at the Ranshofen site are mainly incurred in euros, but also in US dollars. Any imbalance between expenses and revenue is hedged. Costs at the Canadian plant are incurred in US dollars and Canadian dollars, although sales revenue is realised primarily in US dollars. Items not covered by natural hedges are hedged in accordance with the risk position and risk horizon.

The table below shows the breakdown of primary financial instruments – comprising trade receivables and payables, loans receivable, borrowings and financial assets – by currency at the end of the reporting period:

	2014			2013		
	Currency	in EUR thousand	Share	Currency	in EUR thousand	Share
Primary financial instruments/assets	**EUR**	**179,513**	**75.3%**	**EUR**	**97,233**	**65.9%**
	USD	53,994	22.7%	USD	45,108	30.5%
	CAD	1,179	0.5%	CAD	2,881	1.9%
	GBP	2,523	1.1%	GBP	2,118	1.4%
	CHF	0	0.0%	CHF	0	0.0%
	DKK	589	0.2%	DKK	286	0.2%
	NOK	180	0.1%	NOK	95	0.1%
	Other	169	0.1%	Other	45	0.0%
		238,148	**100.0%**		**147,764**	**100.0%**

	2014			2013		
	Currency	in EUR thousand	Share	Currency	in EUR thousand	Share
Primary financial instruments/liabilities	**EUR**	**267,333**	**89.8%**	**EUR**	**155,300**	**77.6%**
	USD	10,796	3.6%	USD	25,706	12.8%
	CAD	19,795	6.6%	CAD	19,245	9.6%
	GBP	80	0.0%	GBP	0	0.0%
	CHF	16	0.0%	CHF	16	0.0%
	DKK	0	0.0%	DKK	32	0.0%
	SEK	0	0.0%	SEK	0	0.0%
	NOK	0	0.0%	NOK	0	0.0%
	Other	27	0.0%	Other	6	0.0%
		298,047	**100.0%**		**200,306**	**100.0%**

Interest rate risks

This refers to risks associated with changes in the net interest result or present value. Due to the interaction between these types of risks, interest rate risk cannot be eliminated entirely. The Group's exposure to risks related to present value affects interest-bearing financial instruments and assets, while net interest income-related risks have an impact on interest expense and income.

At the end of the reporting period the Group had entered into euro-denominated interest rate swaps that qualified as cash flow hedges. AMAG Austria Metall AG pays fixed interest on the notional value of the swap contract and, in return, receives variable interest payments on the same principal amount.

These interest rate swaps offset the impact of future changes in interest rates on the cash flows derived from the underlying variable-rate financial liabilities. The interest rate swaps are reported at fair value in the statement of financial position.

Changes in the fair value of interest rate swaps designated as cash flow hedges are recognised in equity under the hedging reserve item. Once interest payments are received in relation to the hedged underlying transaction, the hedging reserve is reclassified and recognised in profit or loss under net interest income/expense.

A detailed overview of the weighted interest rates applicable at the end of the reporting period is provided below:

Interest rate summary as of Dec. 31, 2014

Position	Rate type	Average	Bank accounts	Current	Non-current
Deposits	Fixed	-	-	-	-
	Variable	0.33%	0.15%	0.36%	-
	Average	**0.33%**	**-**	**-**	**-**
Financial liabilities	Fixed	1.17%	-	1.18%	1.17%
	Variable	1.61%	-	1.14%	1.68%
	Average	**1.25%**	**-**	**-**	**-**

Interest rate summary as of Dec. 31, 2013

Position	Rate type	Average	Bank accounts	Current	Non-current
Deposits	Fixed	-	-	-	-
	Variable	0.41%	0.04%	0.43%	-
	Average	**0.41%**	**-**	**-**	**-**
Financial liabilities	Fixed	1.60%	-	0.77%	1.64%
	Variable	1.77%	-	-	1.77%
	Average	**1.66%**	**-**	**-**	**-**

Commodity price risks

In the commodities area, AMAG Austria Metall AG is particularly exposed to price risks arising from aluminium. The Group's aluminium risks derive from the fact that the AMAG Group produces and processes aluminium. Aluminium production gives rise to price risks which are hedged through deploying derivative instruments. The reprocessing of aluminium also results in risk exposures. For this, metals are purchased on an aluminium basis (e.g. scrap), and resold following processing.

Hedging instruments are deployed in order to reduce the resultant purchasing and selling risks.

The risk of changes in raw material prices on the London Metal Exchange (LME) is hedged by means of standard commodities forwards and options. Hedges of future cash flows arising from aluminium production are classified as cash flow hedges. Hedges of inventory are recognised as fair value hedges in accordance with the IFRS criteria.

Derivatives designated as held for trading may not be classified as cash flow or fair value hedges under the current accounting standards, although they do serve as hedges against the Group's operating risk exposures.

