



Annual Report 2015

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# Innovation. Growth. **Profitability**



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# Key figures & **contents**

# Key figures for the AMAG Group

Key figures for the Group in EUR million	2015	2014	Change in %	2013	2012
Shipments in tons	<b>381,300</b>	375,900	1.4 %	351,700	344,200
External shipments in tons	<b>347,100</b>	352,100	(1.4 %)	329,600	327,800
Group revenue	<b>913.3</b>	823.0	11.0 %	786.4	819.8
thereof, Metal Division	<b>192.8</b>	191.8	0.5 %	188.6	204.4
thereof, Casting Division	<b>129.2</b>	111.9	15.5 %	101.2	111.9
thereof, Rolling Division	<b>585.9</b>	513.8	14.0 %	491.0	497.9
thereof, Service Division	<b>5.4</b>	5.4	(0.1 %)	5.6	5.6
EBITDA	<b>126.7</b>	114.7	10.5 %	122.8	133.8
EBITDA margin	<b>13.9 %</b>	13.9 %	-	15.6 %	16.3 %
Operating result (EBIT)	<b>57.6</b>	59.0	(2.3 %)	72.4	83.2
EBIT margin	<b>6.3 %</b>	7.2 %	-	9.2 %	10.2 %
Earnings before taxes (EBT)	<b>51.3</b>	56.0	(8.5 %)	65.0	77.4
Net income after taxes	<b>42.7</b>	59.2	(27.9 %)	56.0	71.3
Cashflow from operating activities	<b>109.9</b>	95.2	15.5 %	122.2	117.4
Cashflow from investing activities	<b>(91.2)</b>	(118.4)	23.0 %	(125.2)	(75.9)
Total assets	<b>1,102.5</b>	1087.2	1.4 %	933.5	880.0
Equity	<b>643.4</b>	623.9	3.1 %	584.4	544.1
Equity ratio in %	<b>58.4 %</b>	57.4 %	-	62.6 %	61.8 %
Working Capital Employed	<b>238.5</b>	241.6	(1.3 %)	223.7	250.9
Capital Employed	<b>737.1</b>	675.7	9.1 %	602.2	562.8
ROCE in %	<b>6.4 %</b>	9.4 %	-	10.1 %	13.4 %
ROE in %	<b>6.7 %</b>	9.8 %	-	9.9 %	13.1 %
Net financial debt	<b>113.8</b>	93.0	22.3 %	50.0	25.8
Gearing ratio in %	<b>17.7 %</b>	14.9 %	-	8.6 %	4.7 %
Number of employees – full-time equivalent (annual average) <sup>1)</sup>	<b>1,704</b>	1,638	4.0 %	1,564	1,490

## Stock market indicators in EUR

Highest price	<b>36.00</b>	28.00	28.6 %	25.10	23.49
Lowest price	<b>26.93</b>	21.30	26.4 %	19.60	15.28
Closing price	<b>32.00</b>	27.50	16.4 %	21.68	23.16
Earnings per share	<b>1.21</b>	1.68	(27.9 %)	1.59	2.02
Price/earnings ratio (P/E ratio)	<b>26.43</b>	16.38	61.4 %	13.65	11.47
Dividend per share <sup>2)</sup>	<b>1.20</b>	1.20	0.0 %	0.60	0.60
Dividend yield (related to annual average price) in %	<b>3.8 %</b>	4.8 %	-	2.6 %	3.1 %
Number of shares	<b>35,264,000</b>	35,264,000	0.0 %	35,264,000	35,264,000

1) Average number of employees (full-time equivalents) including temporary help workers and excluding apprentices.  
Includes 20% pro rata share of labour force at Alouette smelter

2) According to proposal to the Annual General Meeting

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# FOREWORD

*by the Management Board*

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*Dear reader,  
dear friends of the company,*

Aluminium is a very young metal when seen from the perspective of industrial history. Aluminium has nevertheless become increasingly significant over the past decades, and is now the second most important metal in use in industry. Aluminium consumption has doubled over the past ten years, and is set to report annual growth rates of 4 to 5 % per year into the future. This dynamic growth is due to the special properties of aluminium and its alloys.



First we should mention its low specific weight. Coupled with high strength, aluminium offers great potential for lightweight design and construction with a wealth of possible applications. Aluminium is the most predo-

minantly utilised material in the aircraft industry, for example. Its importance to the automotive industry is also growing constantly. The search for lightweight construction solutions geared to reducing fuel consumption and CO<sub>2</sub> emissions has only just started, and will become even more intensive over the coming years, especially as a result of legislation in Europe and the USA. Global demand for aluminium sheet for automotive bodies will approximately triple over the next five years from 0.8 million tonnes to 2.3 million tonnes. Aluminium products are also distinguished by outstanding heat conductivity, with their visual appeal lending further attractiveness. For this reason, it is hardly surprising that aluminium rolled products are being ever increasingly utilised in consumer electronics and in architecture, although we also anticipate attractive future growth in many other application areas such as in packaging and machinery.

These outstanding market prospects also form the basis of our strategy of profitable growth. The construction phase of our „AMAG 2014“ project has been concluded. The ramp-up of the new hot rolling mill, the plate production centre and the wrought alloy casthouse ran to schedule. Shipments of aluminium rolled products have risen from 169,900 tons to a new record of 175,500 tonnes. Work on our „AMAG 2020“ strategy project is also running to schedule. We have awarded the related construction orders for the cold rolling mill, as well as for the finishing plants. Building is set to start in spring 2016, depending on the weather conditions. Commis-

oning will take place in 2017. Overall, this EUR 300 million expansion program will boost production capacity for rolled products to more than 300,000 tonnes, and create further 250 jobs at our Ranshofen site.

*As a result of this expansion in Ranshofen, AMAG is not only developing itself into the most modern location of the European aluminium industry, but also into a full-range supplier of special products in the areas of automotive, aviation, sports articles, electronics and packaging.*

While we remained limited to a maximum width of around 1,600 mm with our previous plants, we are now expanding our product portfolio towards larger dimensions of up to 2,300 mm. This enables us to offer our customers a much larger range of high-quality aluminium rolled products. The new plants also allow us to further expand flexibility at our Ranshofen site, in order to respond as rapidly as possible to our customers' needs with innovative and customised products. In addition, our customers benefit from our employees' extensive knowledge of the highly diverse application areas of aluminium rolled products. Our company is quite unique in this context, as we manufacture rolled products from all alloy families at our Ranshofen location. This diversity allows for the leveraging of synergies between highly varied application areas. We produce special

high-strength sheets for the automotive and consumer electronics industries, for example, which are generally used in the aerospace industry. In this context, AMAG has developed a particularly innovative aluminium special alloy that was utilised for the first time in series application in crash-exposed components in an automobile of a major German premium manufacturer. AMAG received the State of Upper Austria's 2015 „Innovation Award“ for this innovation.

The high proportion of recycling at the Ranshofen site is unique on a sector comparison. We utilise between 75 and 80 % aluminium scrap as input material for our own manufacturing of foundry alloys and rolling slabs, thereby saving a great deal of energy over a full product life-cycle. Aluminium scrap utilisation requires up to 95 % less energy than primary aluminium production.

Primary aluminium production remains indispensable, however, given growing demand for aluminium worldwide. At the Alouette smelter in Canada, where AMAG holds a 20 % interest, we nevertheless work to the highest ecological levels. Alouette sets worldwide benchmarks in energy efficiency terms and uses electricity from hydropower, which creates no CO<sub>2</sub> emissions.

Alouette has a sound cost position on an international comparison, and this cost position will improve even further from 2017. Alouette's owners, the Québec Government and electricity supplier Hydro Québec agreed improved terms in 2015, along with an additional

70 MW electricity block for the 2017 to 2029 period. The electricity price during this period will be based on the market price for aluminium. Besides the cost position, this new arrangement will also significantly improve the risk profile in terms of aluminium price and currency exchange rate fluctuations.

Overall, the market environment for AMAG presented a mixed picture in the 2015 financial year. The aluminium price fell sharply over the course of the year, and in the second half of the year reached its lowest level for around six years. On the other hand, AMAG also benefited from the weaker EUR/USD and CAD/USD exchange rates. In the Casting Division, the market environment showed a marked improvement compared with previous years, which was particularly due to rising production figures at European automotive manufacturers. In the Rolling Division, we identify high demand activity, especially in the heat treated product area, such as from the automotive and aerospace industries.

Despite the decline in the aluminium price, AMAG reported year-on-year growth in both revenue and EBITDA. Revenue climbed by 11.0 % from EUR 823.0 million to EUR 913.3 million. EBITDA rose from EUR 114.7 million to EUR 126.7 million. The aluminium price driven decline in earnings in the Metal Division was more than offset in this context by higher shipment volumes, positive effects from product mix shifts, as well as the generally improved market environment in the Casting and Rolling divisions.

This improved operating result also resulted in a higher cash flow from operating activities in 2015, which was up from EUR 95.2 million in 2014 to EUR 109.9 million in 2015. Taking this positive trend into account, we are consequently proposing that the Annual General Meeting again approve the payment of a EUR 1.20 per share dividend for the 2015 financial year. This corresponds to a dividend yield of 3.8 % in relation to the average (volume-weighted) share price in 2015.

It is still too early to provide an earnings forecast for the 2016 financial year. A particularly important factor in this context is the market price for aluminium, which experience shows is difficult to forecast due to high volatility levels during the course of a year. With regard to the Rolling Division, we anticipate further growth in volumes and earnings due to the start-up of the new hot rolling mill.



**HELMUT KAUFMANN**  
Member of the  
Management Board  
(Chief Operating Officer)



**HELMUT WIESER**  
Chairman of the  
Management Board  
(Chief Executive Officer)



**GERALD MAYER**  
Member of the  
Management Board  
(Chief Finance Officer)



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Innovation. Growth.  
**Profitability**





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Business model  
**and strategy**

# BUSINESS MODEL AND STRATEGY



AMAG is a producer of **high-quality aluminium products** for further processing in a large number of **growth sectors**. The value chain starts with the production of **primary aluminium** in Sept-Îles, Québec, Canada. The manufacturing of **foundry alloys and rolling slabs**, and the rolling, as well as thermal and mechanical processing, of strips, sheets and plates made from a range of alloys, is performed at the Ranshofen site in Austria.

## CORPORATE STRUCTURE

**AMAG is a producer of high-quality aluminium products for further processing in a large number of growth sectors, and operates two manufacturing sites.**

The value chain starts with the production of primary aluminium in the Alouette smelter, Sept-Îles, Québec, Canada. AMAG owns a 20 % interest in the Alouette smelter, thereby securing its own base of primary metal. The Alouette smelter is the largest smelter in North and South America with 600,000 tonnes of total capacity per year, and is one of the most efficient smelters worldwide, with long-term secured energy supply within a politically stable country. The Metal Division includes the AMAG Group's 20 % interest in the Aluminerie Alouette smelter, and is responsible for the risk management and steering of metal flows within the AMAG Group.

At AMAG Group headquarters, its integrated site in Ranshofen, the company manufactures recycling foundry alloys (Casting Division), as well as high-quality aluminium rolled products in the form of aluminium sheets, strips and plates (Rolling Division). The rolling slabs required to manufacture rolled products are largely produced at the company's own wrought alloy foundry. The input material basis for both foundries consists mainly of aluminium scrap in this context, which covers around 75-80 % of input material requirements. Along with the Group management, the Service Division's portfolio includes facility management (building and area management), energy supplies, waste disposal, and purchasing and materials management. Consequently, this Division creates the preconditions for the operating divisions to concentrate on their respective core businesses.

## OVERVIEW OF THE AMAG GROUP'S DIVISION

DIVISION *)	METAL	CASTING	ROLLING	SERVICE
SHIPMENTS IN TONNES	<b>119,600</b>	<b>86,100</b>	<b>175,500</b>	
EXTERNAL SHIPMENTS IN TONNES	<b>104,500</b>	<b>67,100</b>	<b>175,500</b>	
EXTERNAL REVENUE IN EUR MILLION	192.8	129.2	585.9	5.4
EMPLOYEES	203	123	1,243	135
PRODUCTS	Primary aluminium Access to raw materials market	High-quality recycled aluminium foundry alloys	High-quality aluminium rolled products	Group management Services at the Ranshofen site
				

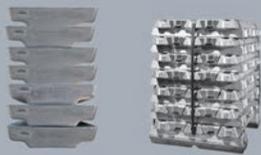
\*) 2015 figures

# TOP AMAG- PRODUCTS

FOR VARIOUS INDUSTRIES

## PRIMARY ALUMINIUM

DELIVERED  
AS SOWS  
AND INGOTS



## FOUNDRY ALLOYS

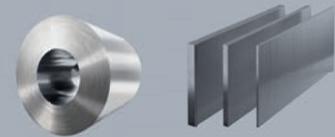
DELIVERED AS  
LIQUID ALUMINIUM,  
INGOTS AND SOWS  
FOR THE USE IN  
DIE CASTING



## ROLLED PRODUCTS

PRODUCTION OF  
ALUMINIUM SHEETS  
AND PLATES

- High strength materials
- Tread plate
- Bright products
- Brazing sheet
- Foil stock
- Precision plates
- Cathode sheets



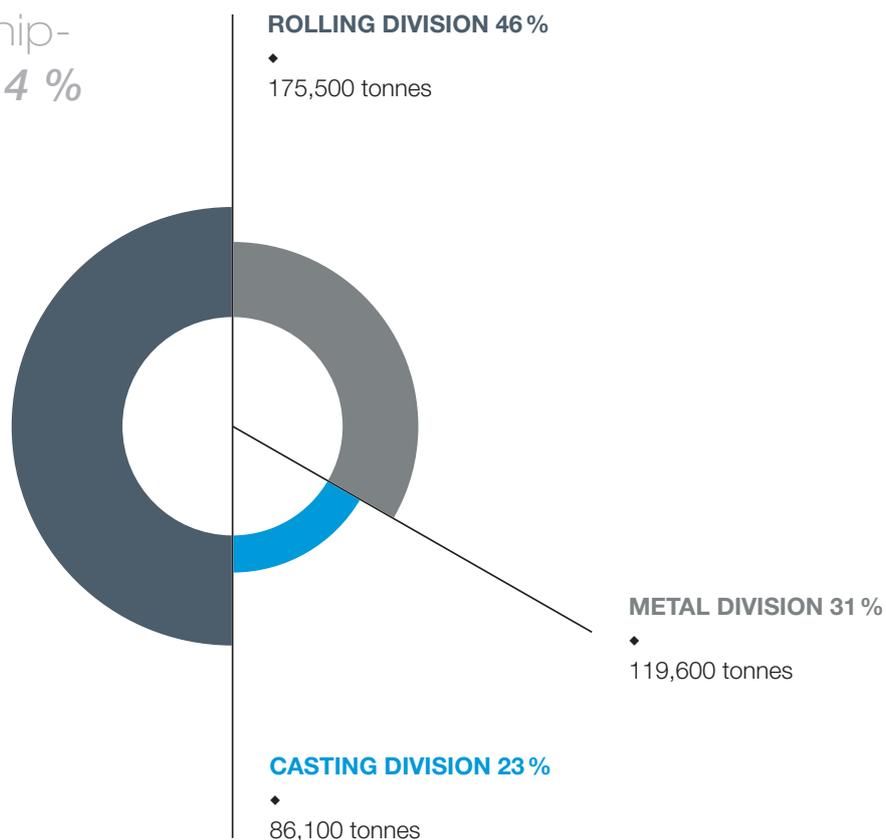
**AMAG's high-quality cast and rolled products** are used in numerous industries that enjoy strong growth prospects. Besides the **transport industry** – particularly the aviation and automotive sectors – AMAG supplies the **construction, engineering, sports equipment, electronics and packaging industries**. Our aluminium is also a key input material for **renewable energy** generating plants such as wind farms.

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## BREAKDOWN OF SHIPMENTS BY DIVISIONS

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AMAG increases shipments in 2015 by **1.4 %** to **381,300 tonnes**.



### BROAD PORTFOLIO OF SPECIALTY PRODUCTS

The Rolling Division enjoys a very high proportion of specialty products on a sector comparison of almost 60 %. These especially include heat-treated and high-strength sheets and plates, which are utilised in the automotive and aerospace industries, for example. In the aerospace industry, AMAG holds qualifications at almost all renowned aircraft manufactu-

rers. Multi-year supply agreements for high-strength aluminium sheets and plates are in place with Airbus and Boeing, for instance. AMAG has also achieved numerous qualifications in the automotive industry over the past years, including first series orders for auto body sheets. AMAG is consequently one of just a handful of manufacturers of aluminium rolled

products that command the technological capabilities to supply both the automotive and the aerospace industries. The Ranshofen plant is truly unique, producing all alloy families at a single site. This extensive expertise enables us to offer our customers tailored product solutions for almost all requirements.

