



Competence in Aluminium

# Annual financial statements 2011

## Major growth project



# Disclaimer

Cautionary statements :

- The forecasts, plans and forward-looking assessments and statements contained in this presentation 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 undertake no obligation to update publicly any such forecasts in light of new information or future events.
- We have exercised the utmost diligence in preparing this presentation and have checked the data contained therein. However, rounding, transmission and printing errors cannot be ruled out. This presentation is also available in German. In case of doubt, the German version prevails.



# Introduction and Highlights

# Another record result for AMAG in 2011

**AMAG masters difficult external conditions such as:**

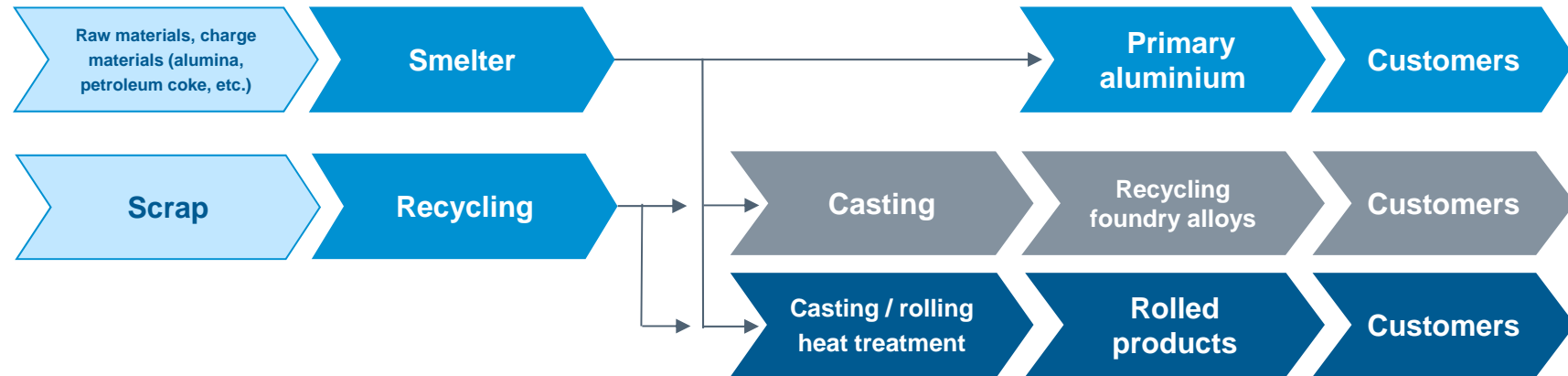
- sovereign debt crisis
- political crises in North Africa
- nuclear catastrophe in Japan

**to achieve**

**➡ a successful IPO in spring 2011**

**➡ a very positive corporate development 2011**

# AMAG value chain



# Strategic positioning

„In the future, premium will also be defined by sustainability“

Dr. Norbert Reithofer, CEO of BMW AG

AMAG positions itself even more strongly as a **premium provider** of rolled products and foundry alloys as well as primary aluminium

- Increase in the **share of special products**
- Focus on **selected product markets**
- Primary aluminium in Canada using **electricity from hydropower** (green energy)
- High **percentage of scrap input** is an important criterion for economic efficiency and sustainable production (AMAG as a benchmark in recycling)

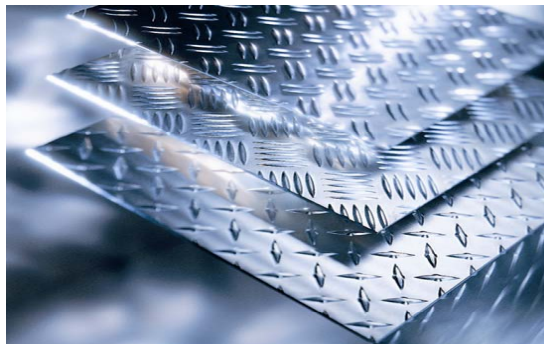
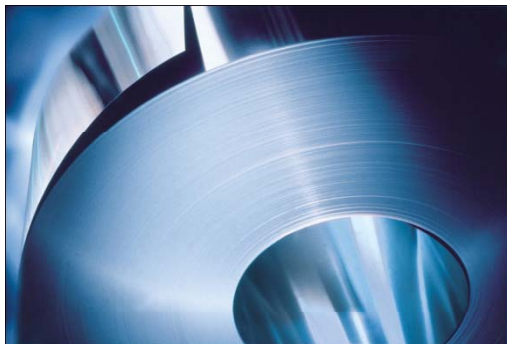
# Market development and customer expectations