Due to the long risk horizon in some cases, these risks are hedged for periods of up to three years. In the commodities price hedging area, too, derivatives are deployed only to hedge raw material price risk if they can be clearly accounted for and measured.

Sensitivity analysis

Sensitivity analyses as of Dec. 31, 2014 (amounts in EUR thousand)

Foreign exchange rate risks	Change	EUR	USD	Other	Total
Change in net financial liabilities due to an exchange rate reduction by	10%	0	1,493	254	1,747
Effect to profit or loss from foreign currency transactions due to an exchange rate reduction by	10%	(344)	0	0	(344)
Effect to other comprehensive income from foreign currency transactions due to an exchange rate reduction by	10%	(17,192)	3,079	3,566	(10,547)
Interest rate risks	**Change**	**EUR**	**USD**	**Other**	**Total**
Change in net interest income (expenses) due to an interest rate increased by	1%	506	335	0	841
Effect to other comprehensive income from interest swap due to an interest rate increased by	1%	316	0	0	316
Commodity price risks	**Change**			**AL**	**Total**
Change in inventory write-down due to LME aluminium price reduction by	10%	0	0	(6,749)	(6,749)
Effect to profit or loss from commodity price hedging due to an LME reduction by	10%	0	0	112	112
Effect to other comprehensive income from commodity price hedging due to an LME reduction by	10%	0	0	4,419	4,419

Sensitivity analyses as of Dec. 31, 2013 (amounts in EUR thousand)

Foreign exchange rate risks	**Change**	**EUR**	**USD**	**Other**	**Total**
Change in net financial liabilities due to an exchange rate reduction by	10%	0	806	272	1,078
Effect to profit or loss from foreign currency transactions due to an exchange rate reduction by	10%	(2,256)	0	0	(2,256)
Effect to other comprehensive income from foreign currency transactions due to an exchange rate reduction by	10%	(2,289)	2,121	6,901	6,733
Interest rate risks	**Change**	**EUR**	**USD**	**Other**	**Total**
Change in net interest income (expenses) due to an interest rate increased by	1%	111	246	0	357
Effect to other comprehensive income from interest swap due to an interest rate increased by	1%	316	0	0	316
Commodity price risks	**Change**			**AL**	**Total**
Change in inventory write-down due to LME aluminium price reduction by	10%	0	0	(8,338)	(8,338)
Effect to profit or loss from commodity price hedging due to an LME reduction by	10%	0	0	296	296
Effect to other comprehensive income from commodity price hedging due to an LME reduction by	10%	0	0	6,264	6,264

The table shows the effect of a generally possible exchange rate reduction of 10% on periodic earnings, as well as the sensitivities of the hedges.

The table also shows sensitivity given a one percentage point increase in the interest rate, as well as the effect of the hedges.

Finally, the table also shows the effects of a 10% change in the aluminium price on inventory values, and the sensitivity of the commodities hedges.

Primary financial instruments

Details of primary financial instruments can be found on the statement of financial position and in the related notes.

Cash and cash equivalents

The carrying amounts correspond to the fair market values.

Securities held as non-current and current assets

These assets relate to interests of less than 20% that are classified as available for sale, and recognised at cost.

Derivative financial instruments

Only standard market transactions offering sufficient liquidity are deployed for hedging purposes.

Cash flow hedges

Foreign exchange derivatives are employed to hedge cash flows from outstanding and anticipated foreign currency transactions. Additionally, raw material price risks (in relation to aluminium and, to a minor extent, copper) arising from expected and highly probable forecast transactions are hedged using commodity derivatives. Euro-denominated interest rate swaps serve as a hedge against interest rate risk. The fair value of interest rate derivatives reflects changes in the yield curve since the start of the instruments' terms. In the case of options, only the intrinsic value of the derivative is designated as a hedging instrument. As a consequence, changes in the fair value of this intrinsic value are recognised in the hedging reserve, and changes in the fair value of the derivative are recognised immediately in profit or loss.

Derivative financial instruments qualifying as cash flow hedges and recognised in the hedging reserve are as follows:

				2014			2013
Currency or commodity		Time of concentration	Nominal values [1]	Market values in EUR thousand	Time of concentration	Nominal values [1]	Market values in EUR thousand
Currency derivatives							
Foreign exchange forwards							
USD	Sale	12/2018	206,938	(13,229)	12/2018	187,616	3,475
GBP	Sale	10/2015	896	(52)	12/2014	1,043	(20)
CAD	Buy	02/2017	46,736	(2,187)	10/2016	62,000	(673)
USD	Buy	02/2016	39,690	511	03/2014	29,394	(121)
Foreign exchange options							
CAD	Put	03/2015	5,250	0		0	0
Commodity derivatives							
Forward contracts							
AL	Sale	12/2016	23,175	3,287	12/2015	11,250	741
CU	Sale		0	0	02/2014	100	(10)
CU	Buy	12/2015	300	17	12/2014	600	87
Options							
AL	Sale	12/2015	6,000	82	12/2015	36,000	3,095
Interest rate derivatives							
Interest rate swaps							
EUR		05/2019	31,600	(1,383)	05/2019	31,600	(697)
Embedded derivative							
AL	Sale	12/2016	17,809	12,732	12/2016	26,701	15,089

1) The nominal values of currencies are stated in '000s, and those of commodities in tonnes of aluminium (AL) or copper (CU).