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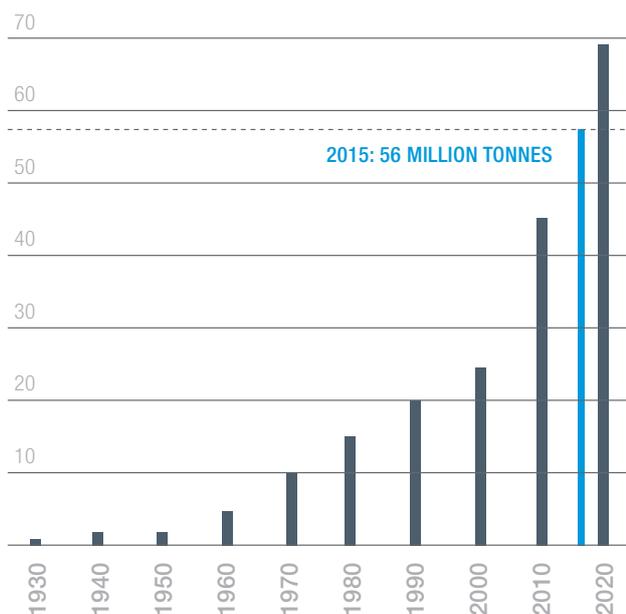
# DYNAMIC MARKET GROWTH

*The foundation of AMAG's growth strategy is based on the numerous positive characteristics of aluminium and its resultant growing importance as a material – particularly in areas where weight considerations, as well as mechanical-technological characteristics, reliability and sustainability are important.*

According to the CRU<sup>1</sup>, the consumption of primary aluminium was up by 3.8 % to 56.3 million tonnes in 2015. Current CRU forecasts anticipate growth in the consumption of primary aluminium of 4.3 % per year for the years ahead, with consumption totalling 69.3 million tonnes by 2020. Growth is expected in all regions in this context.

*“Attractive growth rates in the consumption of aluminium rolled products of around 5% per year up to 2020 are expected.”*

## GLOBAL CONSUMPTION OF PRIMARY ALUMINIUM IN MILLION TONNES



A significant proportion of the primary aluminium is used in the expanding market for rolled products. The consumption of rolled aluminium products advanced by 3.7 % to 23.8 million tonnes in 2015. The latest forecasts anticipate annual growth of 4.6 % in the consumption of rolled products, with global consumption of 29.8 million tonnes expected for 2020. Growth is forecast to occur in all regions and industrial sectors in this context. Above all, demand is set to grow significantly from the transportation sector. For the years from 2015 up to 2020, annual global growth of 10.2% is expected. The key driver here is the rise in demand for lightweight construction solutions, especially in the automotive sector. The striving for lightweight construction in the automotive area to reduce fuel consumption and CO<sub>2</sub> emissions will intensify further over the coming years. The CRU expects an increase in aluminium rolled products for vehicle body applications in the automotive area from 0.8 million tonnes in 2015 to 2.3 million tonnes in 2020. The aviation sector, which is also allocated to the transportation area, will also report attractive growth rates over the coming years, according to the latest estimates, and require correspondingly more aluminium rolled products in the form of sheets and plates.

1) See CRU, Aluminium Market Outlook, October 2015

2) See CRU, Aluminium Rolled Products Market Outlook, November 2015

ALUMINIUM ROLLED PRODUCTS:  
ANNUAL GROWTH UP TO 2020 IN %



CONST-  
RUCTION

FACADES,  
INTERIOR DESIGN,  
LIGHTING

+ 3 %

TRANSPORT

AEROSPACE,  
AUTOMOTIVE, COMMERCIAL  
AND RAIL VEHICLES

+ 10 %



PACKAGING

FOOD  
DRUGS  
BEVERAGES

+ 4 %



# STRATEGY OF PROFITABLE GROWTH

***Based on positive growth forecasts, capacities for aluminium rolled products are being expanded at the Ranshofen site.***

The „AMAG 2014“ strategy project, entailing an investment volume of around EUR 220 million, comprised a new hot rolling mill, a plate manufacturing centre, as well as the expansion of the wrought alloy casthouse. The new plants are designed for a much larger width compared with the existing plants, of up to 2,300 mm. The official commissioning and start of ramp-up occurred in November 2014. Final acceptances were issued to the main plants' suppliers in 2015, thereby successfully concluding the project on schedule and budget.

The „AMAG 2020“ strategy project entailed a new cold rolling mill, and further finishing plants, such as for the heat treatment of aluminium sheets. This approximately EUR 300 million expansion project also included the further expansion of the

wrought alloy casthouse. Orders for the plants have already been submitted, and the first infrastructure works have started. Commissioning of the plants will occur in 2017. The plant configuration is oriented to the manufacturing of special products in the form of strips and sheets. In a similar manner to the investment in the new hot rolling mill, product width here is also being expanded compared with the existing plants, to more than 2,000 mm.

With the two strategy projects totalling more than EUR 500 million, total capacity in the Rolling Division will rise to more than 300,000 tonnes. Flexibility is also being improved at the Ranshofen site in order to respond as rapidly as possible to our customers' needs with innovative and customised products.

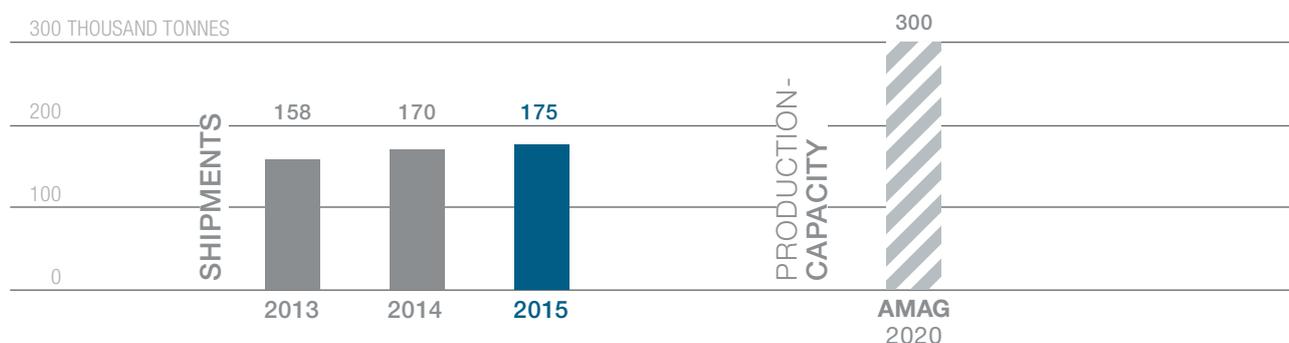
As a result of these additional investments, AMAG is developing into a full-range supplier of special products in the are-



*The expansion project develops **Ranshofen** into a top **European aluminium industry location**.*

as of automotive, aerospace, sports articles, electronics and packaging. Productivity will also be enhanced considerably through the higher degree of automation and larger product formats.

## SHIPMENTS AND PRODUCTION CAPACITY IN THE ROLLING DIVISION



# SUSTAINABLE RAW MATERIALS SUPPLY

***AMAG's business operations cover the entire spectrum of its raw material production at a high ecological level.***

Primary aluminium is produced at the Alouette smelter in Canada. Alumina is the main raw material used for this purpose. Electric energy derives from hydropower. Ongoing optimisation of production processes also sets industrial standards in terms of energy input, and consequently also CO<sub>2</sub> emissions. A long-term electricity supply agreement secures future supplies of „green“ power.

The production of foundry alloys for external sales, as well as of wrought alloys in the form of rolling slabs for the company's own rolling mill, is based at the integrated Ranshofen site. Here, energy and environmental efficiency issues are accorded top priority, with utilisation of the most advanced, leading-edge production facilities. Depending on the product portfolio, input stock for the casthouses consists on average of around 75 to 80% recycled aluminium scrap that stems especially from processing industries and products that have reached the end of their life cycle, as well as from our internal group materials cycle.

Due to the fact that aluminium can be recycled without loss of quality, aluminium scrap can be reintroduced repeatedly into the value creation chain and utilised to manufacture high-quality aluminium products. The recycling range extends from high-quality, clean external production waste through to highly oxidic and organically contaminated chips and dross.

In its recycling activities, AMAG is able to draw on different processing and smelting technologies as well as its employees' extensive expertise. Many years of acquired experience play an important role when sampling and analysing scrap in the sampling phase of scrap deliveries. Optimal utilisation of recycling material, from both an environmental and a commercial point of view, can only be achieved by thoroughly differentiating and separating material on an alloy-specific basis.

A major recycling advantage derives from the fact that the Ranshofen site produces both foundry and wrought alloys, and handles all families of alloys in rolling slab production. For this reason, AMAG requires scrap with different chemical compositions, and consequently covers most of the product range of the aluminium



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## USAGE OF SCRAP AT RANSHOFEN SITE

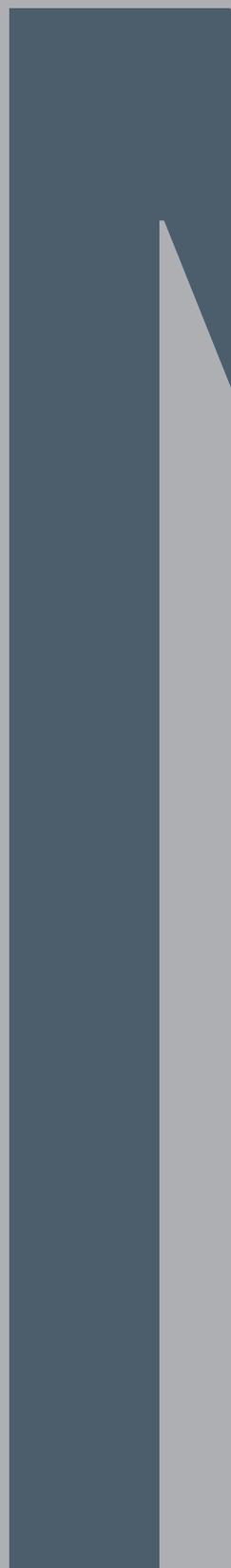
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scrap trade. AMAG has developed into an aluminium recycling expertise center, and was able to boost scrap input in 2015 to a new record level of 306,000 tonnes.

Due to the fact that aluminium can be **recycled without loss of quality**, aluminium scrap can be reintroduced repeatedly into the value creation chain and utilised **to manufacture high-quality aluminium products.**

The AMAG share continued on its uptrend in 2015. The share has appreciated by 68 % since its successful IPO in April 2011, thereby significantly outperforming Austria's index of leading shares, the ATX.





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To our  
**shareholders**

## Report of the Supervisory Board



### Dear ladies and gentlemen,

In the 2015 financial year, the Supervisory Board performed the tasks incumbent upon it according to the law and the company's articles of incorporation, and in compliance with the Austrian Corporate Governance Code. The Management Board reported regularly to the Supervisory Board both verbally and in written form, promptly and comprehensively on all material developments within the company, its business policy, on the financial position and performance, investments, and other fundamental issues relating to corporate management and planning.

Between meetings, the Management Board provided the Supervisory Board with ongoing reports on significant events. Circular resolutions were adopted in urgent cases. Current specific topics and projects were discussed in regular conversations between the Management Board and the Supervisory Board Chairman.

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### MAIN TOPICS OF THE MEETINGS

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The Supervisory Board of AMAG Austria Metall AG met on February 26, June 11, September 17 and November 19, 2015, in accordance with the obligations laid out by law and the articles of incorporation. These meetings included discussions with the Management Board on the course of business, and the Group's current performance and strategic development. In particular, regular reports were made concerning the progress achieved with the "AMAG 2014" and "AMAG 2020" large-scale investment projects. Equally, further investments relating to the strategic site expansion were approved. Future business policy, and future financial position and performance trends, were agreed as part of the forecast for 2016, as well as the medium-term planning through to 2025. The contracts of Management Board members Dr. Helmut Kaufmann (COO) and Gerald Mayer (CFO) were extended until December 31, 2019. The Supervisory Board also concerned itself with the compliance officer's annual activity report, and with anticorruption measures and the Supervisory Board's self-assessment.

Moreover, the Supervisory Board of AMAG Austria Metall AG reconstituted itself at its April 16, 2015 meeting. The members of the Audit, Nomination and Remuneration committees, as well as of the Committee for Urgent Matters, were newly elected. A Strategy Committee was also set up.

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### SUPERVISORY BOARD AND COMMITTEES

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The corporate governance report provides further information about the composition and working methodology of the Supervisory Board, and its remuneration.

The Audit Committee of the Supervisory Board of AMAG Austria Metall AG met on three occasions during the 2015 reporting year, with Supervisory Board members in attendance. Representatives of the auditor attended these meetings in order to report on their activities and findings by way of a management letter. In addition, specific accounting topics were discussed in the presence of the auditor. Along with examining and preparing the approval of the separate and consolidated annual financial statements, the Audit Committee also concerned itself with the additional tasks pursuant to Section 92 (4a) of the Austrian Stock Corporation Act (AktG). In particular, the functioning and efficacy of the internal controlling, auditing and risk management system was subjected to critical scrutiny and monitoring.

The Nomination Committee of AMAG Austria Metall AG met on three occasions during the year under review. It concerned itself with appointments to the Supervisory Board and the reappointment of Management Board members, making corresponding proposals for resolutions to the Supervisory Board.

The Remuneration Committee of AMAG Austria Metall AG met three times during the reporting year. Target agreements with the Management Board were handled in depth. Moreover, the Remuneration Committee concerned itself with extending the employment contracts of Management Board members Dr. Helmut Kaufmann (COO) and Gerald Mayer (CFO).

The Strategy Committee met once during the year under review, and concerned itself particularly with an update to strategy implementation in the "AMAG 2020" project and the further strategic development of AMAG Austria Metall AG. The results were subsequently discussed with the plenary Supervisory Board.

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## CORPORATE GOVERNANCE

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The Supervisory Board of AMAG is committed to adhering to the Austrian Corporate Governance Code, and consequently to responsible corporate governance and control systems designed to deliver sustainable value creation. A summary of activities in this area is presented in the corporate governance section in this annual report and on the website.

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## AUDIT AND APPROVAL OF THE 2015 ANNUAL FINANCIAL STATEMENTS

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The separate annual financial statements, management report and corporate governance report of AMAG Austria Metall AG prepared by the Management Board, as well as the consolidated financial statements prepared in line with the International Financial Reporting Standards (IFRS), the Group management report as of December 31, 2015, and the disclosures required pursuant to Section 245a of the Austrian Commercial Code (UGB), were audited by auditors Deloitte Audit Wirtschaftsprüfungs GmbH (appointed pursuant to Section 270 UGB), and awarded an unqualified audit opinion. The Supervisory Board, in the auditor's presence, examined in the meaning of Section 96 of the Austrian Stock Corporation Act (AktG) the separate and consolidated annual financial statements, the management report and Group management report as well as the corporate governance report, the proposal for the distribution of profit, and the management letter with the audit findings, and approved them on February 24, 2016. The Supervisory Board concurs with the Management Board's proposal for the application of profits, whereby a dividend of EUR 1.20 per dividend-entitled share is to be distributed, with the remaining amount to be carried forward to a new account. The separate annual financial statements have thereby been adopted pursuant to Section 96 (4) of the Austrian Stock Corporation Act (AktG).

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## THANKS

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The Supervisory Board would like to express its thanks and recognition for the performance of the Management Board as well as all employees at AMAG. Without their personal commitment, the gratifying results would not have been possible within an economic environment that proved challenging at times.

We also appreciate the trust and close connections that we enjoy with our customers, suppliers, lenders and shareholders, and look forward to our further successful cooperation.

Ranshofen, February 24, 2016



Dr. Josef Krenner  
Chairman of the Supervisory Board

# Corporate Governance Report

## DECLARATION CONCERNING THE AUSTRIAN CORPORATE GOVERNANCE CODE

The Austrian Corporate Governance Code provides domestic stock corporations with a framework for managing and supervising companies. The Code aims to promote the management and controlling of companies and corporate groups based on sustainable and long-term value creation. This in turn is intended to create a high degree of transparency for all stakeholders in the company.

The basis for the publicly-accessible Code published at [www.corporate-governance.at](http://www.corporate-governance.at) is formed by the guidelines of the Austrian Stock Corporation Act, the Stock Exchange Act and the Capital Market Act, EU recommendations on tasks of Supervisory Board members and remuneration of Management Board members, as well as OECD guidelines on corporate governance, in its principles. This Corporate Governance Report is based on the status of the revised Code published in January 2015.

The Code, which requires voluntary commitment, was recognised and implemented by the Management and Supervisory boards of AMAG Austria Metall AG in the 2015 financial year. AMAG Austria Metall AG is consequently committed to adhering to the Austrian Corporate Governance Code in its latest version.

AMAG Austria Metall AG adheres to all "L rules" and "C rules"<sup>3)</sup>. Over the coming three years, an evaluation of compliance with all C rules is to be implemented by an external institution as prescribed by Rule 62.

## MANAGEMENT AND SUPERVISORY BOARD COMPOSITION

Details on the composition of these bodies are summarised in the corporate governance report.

The composition of the Management Board has remained unchanged compared with the previous year. The Management Board contracts of CFO Gerald Mayer and COO Dr. Helmut Kaufmann were extended early until December 31, 2019. Helmut Wieser is to remain Chief Executive Officer, having performed this role since April 2014.

3) The following rules are included in the Austrian Corporate Governance Code: "L rules" (= Legal), legally prescribed measures; "C rules" (Comply or Explain), the non-adherence to which requires explanation; "R rules" (Recommendations), these are recommendations which in the case of AMAG Austria Metall AG are followed as fully as possible.

At the April 16, 2015 AGM, Supervisory Board members Dr. Josef Krenner, Dr. Franz Gasselsberger, Mr. Otto Höfl, Mr. Patrick Prügger, Dr. Heinrich Schaller and Prof. Dr. Sabine Seidler were re-elected until the end of the AGM that approves their discharge for the 2017 financial year. Mr. Franz Viehböck was also elected to the Supervisory Board of AMAG Austria Metall for three years. Prof. Peter Uggowitz stepped down from the Supervisory Board of AMAG Austria Metall AG on April 16, 2015.

No Supervisory Board member was absent from more than half of the Supervisory Board meetings during the past financial year.