## Rolling Division

- Positive growth forecast for all product markets supplied by AMAG's Rolling Division
- Increased demand for special products from sustainable production

**➔ In 2010 and 2011 AMAG's production was almost at its capacity limit<sup>1)</sup>. External shipments in 2011 amounted to 146,800 t.**

<sup>1)</sup> Tonnage depending on the product mix



# CAPEX in 2011 to expand capacities as well as the product portfolio

In 2011 AMAG's CAPEX totaled 48.9 mEUR, of which 36.7 mEUR were spent in Ranshofen

- **Precision plate production center put into operation**  
first AMAG TopPlate® products sold
- **Passivation line start production in Q4 2011**  
high demand from the automotive industry
- **Renewal of coil preparation and residual coil removal units of the cold-rolling stand**
- **Revamp of a bright rolling mill**



Precision plate production center



Passivation line



# Strong basis for further growth

- Positioning AMAG as a **premium provider**, outstanding innovative force, flexible facilities and a competent workforce made 2011 another **record year** in economic terms.
- At its meeting held on February 28, 2012, the Supervisory Board of AMAG Austria Metall AG approved the **large-scale investment project** to be implemented at the Ranshofen location.

# Fiscal year 2011: financial highlights

- **Sales** up 12% to 813 mEUR
- **EBITDA** up 8% to 150 mEUR (2010: 139 mEUR)
- **EBITDA margin** at 18.4% continues on a very high level
- **Consolidated net income** up 16% to 88 mEUR
- **Sound balance sheet** with a high equity ratio and a low level of indebtedness



Metal Division



Casting Division



Rolling Division

# Dividend

- **Proposed dividend of EUR 1.5 per share** includes a dividend of EUR 0.75 per share plus a **one-time bonus** of EUR 0.75 per share
- **60% distribution quota**
- **High dividend yield of 9.3%\***
- **Future dividend policy** of aiming at 20-30% of net income after taxes unchanged



\*) related to the annual average of daily closing rates of EUR 16.2 per share  
or 7.9% related to the issue price of EUR 19 per share



# **Annual financial statements 2011**

# AMAG Group – 2011 key figures (1/2)

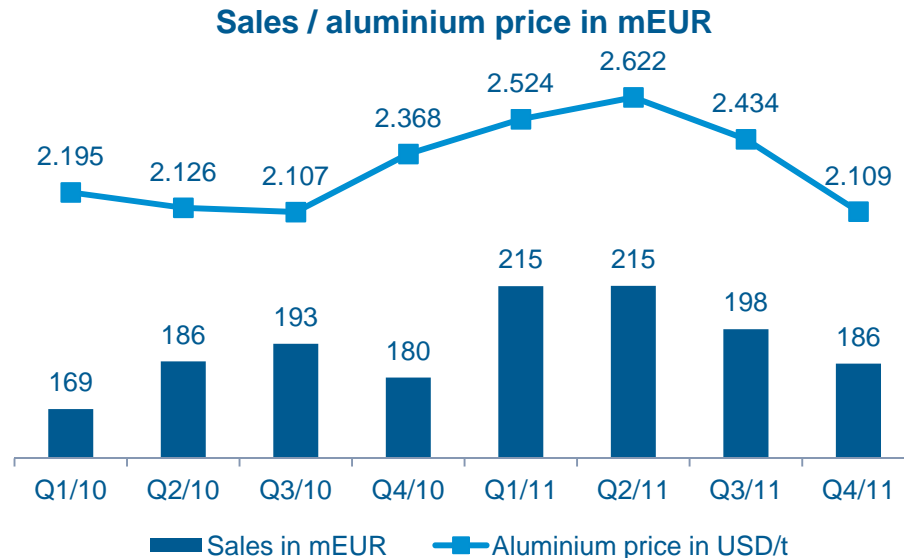
	2011	2010 <sup>1)</sup>	Change in %	2009 <sup>1)</sup>
<b>Shipment volumes</b> in thousand tons	322.7	318.4	1.3%	283.3
<b>Sales</b> in mEUR	813.1	728.0	11.7%	517.4
<b>EBITDA</b> in mEUR	149.7	139.0	7.7%	105.1
<b>EBIT</b> in mEUR	103.6	93.8	10.4%	60.2
<b>Consolidated net income</b> in mEUR	88.1	75.7	16.4%	50.0
<b>Earnings per share</b> in EUR <sup>2)</sup>	2.5	2.1	16.5%	1.4