The table below shows the changes in the hedging reserve (after taxes) in accordance with IAS 39.

in EUR thousand 2014	Commodity derivatives	Currency derivatives	Interest rate derivatives	Embedded derivative	Total
Change in fair value recognized directly in other comprehensive income (OCI)	3,693	(17,493)	(685)	1,139	(13,346)
Reclassification from OCI recognized through profit or loss	(4,219)	157	0	(7,112)	(11,174)
of which: reclassification from OCI recognized in the original acquisition costs		0	0	0	0

2013	Commodity derivatives	Currency derivatives	Interest rate derivatives	Embedded derivative	Total
Change in fair value recognized directly in other comprehensive income (OCI)	9,781	2,897	526	10,446	23,649
Reclassification from OCI recognized through profit or loss	(11,547)	1,189	0	(6,398)	(16,755)
of which: reclassification from OCI recognized in the original acquisition costs	0	0	0	0	0

Fair value hedges

Forward currency transactions that qualify as fair value hedges have been entered into in order to hedge foreign currency receivables. Fluctuations in the market value of these foreign exchange derivatives are reported as other expenses. Forward transactions designated as fair value hedges are used for the purpose of aluminium inventory hedging. Changes in the market value of these instruments are recorded as raw materials and consumables used.

Held for trading

Foreign exchange and commodity (aluminium) derivatives that meet the requirements for hedge accounting under IAS 39 in terms of documentation and effectiveness are designated as held for trading. Fair value changes in these derivative financial instruments are recognised in profit or loss.

The following derivative financial instruments qualify as fair value hedges or as held for trading, and are recognised in profit or loss:

Currency or commodity		2014 Time of concentration	2014 Nominal values [1]	2014 Market values in EUR thousand	2013 Time of concentration	2013 Nominal values [1]	2013 Market values in EUR thousand
Commodity derivatives							
Forward contracts							
AL	Sale	06/2015	46,284	4,515	01/2014	45,114	(146)
AL	Buy	12/2015	11,184	(141)	11/2015	20,789	(418)
Hedged firm commitments							
AL	Sale	12/2015	11,184	141	11/2015	20,789	418
AL	Buy	06/2015	6,284	(615)	01/2014	5,114	(41)

1) The nominal values of currencies are stated in '000s, and those of commodities in tonnes of aluminium (AL) or copper (CU).

Currency or commodity		2014 Time of concentration	2014 Nominal values [1]	2014 Market values in EUR thousand	2013 Time of concentration	2013 Nominal values [1]	2013 Market values in EUR thousand
Currency derivatives							
Foreign exchange forwards							
USD	Buy		0	0	06/2014	500	(19)
GBP	Sale	02/2015	2,263	(49)	03/2014	1,559	(15)
JPY	Sale	02/2015	43,435	(3)	03/2014	28,500	8
USD	Sale		0	0	06/2014	28,600	270
CHF	Sale	03/2015	71	(0)		0	0
NOK	Sale	01/2015	1,649	3	03/2014	2,286	0
Foreign exchange options							
CAD	Put		5,250	1		0	0
Commodity derivatives							
Forward contracts							
AL	Buy	11/2016	320,316	(27,206)	12/2015	422,461	(34,956)
AL	Sale	12/2015	320,316	24,153	12/2014	422,461	38,621
Options							
AL	Sale	12/2015	6,000	139	12/2015	36,000	584

1) The nominal values of currencies are stated in '000s, and those of commodities in tonnes of aluminium (AL) or copper (CU).

The nominal values comprise the gross sum of the purchase and sales prices of the derivative financial transactions. The value of commodity derivatives is stated in tonnes in the transaction currency.

The market values are based on the values at which the respective transactions are traded as at the end of the reporting period. The market values of commodity derivatives reflect the official aluminium prices listed on the LME at the end of the reporting period. The fair value of forward derivatives is calculated on the basis of the forward rate as at the end of the reporting period.

Recognised models are applied to determine option prices. The market valuation of interest rate swaps, interest rate caps and forward rate agreements is performed on the basis of generally accepted mathematical measurement models.

A hedge's term is determined by that of its underlying transaction, as a matter of principle.