## REMUNERATION REPORT FOR THE MANAGEMENT AND SUPERVISORY BOARDS

All of the Management Board contracts that were in force at the end of 2015 comprised a mixture of financial performance criteria and other partly non-financial criteria. The financial performance criteria include the return on total capital employed as well as consolidated net profit. Upper limits were agreed with all Management Board members. The variable remuneration is limited to 200 % of the fixed remuneration in the case of one Management Board member, and to 100 % of the fixed remuneration in the case of two Management Board members. The ratio between the fixed and the variable components of the total remuneration of the Management Board stood at around 51 % to 49 % in the financial year under review.

In 2015, total compensation paid to Management Board Chairman (CEO) Helmut Wieser amounted to EUR 1,255,174 (of which variable: EUR 694,952). Total compensation paid in 2015 to Management Board member Dr. Helmut Kaufmann amounted to EUR 746,211 (of which variable: EUR 320,020). Total compensation paid in 2015 to Management Board member Gerald Mayer amounted to EUR 746,211 (of which variable: EUR 320,020).

A defined contribution pension scheme exists for all Management Board members. The expenses totalled EUR 112,750 (2014: EUR 106,600) and are contained in the disclosed Management Board remuneration.

A change of control clause exists for all Management Board members. In the event of termination of contract a settlement payment equivalent to the basic annual remuneration is payable for Helmut Wieser. The new contracts of Gerald Mayer und Dr. Helmut Kaufmann do not include this compensation claim any more.

D&O insurance (directors & officers insurance) exists, and its costs are covered by the company.

The principles of remuneration for members of the Supervisory Board are regulated in the articles of incorporation (section 13), which are published on the website.

In accordance with the resolution of the Annual General Meeting 2015, the remuneration for the Supervisory Board in the 2015 financial year including attendance fees was EUR 350,715. Of this amount, EUR 66,000 was attributable to Dr. Josef Krenner, EUR 33,762 to Dr. Hanno Bästlein, EUR 24,429 to Gerhard Falch, EUR 16,738 to Dr. Michael Junghans, EUR 46,000 to Dr. Franz Gasselsberger, EUR 23,500 to Otto Höfl, EUR 45,000 to Patrick F. Prügger, EUR 49,286 to Dr. Heinrich Schaller, EUR 23,000 to Prof. Sabine Seidler, and EUR 23,000 to Prof. Peter Uggowitzer.

In relation to the remuneration report for the Management and Supervisory boards, please also refer to the notes to the separate annual financial statements of AMAG Austria Metall AG.

Until March 31, 2015, a consulting agreement for supporting the completion of the site extension project "AMAG 2014" existed with Supervisory Board member Gerhard Falch, as Mr. Falch initiated the project together with his Management Board colleagues and supported it considerably during his time as CEO. The fee for this totalled EUR 37,514 for 2015.

## DISCLOSURES ON THE INDEPENDENCE OF SUPERVISORY BOARD MEMBERS

With the exception of Gerhard Falch, all members of the Supervisory Board elected by the Annual General Meeting have confirmed that they view themselves as independent based on the criteria defined by the Supervisory Board (rule 53). The criteria defined by the Supervisory Board for independence largely correspond with Annex 1 of the Austrian Corporate Governance Code.

Due to the reduction in the free float to under 20 %, rule 54 is no longer applicable for AMAG.

## SUPERVISORY BOARD COMMITTEES

The articles of incorporation empower the Supervisory Board to form committees from within its ranks and to define their tasks and rights. Committees can also be granted the right to decision-making. The employee representatives appointed to the Supervisory Board have the right to nominate members to Supervisory Board committees in line with the ratio specified in Section 110 (1) of the Austrian Work Organisation Act (ArbVG). This does not apply for committees that handle relationships between the company and its Management Board members.

### Audit Committee

The Audit Committee is responsible for the auditing and preparation of the adoption of the separate annual financial statements, the proposal for distributing profit, the management report and the examination of the risk management system. It is also tasked with examining the consolidated financial statements as well as submitting a proposal for the selection of the auditor.

#### Members of the Audit Committee as of December 31, 2015:

- Patrick Prügger (Chairman and financial expert)
- Dr. Josef Krenner (Deputy Chairman)
- Dr. Hanno Bästlein
- Dr. Heinrich Schaller
- Maximilian Angermeier
- Robert Hofer

### Nomination Committee

The tasks of the Nomination Committee include succession planning, the submission of proposals to the Supervisory Board for filling vacant Management Board mandates and the submission of proposals to the Annual General Meeting for filling vacant Supervisory Board mandates. The committee also has to provide its agreement to appointing and dismissing Group companies' managing directors.

#### Members of the Nomination Committee as of December 31, 2015:

- Dr. Josef Krenner (Chairman)
- Dr. Hanno Bästlein (Deputy Chairman)
- Patrick Prügger
- Dr. Heinrich Schaller
- Maximilian Angermeier
- Robert Hofer

### Strategy Committee

The Strategy Committee's tasks include discussing the corporate strategy, current strategy implementation controlling, and strategy process controlling.

#### Members of the Strategy Committee as of December 31, 2015:

- Dr. Hanno Bästlein (Chairman)
- Dr. Josef Krenner (Deputy Chairman)
- Patrick Prügger
- Dr. Heinrich Schaller
- Maximilian Angermeier
- Robert Hofer

## Remuneration Committee

The Remuneration Committee is responsible for drafting, concluding, amending and terminating employment agreements with Management Board members. Moreover, it regularly examines the remuneration policy and checks on the execution and enforcement of Management Board agreements.

### Members of the Remuneration Committee as of December 31, 2015:

- Dr. Josef Krenner (Chairman)
- Dr. Hanno Bästlein (Deputy Chairman)

## Committee for Urgent Matters

The Committee for Urgent Matters is authorised to make decisions which, due to particular urgency, cannot be postponed until the next ordinary Supervisory Board meeting.

### Members of the Committee for Urgent Matters as of December 31, 2015:

- Dr. Josef Krenner (Chairman)
- Dr. Hanno Bästlein (Deputy Chairman)
- Gerhard Falch
- Dr. Heinrich Schaller
- Maximilian Angermeier
- Robert Hofer

## NUMBER AND MAIN FOCUSES OF SUPERVISORY BOARD AND COMMITTEE MEETINGS

The Supervisory Board of AMAG Austria Metall AG carried out the tasks assigned to it according to the law and articles of incorporation in the 2015 financial year as part of five ordinary Supervisory Board meetings, including one constitutive meeting. In addition to the ongoing reporting on the current business and financial situation of the AMAG Group, these meetings especially addressed progress made with the "AMAG 2014" and "AMAG 2020" expansion projects. Further focus topics of the Supervisory meetings included extending the contracts of Management Board members Dr. Helmut Kaufmann (COO) and Gerald Mayer (CFO), the 2016 budget and medium-term planning up to 2025. At the constitutive Supervisory Board meetings, some of the members of the Audit, Nomination and Remuneration committees, as well as the Committee for Urgent Matters, were newly elected, and the new Strategy Committee was set up.

At its three meetings, the Audit Committee mainly focused on preparing and examining the consolidated and separate financial statements, the audit findings for 2014 and the audit planning of the auditor for 2015, as well as the effectiveness and functionality

of the internal control system, risk management and specific accounting issues.

The Remuneration Committee convened three times during the 2015 financial year. These meetings focused on discussions to agreed targets and extend contracts with Management Board members Dr. Helmut Kaufmann (COO) and Gerald Mayer (CFO).

The Nomination Committee also met three times in 2015. Focus points included Supervisory Board appointments and the reappointment of the two Management Board members, including corresponding proposed resolutions for the Supervisory Board.

At the one meeting that it held, the Strategy Committee concerned itself particularly with the "AMAG 2020" expansion project and AMAG's further strategic development, as well as developing overall strategic conditions.

## EQUAL OPPORTUNITIES FOR WOMEN IN THE MANAGEMENT BOARD, SUPERVISORY BOARD AND LEADING POSITIONS

Prof. Sabine Seidler, Rector of Vienna University of Technology, became the first female member of the AMAG Supervisory Board in May 2012. The proportion of women in the AMAG Group was unchanged at 13 % in the 2015 financial year. The proportion of female apprentices reported a further increase in the 2015 financial year, and now stands at 30 % (2014: 24 %). No explicit "female quotas" exist at any of the AMAG Group companies. The continued low ratio compared to other industries is largely due to industry-specific reasons.

AMAG is committed to ensuring equal opportunities in the workplace and works hard to ensure that female employees or not disadvantaged in any way.

## AUSTRIAN REGULATION ON COMPLIANCE FOR ISSUERS

According to the Stock Exchange Act and Austrian Regulation on Compliance for Issuers from the Financial Market Authority, a set of guidelines is in force concerning "the principles for the disclosure of information within the company as well as relevant organisational measures for avoiding the misuse of insider information". These guidelines are updated constantly.

A compliance officer and two deputies have been appointed, and they are responsible for the ongoing monitoring of adherence to

the relevant provisions and reporting directly to the Management Board as a whole on compliance issues.

The tasks of the compliance officer are also recorded in the AMAG internal control system and the execution of these tasks is regularly checked as part of this system. AMAG employees receive ongoing issuer compliance training.

Pursuant to the Stock Exchange Act and the Austrian Regulation on Compliance for Issuers, the dealings of Management and Supervisory board members in financial instruments of AMAG Austria Metall AG ("directors' dealings") are published on the AMAG website and the website of the Financial Market Authority (FMA).

No infringements of compliance provisions were identified in 2015.

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## CODE OF ETHICS

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The company has set very high ethical standards. AMAG is conscious of its role as a leading company in Upper Austria, and the responsibility to society, business partners, employees and shareholders that this position entails. The Code of Ethics creates the framework for these standards, and it exists as an internal set of guidelines. It is published on the AMAG website.

Since 2013, a guideline for preventing corruption has also been in place. In an effort to prevent corrupt dealings within AMAG and to support employees in carrying out their work in a moral, legal and ethical manner, clear rules of behaviour have been defined.

AMAG has an internal control structure and an open corporate culture, so that in addition to adhering to the relevant legal provisions, infringements against internal guidelines should also therefore be avoided. Involvement in the company as part of the Employee Foundation boosts the loyalty of the company's employees and reinforces adherence to this behavioural code.

AMAG provides its employees with a communication channel in the form of a compliance line, which employees and business partners can use to report (potential) infringements. In 2015, as in previous years, no infringements were reported through the compliance infringement hotline.

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## MANAGEMENT BOARD COMPOSITION AS OF DECEMBER 31, 2015

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### Helmut Wieser

Management Board Chairman (Chief Executive Officer), born 1953, initial appointment as Management Board member: March 1, 2014, as Management Board Chairman (CEO): April 1, 2014, end of current contract: April 30, 2017, assigned Group functions allocated: Strategy and Group Communications, Investor Relations, Human Resources, Key Accounts Sales, Purchasing, Service and Infrastructure, member of the Supervisory Board of OJSC Novolipetsk Steel (NLMK), Russia, and of RAIN CII, the holding company of Rütgers GmbH, Belgium

### Dr. Helmut Kaufmann

Chief Operating Officer, born 1963, appointed: February 18, 2011, initially appointed to predecessor company Austria Metall AG in September 2007, end of current contract: December 31, 2019, assigned Group functions: AMAG casting GmbH, AMAG rolling GmbH, Corporate Technology, Business Development, Sales and Marketing, Investment Planning, Occupational Safety, Commercial Law Management and Management Systems

### Gerald Mayer

Chief Financial Officer, born 1971, appointed: February 18, 2011, initially appointed to predecessor company Austria Metall AG in November 2007, end of current contract: December 31, 2019, assigned Group functions: Finance, Controlling and Reporting, Financial Accounting, Information Technology, Legal, AMAG metal GmbH (Managing Director) and AMAG service GmbH (Managing Director until December 31, 2015)

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## SUPERVISORY BOARD COMPOSITION AS OF DECEMBER 31, 2015

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### Dr. Josef Krenner

Born 1952, Supervisory Board Chairman, respectively chairman of the Nomination and Remuneration committees as well as the Committee for Urgent Matters, first appointed: May 16, 2012, member of the Supervisory Board of B&C Industrieholding GmbH and Lenzing AG

### Dr. Hanno Bästlein

Born 1963, first Deputy Supervisory Board Chairman, Strategy Committee Chairman and in each case Deputy Chairman of the Nomination and Remuneration committees, as well as the Committee for Urgent Matters, and member of the Audit Committee, initial appointment: April 10, 2014, member of the Supervisory Board of B&C Industrieholding GmbH, and in each case Supervisory Board Chairman Lenzing AG and VA Intertrading AG

### Gerhard Falch

Born 1948, Deputy Chairman of the Supervisory Board, member of the Committee for Urgent Matters, first appointed: April 10, 2014, Chairman of the Supervisory Board of Energie AG OÖ, Chairman of the Supervisory Board of Asamer Baustoffe AG, Deputy Chairman of the Supervisory Board of VA Intertrading AG

### Dr. Franz Gasselsberger

Born 1959, Supervisory Board member, initial appointment: May 16, 2012, Supervisory Board Chairman of Bank für Tirol und Vorarlberg AG, Deputy Supervisory Board Chairman of BKS Bank AG, Supervisory Board member of voestalpine AG and Lenzing AG, Management Board Chairman (CEO) and Director-General of Oberbank AG

### Otto Höfl

Born 1946, member of the Supervisory Board, initial appointment: March 21, 2011, representative of the AMAG Arbeitnehmer Privatstiftung (AMAG Employees' Private Foundation)

### Patrick F. Prügger

Born 1975, member of the Supervisory Board, Chairman of the Audit Committee (finance expert), member of the Strategy and Nomination committees, first appointed: May 16, 2012, member of the Supervisory Board of Lenzing AG and Semperit AG Holding, member of the management at B&C Industrieholding GmbH since 2011

### Dr. Heinrich Schaller

Born 1959, Deputy Chairman of the Supervisory Board, respectively member of the Audit, Nomination and Strategy Committees, as well as the Committee for Urgent Matters, first appointed: May 16, 2012, Chairman of the Management Board of Raiffeisenlandesbank Oberösterreich AG since 2012, Deputy Chairman of the Supervisory Board of voestalpine AG and Raiffeisen Bank International AG

### Prof. Sabine Seidler

Born 1961, member of the Supervisory Board: May 16, 2012, Rector of the Vienna University of Technology since 2011

### Franz Viehböck

Born 1960, member of the Supervisory Board, initial appointment: April 16, 2015, member of the Management Board of Berndorf AG since 2008

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## WORKS COUNCIL DELEGATES

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### Max Angermeier

Born 1958, member of the Supervisory Board, respectively member of the Audit, Nomination and Strategy committees as well as member of the Committee for Urgent Matters, delegated: December 31, 2011, Group Works Council Chairman

### Robert Hofer

Born 1977, member of the Supervisory Board, respectively member of the Audit, Nomination and Strategy committees as well as member of the Committee for Urgent Matters, delegated: December 31, 2011

### Günter Mikula

Born 1966, member of the Supervisory Board, initial appointment: August 1, 2014

### Herbert Schützeneder

Born 1957, member of the Supervisory Board, initial appointment: April 14, 2011

## Investor relations

### HIGHLY VOLATILE EQUITY MARKETS

International equity markets continued to rise during the first half of 2015. Supported by continued expansive monetary policy and low interest rates, both US and German stock markets were able to reach new historic best levels. Volatility on international equity markets increased significantly during the second half of the year. Concerns about the Chinese economy triggered a more than 20 % setback to indices in the third quarter of 2015. Stock markets worldwide recovered again in the fourth quarter of 2015. The US Dow Jones Industrial stock market index stood at 17,425 points at the end of 2015, reflecting a 2.2 % decline over the course of the year. The Eurostoxx 50, which contains the 50 Eurozone companies with the highest market capitalisations, rose by a total of 3.8 % over the course of 2015 to reach 3,268 points. The DAX index of leading German shares was up by 9.6 % over the course of the year, ending 2015 at 10,743 points. The Japanese stock market also recorded a gain with the Nikkei 225 up by 9.1 % to 19,034 points. The Hang Seng Index, by contrast, reported a 7.2 % decline.

The Vienna Stock Exchange registered a positive trend in 2015, outperforming many international indices. The ATX index quoted at 2,397 points on December 30, 2015, up 11.0 % year-on-year.

### UPBEAT AMAG SHARE PRICE PERFORMANCE

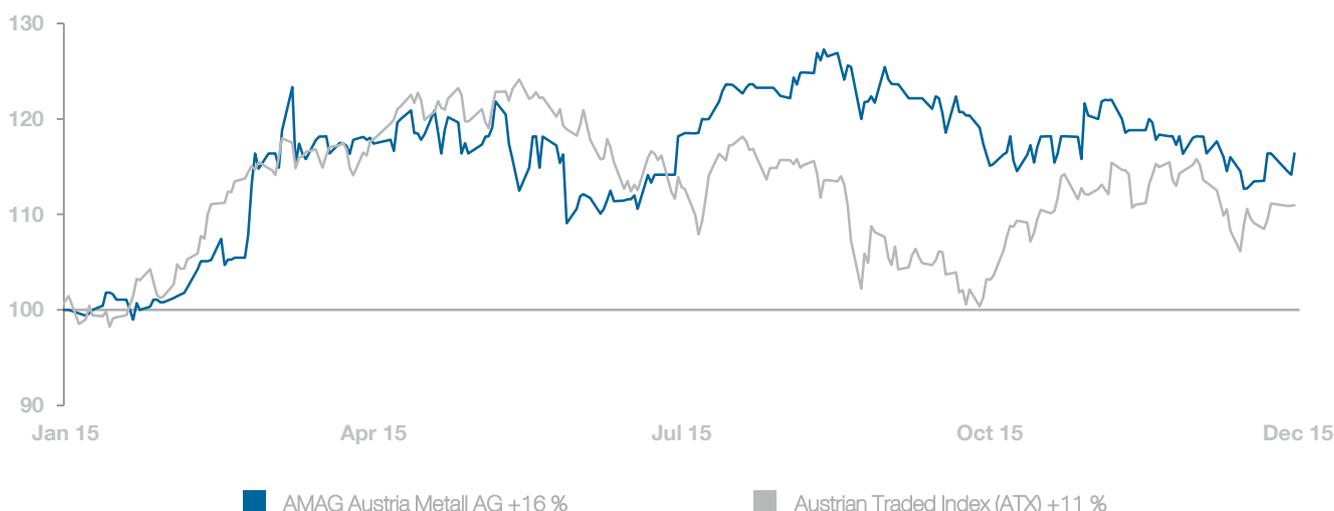
The AMAG share continued on its uptrend in 2015, and marked a new all-time high of EUR 36.00 on October 29, 2015. The share traded at EUR 32.00 as of the 2015 year-end (December 30, 2014: EUR 27.50). With a 16.4 % rise, the share outperformed the ATX index again. Total shareholder return, including the EUR 1.20 per share dividend paid in 2015, amounted to 20.7 %.