- Increase in sales and income mainly due to higher aluminium price and sale of products with more value added
- Moderate increase in shipment volumes as production has come close to the capacity limit

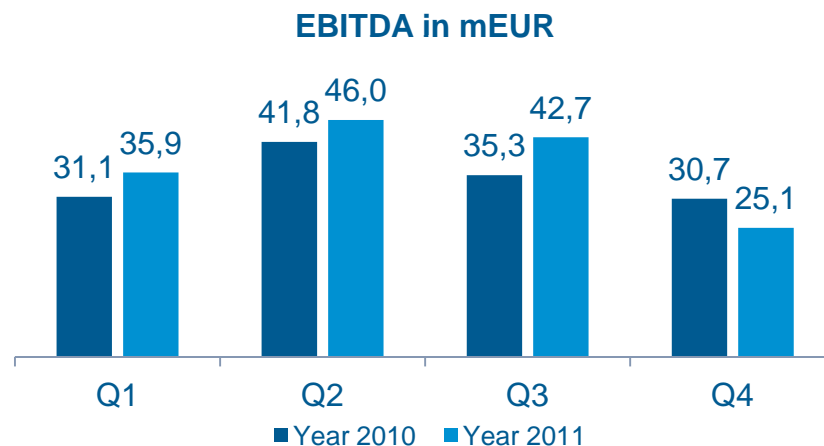
<sup>1)</sup> The comparable values shown for the years 2010 and 2009 refer to AMAG Holding GmbH and its subsidiaries

<sup>2)</sup> Earnings per share EUR for each year determined on the basis of 35,264,000 shares

# Quarterly comparison of sales and profitability



- Sales level at stable shipment volumes follows the aluminium price
- Lower shipment level in Q4 2011 due to scheduled maintenance work



- EBITDA of Q4 2011 below 4th quarter of prior year due to lower aluminium prices and higher cost of raw materials
- moreover, scheduled maintenance work in the final quarter

# AMAG Group – 2011 key figures (2/2)

	2011	2010 <sup>1)</sup>	Change in %	2009 <sup>1)</sup>
<b>Cash flow from operating activities</b> in mEUR	104.5	75.4	38.6%	119.3
<b>Cash flow from investing activities</b> in mEUR	-43.5	-43.5	0.0%	-99.4
<b>Net financial debt</b> in mEUR <sup>2)</sup>	-13.0	4.7		46.7
<b>Gearing</b> in %	2.5%	-1.0%		-9.3%
<b>Equity ratio</b> in %	62.0%	62.0%		59.6%
<b>Employees <sup>3)</sup></b>	1,422	1,388	2.4%	1,375