Additional disclosures about financial instruments pursuant to IFRS 7:

2014 Amounts in EUR thousand	Fair Value-Hedge	Cashflow-Hedge	Held for Trading	Held to Maturity
Assets				
Other non-current assets and financial assets	0	6,642	0	27
Trade receivables	0	0	0	0
Current tax assets	0	0	0	0
Other receivables	4,776	10,186	8,377	0
Cash and cash equivalents	0	0	2,500	0
Liabilities				
Non-current financial liabilities	0	0	0	0
Other non-current liabilities	0	7,682	24	0
Current financial liabilities	0	0	0	0
Trade payables	0	0	0	0
Current tax liabilities	0	0	0	0
Other current liabilities	401	9,367	11,314	0

2013 Amounts in EUR thousand	Fair Value-Hedge	Cashflow-Hedge	Held for Trading	Held to Maturity
Assets				
Other non-current assets and financial assets	0	10,828	290	26
Trade receivables	0	0	0	0
Current tax assets	0	0	0	0
Other receivables	79	12,116	16,254	0
Cash and cash equivalents	0	0	17,308	0
Liabilities				
Non-current financial liabilities	0	0	0	0
Other non-current liabilities	6	1,102	585	0
Current financial liabilities	0	0	0	0
Trade payables	0	0	0	0
Current tax liabilities	0	0	0	0
Other current liabilities	636	876	11,466	0

*) Loans and receivables at an amortised cost

Available for Sale	Loans, receivables and liabilities *)	Cash and cash equivalents *)	Not a financial instrument	Book value as of Dec. 31, 2014	Fair Value as of Dec. 31, 2014
478	2,345	0	30	9,521	9,521
0	86,756	0	0	86,756	86,756
0	0	0	2,906	2,906	2,906
0	3,782	475	11,626	39,222	39,222
0	0	141,785	0	144,285	144,285
0	219,043	0	0	219,043	214,479
0	2,639	0	1,475	11,820	11,820
0	18,233	39	0	18,272	18,257
0	55,428	0	0	55,428	55,428
0	0	0	6,093	6,093	6,093
0	2,665	0	18,648	42,396	42,396

Available for Sale	Loans, receivables and liabilities *)	Cash and cash equivalents *)	Not a financial instrument	Book value as of Dec. 31, 2013	Fair Value as of Dec. 31, 2013
535	4,141	0	95	15,915	15,915
0	70,268	0	0	70,268	70,268
0	0	0	2,497	2,497	2,497
0	10,597	341	9,795	49,181	49,181
0	0	61,856	0	79,164	79,164
0	125,554	0	0	125,554	124,960
0	2,708	0	1,282	5,682	5,682
0	3,641	0	0	3,641	3,641
0	60,811	0	0	60,811	60,811
0	0	0	4,813	4,813	4,813
0	7,593	0	15,930	36,501	36,501

Cash and cash equivalents, financial instruments, and trade and other receivables predominantly carry short remaining terms. As a result, the carrying amounts for these items are approximately the same as the respective fair value. Financial instruments not categorised in accordance with IFRS 7 include financial assets and liabilities measured at fair value, as well as those recognised at amortised cost.

In general, trade payables and other current liabilities have terms of less than one year, and the reported values comprise approximations of the respective fair value.

The fair values of bank borrowings and other financial liabilities are calculated as the present values of the related payments on the basis of the respective yield curve, taking account of the Group's credit risk exposure.

The measurement categories are as follows:

				2014				2013
in EUR thousand	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
ASSETS								
Other non-current assets and financial assets	0	572	6,070	6,642	0	2,072	9,045	11,117
Other receivables	0	16,677	6,662	23,339	0	22,404	6,044	28,448
Cash and cash equivalents	2,500	0	0	2,500	17,308	0	0	17,308
LIABILITIES								
Non-current financial liabilities	0	214,479	0	214,479	0	124,960	0	124,960
Other non-current liabilities	0	7,707	0	7,707	0	1,692	0	1,692
Other current liabilities	0	21,082	0	21,082	0	12,979	0	12,979

The Group applies the following hierarchy to determine and report the fair value of financial instruments for each valuation method:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: methods in which all inputs that have a material effect on the reported fair value are directly or indirectly observable. The transactions outlined below are recognised at this level:

Forward currency transactions: In currency forwards, a specified amount of a certain currency is exchanged for an amount in another currency at an agreed exchange rate on a particular date. Both of the cash flows arising at the maturity date are recognised at present value on the basis of the yield curve for each transaction currency. The present value of the cash flows are then converted into the reporting currency applying the relevant exchange rates, and the difference between them is recognised as the present value of the currency forward. The respective exchange rates and the yield curve comprise the input parameters.

Interest rate swaps: Interest rate swaps entail the exchange of a floating interest rate for a fixed rate. Measurement comprises calculating the present value of the variable interest payments and the present value of the fixed interest payments. The present value of the interest rate swap is the difference of the two cash flows discounted to present value over the term of the transaction. The input parameters are the six-month Euribor rate and the yield curve.

Commodity futures: The value of these futures is the difference between the contract price and the aluminium price quoted on the London Metal Exchange (LME) at the maturity date of the transaction. The input parameters are the LME quoted aluminium price including the term structure, and the euro/US dollar forward curve.