Since the IPO in April 2011, based on the EUR 19.00 issue price, the share increased by 68.4 %, respectively the total shareholder return, including dividends, amounts to 88.9 %.

The average trading volume (double counting excluding OTC) in AMAG shares totalled 7,313 following 15,150 in 2014. The market capitalisation increased to EUR 1,128.4 million as of the end of 2015 (end of December 2014: EUR 969.8 million).

OTC volumes (double counting) totalled EUR 40.8 million during the 2015 reporting year (2014: EUR 152.6 million). The share of total turnover of EUR 98.1 million (2014: EUR 245.0 million) thereby amounted to 41.6 %, compared with 62.3 % in 2014.

**Share price performance in %**  
January 2, 2015 – December 30, 2015



## INVESTOR RELATIONS (IR) WORK

In the interests of ensuring equal treatment of all shareholders, the company's IR work aims to provide prompt and transparent information on company developments of relevance to the capital markets, which is made available to all shareholders and interested parties at the same time.

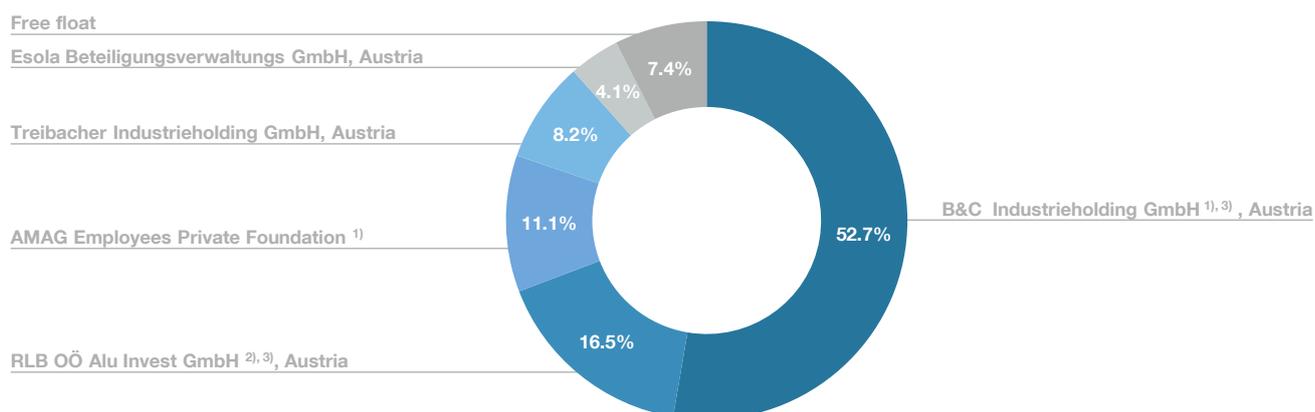
In order to raise the profile of AMAG on the capital market and communicate with our investors in person, AMAG attended a number of roadshows and investor conferences in 2015.

As part of six roadshows, four investor conferences, and participation in one investor fair and numerous telephone conferences, the company entered into active dialogue with analysts, and with both private and institutional investors.

## STABLE CORE SHAREHOLDER STRUCTURE

AMAG Austria Metall AG continues to enjoy a stable ownership structure B&C Industrieholding GmbH continues to hold a majority interest of 52.7 % in the company. The interests held by RLB OÖ Alu Invest GmbH and AMAG Employees Private Foundation are also unchanged.

### Ownership structure as at December 31, 2015



1) B&C Industrieholding GmbH and AMAG Employees Private Foundation concluded a shareholders' agreement on March 1, 2013

2) RLB OÖ Alu Invest GmbH is an indirect wholly-owned subsidiary of Raiffeisenlandesbank Oberösterreich AG

3) B&C Industrieholding GmbH and Raiffeisenlandesbank Oberösterreich concluded a participation agreement on April 1, 2015

## EXTENSIVE ANALYST COVERAGE

Six financial institutions regularly issued analyses of the AMAG share in the 2015 financial year: Baader Bank (hold), Erste Group (hold), JP Morgan (neutral), Kepler Cheuvreux (hold), Landesbank Baden-Württemberg (buy) and Raiffeisen Centrobank (hold).

## SUSTAINABLE DIVIDEND POLICY

At the company's fifth Ordinary Annual General Meeting to be held in Linz, Austria, on April 12, 2016, the Management Board will propose a dividend of EUR 1.20 per dividend-entitled share. Consequently, the dividend yield on the volume-weighted average price of the AMAG share in 2015 amounts to 3.8 %. The ex-dividend date is April 20, 2016. The dividend payment date is April 22, 2016.

<b>Stock market indicators in EUR</b>	<b>2015</b>	<b>2014</b>
Highest price	<b>36.00</b>	28.00
Lowest price	<b>26.93</b>	21.30
Average price (volume-weighted)	<b>31.58</b>	24.85
Closing price	<b>32.00</b>	27.50
Earnings per share	<b>1.21</b>	1.68
Cash flow from operating activities per share	<b>3.12</b>	2.70
Proposed dividend per share	<b>1.20</b>	1.20
Dividend yield (annual average price)	<b>3.8%</b>	4.8%
Market capitalization on the last trading day of the year in EUR million	<b>1,128.4</b>	969.8

### Financial calendar 2016

February 25, 2016	<b>Full year results 2015, press conference</b>
April 2, 2016	<b>Record date (Annual General Meeting)</b>
April 12, 2016	<b>Annual General Meeting, venue: Linz</b>
April 20, 2016	<b>Ex-dividend date</b>
April 21, 2016	<b>Record date (Dividends)</b>
April 22, 2016	<b>Payment date (Dividends)</b>
May 3, 2016	<b>Report on the 1st quarter 2016</b>
August 2, 2016	<b>Report on the 1st half-year 2016</b>
November 3, 2016	<b>Report on the 3rd quarter 2016</b>

### Information on the AMAG stock

ISIN	AT00000AMAG3
Class of shares	Ordinary shares made out to bearer
Ticker symbol on the Vienna Stock Exchange	AMAG
Indexes	ATX-Prime, ATX BI, ATX GP, Voenix, WBI
Reuters	AMAG.VI
Bloomberg	AMAG AV
Trading segment	Official Market
Market segment	Prime Market
First day of trading	8 April 2011
Offer price per share in EUR	19.00
Number of shares outstanding	35,264,000





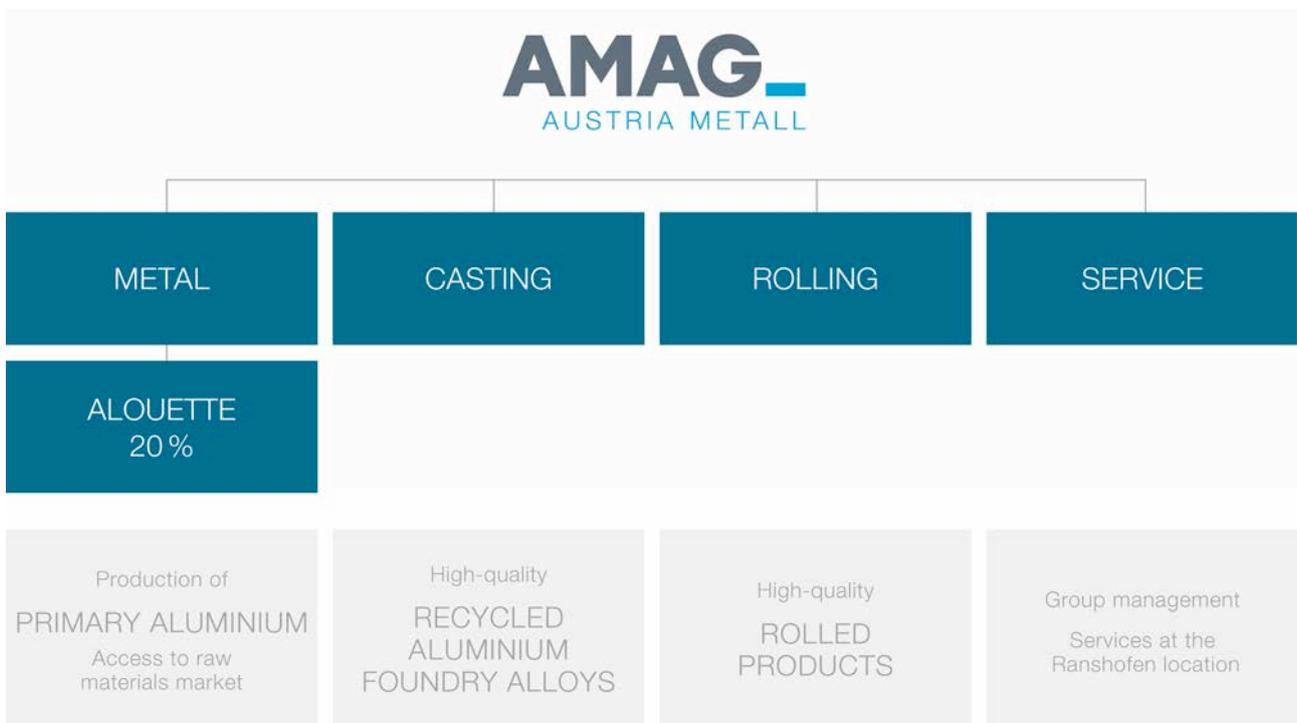
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Group operating  
**and financial review**

# Company profile

AMAG is a producer of high-quality aluminium products for further processing in a large number of growth sectors. The value chain starts with the production of primary aluminium in Sept-Îles, Québec, Canada.

The manufacturing of foundry alloys and rolling slabs, and the rolling, as well as thermal and mechanical processing, of strips, sheets and plates made from a range of alloys, is performed at the Ranshofen site in Austria.



## METAL DIVISION

The Metal Division includes the AMAG Group's 20 % interest in the Aluminerie Alouette smelter, and is responsible for the risk management and steering of the metal flows within the AMAG Group. Located in Canada, the Alouette aluminium smelter is one of the most efficient in the world, and benefits from a secure long-term energy supply in a politically stable country.

## CASTING DIVISION

The AMAG Group's Casting Division recycles aluminium scrap to produce high-quality foundry alloys. Its product portfolio covers materials tailored to customer requirements in the form of ingots, sows and liquid aluminium.

## ROLLING DIVISION

The AMAG Group's Rolling Division is responsible for the production and sale of rolled products (sheets, strips and plates), and precision cast and rolled plates. The rolling mill specialises in premium products for selected markets. It is supplied by our rolling slab casthouse with rolling slabs predominantly manufactured by utilising a very high proportion of aluminium scrap.

## SERVICE DIVISION

Along with the Group management, the Service Division's services include facility management (management of buildings and spaces), energy supplies, waste disposal, and purchasing and materials management. This Division consequently creates the preconditions for the operating divisions to concentrate on their respective core businesses.

# Economic environment

## GLOBAL ECONOMIC TRENDS

The robust growth of the global economy slowed somewhat over the course of 2015. Global economic growth amounted to 3.1 % in 2015, compared with 3.4 % in the previous year, according to IMF estimates<sup>4</sup>.

This slight decline in economic growth is particularly due to the group of emerging and developing economies, whose growth is now forecast to amount to just 4.0 % in 2015 (2014: 4.6 %). The IMF estimates that China's economy expanded at a rate of 6.9 %, compared with 7.3 % in 2014.

In developed Western economies – AMAG's core markets – economic trends experienced a moderate improvement. For the USA, the IMF expects 2.5 % growth, compared with a 2.4 % increase in economic output in 2014.

As far as the Eurozone is concerned, the IMF also sees higher economic growth than in the previous year. The Eurozone economy expanded by 1.5 % in 2015, compared with 0.9 % in the previous year.

While the 1.7 % growth rate in Germany<sup>5</sup> was almost unchanged compared with the previous year (1.6 %), the IMF estimates an improved economic situation especially in Spain (3.2 % compared with 1.4 % in 2014) and France (1.1 % compared with 0.2 %).

Austria's economy registered 0.8 % growth, according to the Austrian Institute of Economic Research (Wifo)<sup>6</sup>.

## DEMAND FOR ALUMINIUM PRODUCTS

AMAG's Metal and Rolling divisions operate globally, with global consumption of primary aluminium and rolled products being of central importance as a consequence. For primary aluminium<sup>7</sup>, global growth of 3.8 % is calculated for 2015 to a total of 56.3 million tonnes.

Global demand for rolled products<sup>8</sup> increased by 3.7 % to 23.8 million tonnes in 2015, according to the Commodity Research Unit (CRU).

On a sector basis, rolled products are primarily in demand from the transportation, packaging, construction and mechanical engineering industries. According to the latest CRU figures for global demand, the transportation sector reported 10.5 % growth in 2015. Demand for aluminium rolled products grew – especially from the automotive industry – in order to meet CO<sub>2</sub> reduction targets through increasingly lightweight construction methods over coming years. The construction industry recorded 3.2 % global demand growth. Consumption of aluminium rolled products by the packaging industry grew by 2.7 % in comparison with 2014.

In AMAG's Casting Division, the foundry alloys business ranks as a regional business with a focus on Western and Central Europe. In this context, the automotive industry ranks as the most important client sector, to which this division delivered 63 % of its shipment volumes in 2015, whether directly or indirectly. New car registrations in the European Union<sup>9</sup> reported further growth in 2015. At 13.7 million units, the figure for the prior-year period was exceeded by 9.3 %. Automotive production in Europe also registered growth in 2015. The latest estimates<sup>10</sup> see such growth having amounted to around 3 %.

## ALUMINIUM PRICE TRENDS

The LME three-month aluminium price averaged 1,680 USD/t over the course of the year, lower than the previous year's average of 1,894 USD/t. The high for the year was reached on May 6, 2015 at 1,938 USD/t. The aluminium price reached its low for 2015 at 1,435 USD/t on November 23, 2015. The fluctuation range consequently amounted to 503 USD/t. The aluminium price quoted at 1,514 USD/t at the year-end (December 31, 2014: 1,859 USD/t).

The premiums that are added to aluminium prices are determined, in particular, by the location of delivery, and by supply and demand. Following their sharp increase in 2014, premiums recorded a significant decline in 2015. Due to the year-on-year fall in both of these price components, the total aluminium price expressed in USD/t including these premiums was consequently also considerably below the previous year's level.

Global consumption of primary aluminium increased from 54.2 million tonnes in 2014 to 56.3 million tonnes, according to the Commodity Research Unit (CRU)<sup>11</sup>. This corresponds to 3.8 % year-on-year growth. China's share of global consumption amounted to 51 % in 2015. Demand in China grew by a total of

4) See International Monetary Fund, World Economic Outlook, January 2016

5) See Statistisches Bundesamt Deutschland, Press Release of January 14, 2016

6) See Wifo Economic Forecast December 2015

7) See CRU Aluminium Market Outlook, October 2015

8) See CRU Aluminium Rolled Products Outlook, November 2015

9) See ACEA (European Automobile Manufacturers Association), press release of January 15, 2016

10) See IHS Automotive, Global Light Vehicle Production Summary, November 2015

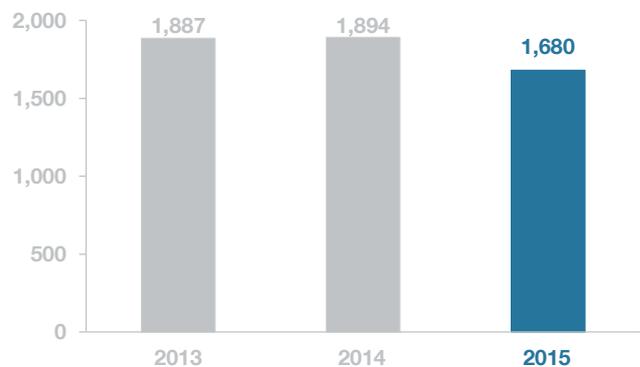
11) See CRU Aluminium Market Outlook, October 2015

6.0 % compared with 2014. In Europe, demand for primary aluminium was up by 0.8 %, demand in North America increased by 3.7 %. Global primary aluminium production increased from 54.2 million tonnes to 57.6 million tonnes. This growth was driven mainly by China (+10.9 %). In the rest of the world, production volumes reported a slight increase of 1.3 %.

AMAG holds a 20 % interest in the Canadian Aluminerie Alouette smelter, which has a long-term electricity contract, and is one of the world's most efficient smelters. Despite the use of hedging instruments, the earnings of the Metal Division are exposed to LME aluminium price trends. The aluminium price risk exposures of the Casting and Rolling divisions at the Ranshofen site are fully hedged.