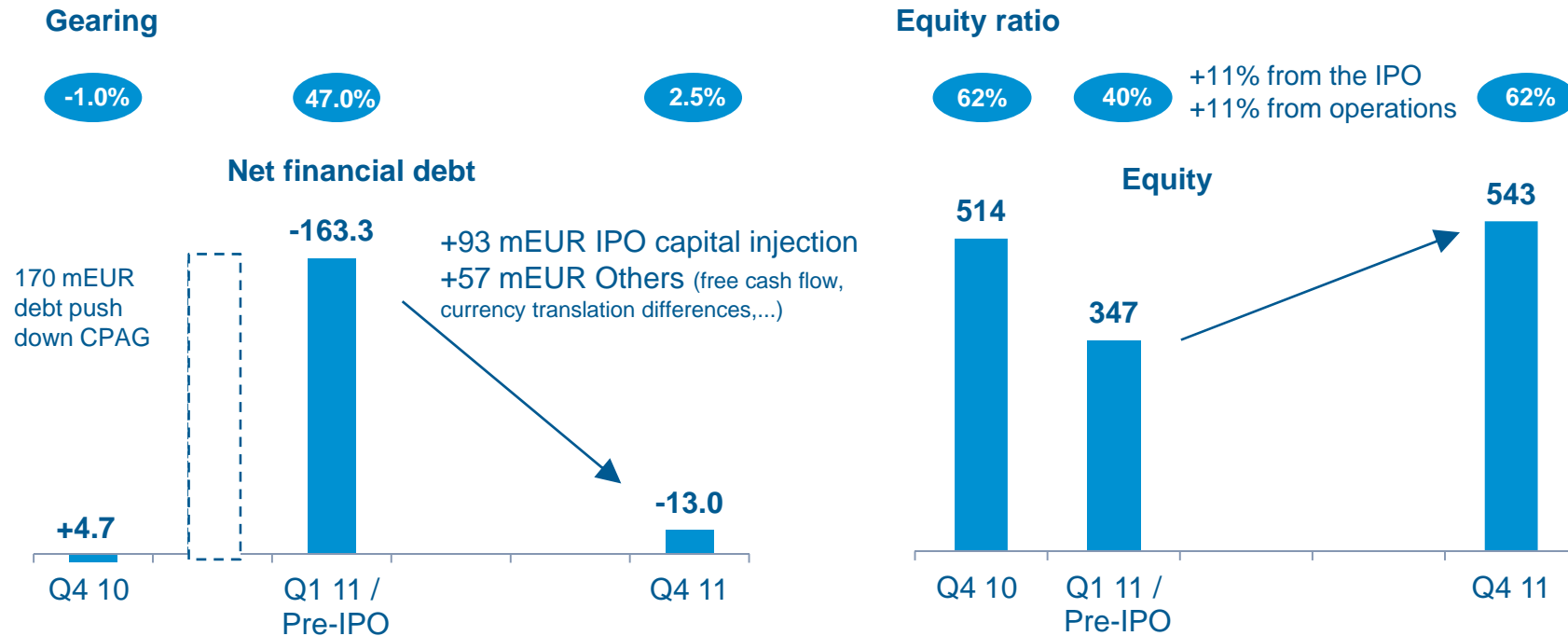
- Operating cash flow increases faster than earnings
- CAPEX at the Ranshofen location on high level, including investments in expansion CAPEX amounting to 16.3 mEUR

<sup>1)</sup> The comparable values shown for the years 2010 and 2009 refer to AMAG Holding GmbH and its subsidiaries

<sup>2)</sup> Balance of liquid funds plus financial receivables minus financial liabilities

<sup>3)</sup> Full time equivalent including leasing personnel, without apprentices, including the percentage personnel share out of the 20% participation in smelter Alouette (average)