Commodity options: The Black-Scholes model is applied to value commodity options. The key input parameters are the LME quoted aluminium price including the term structure, the euro/US dollar forward curve, and aluminium price volatility.

Level 3: methods based on input parameters that have a material effect on fair value and are not based on observable market data.

Assets measured at a fair value determined in accordance with level 3 in the course of a subsequent measurement relate to the derivative embedded in the electricity supply agreement of Aluminerie Alouette Inc. For more details please refer to section F. The change in the value of the embedded derivative is shown below:

	Other non-current assets and financial assets	Other receivables
As of Jan. 1, 2013	6,841	3,883
Currency translation differences	(296)	(168)
Changes Fair Value	5,290	5,700
Recycling	0	(6,161)
Reclassification	(2,790)	2,790
As of Dec. 31, 2013	**9,045**	**6,044**
As of Jan. 1, 2014	9,045	6,044
Currency translation differences	1,229	821
Changes Fair Value	1,251	2,126
Recycling	0	(7,784)
Reclassification	(5,455)	5,455
As of Dec. 31, 2014	**6,070**	**6,662**

The impact of a change in the electricity reference price on measurement is outlined below:

Sensitivity in EUR thousand	2014		2013	
	+1%	-1%	+1%	-1%
Other non-current assets and financial assets	208	(208)	370	(370)
Other receivables	227	(227)	203	(203)

Net gains and losses by measurement categories

Net gains (losses) on financial instruments in EUR thousand	2014	2013
Hedging instruments and held for trading	1,986	(3,949)
Available for Sale	195	154
receivables and credits	1,989	2,263
liabilities at continued acquisition costs	(1,509)	103
	2,662	**(1,429)**

The net profit/loss from financial instruments includes dividends received, but not profit attributable to non-controlling interests, or interest expense and interest received. Impairment losses and reversals of impairment losses, foreign exchange gains and losses, gains and losses on disposals, and other changes in the fair values of financial instruments recognised in profit or loss are included in the calculation of net profit/loss from financial instruments.

In the 2014 financial year, impairment losses amounting to EUR 1,364 thousand were applied to trade receivables (previous year: EUR 1,113 thousand). Gains and losses from derivative financial instruments used to hedge operating risk, which are offset by expenses under raw material and consumables and by revenue, are not included in net profit/loss from financial instruments. An inefficiency of EUR 692 thousand (previous year: EUR 0 thousand), which is recognised in profit or loss, is derived from the efficiency measurement of the embedded cash flow hedge derivative.

K CONTINGENT LIABILITIES AND GUARANTEES

Legal proceedings

As at the end of the reporting period, no legal proceedings were pending that represented risks beyond those arising from normal business operations. In addition, the Group was unaware as of the reporting date of any legally relevant circumstances which could lead to the instigation of such proceedings.

Supplementary information

The sureties and guarantees item relates mainly to bank guarantees for public amenities of EUR 6,415 thousand, compared with EUR 6,094 thousand in the previous reporting period. A provision of EUR 243 thousand (previous year: EUR 375 thousand) was recognised in relation to this arrangement.

As part of the planned expansion of capacity at Aluminerie Alouette Inc., the consortium members, the Government of Quebec and the Hydro Quebec electricity company signed a long-term power supply contract in June 2012. Under the agreement, the consortium members have obligated themselves to purchase the agreed electricity volume that is realised only through the expansion of the smelter. If Alouette's owners fail to reach a positive resolution regarding the expansion by December 31, 2017, they will be obligated to pay a penalty. The proportionate penalty would amount to EUR 5,163 thousand as of the December 31, 2014 reporting date (previous year: EUR 2.922 thousand), and will increase by EUR 1,704 thousand per year until the decision.

in EUR thousand	2014	2013
Guarantees	12,253	9,290
	12,253	**9,290**

L RELATED PARTY DISCLOSURES

All of the transactions under this item occur on an arm's length basis.

The following remuneration, including the change in provisions, was granted to Supervisory and Management board members and to senior management.

2014 in EUR thousand	Supervisory Board members	Management Board members	Executive staff	Total
Short-term benefits	195	3,131	6,182	9,507
Benefits upon termination of employment	0	200	0	200
Post-employment benefits	0	136	21	156
	195	3,467	6,202	9,863

2013 in EUR thousand	Supervisory Board members	Management Board members	Executive staff	Total
Short-term benefits	179	1,872	5,606	7,657
Benefits upon termination of employment	0	0	0	0
Post-employment benefits	0	89	458	547
	179	1,961	6,064	8,204

No loans have been extended to Management and Supervisory board members, and no guarantees have been given on their behalf. No other transactions – and in particular no purchase contracts involving assets of significant value – have been entered into with related parties. Consulting agreements excess with two Supervisory Board members.