Alumina and aluminium scrap are the most important raw materials deployed within the AMAG Group. The alumina price is partially correlated with the price of the aluminium end product. The year-average price for alumina was still slightly above the previous year's level.

#### Average LME aluminium price (three-month-settlement) in USD/t



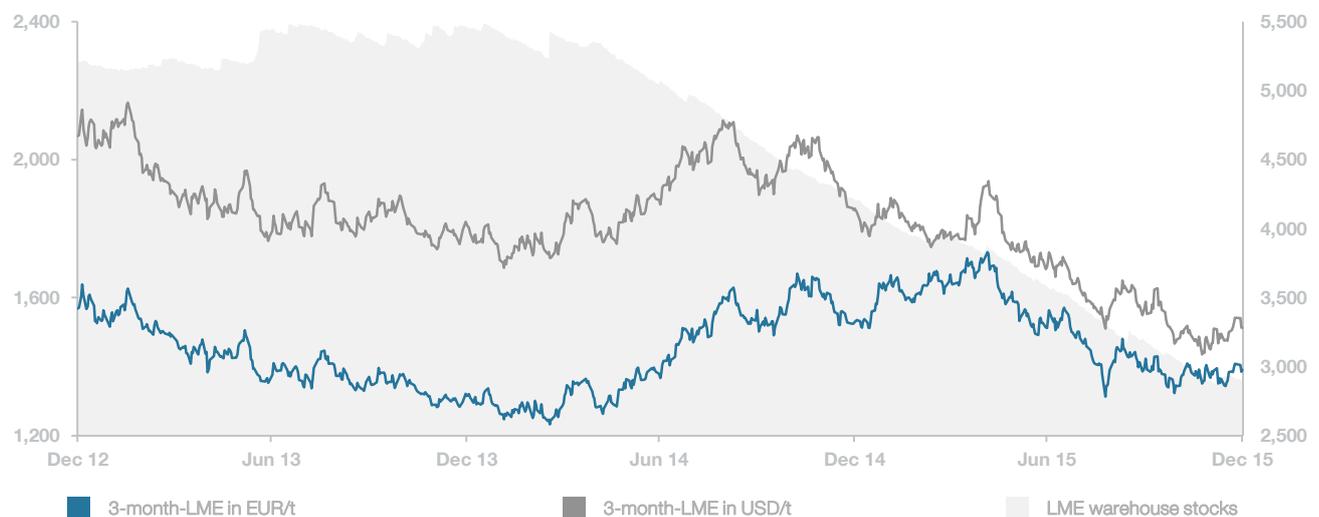
The prices for the raw materials of petroleum coke, pitch and aluminium fluoride fell year-on-year.

Aluminium scrap prices have fallen during the year, especially due to the lower premium level for primary aluminium.

#### Aluminium prices and LME warehouse stocks since 2013

Aluminium price in USD/t and EUR/t

LME warehouse stocks in 1,000 t



# Business performance

## REVENUE AND EARNINGS TRENDS

### Growth in shipments and revenues

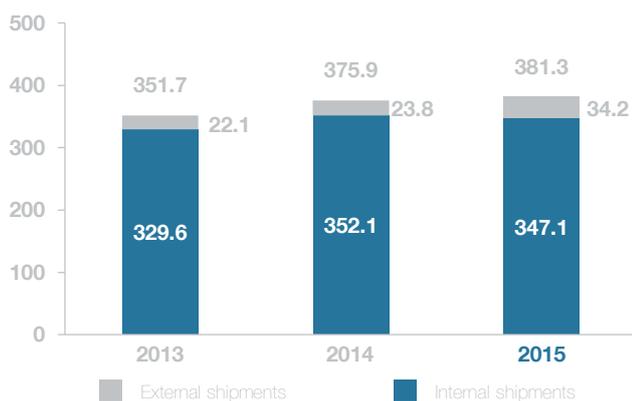
Total shipments of 381,300 tonnes by the AMAG Group in the 2015 financial year reflect 1.4 % year-on-year growth. Due to additional internal shipments by the Metal Division, external shipment volumes of 347,100 tonnes were below the previous year's level (2014: 352,100 tonnes).

Revenue grew by 11.0 % in the 2015 financial year – from EUR 823.0 million to EUR 913.3 million. This growth is partly due to higher shipment volumes in the Casting and Rolling divisions.

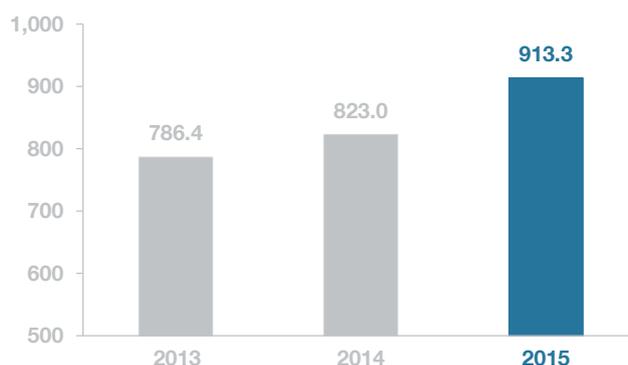
A further factor influencing the higher revenue was the fall in the EUR/USD exchange rate, which within revenue more than offset the decline in the aluminium price in USD/t.

The LME three-month aluminium price averaged 1,680 USD/t over the course of the year, 11.3 % lower than the previous year's average of 1,894 USD/t. By contrast, the average aluminium price in euros of 1,514 EUR/t was 5.9 % above the 2014 comparable value, exerting a correspondingly positive impact on FY 2015 revenue.

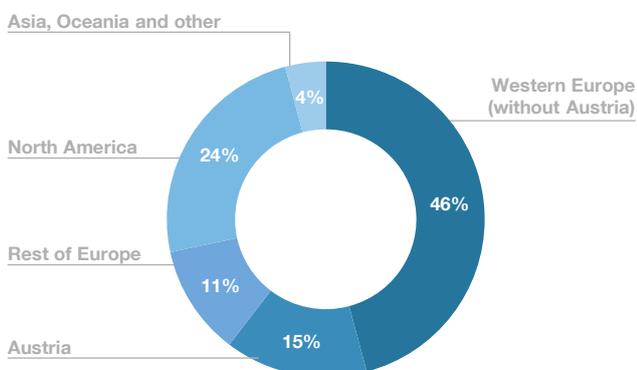
### Shipments in thousand tonnes



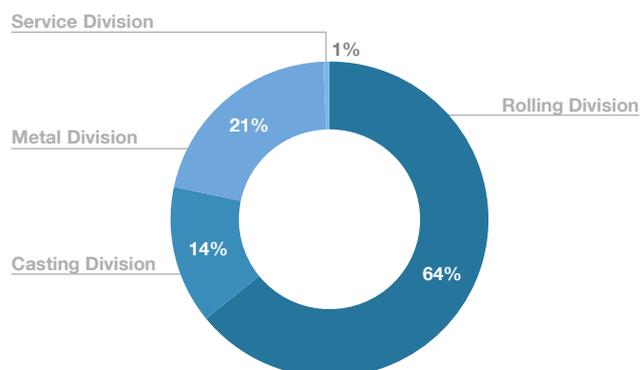
### Group revenue in EUR million



### Group revenue by regions, 2015



### Group revenue by divisions, 2015

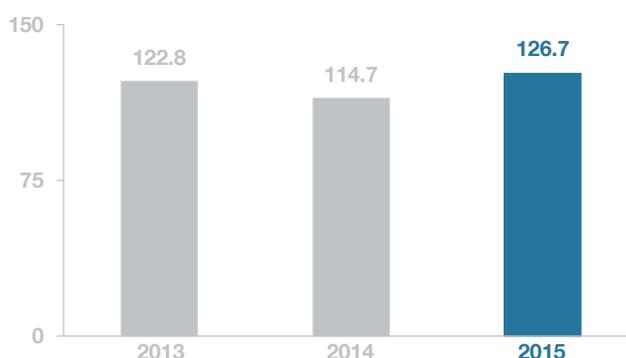


## Operating profit growth

Despite the lower aluminium price (in USD/t), operating profit improved in the 2015 financial year, with EBITDA amounting to EUR 126.7 million, compared with EUR 114.7 million in the previous year. Along with positive currency effects, this operating profit growth was mainly due to the operative trend in the Casting and Rolling divisions, which more than compensated for the aluminium price driven earnings decline in the Metal Division.

In the Metal Division, EBITDA stood at EUR 33.3 million, compared with EUR 48.2 million in 2014. The Casting Division more than doubled its EBITDA in the 2015 financial year, from EUR 4.8 million to EUR 10.9 million. This growth was achieved especially due to an improved market environment, additional volumes, and positive effects in the product mix. The Rolling Division significantly benefited particularly from higher shipment volumes as a result of commissioning the new hot rolling mill, as well as positive effects from shifts in the product mix.

## EBITDA in EUR million



Posting a result of EUR 76.8 million, EBITDA in the Rolling Division stood above the previous year's level of EUR 59.9 million. Earnings of EUR 5.7 million in the Service Division were also considerably better than in the previous year (2014: EUR 1.9 million).

EBITDA by divisions in EUR million	2015	Structure in %	2014	Structure in %	Change in %
Metal Division	33.3	26.3	48.2	42.0	(30.8)
Casting Division	10.9	8.6	4.8	4.2	127.1
Rolling Division	76.8	60.6	59.9	52.2	28.3
Service Division	5.7	4.5	1.9	1.7	199.9
<b>Group EBITDA</b>	<b>126.7</b>	<b>100.0</b>	<b>114.7</b>	<b>100.0</b>	<b>10.5</b>

Consolidated Statement of Income, condensed in EUR million	2015	Structure in %	2014	Structure in %	Change in %
Revenue	913.3	100.0	823.0	100.0	11.0
Cost of sales	(789.8)	(86.5)	(698.1)	(84.8)	(13.1)
<b>Gross profit</b>	<b>123.6</b>	<b>13.5</b>	<b>124.9</b>	<b>15.2</b>	<b>(1.1)</b>
Other income	14.2	1.6	7.7	0.9	85.2
Selling and distribution expenses	(41.4)	(4.5)	(36.9)	(4.5)	(12.1)
Administrative expenses	(21.5)	(2.4)	(20.9)	(2.5)	(2.7)
Research and development expenses	(11.5)	(1.3)	(9.6)	(1.2)	(19.3)
Other expenses	(5.8)	(0.6)	(6.1)	(0.7)	5.3
<b>Earnings before interests and taxes (EBIT)</b>	<b>57.6</b>	<b>6.3</b>	<b>59.0</b>	<b>7.2</b>	<b>(2.3)</b>
EBIT margin in %	6.3	-	7.2	-	-
Net financial income (expenses)	(6.3)	(0.7)	(2.9)	(0.4)	(116.8)
<b>Earnings before taxes (EBT)</b>	<b>51.3</b>	<b>5.6</b>	<b>56.0</b>	<b>6.8</b>	<b>(8.5)</b>
EBT margin in %	5.6	-	6.8	-	-
Income taxes	(8.6)	(0.9)	3.2	0.4	(371.3)
<b>Net income after taxes</b>	<b>42.7</b>	<b>4.7</b>	<b>59.2</b>	<b>7.2</b>	<b>(27.9)</b>

## Earnings performance

The profit and loss statement, which is prepared applying the cost of sales method, reports cost of sales of EUR 789.8 million for the 2015 financial year. This represents an increase of 13.1 % compared with the previous year's EUR 698.1 million. This growth chiefly reflects the higher average aluminium price expressed in euros, and higher energy prices in the Metal Division as a result of the expiry of a currency hedge.

Other income grew from EUR 7.7 million in the previous year to EUR 14.2 million. Along with services charged on for maintenance in the Rolling Division and for infrastructure services for the Service Division, this income also especially include income from currency translation, which reported a marked year-on-year increase.

Selling and distribution expenses rose by 12.1 %, from EUR 36.9 million to EUR 41.4 million. Besides higher personnel expenses, further factors for this increase included logistics costs connected with the higher level of shipment volumes in the Casting and Rolling divisions. A new sales company was formed in Barcelona, Spain, in 2015.

Administrative expenses rose by 2.7 %, from EUR 20.9 million to EUR 21.5 million.

Research and development expenses of EUR 11.5 million were above the previous year's EUR 9.6 million. This higher level of spend was mainly due to higher costs entailed in achieving high-end qualifications and for the "AMAG 2014" expansion project.

Other expenses of EUR 5.8 million in the 2015 financial year were below the previous year's EUR 6.1 million. This is attributable to changes in provisions.

Depreciation and amortisation increased by 23.9 %, rising from EUR 55.8 million to EUR 69.1 million in 2015. This increase is especially attributable to investments for the "AMAG 2014" expansion project in the Rolling and Service divisions, as well as to currency translation effects in the Metal Division.

The operating profit (EBIT) of the AMAG Group stood at EUR 57.6 million in 2015, compared with EUR 59.0 million in 2014. The slight decline compared with 2014 arose from a higher level of depreciation and amortisation. The corresponding EBIT margin amounted to 6.3 % in the year just ended, compared with 7.2 % in the previous year.

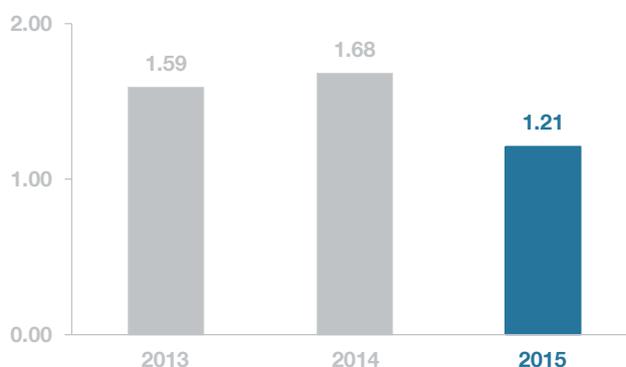
The net financial result stood at EUR -6.3 million in 2015, after the previous year's EUR -2.9 million. This change is predominantly attributable to the effects of measuring derivatives.

Due to the aforementioned changes, earnings before tax (EBIT) of EUR 51.3 million were 8.5 % below the previous year's EUR 56.0 million.

Current taxes of EUR 5.1 million plus EUR 3.5 million of deferred taxes fed through to EUR 8.6 million of tax expenses in 2015. In 2014, tax income of EUR 3.2 million was reported, due to positive deferred tax effects.

Especially due to the net tax income, consolidated net income of EUR 59.2 million in 2014 was above the earnings in 2015 of EUR 42.7 million.

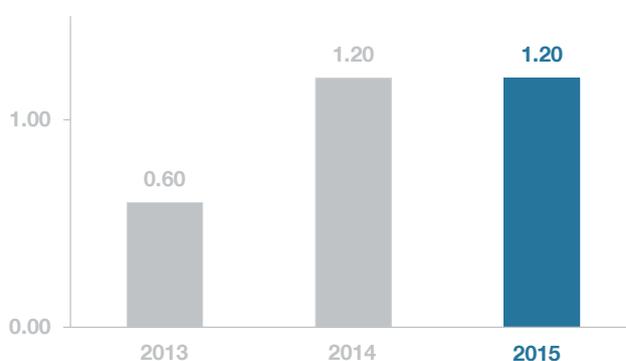
## Earnings per share in EUR



## Dividend

The Management Board will propose to the Annual General Meeting to be held on April 12, 2016, that it approve a dividend payment of EUR 1.20 per share. This corresponds to the dividend for the 2014 financial year, which the Annual General Meeting approved on April 16, 2015, and which was paid out on April 28, 2015. Based on the average share price in 2015 of EUR 31.58, it is equivalent to a 3.8 % dividend yield.

## Dividend per share in EUR



## STRUCTURE OF ASSETS AND CAPITAL

The total assets of the AMAG Group of EUR 1,102.5 million as of the end of 2015 were above the previous year's level (previous year-end: EUR 1,087.2 million).

Non-current assets increased from EUR 627.5 million to EUR 646.6 million, especially as a result of the rise in capital expenditure for the "AMAG 2014" and "AMAG 2020" investment projects. Inventories of EUR 187.2 million at the year-end were at the previous year's level (December 31, 2014: EUR 186.6 million). Trade receivables were up from EUR 86.8 million to EUR 93.2 million mainly due to higher sales volumes. Other receivables rose from EUR 39.2 million in 2014 to EUR 40.6 million in the year elapsed, chiefly as a consequence of tax receivables.

The equity of the AMAG Group advanced from EUR 623.9 million at the end of 2014 to EUR 643.4 million as of the end of 2015. Despite the EUR 42.3 million dividend payment for 2014, equity increased by EUR 19.6 million chiefly as a result of the net income that the Group generated, and positive currency translation effects.

Non-current liabilities rose slightly from EUR 326.5 million to EUR 327.6 million. These were affected by the early repayment of a borrower's note loan and the drawing down of EUR 80.0 million of long-term financing. Current liabilities also reported a slight reduction from EUR 136.9 million in 2014 to EUR 131.5 million as of the 2015 year-end.