# Structure of debt and capital

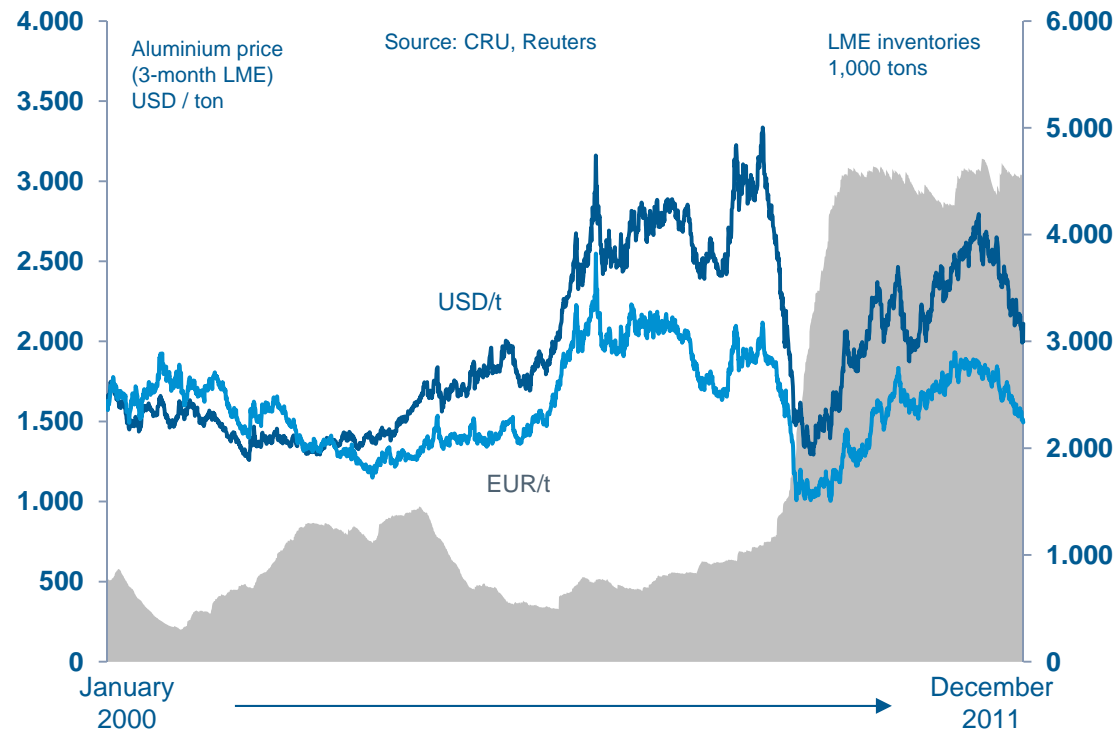


- Sound equity base and financing structure forming the basis for growth strategy and dividend
- Equity ratio back to prior-year level after successful fiscal year 2011 and IPO
- Low debt figure (gearing) of 2.5% as of December 31, 2011



# Metal Division

## Primary aluminium price trend



Aluminium price (3-month LME in USD / ton)		
<b>2011</b>		
Start	2,470	
End	2,017	
Minimum	1,965	
Maximum	2,795	
Average	Year	2,422
	Q4	2,109
<b>2010</b>		
Average	Year	2,199
	Q4	2,368

- High volatility of aluminium price in 2011
- Average aluminium price substantially higher than 2010 year-on-year, significantly lower price as compared to Q4 quarter-on-quarter
- Inventories in LME-registered warehouses at around 5 million tons (11% of annual output)

# Metal Division



	2011	2010	Change in %
<b>Shipments</b> in tons	117,400	114,000	2.9%
<b>Sales</b> in mEUR	581.0	513.4	13.2%
<b>EBITDA</b> in mEUR	73.6	75.8	-2.9%
<b>Employees</b> <sup>1)</sup>	203	220	-7.7%

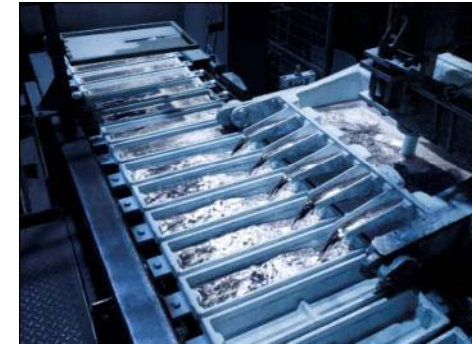
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EBITDA in mEUR



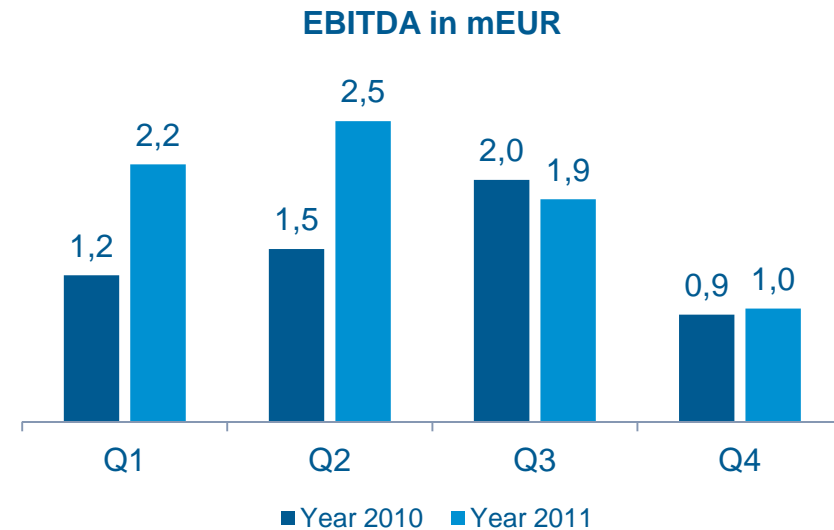
- Higher average price of aluminium as compared to prior year results in
  - a substantial increase in sales and
  - high profitability despite higher cost of raw materials
- Effects from the valuation of hedging instruments had a positive impact

