

# Ad-hoc Investor Information

Ranshofen, 31 October 2011

## **AMAG: Milestone for plant expansion in Canada achieved by signing a Memorandum of Understanding**

- Foundations for plant expansion have been laid by agreeing on cornerstones for energy requirements to be supplied from hydropower until 2041
- Increase in smelter's connected load by 500 MW (from the current 895 MW), with 35 MW being available as of now
- Capacity scheduled to be enlarged from current level of 575,000 tons (AMAG's share: 115,000 tons) per year to 930,000 tons (AMAG's share: 186,000 tons)
- Anticipated investment costs: 1.5 billion Canadian dollars, AMAG's share: 20%
- Next steps: conclusion of power supply contract on basis of MoU, inviting tenders for plants and selecting supplier, final decision to be taken by owners of Alouette

On 31 October 2011, representatives of the Alouette smelter, in which AMAG holds a 20% share, and of the Quebec Government signed a **Memorandum of Understanding (MoU)** in Sept Îles concerning the supply of electric power to the smelter. The agreement fixes the key terms for **purchasing electricity** until **2041**. This lays the foundation for the **electrical energy** requirements of the plant to be supplied **from hydropower** for the life of the contract. Over and above the current connected load of 895 MW, **additional electrical power** of 500 MW will then be available (35 MW of which as of now). Another subject of the agreement is the prolongation of the electricity supply contracts for the existing plant until 2041 on the same terms.

The scheduled **expansion of its production capacity** from the current level of 575,000 tons of primary aluminium per year to approximately 930,000 tons after expansion has been completed will allow Alouette to further improve its position among the **best and largest smelters worldwide**. As the additional electric power needed will

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be generated from hydropower, the added quantities will also be produced in a resource-conserving manner.

Initial estimates concerning the **volume of investments** required for constructing the new plant amount to approximately 1.5 billion Canadian dollars, 20% of which are to be borne by AMAG. Additional investments are aimed at further developing the technology that is being applied. The **next steps** to be taken within the scope of the project include the signing of the electricity supply contracts on the basis of the MoU, inviting tenders for the plants, negotiating the tenders submitted and selecting the suppliers, and the owners taking the final decision.

**Further inquiry note:**

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## **About Alouette**

Alouette was founded in 1992. With approx. 1,000 employees and an annual production volume of 575,000 tons of primary aluminium, Alouette is the biggest smelter in North America, which also makes it one of the largest facilities of its type worldwide. In terms of energy efficiency measured by specific consumption of electrical energy per ton of primary aluminium, Alouette occupies a top position on the global level. Also from an ecological viewpoint, Alouette on account of its excellent carbon footprint which results from the use of hydropower sets global standards. The owners of Alouette and their respective shareholdings are AMAG Austria Metall AG (20%), Rio Tinto Alcan (40%), Norsk Hydro (20%) and SGF/Marubeni (20%). Within AMAG, the business of Alouette is attributed to the Metal Division.

## **About AMAG Group**

AMAG is a leading Austrian manufacturer of primary aluminium and high-quality aluminium cast and flat rolled products for various different industries such as the aircraft, automotive, sports equipment, lighting, mechanical engineering, construction and packaging industries. With 1,175 employees, the company achieved sales of EUR 728 million and EBITDA of EUR 139 million in the 2010 fiscal year.