Consolidated Balance Sheet, condensed in EUR million	2015	Structure in %	2014	Structure in %
Intangible assets, property, plant and equipment	616.2	55.9	583.2	53.6
Other non-current assets	30.4	2.8	44.2	4.1
<b>Non-current assets</b>	<b>646.6</b>	<b>58.6</b>	<b>627.5</b>	<b>57.7</b>
Inventories	187.2	17.0	186.6	17.2
Trade receivables	93.2	8.5	86.8	8.0
Current tax assets	2.7	0.2	2.9	0.3
Other receivables	40.6	3.7	39.2	3.6
Cash and cash equivalents	132.3	12.0	144.3	13.3
<b>Current assets</b>	<b>455.9</b>	<b>41.4</b>	<b>459.8</b>	<b>42.3</b>
<b>Assets</b>	<b>1,102.5</b>	<b>100.0</b>	<b>1,087.2</b>	<b>100.0</b>
<b>Equity</b>	<b>643.4</b>	<b>58.4</b>	<b>623.9</b>	<b>57.4</b>
<b>Non-current liabilities</b>	<b>327.6</b>	<b>29.7</b>	<b>326.5</b>	<b>30.0</b>
<b>Current liabilities</b>	<b>131.5</b>	<b>11.9</b>	<b>136.9</b>	<b>12.6</b>
<b>Equity and liabilities</b>	<b>1,102.5</b>	<b>100.0</b>	<b>1,087.2</b>	<b>100.0</b>

## FINANCIAL POSITION

### Cash flow from operating activities

Cash flow from operating activities of EUR 109.9 million in the 2015 financial year was up by 15.5 % compared with the previous year's EUR 95.2 million. The main factors in this context included higher operating earnings before depreciation and amortisation, and the fall in the aluminium price compared with the previous year's reporting date.

### Cash flow from investing activities

Cash flow from investing activities stood at EUR -91.2 million (2014: EUR -118.4 million) and, as in the previous year, related mainly to the "AMAG 2014" and "AMAG 2020" expansion projects.

### Free cash flow

Free cash flow consequently amounted to EUR 18.7 million in the 2015 reporting year, compared with EUR -23.3 million in the previous year.

### Cash flow from financing activities

Cash flow from financing activities stood at EUR -34.8 million in 2015. Drawdowns of borrowings totalled EUR 80.9 million (previous year: EUR 110.3 million), while dividend payments amounted to EUR -42.3 million (previous year: EUR -21.2 million) and debt repayments totalled EUR -73.4 million (2014: EUR -3.7 million).

Consolidated Cash flow Statement, condensed in EUR million	2015	2014	Change in %
Cash flow from operating activities	109.9	95.2	15.5
Cash flow from investing activities	(91.2)	(118.4)	23.0
Free cash flow	18.7	(23.3)	180.2
Cash flow from financing activities	(34.8)	85.5	(140.7)

## Investments

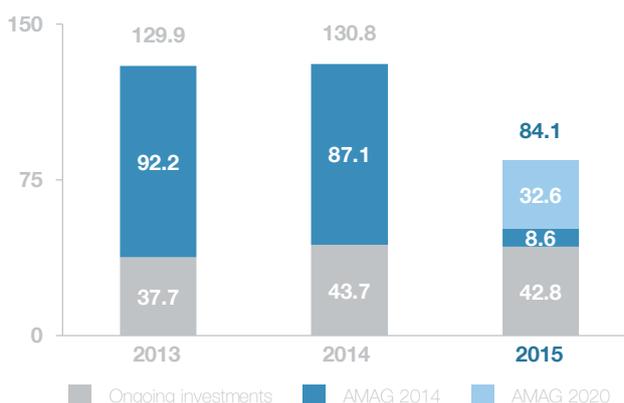
The AMAG Group invested EUR 84.1 million in the 2015 financial year (2014: EUR 130.8 million), EUR 83.0 million of which was attributable to property, plant and equipment, and EUR 1.1 million to intangible assets. As a consequence, investments lay significantly above depreciation and amortisation charges of EUR 69.1 million again (2014 depreciation and amortisation: EUR 55.8 million).

Of the total investment of EUR 84.1 million, EUR 8.6 million was attributable to the large-scale "AMAG 2014" project, and EUR 32.6 million to the new large-scale "AMAG 2020" project. The expansion projects concern the Rolling and Service divisions.

Excluding the "AMAG 2014" and "AMAG 2020" expansion projects, investment volumes of EUR 42.8 million were 2.0 % below their 2014 level. Investment activity in the Metal Division focussed on pot relining. Investments in the Casting and Rolling divisions especially relate to the modernisation of plant and machinery.

Most of the investments in the Service Division focus on infrastructure and the securing of supplies at the Ranshofen site, and the purchase of a directly neighbouring plot of land for expansion purposes. This allows AMAG to keep open additional strategic expansion options following the conclusion of "AMAG 2020".

### Group investments in EUR million



# Key financial performance indicators

## RETURN ON CAPITAL EMPLOYED

Return on capital employed (ROCE) is defined as the ratio between net operating profit after tax (NOPAT) and average capital employed, expressed as a percentage.

In other words, ROCE measures the profitability of a business based on average capital employed in the course of the financial year.

Average capital employed comprises the total of average equity and average net debt (long-term and short-term interest-bearing financial liabilities less liquid assets and short-term securities).

The return on capital employed of the AMAG Group of 6.4 % in the 2015 financial year was below the previous year's level of 9.4 %. This is particularly attributable to the year-on-year 25.7 % lower NOPAT. NOPAT in 2014 was affected positively by deferred taxes and the other net financial result, in particular. Besides this, depreciation and amortisation charges for the "AMAG 2014" expansion project that was commissioned exerted a negative impact

on NOPAT in 2015, while higher earnings contributions can only be expected in connection with the scheduled start-up of the new plants.

The rise in capital employed is also attributable to the "AMAG 2020" expansion project. This project is anticipated to generate positive earnings contributions from 2017 on.

## RETURN ON EQUITY

Return on equity is the ratio between net income after taxes and average equity, expressed as a percentage. It shows the profitability in relation to average equity employed in the course of the financial year.

The return on equity declined from 9.8 % in the previous year to 6.7 % in the 2015 reporting year elapsed. This change is mainly due to the increase in equity and the fall in earnings after income taxes. As with NOPAT, earnings after income taxes in the 2014 financial year were affected positively by deferred tax effects and the other net financial result.

Calculation of ROCE and ROE in EUR million	2015	2014
Net income after taxes	42.7	59.2
Net interest income (expenses)	(6.1)	(6.0)
Taxes on interest income	1.5	1.5
<b>NOPAT</b>	<b>47.3</b>	<b>63.7</b>
Equity <sup>1)</sup>	633.7	604.2
Non-current interest-bearing financial liabilities <sup>1)</sup>	225.4	172.3
Current interest-bearing financial liabilities <sup>1)</sup>	16.3	11.0
Cash and cash equivalents <sup>1,2)</sup>	(138.3)	(111.7)
<b>Capital Employed <sup>1)</sup></b>	<b>737.1</b>	<b>675.7</b>
<b>ROCE in %</b>	<b>6.4</b>	<b>9.4</b>
Net income after taxes	42.7	59.2
Equity <sup>1)</sup>	633.7	604.2
<b>ROE in %</b>	<b>6.7</b>	<b>9.8</b>

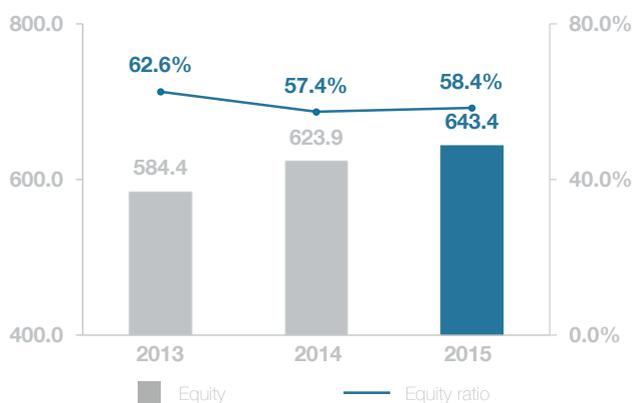
1) Year average

2) Cash and cash equivalents

## EQUITY RATIO

The equity ratio expresses the relationship between equity and the sum of equity and liabilities. The equity ratio increased to 58.4 % in 2015 (previous year: 57.4 %), thereby also continuing to reflect AMAG's solid balance sheet structure.

### Equity (EUR million) und equity ratio in %

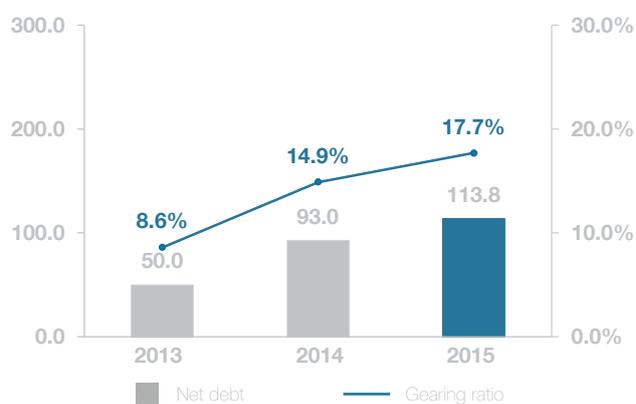


## NET FINANCIAL DEBT

Net debt comprises cash and cash equivalents and loans receivable less borrowings. The net financial debt of EUR 113.8 million as at the end of 2015 was above the previous year's level primarily as a consequence of investments (2014 year-end: EUR 93.0 million).

Gearing represents the ratio between net financial debt and equity. Gearing remained at a solid level of 17.7 % as of the end of December 2015 (2014 year-end: 14.9 %).

### Net debt (EUR million) and gearing ratio in %



# Metal Division

## ECONOMIC ENVIRONMENT

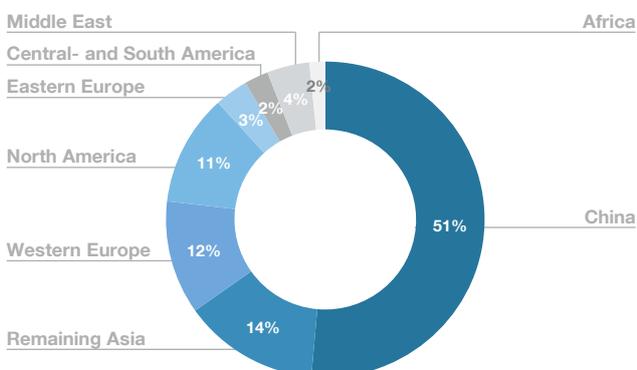
The LME three-month aluminium price averaged 1,680 USD/t over the course of the year, lower than the previous year's average of 1,894 USD/t. The high for the year was reached on May 6, 2015 at 1,938 USD/t. The aluminium price reached its low for 2015 at 1,435 USD/t on November 23, 2015. The fluctuation range consequently amounted to 503 USD/t. The aluminium price quoted at 1,514 USD/t at the year-end (December 31, 2014: 1,859 USD/t).

The premiums that are added to aluminium prices are determined, in particular, by the location of delivery, and by supply and demand. Following their sharp increase in 2014, premiums recorded a significant decline in 2015. Due to the year-on-year fall in both of these price components, the total aluminium price expressed in USD/t including these premiums was consequently also considerably below the previous year's level.

Global consumption of primary aluminium increased from 54.2 million tonnes in 2014 to 56.3 million tonnes, according to the Commodity Research Unit (CRU)<sup>12</sup>. This corresponds to 3.8 % year-on-year growth. China's share of global consumption amounted to 51 % in 2015. Demand in China grew by 6.0 % compared with 2014. In Europe, demand for primary aluminium was up by 0.8 %, while demand in North America rose by 3.7 %.

Global primary aluminium production increased from 54.2 million tonnes to 57.6 million tonnes. This growth was driven mainly by China (+10.9 %). In the rest of the world, production volumes reported a slight increase of 1.3 %.

### Consumption of primary aluminium in 2015 by region: 56.3 million tonnes



See CRU Aluminium Market Outlook, October 2015

Primary aluminium stocks in LME-registered warehouses reduced continuously over the course of 2015, and at 2.9 million tonnes at the end of 2015 lay 31 % below the previous year's 4.2 million tonnes.

## ALUMINIUM PRICE RISK MANAGEMENT

The Metal Division hedges the risk exposure of the Rolling and Casting divisions to the aluminium price, which arises from purchases, sales and stocks of aluminium. Derivatives used for hedging purposes are entered into with brokers on the LME (London Metal Exchange). A fee for these services is charged to each division at normal market rates. The Metal Division's earnings also depend on the term structure for aluminium. During 2015, longer-term futures prices for aluminium were mostly higher than the spot price, with hedging of stocks generating EUR 2.9 million of additional contango gains (2014: EUR 3.8 million).

In order to ensure stable net income flows from the Group's stake in the Alouette smelter, the selling price for a portion of output is hedged on the stock exchange, in some cases for several years, using forwards and options. This limits the risk of losses on the Alouette investment due to low aluminium prices, while also securing the possibility to reap the benefits of rising prices. Besides the current market situation, projected aluminium price trends and resultant production cost changes comprise key decision-making criteria for such hedging transactions. Subsequent physical settlement of such transactions is not envisioned, and they are normally covered by other hedges. On a multi-year comparison, the Metal Division currently has a greater exposure to aluminium price fluctuations. This reflects, firstly, the discontinuation of natural price hedging as a result of changing the pricing of alumina to index-based price-fixing, and, secondly, the fact that price hedging has proved unattractive over the past three years due to the low aluminium price.

In the 2015 financial year, the owners of the Alouette smelter, the Government of Québec and electric utility Hydro Québec agreed to improved terms and an additional electricity block of 70 MW for the 2017 to 2029 period. During this period, the electricity price will be based on the aluminium market price. The risk profile in terms of aluminium price and exchange rate fluctuations will improve significantly from 2017 accordingly.

12) See CRU Aluminium Market Outlook, October 2015

## MANAGEMENT OF THE 20 % INTEREST IN THE ALOUETTE SMELTER

The proportionate procurement of alumina forms one of the core tasks of the Metal Division. Purchasing volumes amounted to around 230,000 tonnes in 2015, as in 2014. The pricing of this key raw material in 2015 was conducted on the basis of the Alumina Price Index (API).

The Alouette smelter has an annual capacity of about 600,000 tonnes of primary aluminium. The production volume attributable to the Metal Division amounted to 120,700 tonnes in 2015, consequently 3.8 % above the previous year's level of 116,300 tonnes.

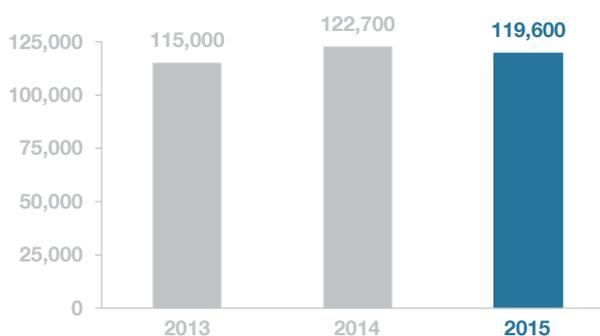
The creditworthiness of buyers forms a key consideration in the sale of the primary aluminium output attributable to the Metal Division.

Total shipments amounted to 119,600 tonnes in 2015. The slight year-on-year fall is due to effects related to the reporting date. Internal shipments of 15,200 tonnes within the Metal Division were significantly higher than in the previous financial year (2014: 4,900 tonnes).

## 2015 EARNINGS TRENDS

Of the annual revenue of EUR 647.6 million, EUR 454.9 million was attributable to intragroup sales revenues. These consisted mainly of deliveries of input materials, including primary aluminium, scrap and rolling slabs, to the casthouse and rolling mill. Overall, the revenue of the Metal Division was ahead of the previous year's level due to higher demand for input material at the Ranshofen site (2014: EUR 580.3 million).

## Metal Division shipments in tonnes (rounded)



The Metal Division generated EUR 33.3 million of EBITDA in the 2015 financial year, compared with EUR 48.2 million in the previous year, with the EBITDA margin reducing from 8.3 % to 5.1 %. The main reasons for this fall included the lower total aluminium price and higher raw materials costs, as well as energy costs that were up year-on-year due to the expiry of a currency hedge. Currency translation exerted a positive effect.

The operating result (EBIT) reduced year-on-year accordingly from EUR 24.2 million to EUR 4.3 million, with the EBIT margin amounting to 0.7 % compared with 4.2 % in the previous year.

## INVESTMENTS

Investment in property, plant and equipment and intangible assets in the Metal Division amounted to EUR 15.9 million (previous year: EUR 20.6 million). The investments related mainly to pot relining activities.

Key figures for the Metal Division in EUR million	2015	2014	Change in %
Revenue	647.6	580.3	11.6
thereof, internal revenue	454.9	388.5	17.1
EBITDA	33.3	48.2	(30.8)
<b>EBITDA margin in %</b>	<b>5.1</b>	<b>8.3</b>	-
EBIT	4.3	24.2	(82.1)
<b>EBIT margin in %</b>	<b>0.7</b>	<b>4.2</b>	-
Investments	15.9	20.6	(22.7)
Employees <sup>1)</sup>	203	207	(1.9)

1) Includes a 20 % pro rata share of the labour force at the Alouette smelter

# Casting Division

## ECONOMIC ENVIRONMENT

The Casting Division's key geographical markets are mainly Germany and Austria, as well as other neighbouring countries. The automotive sector (including its respective supply industry) comprises the division's largest customer, with a 63 % share of shipments. Consequently, the health of the European automotive industry has a strong bearing on divisional performance.

In line with further European economic recovery, new car registrations in the European Union<sup>13</sup> reported a further improvement, increasing by 9.3 % year-on-year to 13.7 million units. Growth was reported in almost all countries in this context, although especially in Southern Europe. In Spain, new registrations were up by 21 % compared with 2014, and Italy reported 16 % growth

Automotive production in Europe also registered growth in 2015. The latest estimates<sup>14</sup> report solid growth of around 3 %. Automotive production in Germany<sup>15</sup>, the most important market for the Casting Division, also grew in 2015. A total of 5.7 million units were produced, 2.1 % more than in the previous year.