# Casting Division



	2011	2010	Change in %
<b>Shipments</b> in tons	76,700	75,900	1.1%
<b>Sales</b> in mEUR	130.6	114.5	14.1%
<b>EBITDA</b> in mEUR	7.5	5.6	33.7%
<b>Employees</b> <sup>1)</sup>	116	112	3.6%

<sup>1)</sup> Full time equivalent including leasing personnel, without apprentices (average)



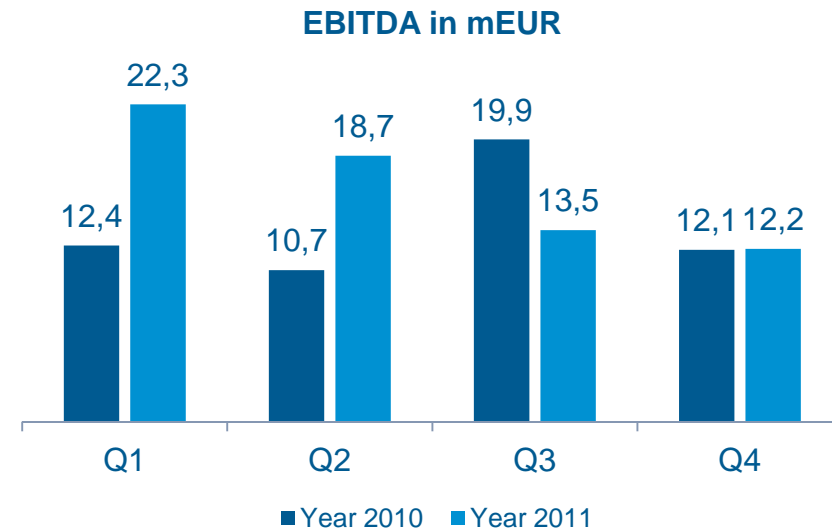
- Increase in shipments, sales and income due to:
  - Germany's economic power, in particular in the automotive industry
  - increased demand for high-quality recycling foundry alloys
- Profitability in the final quarter below the figure for the previous quarter due to scheduled maintenance

# Rolling Division



	2011	2010	Change in %
<b>Shipments</b> in tons	146,800	148,400	-1.1%
<b>Sales</b> in mEUR	547.1	493.6	10.8%
<b>EBITDA</b> in mEUR	66.7	55.0	21.2%
<b>Employees</b> <sup>1)</sup>	992	947	4.8%

<sup>1)</sup> Full time equivalent including leasing personnel, without apprentices (average)



- Shift in the product mix towards products with a longer throughput time led to:
  - an increase in income while
  - shipments slightly declined
- Profitability on a constantly high level over all quarters, scheduled maintenance in Q4
- Total CAPEX 2011 amounting to 27.5 mEUR with focus on capacity increase and expansion of the range of specialties

