

Ranshofen, May 7, 2013

AMAG: Sound earnings despite strong decline in aluminium price

- **Good operational business trend:**
 - Operational development marked by full capacity utilization of all three Divisions and sound order situation as of end of March 2013
 - Total shipment volume rose 2% to 88,100 tons
- Average aluminium price in the first quarter of 2013 amounted to 2,042 USD/t, clearly below the 2,216 USD/t recorded in the prior year's quarter
- Earnings development in the 1st quarter of 2013:
 - Sales at 202 mEUR (prior year: 209 mEUR) only slightly below prior year despite lower aluminium price
 - EBITDA at 31.4 mEUR slightly below comparable prior-year figure (prior year: 34.6 mEUR) mainly due to absence of one-time effects and to margin pressure
- At 27.0 mEUR, cash flow from operating activities on good prior-year level (prior year: 27.5 mEUR)
- Despite high investments, gearing ratio of only 7.2% (end of 2012: 4.7%) and high equity ratio of 60% (end of 2012: 62%) as of end of March 2013
- Rate of acceptance of B&C mandatory bid is 3.2%; grace period provided by law to expire on July 10, 2013

In the 1st quarter of 2013, production was at full capacity in the three Divisions Metal, Casting and Rolling of the AMAG Group. The order situation as of the end of March 2013 is very sound. The total shipment volume was increased by 2%, to 88,100 tons, with the Metal and Rolling Divisions achieving growth rates of 4% and 5%, respectively.

The **sales** of the AMAG Group amounted to 202 mEUR in the first quarter of 2013 and, mainly due to the average aluminium price being lower by 174 USD/t, were 3% down from the prior year's level of 209 mEUR.

The earnings before interest, taxes, depreciation and amortization (**EBITDA**) decreased from 34.6 mEUR in the first quarter of 2012 to 31.4 mEUR in the first quarter of 2013. The decline resulted mainly from the absence of positive one-time

effects reported in the 1st quarter of 2012 in the Service Division, from valuation effects related to foreign exchange hedging transactions in the Rolling Division, and from continuing high margin pressure in the Casting Division.

The earnings contribution of the Metal Division increased from 9.2 mEUR in the first quarter of 2012 to 11.5 mEUR in the first quarter of 2013 despite the decline in the price of aluminium. This was due in particular to lower raw material costs and to the increased shipment volume.

The market environment in the Casting Division continues to be challenging. The resulting margin pressure brought EBITDA in the Casting Division down to 1.2 mEUR in the first quarter of 2013 (1st quarter of 2012: 2.4 mEUR).

The Rolling Division's contribution to EBITDA was 17.8 mEUR (1st quarter of 2012: 19.6 mEUR) and thus on a high level again. The main reasons for the decline include the influence of valuation results from foreign exchange hedging transactions and a slightly changed product mix.

The Service Division's earnings contribution declined to 0.9 mEUR (first quarter of 2012: 3.4 mEUR), mainly due to the absence of positive one-time effects reported in the prior year.

The operating result (EBIT) of the AMAG Group was 19.0 mEUR (1st quarter of 2012: 22.4 mEUR).

Consolidated net income after taxes went down from 18.7 mEUR in the first quarter of 2012 to 15.0 mEUR in the first quarter of 2013.

Cash flow stable on a high level and continued low gearing despite high investments

At 27.0 mEUR, the **cash flow from operating activities** was on the very good level of the prior year (1st quarter of 2012: 27.5 mEUR). The **cash flow from investing activities** rose to 42.6 mEUR in the first quarter of 2013 (1st quarter of 2012:

14.5 mEUR) and was driven in particular by the investing activities for the “AMAG 2014” extension project at the Ranshofen location.

There was only a moderate increase in the **gearing ratio** (7.2% after 4.7% as at December 31, 2012) as well as in **net financial debt** (41.0 mEUR after 25.8 mEUR as at December 31, 2012) despite brisk investing activities. Liquid funds were at 84.9 mEUR as of the end of March 2013 after 84.3 mEUR at year-end 2012.

With equity standing at 567.5 mEUR (end of December 2012: 544.1 mEUR), AMAG surpasses the level recorded at year-end 2012. The **equity ratio** amounted to a solid 60.2% (end of December 2012: 61.8%).

Outlook: Full capacity utilization in all divisions in the 2nd quarter of 2013; uncertain market environment expected for the 2nd half-year of 2013

Based on the satisfactory order backlog as of the end of the 1st quarter of 2013 we expect full capacity utilization for the 2nd quarter of 2013. The uncertain market environment currently prevents a precise forecast of the situation at the end of the year.

The Casting Division is characterized by its focus on the European market and by a high share of automotive products. Shipments for the European automotive industry are forecast to decline for 2013, and we therefore anticipate high margin pressure to persist. Currently, there are no signs of the situation becoming easier. However, the general trend towards more light-weight construction is maintained.

At the time of preparing this report, May 2, 2013, the price of aluminium (3-month LME) was 1,837 USD/t and thus 4% below the price recorded as of March 28, 2013. Due to its very good position on the cost curve, the Alouette smelter is able to provide a positive profit contribution even in the face of such a low price level.

All in all, we expect another successful year from an operational perspective although the factors of influence mentioned above could lead to slightly weaker results as compared to the prior year.

AMAG - Key figures

in mEUR	Q1/2013	Q1/2012	Change	2012
Shipments in tons	88,100	86,300	+2.1%	344,200
thereof external shipments in tons	82,200	82,600	-0.5%	327,800
Sales	202.3	209.2	-3.3%	819.8
EBITDA	31.4	34.6	-9.1%	133.8
EBIT	19.0	22.4	-15.5%	83.2
Net income after taxes	15.0	18.7	-19.6%	71.3
Cash flow from operating activities	27.0	27.5	-1.7%	117.4
Cash flow from investing activities	-42.6	-14.5	-194.6%	-75.9
Equity	567.5	553.1	+2.6%	544.1
Equity ratio in %	60.2	63.2	-	61.8
Employees ¹⁾	1,519	1,452	+4.6%	1,490

1) Average full-time equivalent (FTE) including leasing personnel, without apprentices. This number includes the percentage employee figure out of the 20% equity holding in smelter Alouette.

About AMAG Group

AMAG is a leading Austrian premium supplier of 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. The Canadian smelter Alouette, in which AMAG holds a 20% interest, produces high-quality primary aluminium while safeguarding an exemplary eco-balance. With 1,490 employees, the company achieved sales of EUR 820 million and EBITDA of EUR 134 million in the 2012 fiscal year.

Investor Relations contact

Gerald Wechselauer
 Head of Investor Relations
 AMAG Austria Metall AG
 Lamprechtshausenerstraße 61
 5282 Ranshofen, Austria
 Phone: +43 (0) 7722-801-2203
 E-mail: investorrelations@amag.at
 Website: www.amag.at

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