The Group has business relations with Raiffeisen Landesbank Oberösterreich AG and Oberbank AG associated with financing, investment and foreign exchange transactions.

Supplier relationships

in EUR thousand					2014
Company	Speditions-service Ranshofen Ges.m.b.H.	unitIT Dienst-leistungs GmbH & Co KG	Supervisory Board members	Others	Total
Received	13,576	1,601	175	595	15,947
Provided	320	314	0	3	637
Status of receivables	9	42	0	0	51
Status of payables	1,027	137	0	0	1,164

in EUR thousand					2013
Company	Speditionsser vice Ranshofen Ges.m.b.H.	unitIT Dienst-leistungs GmbH & Co KG	Supervisory Board members	Others	Total
Received	13,143	1,290	32	521	14,986
Provided	352	348	0	2	702
Status of receivables	62	88	0	0	150
Status of payables	833	179	0	56	1,068

M AUDITORS' EXPENSES

Audit expenses comprise Deloitte's fees for the audit of the separate financial statements in accordance with local law, as well as of the individual Group companies' IFRS packages, and of the AMAG Austria Metall AG consolidated financial statements.

Auditors' expenses

in EUR thousand	2014	2013
Audits	260	241
Other services and other certification services	103	36

N GROUP COMPANIES

Corporate name	Registered Office	Shares in % direct*	Shares in % indirect**
Full consolidation			
AMAG Austria Metall AG (parent company)	Ranshofen, A		
AMAG Erste Beteiligungsverwaltungs GmbH	Ranshofen, A	100.0	100.0
Austria Metall GmbH	Ranshofen, A	100.0	100.0
Aluminium Austria Metall Québec Inc.	Montréal, CAN	100.0	100.0
AMAG metal GmbH	Ranshofen, A	100.0	100.0
AMAG casting GmbH	Ranshofen, A	100.0	100.0
AMAG rolling GmbH	Ranshofen, A	100.0	100.0
AMAG Asia Pacific Ltd.	Taipei City, TW	100.0	100.0
AMAG Benelux B.V.	Delft, NL	100.0	100.0
AMAG Deutschland GmbH	Bergisch Gladbach, D	100.0	100.0
AMAG France S.A.R.L.	Suresnes, F	100.0	100.0
AMAG Italia S.R.L.	Milano, IT	100.0	100.0
AMAG UK Ltd.	Great Bookham, Surrey, GB	100.0	100.0
AMAG USA Corp.	Upper Saddle River, New Jersey, USA	100.0	100.0
AMAG service GmbH	Ranshofen, A	100.0	100.0
Metallwerk Furth GmbH	Furth im Wald, D	100.0	100.0
Proportional consolidation			
Aluminerie Alouette Inc. (direct shareholder is the fully consolidated Aluminium Austria Metall Québec Inc.)	Sept-Îles, CAN	20.0	20.0
Other equity investments			
Ausbildungszentrum Braunau Ges.m.b.H.	Braunau, A	20.0	20.0
Speditionsservice Ranshofen Ges.m.b.H.	Ranshofen, A	25.1	25.1
Companies not included in the consolidation			
APK Pensionskasse AG	Wien, A	2.0	2.0
unit-IT Dienstleistungs GmbH & Co KG	Linz, A	12.6	12.6
unit-IT Dienstleistungs GmbH	Linz, A	12.6	12.6

*) from the perspective of the direct parent company **) from the perspective of AMAG Austria Metall AG

O SUPPLEMENTARY INFORMATION

Events after the balance sheet date

No significant events occurred after the balance sheet date.

Ranshofen, February 10, 2015

The Management Board

Helmut Wieser	Helmut Kaufmann	Gerald Mayer
Chairman of the Management Board	Member of the Management Board	Member of the Management Board
(Chief Executive Officer)	(Chief Operating Officer)	(Chief Finance Officer)

Declaration of the Management Board under Section 82 (4) of the Austrian Stock Exchange Act (BörseG)

The Management Board hereby declares that to the best of its knowledge the consolidated annual financial statements of AMAG Austria Metall AG, prepared in accordance with the applicable accounting standards, give a true and fair view of the Group's financial position and performance. The Group operating and financial review likewise as far as possible gives a true and fair view of the financial position and performance of the AMAG Group, and provides information on the course of business, results and position of the Group, and describes the risks and uncertainties to which the Group is exposed.

Helmut Wieser Chairman of the Management Board (Chief Executive Officer)	Helmut Kaufmann Member of the Management Board (Chief Operating Officer)	Gerald Mayer Member of the Management Board (Chief Finance Officer)

Audit opinion

Report on the consolidated financial statements

We have audited the attached consolidated financial statements of AMAG Austria Metall AG, Ranshofen, for the financial year from January 1, 2014 until December 31, 2014. These statements comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statement of profit or loss, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year ended December 31, 2014, as well as the notes to the accounts.