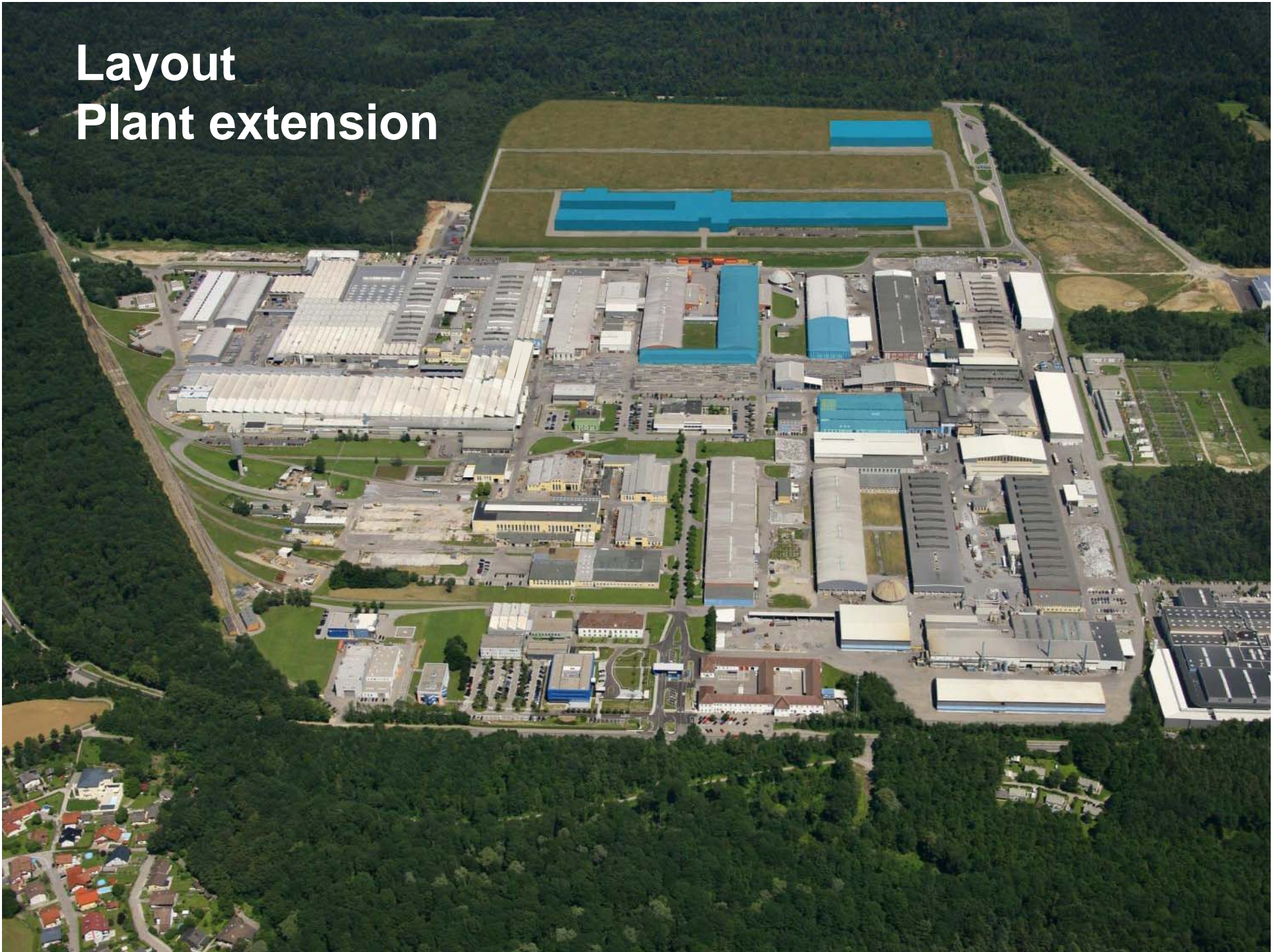
# **Large-scale investment at the Ranshofen location**

# Plant extension project in Ranshofen (1/2)

The planned **large-scale investment** comprises:

- Construction of a new hot-rolling mill for larger product widths (up to approx. 2,300 mm) and product thicknesses (up to approx. 150 mm or 6 inches)
- Extending the plate production center in the existing plant
- Extending the cast house capacities to safeguard the raw material basis (slabs from sustainable production with a high percentage of scrap input)

# Layout Plant extension



## Plant extension project in Ranshofen (2/2)

- **Extending the capacity of the rolling mill** from 150,000 t/a in 2011 to some 225,000 t/a in 2015 by means of a new hot-rolling mill and by extending the plate production center
- **Increasing rolling slab production capacity** from 180,000 t/a in 2011 to 270,000 t/a in 2017, in 2 stages
- **Percentage of scrap input** remains high
- **Significant increase in productivity**
- **Creation of some 200 additional jobs**
- **Investment total: 220 mEUR**



# Outlook

# Outlook 2012 (1/2)

## Global market development

### Macroeconomic environment

- uncertainties because sovereign debt crisis is still unsolved
- high cost of raw materials

### Primary aluminium<sup>1)</sup>

- Global production 2012e: **47.8 million tons** (up 5% from 2011)
- Global consumption 2012e: **47.3 million tons** (up 6% from 2011)

