

Ranshofen, 5 November 2013

AMAG: solid performance in a challenging climate

- All divisions 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 (Q1-Q3 2012: 266,200 t)
- Average aluminium price down 7% year on year in the first three quarters of 2013, at 1,912 USD/t (Q1-Q3 2012: USD 2,061 t)
- Sales in the first three quarters of 2013 of 615.9 mEUR fell short of the previous year's level (Q1-Q3 2012: 638.9 mEUR) by 3.6%, chiefly due to lower aluminium prices
- AMAG Group EBITDA for the first three quarters of 2013 solid at 98.3 mEUR, but 10.6% down on the same period a year earlier (Q1-Q3 2012: 109.9 mEUR)
- Investment cash flow 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)
- AMAG 2014 investment project at the Ranshofen site proceeded on schedule at the rolling mill

The AMAG Group's operations are performing satisfactorily given the pressure on margins in the Casting and Rolling divisions and the low aluminium price. 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, with divisional shipments up 4.2% year on year. The Metal division's contribution jumped by 3.9% on account of fluctuations in deliveries related to the reporting date. Total shipments reported by the Casting division were largely in line with the previous year's total, falling by 0.5%. The Group's total shipments in the third quarter of 2013 increased by 7.2% to 92,100 t, compared with 85,900 t a year earlier.

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.

Earnings before interest, tax, depreciation and amortisation (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. This drop was a reflection of lower margins in the Rolling and Casting divisions. The AMAG Group reported EBITDA of 33.0 mEUR in the third quarter of 2013 (Q3 2012: 37.8 mEUR).

In spite of the 7% fall in the price of aluminium, the Metal division's earnings contribution for the first three quarters advanced year on year from 34.5 mEUR to 38.2 mEUR. This development largely reflected the decline in raw materials prices and high premiums. The Metal division's EBITDA for the third quarter of 2013 rose to 13.2 mEUR, up from 12.3 mEUR a year earlier.

Divisional EBITDA in the Casting division slipped to 3.7 mEUR during the first nine months of the year (Q1-Q3 2012: 5.5 mEUR). This was due to the current downward pressure on margins triggered by overcapacity in Southern Europe as a result of market conditions. However, the pressure on margins lessened somewhat in the third quarter of 2013. Thanks to higher shipments, third-quarter EBITDA was slightly ahead of the previous year's level, at 1.5 mEUR (Q3 2012: 1.3 mEUR).

The Rolling division's EBITDA contribution in the first three quarters narrowed to 52.9 mEUR despite the increase in volumes (Q1-Q3 2012: 64.3 mEUR). This was chiefly

attributable to tighter margins caused by the higher costs of input materials, and to valuation effects on foreign exchange hedging transactions. Third-quarter EBITDA was 16.3 mEUR (Q3 2012: 22.7 mEUR).

The absence of one-time effects recorded last year in the Service division was reflected in its earnings contribution, which slipped from 5.7 mEUR in the first three quarters of 2012 to 3.6 mEUR in the like period of 2013. The Service division reported EBITDA of 2.0 mEUR in the third quarter of 2013 (Q3 2012: 1.6 mEUR).

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). EBIT for the third quarter of 2013 amounted to 20.5 mEUR, down from the 24.9 mEUR reported a year earlier.

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. Profit after tax for the third quarter fell year on year from 18.4 mEUR to 15.8 mEUR.

Solid cash flows and low net debt despite high level of investment

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. **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 expected to persist

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

Overall, the Management expects a positive year from an operational point of view. We believe that we will outperform the shipment volumes achieved in 2012. However, it should be noted that sustained pressure on margins for the Casting and Rolling divisions, combined with the low price of aluminium, will see consolidated profit narrow year on year. The AMAG Management Board confirms the forecast for consolidated EBITDA in 2013 of between 116 mEUR and 121 mEUR 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 Casting and Rolling divisions.

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.

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 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 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 earnings before interest, tax, depreciation and amortisation (EBITDA) of EUR 134 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.