

Ranshofen, 6 May 2014

Increase of 10% in shipments; low aluminium prices affect earnings

- **Full capacity utilisation in all divisions, coupled with further capacity increase**
- **Increase of 10% in shipments to 97,000 tonnes (t) (Q1 2013: 88,100 t)**
- **Average aluminium price down -14% year on year in first quarter of 2014, at 1,752 USD/t (Q1 2013: 2,042 USD/t)**
- **First-quarter revenue up slightly on like period of 2013, at 202.7 mEUR (Q1 2013: 202.3 mEUR); decline in EBITDA to 24.4 mEUR, compared with 31.4 mEUR in the first quarter of 2013, mainly due to the lower aluminium price**
- **AMAG 2014 expansion project proceeding on schedule at the rolling mill; start of construction work at the casthouse in January 2014**

The AMAG Group recorded full capacity utilisation once again in the first quarter of 2014 and shipments rose by 10% to 97,000 t (Q1 2013: 88,100 t).

The trading environment in the aluminium industry was shaped by a significant year-on-year decline in aluminium prices. At 1,752 USD/t, the average aluminium price was down -14% year on year (Q1 2013: 2,042 USD/t), and the pressure on margins in the cast and rolled products markets persisted. Taking these circumstances into account, the AMAG Group posted solid results for the first quarter of 2014.

First-quarter **revenue** of 202.7 mEUR was up slightly on the first three months of 2013 (Q1 2013: 202.3 mEUR), as the rise in shipments compensated for the lower aluminium price.

EBITDA amounted to 24.4 mEUR in the first quarter of 2014, having reached 31.4 mEUR in the like period of the previous year.

While the contributions to Group EBITDA by the Casting Division and the Service Division remained nearly unchanged at 1.3 mEUR (Q1 2013: 1.2 mEUR) and 1.0 mEUR (Q1 2013: 0.9 mEUR) respectively, the Metal Division and the Rolling Division both reported a decline in earnings. EBITDA in the Metal Division fell from 11.5 mEUR in the first quarter of 2013 to 8.8 mEUR in the reporting period. Shipments rose once again in the Rolling Division, but this only partly made up for higher raw material prices, the pressure on prices and expenses for production start-up associated with the AMAG 2014 expansion project at the Ranshofen site. First-quarter EBITDA was 13.3 mEUR as against 17.8 mEUR for the same period a year earlier.

Group earnings before interest and tax (**EBIT**) stood at 11.4 mEUR in the first quarter of 2014, down on the 19.0 mEUR recorded in the comparative period of 2013. **Net income after taxes** amounted to 10.4 mEUR (Q1 2013: 15.0 mEUR).

Low net debt despite increased investment

As a result of the AMAG 2014 expansion project, cash flows from investing activities in the first quarter of 2014 remained high at -26.4 mEUR (Q1 2013: -42.6 mEUR). Cash flows from operating activities declined from 27.0 mEUR in the first quarter of 2013 to 10.4 mEUR in the current reporting period, owing to changes in working capital.

As at 31 March 2014 net financial debt remained at a stable level of 66.2 mEUR (31 Dec. 2013: 50.0 mEUR), as did the gearing ratio, which stood at 11.2% (31 Dec. 2013: 8.6%).

The AMAG Group has a robust capital structure, reporting an equity ratio of 62.5% as at the end of the reporting period (31 Dec. 2013: 62.6%)

Increased volumes and pressure on prices to characterise 2014

The AMAG Group's Management Board expects a significant increase in shipments in 2014. Order backlog at the end of March points to full capacity utilisation in all divisions in the second quarter of 2014.

However, the low visibility surrounding price trends, as well as significant aluminium price volatility makes earnings forecast for this year difficult.

With the recent unattractiveness of hedging instruments, the Metal Division is more exposed to aluminium price fluctuations than in 2013.

The Casting Division is still experiencing pressure on margins. Earnings in the Rolling Division will continue to be affected by high raw material costs and low sales prices. Expenses for production start-up associated with the AMAG 2014 expansion programme will also have an impact on performance this year.

In the case that aluminium prices remain depressed, coupled with tight downstream margins, the Management Board expects the Group to post a year-on-year decline in earnings. Taking the current operating environment into account, the AMAG Group's Management Board anticipate EBITDA between 95 mEUR and 110 mEUR.

The AMAG 2014 expansion programme will be largely completed in the course of this year. As things stand, the new hot rolling mill will start up in the fourth quarter of 2014. Work began on the rolling slab casthouse expansion in January 2014 and is scheduled for completion in the first quarter of 2015.

Group financial highlights

mEUR	Q1 2014	Q1 2013	Change	2013
Shipments (tonnes)	97,000	88,100	10.1%	351,700
of which external shipments (tonnes)	90,900	82,200	10.6%	329,600
Revenue	202.7	202.3	0.2%	786.4
EBITDA	24.4	31.4	-22.3%	122.8
EBIT	11.4	19.0	-39.7%	72.4
Net income after taxes	10.4	15.0	-30.9%	56.0
Cash flows from operating activities	10.4	27.0	-61.5%	122.2
Cash flows from investing activities	-26.4	-42.6	38.1%	-125.2
Employees ¹	1,589	1,519	4.6%	1,564

mEUR	31 Mar. 2014	31 Dec. 2013	Change
Equity	590.3	584.4	1.0%
Equity ratio	62.5%	62.6%	-

¹ Average number of 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.

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 aircraft, 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 2013 the Group had 1,564 employees and generated revenue of 786 mEUR, with earnings before interest, tax, depreciation and amortisation (EBITDA) of 123 mEUR.

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Note

AMAG compiled the forecasts, budgets and forward-looking assessments and statements contained in this release on the basis of information available to the Group at the time the release was prepared. In the event that the assumptions underlying these forecasts prove to be incorrect, targets are not achieved or certain risks materialise, actual results may deviate from those currently anticipated. We are not obliged to revise these forecasts in light of new information or future events.

This release was prepared and the data contained in it verified with the greatest possible care. However, rounding and transmission errors, and misprints cannot be entirely ruled out. This release is also available in German. In cases of doubt, the German-language version shall prevail.