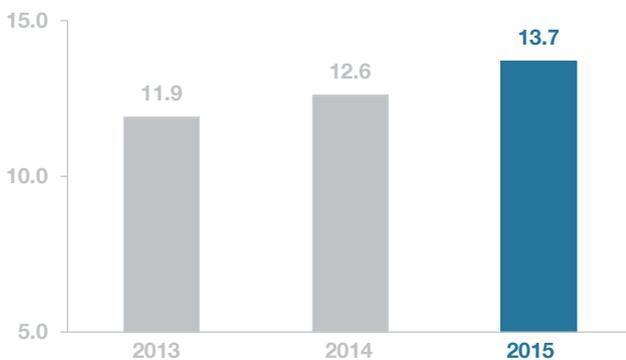
## 2015 FINANCIAL YEAR

The capacities of the Casting Segment were again fully utilised in 2015, boosting total shipment volumes by 3.4 %, from 83,300 tonnes in 2014 to 86,100 tonnes in 2015, as the result of productivity enhancement and product mix changes.

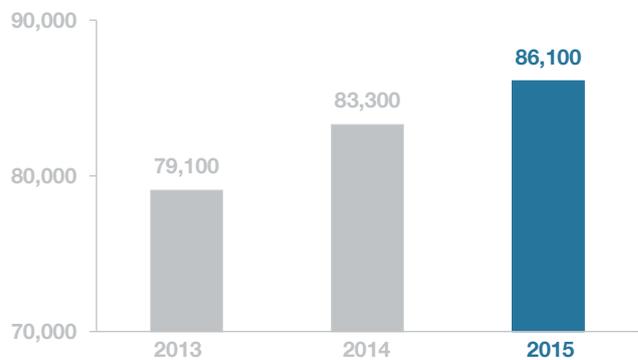
Volume increases were achieved especially with liquid aluminium deliveries and in the product area of recycling alloys for structural automotive components.

Due to high expertise in scrap recycling and the deployment of various processing and smelter technologies, the Casting Division made a significant contribution to sustainable raw material supplies at the Ranshofen site, supporting scrap supplies for the Rolling Division through targeted reprocessing of specific scrap types.

European Union new car registrations in million units



Casting Division shipments in tonnes (rounded)



13) See ACEA (European Automobile Manufacturers Association), press release of January 15, 2016

14) See IHS Automotive, Global Light Vehicle Production Summary, November 2015

15) See VDA (German Association of the Automotive Industry), press release of January 6, 2016

## 2015 EARNINGS TRENDS

As a result of higher shipment volumes and the improved market environment, revenue also increased from EUR 121.7 million to EUR 137.5 million. This represents an increase of 12.9 %.

The improved market environment, higher shipments and product mix helped to more than double EBITDA in the Casting Division from EUR 4.8 million to EUR 10.9 million. The EBIT margin amounted to 7.9 %, compared with 3.9 % in the previous year. Operating profit (EBIT) grew to EUR 8.4 million (previous year: EUR 2.3 million), with the EBIT margin standing at 6.1 % (2014: 1.9 %).

## INVESTMENTS

Investment in property, plant and equipment in the Casting Division amounted to EUR 1.3 million in 2015 (previous year: EUR 1.0 million). One of the focus points was on modernising the operating plants.

## EMPLOYEES

The average number of employees of 123 stood slightly above the previous year's level (122 employees).

Key figures for the Casting Division in EUR million	2015	2014	Change in %
Revenue	137.5	121.7	12.9
thereof, internal revenue	8.2	9.8	(16.1)
EBITDA	10.9	4.8	127.1
<b>EBITDA margin in %</b>	<b>7.9</b>	<b>3.9</b>	-
EBIT	8.4	2.3	264.7
<b>EBIT margin in %</b>	<b>6.1</b>	<b>1.9</b>	-
Investments	1.3	1.0	20.1
Employees	123	122	1.4

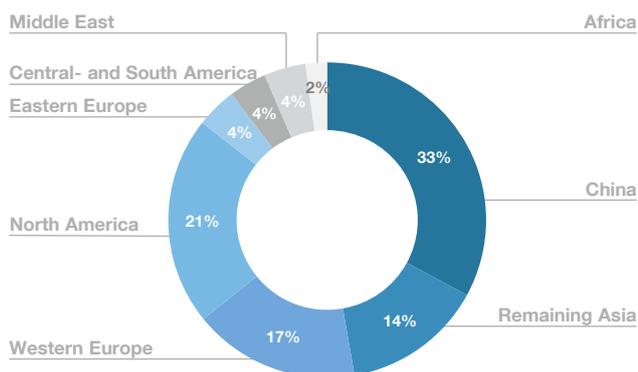
# Rolling Division

## ECONOMIC ENVIRONMENT

Global demand for aluminium rolled products continued to register marked growth in 2015, thereby following on from the past years' growth trend. Global consumption was up by 3.7 %, from 23.0 million tonnes to 23.8 million tonnes, according to the latest estimates published by the CRU<sup>16</sup>.

All regions reported positive growth rates in this context. For example, consumption of rolled aluminium products was up by 1.6 % to 4.0 million tonnes in Western Europe, AMAG's most important market. An increase of 5.5 % to 5.1 million tonnes was registered in North America. Solid demand growth was also observable in Asian countries. In China, demand for aluminium rolled products was up by 4.4 % to 7.8 million tonnes.

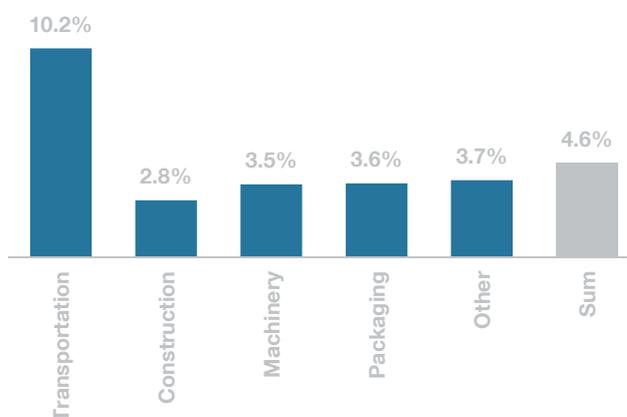
### Consumption of rolled products in 2015 by region: 23.8 million tonnes



See CRU Aluminium Rolled Products Outlook, November 2015

The high demand that was forecast for the transportation industry also materialised in 2015, with consumption rising by 10.5 % from 3.2 million tonnes to 3.6 million tonnes. Most of this growth was generated by the rising importance of aluminium sheet in the automotive industry, where related consumption grew 51 % in 2015, from 0.5 million tonnes to 0.8 million tonnes. Increasing demand was also noticeable in the aerospace industry, however. The two largest aircraft manufacturers reported new sales records in 2015.

### Annual growth by industry up to 2020 in %



See CRU Aluminium Market Outlook, October 2015

Global demand for aluminium rolled products registered growth in other sectors, too, such as machinery (+2.4 % to 1.9 million tonnes) and the packaging industry (+2.7 % to 12.2 million tonnes). Growing demand worldwide was also registered in the construction industry (+3.2 % to 3.4 million tonnes), although Western Europe reported a slight decline (-0.4 % to 0.4 million tonnes).

Current CRU forecasts up to 2020 confirm the growth path that the Rolling Division has adopted. The CRU anticipates annual growth rates of 4.6 % for global consumption of aluminium rolled products over the coming years. While growth rates in China will tend to weaken somewhat compared with past years, partially stronger growth dynamics than in recent years is anticipated for some of AMAG's core markets in Western Europe and North America.

The fastest demand growth worldwide is set to derive from the transportation industry, where the CRU forecasts 10.2 % annual growth up to 2020. In particular, demand from the automotive industry for aluminium rolled products will rise in order to meet CO<sub>2</sub> reduction targets over the coming years through increases in light-weight construction. The CRU also anticipates that other sectors, such as mechanical engineering, electronics, and the construction packaging industries, will report attractive annual growth rates of around 3 to 4 %, however.

16) See CRU Aluminium Rolled Products Market Outlook, November 2015

## 2015 FINANCIAL YEAR

The 2015 financial year in the Rolling Division was especially characterised by the scheduled start-up of the new hot rolling mill. Along with progress made with the extensive qualification process for aerospace products, around 18,000 tonnes of tread plate and plates have also already been produced in the new hot rolling mill, and sold.

High demand was registered particularly for heat treated products. The Rolling Division achieved volume growth especially in products for the aerospace and automotive industries, registering year-on-year double-digit percentage shipment volume growth rates in each case. Demand from the construction industry in the 2015 financial year was significantly weaker than in the previous year, by contrast. Shipments of bright products fell significantly year-on-year. Further focal areas of the product portfolio include applications for the packaging, sports, leisure and electronics industries, as well as tread plate.

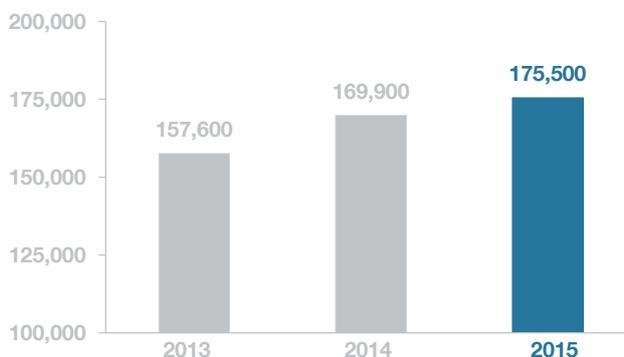
Sales volumes grew by 3.3 %, from 169,900 tons in 2014 to 175,500 tonnes. The decline in shipments of bright sheets was more than offset by tread plate and plates from the new hot rolling mill in this context.

Overall, the Rolling Division also achieved a further high proportion of specialty products as a result of shifts in product mix.

High-quality rolled products are manufactured using rolling slabs. Some rolled products require low-alloy, smelter-based input materials. AMAG procures such rolling slabs from qualified suppliers. Most of the rolling slabs are produced from aluminium scrap, predominantly using state-of-the-art casting technologies in our own wrought alloy casthouse at the Ranshofen site. The successful commissioning of a further plant group as part of the "AMAG 2014" site expansion project allowed the volume of rolling slabs produced to be increased significantly compared with the previous year.

The extensive use of scrap is vital for environmental and economic reasons, since it makes production more energy efficient and uses fewer resources. In 2015, the usage of aluminium scrap in the Rolling Division increased by 32,000 tonnes respectively 19 % compared with the previous year.

### Rolling Division shipments in tonnes (rounded)



## 2015 EARNINGS TRENDS

Revenue of EUR 693.0 million in the 2015 reporting year was above the previous year's EUR 601.0 million, which is particularly attributable to the higher shipment volumes, changes in the product mix and a higher price level.

EBITDA amounted to a total of EUR 76.8 million in the 2015 financial year, following EUR 59.9 million in the previous year. This growth was mainly due to the increase in the volume of shipments by 5,600 tonnes to 175,500 tonnes, changes in the product mix and the higher price level. The EBITDA margin of 11.0 % reflects an improvement compared with the previous year's 10.0 %.

The operating result (EBIT) rose by 23.9 % to EUR 48.9 million in 2015, with depreciation and amortisation increasing by 36.8 % as a result of investments.

Key figures for the Rolling Division in EUR million	2015	2014	Change in %
Revenue	693.0	601.0	15.3
thereof, internal revenue	107.1	87.2	22.7
EBITDA	76.8	59.9	28.3
<b>EBITDA margin in %</b>	<b>11.1</b>	<b>10.0</b>	-
EBIT	48.9	39.5	23.9
<b>EBIT margin in %</b>	<b>7.1</b>	<b>6.6</b>	-
Investments	51.9	90.3	(42.5)
Employees	1,243	1,181	5.3

## INVESTMENTS

Investments in property, plant and equipment and in intangible assets amounted to EUR 51.9 million in 2015, 42.5 % below the previous year's EUR 90.3 million.

The "AMAG 2015" expansion project formed the focus of investment activity 2020. The cold rolling mill, heat treatment plants and finishing plants have already been ordered.

Along with modernisation measures, individual investments geared to improving product quality and plant security were also realised.

## EMPLOYEES

The number of employees (full-time equivalents) amounted to 1,243 individuals on a year-average basis, 5.3 % above the previous year's 1,181 staff, reflecting the personnel requirements for the expansion project.

## Service Division

Through providing infrastructure and services, the Service Division makes an important contribution to the AMAG Group's sustainable corporate success, profitability and continued growth.

### SERVICE DIVISION AREAS

The facility management function is responsible for around 300 hectares of ground area, with buildings occupying approximately 90 hectares of this total space. A large number of investment and maintenance projects were realised at the Ranshofen site in 2015. A further focus was set on preparatory work for the "AMAG 2020" expansion project. Initial construction work for infrastructure measures was already started in the second half of the year.

In 2015, the supplies function provided a procurement volume of 184 GWh (previous year: 163 GWh) of electric energy and approximately 39 million m<sup>3</sup> of natural gas (previous year: around 35 million m<sup>3</sup> of natural gas).

Besides managing the Group, the responsibility of the Service Division also includes waste disposal, as well as steps aimed at preventing waste and boosting recycling. The works services function comprises site infrastructure services such as security guards and messengers.

### 2015 EARNINGS TRENDS

Revenue amounted to EUR 70.7 million in 2015 (previous year: EUR 61.7 million), and includes services for the other divisions as well as for entities outside the Group.

The Service Division generated EUR 5.7 million of EBITDA (previous year: EUR 1.9 million), with the year-on-year change being mainly due to a lower level of provisioning requirements.

### INVESTMENTS

Investments of EUR 15.0 million (previous year: EUR 18.9 million) related in particular to infrastructure and buildings for the "AMAG 2020" expansion project at the Ranshofen site, and the purchase of plots of land for extension purposes.

#### Key figures for the Service Division in EUR million

	2015	2014	Change in %
Revenue	70.7	61.7	14.7
thereof, internal revenue	65.3	56.2	16.1
EBITDA	5.7	1.9	199.9
<b>EBITDA margin in %</b>	<b>8.1</b>	<b>3.1</b>	-
EBIT	(4.1)	(7.0)	42.0
<b>EBIT margin in %</b>	<b>(5.8)</b>	<b>(11.4)</b>	-
Investments	15.0	18.9	(20.5)
Employees	135	128	4.8

# Human resources

## EMPLOYEES AND PERSONNEL STRATEGY

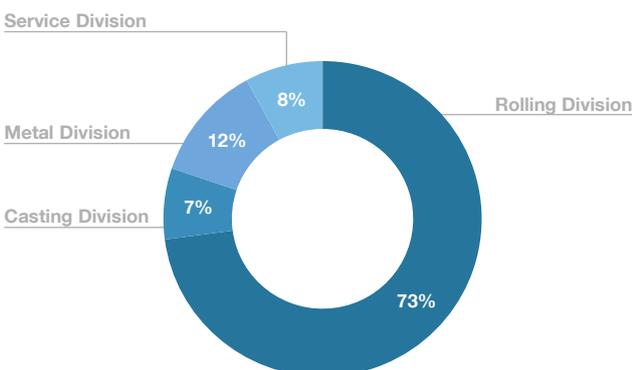
Qualified and motivated staff comprise a key element in AMAG's success. As an employer, AMAG provides attractive and modern jobs, integrated into an operating environment that is characterised by mutual respect, and a relationship with its employees that finds the right balance between supporting and fostering them on the one hand, and demanding and challenging them on the other. Along with the further development of the existing workforce, the hiring of qualified staff represents a particularly important aspect of the capacity expansion measures.

## FACTS AND FIGURES

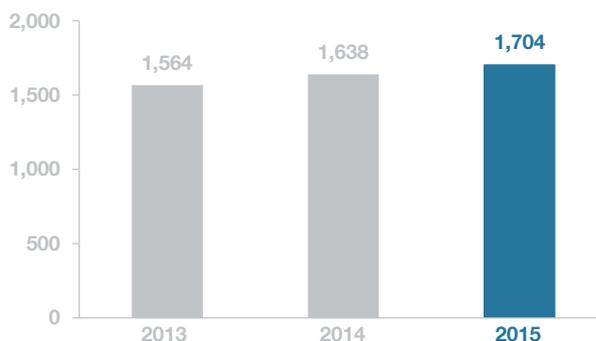
The total number of personnel (including apprentices) rose by 4.2 %, amounting to 1,837 individuals as of the end of the year. The AMAG Group employed a total of 1,704 staff (full-time equivalents) on average over the course of 2015. The Group's focus on industrial operations means that 59.6 % of staff are classified as blue-collar workers, 36.1 % as salaried employees and 4.3 % as apprentices.

A total of 11.9 % of employees work in the Metal Division, 7.2 % in the Casting Division, 73.0 % in the Rolling Division and 7.9 % in the Service Division. In terms of geographic distribution, the majority of the workforce is based in Austria.

### Employees by division



### Employees, full-time equivalent (annual average)



## STAFF DEVELOPMENT

The promotion and development of employees both technically and personally is a matter of particular concern for AMAG. All professional groups, from apprentices through to managers, are able to attend training and further training courses. An important tool in this context is the annual staff appraisal, where managers and employees reflect jointly on developments over the past year. Strengths are ascertained, potentials for improvement are identified, and targets for the coming year are set. The appraisal is also a tool for pinpointing further training needs. These can range from various technical training courses to health and safety topics or social skills. Special internal programs over extended periods make a significant contribution to its open corporate culture and a cross-divisional understanding of the Group.

