Media Information

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AMAG third-quarter results: Solid results and satisfactory performance in a challenging climate

- **All three divisions (Metal, Casting and Rolling) working at full capacity. Shipments of 274,000 tonnes (t) for the first nine months of 2013, up 3% on the same period a year earlier (266,200 t)**
- **Sales of 615.9 mEUR in the first three quarters of 2013 fell short of the previous year's level (Q1-Q3 2012: 638.9 mEUR) by 3.6%, chiefly due to lower aluminium prices**
- **Average aluminium price down 7% year on year in the first three quarters of 2013, at 1,912 USD/t**
- **AMAG Group earnings before interest, tax, depreciation and amortisation (EBITDA) steady at 98.3 mEUR, but 10.6% down on the same period a year earlier (Q1-Q3 2012: 109.9 mEUR)**
- **Investment cashflow of -96.3 mEUR for the first three quarters of 2013 largely financed through cash flows from operating activities (93.3 mEUR)**
- **Gearing ratio remained low at 8.7% (31 Dec. 2012: 4.7%) despite increased investment. Cash and cash equivalents down slightly on year-end 2012 at 79.5 mEUR (31 Dec. 2012: 84.3 mEUR)**
- **Rolling mill expansion proceeding on schedule**

Group financial highlights

mEUR	Q3 2013	Q3 2012	Change	Q1-Q3 2013	Q1-Q3 2012	Change
Shipments (tonnes)	92,100	85,900	7.2%	274,000	266,200	2.9%
of which external shipments (tonnes)	87,700	81,900	7.1%	257,500	255,200	0.9%
Sales[1]	203.5	206.0	-1.2%	615.9	638.9	-3.6%
EBITDA	33.0	37.8	-12.7%	98.3	109.9	-10.6%
EBIT	20.5	24.9	-17.5%	60.9	72.3	-15.7%
Net income after taxes	15.8	18.4	-14.5%	49.8	57.8	-13.8%
Cash flows from operating activities	24.1	45.3	-46.9%	93.3	112.3	-16.9%
Cash flows from investing activities	-34.9	-18.9	-84.1%	-96.3	-57.8	-66.6%
Equity	574.3	539.8	6.4%	574.3	539.8	6.4%
Equity ratio	62.4%	60.4%		62.4%	60.4%	
Employees[2]	1,609	1,517	6.1%	1,562	1,486	5.1%

1) The AMAG Group began presenting its statement of profit or loss using the cost of sales method in the first quarter of 2013. The comparative figures for prior periods have been adjusted.
2) Average number of active employees (full-time equivalent) including agency workers and excluding apprentices. The figure includes a 20% pro rata share of the labour force at the Alouette smelter, in line with the equity holding.

The AMAG Group's Metal, Casting and Rolling divisions were all operating at full capacity in the first nine months of 2013, with **total shipments** for the period up by 2.9% to 274,000 t. Rolling accounted for the lion's share of this increase.

At 615.9 mEUR, Group **sales** for the first three quarters of 2013 were 3.6% down on the like period of 2012 (Q1-Q3 2012: 638.9 mEUR). This was chiefly attributable to the 7% decline in the price of aluminium. Sales in the third quarter of 2013 were likewise affected by the drop in aluminium prices, reaching 203.5 mEUR as against 206.0 mEUR a year earlier.

EBITDA amounted to 98.3 mEUR in the first three quarters of 2013, having reached 109.9 mEUR in the same period a year earlier.

Group earnings before interest and tax **(EBIT)** for the first nine months of the year fell short of the total for the same period a year earlier, at 60.9 mEUR (Q1-Q3 2012: 72.3 mEUR). **Consolidated profit after tax** for the first three quarters of 2013 dropped to 49.8 mEUR, compared with 57.8 mEUR in the opening nine months of 2012.

"AMAG performed well in the first three quarters of 2013, given the difficult economic conditions. However, the increase in shipments and full capacity utilisation in all divisions was not reflected in higher earnings, mainly because of the lower aluminium price and the pressure on margins in the Casting and Rolling divisions," said AMAG Austria Metall AG CEO Gerhard Falch.

Solid cash flows and low net debt

Cash flows from operating activities for the first three quarters of 2013 came in at 93.3 mEUR, falling short of the previous year's total of 112.3 mEUR owing to the drop in earnings. However, this was almost sufficient to fully cover the increased investments under the Group's AMAG 2014 expansion programme. **Cash flows from investment activities** amounted to 96.3 mEUR, as against 57.8 mEUR in the first three quarters of 2012.

Consolidated net debt stood at 50.1 mEUR at the end of the reporting period (30 Sep. 2012: 12.8 mEUR). The **gearing ratio** remained low at 8.7% as at the end of September, compared with 4.7% as at 31 December 2012.

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Cash and cash equivalents totalled 79.5 mEUR as at end-September 2013 (31 Dec. 2012: 84.3 mEUR).

The AMAG Group reported **equity** of 574.3 mEUR, up from 544.1 mEUR at the end of December 2012. The **equity ratio** advanced from 61.8% at year-end 2012 to 62.4% as at 30 September 2013.

Outlook: full capacity utilisation set to continue in the fourth quarter; uncertain trading climate

Taking into account scheduled maintenance, order backlog as at the end of September points to full capacity utilisation in the fourth quarter.

Overall, AMAG expects a positive year from an operational point of view. Gerhard Falch commented: *"We expect shipments to exceed their 2012 levels. Due to the continued pressure on margins in the Rolling and Casting divisions and the low aluminium price, we are confirming our forecast for consolidated EBITDA for 2013 of between 116 mEUR and 121 mEUR as published in the interim report."*

The current level of uncertainty means it is still too early to make any definitive statements with regard to 2014. However, there are indications of a difficult operating environment ahead next year, with aluminium prices set to remain low and no sign of a let-up in the pressure on margins faced by the Rolling and Casting divisions.

Rolling mill expansion proceeding on schedule

Investments under the AMAG 2014 expansion programme will proceed as planned at the rolling mill in 2013. The expansion of casting capacity for the production of rolling slabs has been put on hold pending the outcome of the environmental impact assessment. This delay will not affect the expansion and commissioning of the rolling mill, or the supply of rolling slabs.

Below: AMAG's new hot rolling mill is currently the largest investment under way in the European aluminium industry. The 470 metre long and 100 metre wide facility covers an area equivalent to three football pitches. Some 35,000 cubic metres of earth were excavated for the development, and around 14,000 cubic metres of concrete will be used during construction.

About the AMAG Group

AMAG is a leading Austrian supplier of premium-quality cast and rolled aluminium products for a wide variety of industries, including the aviation, automotive, sports equipment, lighting, engineering, construction and packaging sectors. Located in Canada, the Alouette smelter, in which AMAG holds a 20% stake, produces high-quality primary aluminium and has an exemplary environmental track record. In 2012 the Group had 1,490 employees and generated revenue of EUR 820 mEUR, with EBITDA of EUR 134 mEUR.

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