Responsibility of the Group's legal representatives for the consolidated annual financial statements and the Group's accounting

The Group's legal representatives are responsible for the Group's accounting and the preparation of consolidated annual financial statements which, as far as possible, present a true and fair view of the Group's financial position and performance in accordance with the International Financial Reporting Standards (IFRSs) adopted by the EU, and the additional requirements pursuant to Section 245a of the Austrian Commercial Code (UGB). This responsibility includes: designing, implementing and maintaining an internal control system, to the extent that this is relevant to the preparation of the consolidated annual financial statements and to the presentation of a true and fair view of the Group's financial position and performance, such that those statements are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting and measurement methods; and making estimates which are reasonable in the circumstances.

Auditors' responsibilities, and description of the nature and scope of the statutory audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Austrian statutory requirements and the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

These principles require that we comply with the relevant codes of professional conduct, and plan and perform the audit so as to obtain reasonable assurance that the consolidated financial statements are free from material misstatement.

An audit involves the performance of audit procedures to obtain evidence about the amounts and other disclosures in the consolidated annual financial statements.

The selection of these procedures is at the due discretion of the auditors, taking into account their assessment of the risk of material misstatement due to fraud or error.

In making this risk assessment, the auditors consider the internal control system, to the extent relevant to the preparation of the consolidated financial statements and the presentation of a true and fair view of the Group's financial position and performance, in order to arrive at audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control system.

An audit also includes assessing the appropriateness of the accounting methods applied and of significant estimates made by the Company's legal representatives, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained is sufficient and appropriate to provide a sound basis for our audit opinion.

Opinion

Our audit gave rise to no objections. Based on the results of our audit, in our opinion the consolidated financial statements to the maximum possible extent conform to the legal regulations, and present a true and fair view of the Group's net assets and financial position as of December 31, 2013, as well as its earnings and cash flows for the year from January 1 until December 31, 2013, in accordance with the IFRSs applicable in the EU.

Opinion on the Group operating and financial review

The legal regulations require us to audit the Group operating and financial review to determine whether it is consistent with the consolidated financial statements, and whether the other disclosures made in the operating and financial review do not present a misleading view of the Group's position The auditors' report must also contain a statement as to whether the Group operating and financial review is consistent with the consolidated financial statements and whether the disclosures made in accordance with Section 243a of the Austrian Commercial Code (UGB) are correct.

In our opinion the Group operating and financial review is consistent with the consolidated financial statements. The disclosures under Section 243a of the Austrian Commercial Code (UGB) are correct.

Vienna, February 10, 2015

Deloitte Audit Wirtschaftsprüfungs GmbH

Josef Spadinger
Auditor

Martin Feige
Auditor

The consolidated financial statements may only be published or disseminated with our auditors' report in the version approved by us. The auditors' report applies solely to the complete German-language consolidated financial statements, including the Group operating and financial review. With regard to differing versions, attention is drawn to the provisions of Section 281 (2) of the Austrian Commercial Code (UGB).

Glossary

TECHNICAL GLOSSARY

"Alloy-to-alloy" recycling:
Specific separation and sophisticated metal analysis that allows scrap (input materials) to be recycled, usually for manufacturing finished product alloys of identical analysis

Cast ingots:
Aluminium or aluminium alloy ingots cast in moulds for re-melting in aluminium foundries (die casting, mould casting, sand casting)

Cathode sheet:
Metallic zinc deposits on pure aluminium sheets that are placed in an electrolysis tank containing zinc solvent in a sulphuric solution

Clad brazing sheet:
Composite material consisting of a core aluminium alloy and a cladding layer of a brazing alloy with a lower melting point (for use in coolers and heat exchangers)

Collection point:
Production site where scrap from cans, foils, wheel rims, window frames, chips and engine blocks etc, is collected, classified, sorted by type to the highest possible accuracy, and stored for recycling purposes

Continuous solution annealing furnace for aluminium strip:
Continuous solution annealing furnace to adjust certain metallurgical properties of aluminium strip

Heat-treatable plates:
Aluminium plates with increased hardness achieved through special thermal processing

Homogenisation furnace:
Type of furnace used in the casthouse to produce a homogenised microstructure prior to subsequent hot rolling

Horizontal heat-treatment furnace:
Non-continuous, multizone furnace in the rolling mill, utilised for solution annealing of heat-treatable plates

Hot rolling simulation:
Computer simulation of hot rolling to make predictions about the final product prior to the actual rolling process

Manufacturing of rolling ingots:
Manufacturing of ingots intended for rolling that are vertically cast in the ingot casthouse

Passivation:
The oxide layer of the aluminium is replaced by an artificial barrier layer, providing a good surface for adhesively bonded joints

Precision cast plates:
Aluminium precision plates cut from rolling slabs and precision-milled on both sides

Primary aluminium:
Aluminium produced from alumina using electric power, petroleum coke, pitch and other raw materials