### Downstream<sup>1)</sup>

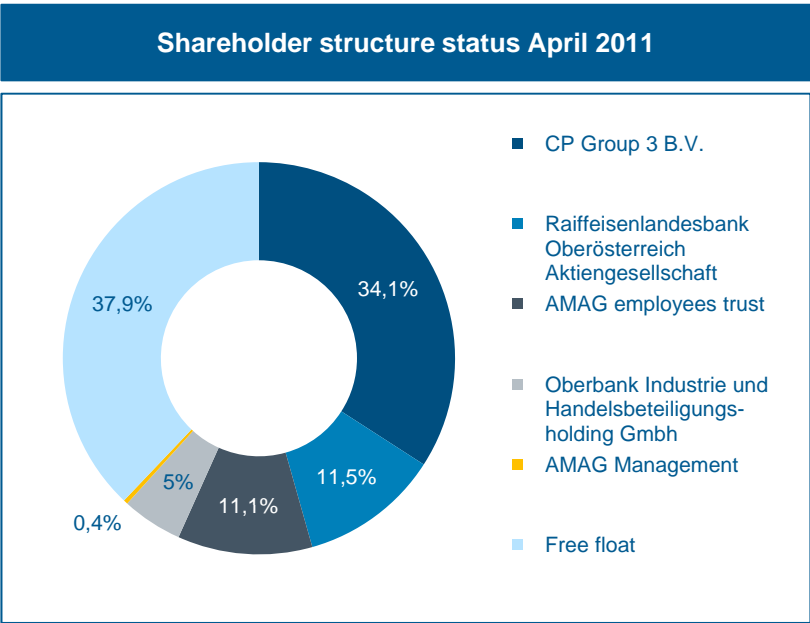
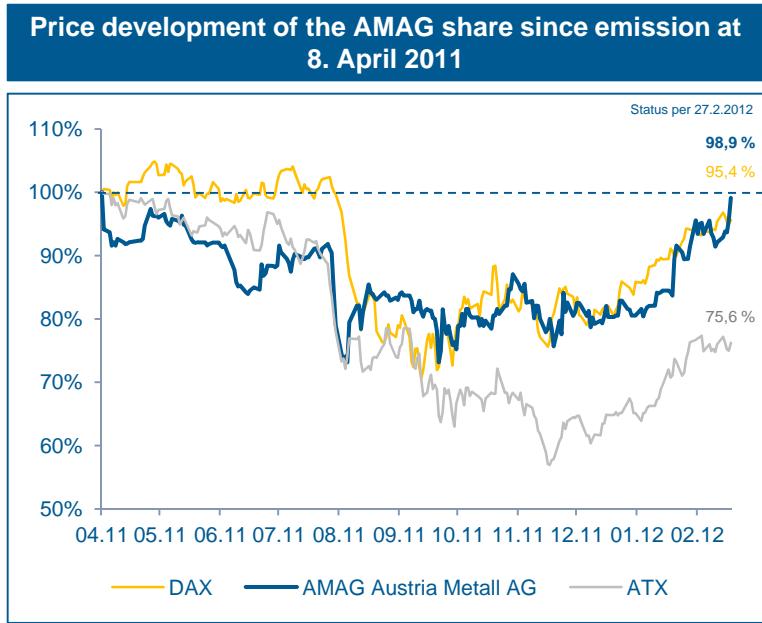
- Global consumption of rolled products 2012e: **20.8 million tons** (up 6% from 2011)
- Increase in consumption of rolled products 2012e, by industries:
  - Transportation + 9%
  - Consumer goods + 7%
  - Construction, mechanical engineering + 5%

# Outlook 2012 (2/2)

## AMAG Austria Metall AG

- The high level of order intake in the last months of 2011 and at the beginning of 2012 as well as the strong order backlog let the Management Board adopt a cautiously optimistic outlook for 2012 although production plant capacity utilization is at its limit (only little growth in volume) and costs are increasing.
- The investment into the new hot-rolling mill and into the extension of the plate production center as well as the capacities of the rolling slab caster strengthens AMAG's position on the market and safeguards the continuing positive development of the company.

# AMAG share



**Next dates**

- **04.05.2012** Report for the first quarter
- **16.05.2012** Annual General Meeting Design Center Linz
- **24.05.2012** Dividend ex and payment date
- **03.08.2012** Half-year financial report
- **06.11.2012** Report for the first three quarters

- IR Activities 2011**
- **Active dialog** with analysts, private and institutional investors in 13 road shows, two investor conferences, participation in the “Gewinn-Messe” Vienna, phone conferences and presentations at retail events
- Coverage**
- Berenberg Bank (Buy), JP Morgan (Neutral), Exane BNP (Buy), Erste Group (Buy), Raiffeisen Centrobank (Buy).

**Competence in Aluminium**

**AMMAG**