Rolling:
A forming process. If materials are formed at temperatures above their recrystallisation temperature, the process is referred to as hot rolling, otherwise as cold rolling

Rolling slab:
Vertically cast ingots for deployment in rolling mills

Secondary aluminium:
Aluminium alloy obtained from recycled aluminium scrap

Semi-finished aluminium:
Generic term used to describe aluminium products in the form of sheet, sections and strips, pipes etc

Sows:
Ordinary cast form for aluminium, suited for re-melting

Special rolled products:
Rolled products that are distinguished from standard products through a combination of specific properties (e.g. bright sheet)

Stretcher:
Stretchers are used to remove unevenness from sheets, strips and plates, and to reduce the material's residual stress

Two-piece ingots and horizontal direct chill cast ingots:
Ingots produced in two-part or horizontally continuous casting lines

FINANCIAL GLOSSARY

ATX Prime:
Benchmark index of the Vienna Stock Exchange that includes all stocks in the prime market segment

Backwardation:
A situation on a futures market where the spot price is higher than the futures price

Compliance:
Adherence to laws, guidelines and voluntary codes

Contango:
A situation with a commodity futures transaction where the spot price is lower than the forward price

Capital employed:
The total of average equity and average net debt (long-term and short-term interest-bearing financial liabilities less liquid assets and short-term securities)

Corporate governance:
Rules of behaviour for responsible management and controlling of companies, as set out in the Austrian Corporate Governance Code; compliance with this code is voluntary

Corporate Social Responsibility (CSR):
Term referring to voluntary initiatives implemented with a view to promoting sustainable corporate governance that extends above and beyond statutory requirements, and reflects all stakeholders' interests

Cash flow:
Financial parameter indicating the net cash received over a period of time; an indicator of a company's solvency

Coverage:
Regular reporting by analysts about a company's development

D&O: Directors and officers;
legally liable members of company boards such as the management or supervisory board of a public limited company, or corporate officers and directors in a limited liability corporation

Derivative financial instruments:
Financial instruments whose prices are based on other investments' actual or expected prices

Dividend yield:
Ratio between a company's dividend and its share price, expressed in percent; shows the return on invested capital per share

Earnings per share:
Derived by dividing consolidated net profit or loss by the weighted average number of shares in issue

EBIT (Earnings before Interest and Tax):
A measure of operating income after taking depreciation and amortisation into account

EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation):
A measure of cash operating income

EBT (Earnings before Tax):
A measure of profit before the application of tax

Equity ratio:
Ratio between equity and total assets

Gearing:
Ratio of net debt (long-term and short-term interest-bearing borrowings less cash and cash equivalents, and long-term and short-term securities) to equity

Hedging:
Financial risk management measures to limit or avoid the negative impact of market price changes in the areas of interest rates, currencies, asset values or commodities

ISIN (International Security Identification Number):
A reference number for securities

London Metal Exchange (LME):
One of the world's largest metals trading exchanges for spot and forward transactions

Management letter:
A document addressed to a management board with recommendations for potential improvements at the company, published by an independent auditor as part of a legally prescribed auditors' report and opinion

Market capitalisation:
Calculated by multiplying the number of a company's shares in issue by their current share price on the stock market

NOPAT (Net Operating Profit after Tax):
Earnings after tax adjusted to reflect the net interest result and related tax (tax effect deriving from the net financial result)

Price/earnings ratio (PER):
Ratio to value a share on the stock market; ratio between the current share price and earnings per share

Profit attributable to non-controlling interests:
Portion of net income attributable to non-controlling interests. If the amount is positive, a pro rata share of the consolidated subsidiary's net loss is added to consolidated profit.

ROCE (Return on Capital Employed):
NOPAT in relationship to average capital employed = profitability of capital employed

ROE (Return on Equity):
Ratio between earnings after taxes and average equity, expressed as a percentage. It shows the profitability in relation to average equity employed in the course of the financial year

Small and mid caps:
Listed companies with small or medium market capitalisations

Stakeholder:
Person with a vested interest in the conduct of a company (e.g. a shareholder, employee, customer or supplier); the stakeholder value approach assesses the company in its overall socio-economic context with a view to reconciling the needs of the various stakeholder groups

Total shareholder return:
Derived by adding together the dividend paid for a financial year and the share price appreciation realised during the year

Treasury:
Company department responsible for finance, market risk management and cash management

Working capital:
Inventories and trade receivables less trade payables

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DISCLAIMER

The forecasts, plans and forward-looking assessments and statements contained in this annual report are based on the information currently available to us. Should the assumptions on which the forecasts have been based fail to occur, the targets not be met or risks materialize, then the actual results may deviate from the results currently anticipated.

We have exercised the utmost diligence in preparing this annual report and have checked the data contained therein. However, rounding, transmission and printing errors cannot be ruled out. This annual report is also available in German. In case of doubt, the German version prevails.

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