## AMAG YOUNG TALENTS PROGRAM

The "AMAG Young Talents Program" that was launched in autumn 2014 and conducted for the first time has the aim of preparing young talents even better for the future's rising challenges. The program conveyed various management tools over the course of a year. This course was rounded out with practice-related project work, as well as evening get-togethers where our young employees had the opportunity to meet business experts.

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## APPRENTICESHIP TRAINING AT AMAG

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Securing specialist staff for the future also represents a challenge for AMAG. Apprenticeship training enjoys a special role in this context. More than 2,000 apprentices have been trained at AMAG over the past decades. A total of 10 different types of apprenticeships are currently offered, and around 20 to 25 new apprentices are taken on each year. AMAG employed 79 apprentices as of December 31, 2015. The focus is on the areas of metals, electrics and commercial training.

Along with specialist training, a further focus is on developing social skills. The three-pronged training scheme (operational training, training in the apprenticeship workshops at the Braunau training centre, and training of social skills at the "Apprentice Academy") guarantees a high level of quality and the best possible integration of young people into the company. The company also supports apprenticeships that are combined with school-leaving certificate qualifications.

AMAG engages in many activities to continue to ensure that sufficient applications are submitted for apprenticeships in the future. In addition to events that AMAG has already offered to date such as apprenticeship fairs, girls' days, apprenticeship tasters, information evenings at schools and so on, AMAG held its first apprenticeship information day this year. This event allowed almost 200 visitors to gain greater insight into the company and the different types of apprenticeships that it offers.

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## COOPERATION WITH FURTHER EDUCATION INSTITUTIONS

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AMAG has established relationships with further education institutions both in Austria and abroad of relevance to AMAG's operations. These relationships ensure that training and research at AMAG are closely integrated with praxis. With the Chair for Non-ferrous Metallurgy at Leoben University, the cooperation has been further intensified through setting up a foundation professorship for aluminium materials technology. Opportunities for cooperation with further education institutions are highly varied. These partnerships take a variety of different forms, from offering bachelor, master and doctoral theses to providing students with the chance to complete project-based internships. The Group also comes into contact with students by participating in careers fairs and organising information evenings. Additionally, AMAG invites university professors to hold lectures at the company, and Group managers give talks at higher education institutions.

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## ATTRACTIVE EMPLOYER

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A future-oriented employer can now no longer simply offer its staff adequate compensation and flexitime schemes – the overall package has to be right. Along with performance-based compensation and flexible working hours, at AMAG this also includes interesting professional challenges that offer future prospects, the opportunity to contribute ideas, structured and targeted training and further development measures, social benefits and health measures, as well as a supportive, friendly and team-based working environment.

AMAG employees participate in their company's success insofar as the AMAG Employees' Private Foundation comprises a core shareholder of AMAG. The AMAG Employees' Private Foundation holds 3.9 million shares in AMAG, equivalent to an 11.1 % interest. This represents an additional factor that bolsters identification with the company and fosters interest in joint success.

A low staff turnover rate of 1.6 % in 2015 and an average period of employment within the company of 12.0 years not only reflect on AMAG as an employer, but also ensure that acquired knowledge and expertise remain within the company.

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## OCCUPATIONAL HEALTH & SAFETY

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Occupational safety takes top priority at AMAG. Improving occupational safety forms a fixed element within the integrated management system. In order to underscore the importance of the occupational safety topic, recourse is also made to occupational safety as a criterion for measuring variable compensation of AMAG managers.

Along with compliance with statutory regulations, AMAG's zero accidents strategy aims, with the help of all staff, to systematically identify, analyse, and measure potential safety risks, and eliminate them through appropriate measures.

Due to the success of the "Consistently Safe" occupational safety initiative that we launched in 2012, we continued to operate it in 2015 with extensive training measures, safety audits, and workshops as part of the continuous improvement process.

The Safety Certificate for Contractors (SCC) is implemented for operational managers of smaller suppliers that regularly work for AMAG. Larger suppliers normally already have such certification. Moreover, electronic training entailing knowledge testing is required for third-party firms.

The occupational safety department is also intensively involved in the expansion project in Ranshofen. It supports the project teams from as early as the planning stage and subsequently through the entire project phase, making an important contribution to the safe implementation of these expansion projects.

The internationally established OSHA total recordable injury frequency rate (TRIFR) amounted to 2.2.

Workplace health promotion has been central to the company's philosophy since 1999. The aim is not only to help prevent illness, but also to help employees enjoy the best possible standards of health – which additionally boosts productivity and job satisfaction. Our principles, and the workplace health promotion measures that we have implemented, were confirmed with a further seal of quality certification from the Network of the Association for Workplace Health Promotion (BGF). This certification is valid until 2017.

The "AMAG Vital Check" plays a key role in our efforts to promote individual health. This is a voluntary general medical check-up, with different supplementary tests offered each year. The focus in 2015 was on chronic inflammatory spinal disorders.

In 2015, all employees were also offered financial support for individual measures to improve their health (including smoking cessation seminars and fitness programs etc.).

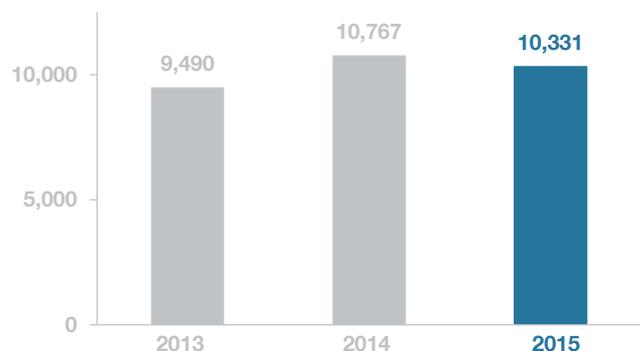
As a result of these wide-ranging measures and activities, AMAG's sick-leave rates are lower than the Austrian metals industry average.

The AMAG Group's health and safety system was recertified in accordance with the Occupational Health and Safety Assessment System (OHSAS) 18001 standard in 2015. Certification is valid until 2018.

## CONTINUOUS IMPROVEMENT PROCESS (CIP)

Continuous improvement refers to the ongoing, incremental improvement of Group processes by employees. This increases AMAG's competitiveness, as well as giving staff the opportunity to play a part in shaping processes, assume responsibility, and deepen their relationship with the company. It also promotes a culture of change and constant improvement. The CIP forms a central element of AMAG's innovative capabilities.

### Number of suggestions as part of the CIP



Along with the launch of the continuous improvement process in the new hot rolling mill, an important focus in 2015 remained on the topic of total plant efficiency. In particular, work was conducted at focus workshops on enhancing plant availability and on improving working processes.

Further CIP focal points in 2015:

- Occupational safety
- Quality
- Process optimisation

At the Ranshofen site, a total of 10,331 suggestions were submitted in 2015, compared with 10,767 in the previous year. This is equivalent to an average of 7.2 suggestions per participating employee (previous year: 7.4 suggestions).

## Perception of sustainability

AMAG's sustainability concept is based on six defined priority topics, and forms a key element in the successful development and growth of the company. The six priority topics of the AMAG strategy comprise:



### HONEST RELATIONSHIPS WITH EMPLOYEES

Together with recruiting new staff, this area of activity comprises the systematic training and further training of our employees, the balancing of work and family demands, as well as occupational health & safety measures.

### COMMITMENT TO ENVIRONMENTAL PROTECTION

Our commitment to environmental protection is backed up by a comprehensive management system that is certified according to the ISO 14001 and 50001 standards. The system is based on wide-ranging performance criteria and medium and long-term targets, as well as corresponding management control measures.

### RESPONSIBLE VALUE CHAIN MANAGEMENT

This area involves dealing responsibly with the individuals and organisations that have a stake – whether directly or indirectly – in the Group's development, in particular by means of employee-friendly working conditions, and the conservation of raw materials across the value chain.

### A FUTURE-VIABLE SOCIETY

AMAG is well aware of its role and responsibilities as a leading company. Along with the creation of attractive employment opportunities, key elements of our social commitment and involvement include cooperation with schools and universities, as well as support for sports, social and cultural activities.

### SUSTAINABLE BUSINESS

Sustainable business refers to profitable growth that is also accompanied by favourable social and environmentally compatible development. AMAG's growth unfolds in a specialised market entailing high quality standards, innovative strengths, and processing of aluminium that is both environmentally compatible and sparing on resources. We set particular store by conducting our business activities in a manner that is responsible and moral, and legally and ethically impeccable. On this basis, we aim to expand our business profitably within the context of fair competition. Our compliance rules, code of ethics, and comprehensive risk management system support the achievement of this aim.

### SOUND RELATIONSHIPS WITH CUSTOMERS

The strategic approach of this area of activities is to maintain long-term, partnership-based and fair relationships with customers, and to acquire new customers. We achieve this chiefly by offering proven, high-quality, innovative products that satisfy customer requirements, and by maximising customer satisfaction.

Further information about sustainability can be found on our website at [www.amag.at](http://www.amag.at) and in our sustainability report, the new version of which will be published during the first half of 2016.

## Research and development

AMAG's research strategy was reviewed and updated in 2015 in consultation with the Group's science and technology advisory board. The board was expanded to include the holder of the aluminium materials technology professorship established by the University of Leoben and AMAG, and strengthened thematically in the metallurgical area.

Following the successful commissioning of the new hot rolling mill, the connection of the units and the casthouse expansion, the company has set a strong focus on the qualification of existing and new products via the new production route of the "AMAG 2014" expansion project. Samples of input materials and finished products in larger dimensions were successfully presented to customers, and approved. The cardinal objective in this context was to improve material properties and be able to reproduce them with the lowest possible distribution.

Most of the Group's R&D activities continued to relate to the transportation sector with its above-average growth: along with boosting ductility and strength, a special focus in 2015 was placed on long-term and structural durability. As a result of significantly greater rolling forces, the new hot rolling mill and plate stretcher allow process parameters to be set that have not been possible to date at AMAG. This offers the potential to improve the existing top qualities at AMAG even further.

Simulation plays an ever greater role in the development and optimisation of alloys and their related processes. This has prompted AMAG to decide to set up a separate "materials modelling and processes" group to concern itself with materials and their processing along the process chain. Together with scientific partners, the focal areas of "continuous casting", "hot and cold rolling" and "heat treatment" were defined and processed. In this manner, processes and products have been optimised through deploying software tools in combination with metallurgical background knowledge.

Recycling remains strategically essential to AMAG, and is also being expanded in order to secure the raw materials base and the high scrap input. In this connection, and based on technology evaluations, a further investment in an automated scrap processing plant for the Ranshofen Recycling Centre was approved.

The recycling topic not only concerns AMAG, however, but also its customers. Together, total alloy-to-alloy recycling has been achieved, and data for lifecycle analyses have been drawn up, with customers from highly varied sectors thereby specifically confirming the sustainability of AMAG products. AMAG is also a member of the Aluminium Stewardship Initiative (ASI).

The quality of rolling slab material has been improved considerably through several interrelated projects. Input materials (including primary materials), alloying elements and the entire casting process itself were investigated systematically in relation to quality-relevant aspects (such as risk of inclusion generation), and improved, allowing defects in materials (evident through ultrasound analysis) to be reduced significantly.

In the Casting Division, the still-growing market for chassis and structural alloys was expanded through joint developments with a wide range of automotive OEMs. In this way, AMAG is working together with its customers to define recycling-friendly material specifications that not only enable a high recycling share, but also meet requisite parameters. Tests on series geometries of components are already underway with several premium OEMs.

In the Rolling Division, the focus was not only on qualifying new plants but also on heat-treated specialty products for the automotive industry. Ongoing R&D activities have enabled AMAG to successfully complete the qualification of many automotive manufacturers and win several orders for series applications in the structural and auto body sheets area.

As part of the European Union's multi-year ALIVE project ("Advanced high volume affordable lightweighting for future electric vehicles"), all participating automotive manufacturers and component suppliers have been supplied with materials that AMAG has developed together with project partners. Tests are already occurring on a component that is close to series production. In this context, various postprocessing steps are enabling different parameter ranges, especially for 7xxx alloys.

In 2015, AMAG received the "Innovation Award" from the State of Upper Austria for the particularly innovative aluminium specialty alloy AMAG TopForm® UHS from the 7xxx series, which was utilised for the first time in the series production of a German premium manufacturer's car in crash-exposed components.

A new alloy enabled the offering in the AMAG SPF (superplastic forming) area to be expanded in 2015. This alloy is distinguished by greater and faster formability.

In the aerospace area, qualifications in the new AMAG 2014 product formats and their production routes are about to be concluded. One definite highlight here are 150 mm high-tensile aerospace material plates that offer outstanding material parameters and have already shipped to a customer. In this manner, AMAG is demonstrating how entirely new product dimensions can be developed to series readiness within the shortest possible timeframe.

Tread plate in the maximum product width of 2,100 mm is also ready for series manufacturing and has been shipped to customers. Customers in the truck and trailer sector, as well as wind power plant manufacturers, need these gauges for their applications.

In the foil stock product area, the development of multimaterial product was concluded, registered for patent approval and brought to market readiness. The advantage it offers is a significantly stronger material that allows downgauging, is consequently more sparing on packaging, and can be worked excellently. In the medical area, which is particularly defect-sensitive, material quality was improved to the extent that AMAG is regarded as a benchmark by customers.

The aforementioned developments would not be possible at this rapidity and efficiency without a well-functioning and constantly growing network of scientific partners. Internal know-how was also expanded through consistent R&D work and further hiring, however.

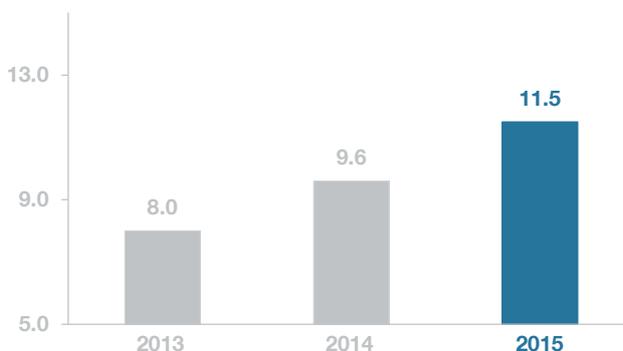
Along with readiness for deployment, such knowledge forms a basic requirement for the rapid translation of developments into applications. Customers from very varied sectors perceive AMAG's commitment and dedication, and they work in cooperation with the company. This ensures that AMAG will be able to

continue to expand its share of specialty products, also in the future.

Research and development expenditures amounted to EUR 11.5 million in 2015, up 19.3 % compared with the previous year (2014: EUR 9.6 million). Most of this spend was attributable to the Rolling Division.

A total of around 82 individuals (full-time equivalents) were engaged with R&D and innovation tasks in 2015. This reflects a 7.9 % year-on-year increase.

#### AMAG Group research and development expenditure in EUR million



## Risk and opportunity report

A formalised risk management system designed to identify, assess and manage all the Group's significant risk exposures and opportunities is integral to our business activities. Risks should be identified as early as possible and be countered proactively where possible, in order to limit them to the greatest possible extent. At the same time we seek to capitalise on the business opportunities open to us. A balanced approach to opportunity and risk management is one of the Group's key success factors.

### RISK MANAGEMENT SYSTEM

AMAG's risk management system is aimed at a sustainably positive trend in the financial position and performance of the entire Group. The system relies primarily on:

- Groupwide standards to regulate operational processes with a view to identifying, analysing, assessing and communicating risks, and actively managing risks and opportunities,
- active hedging of specific risks (aluminium price and exchange rate volatility),
- covering certain risks under a comprehensive insurance strategy.

Risks are managed at all levels in the management hierarchy on the basis of these standards. Strategic and operating risks are reviewed on an annual basis, and any business policy adjustments required are made as part of an institutionalised process. The standards, and the scope and amount of insurance cover, are subject to ongoing review and updated whenever necessary.

In addition, audits are carried out by an external auditor on a case-by-case basis in selected areas of the business to determine the effectiveness of the internal control system.

### INTERNAL CONTROL SYSTEM

The AMAG Group's internal control and risk management systems are based on the Internal Control and Enterprise Risk Managing Frameworks – internationally recognised standards established by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission – and on ISO 31000:2010. The objective is for the relevant managers to identify and manage potential risks.

### MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM RELATING TO THE ACCOUNTING PROCESS

As a matter of principle, the establishment of an appropriate internal controlling and risk management system in relation to the financial accounting process and financial reporting is the responsibility of the respective management. The AMAG Group has established Groupwide mandatory standards for the management of the most important business risks, and for the accounting and financial reporting process. The standards are implemented by the management teams within the various divisions, and augmented where necessary.

The integrated financial accounting and reporting system for the Ranshofen site is performed centrally. Appropriate organisational measures ensure compliance with statutory requirements, and that entry in the books of accounting and other records is complete, correct, timely and proper. The entire process from procurement to payment is governed by stringent regulations and guidelines, which are intended to ensure that all associated risks are avoided.

The regulations require functional separations, regulations relating to signing authorities, joint signatory powers for payments restricted to a limited number of persons, and system-supported checks for the deployed software (SAP). The financial accounting systems are by and large based on standard software, and protected against unauthorised access.

A standardised financial reporting system is available throughout the AMAG Group. The management is kept up-to-date on all important matters, including additional company-specific information as required. The Austria Metall AG Supervisory Board is informed at the Supervisory Board meeting, which occurs at least every quarter, about current business progress, and also annually about the Group's operating planning and medium-term strategy. The Supervisory Board is also informed directly in special cases. The audit committee meetings also confer about the internal controlling system, the risk management system and corruption prevention measures.

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## PERSONNEL RISKS

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As a result of their expertise and commitment, AMAG Group staff form a critical factor to AMAG's success. In order to secure and strengthen this factor, investments in occupational safety ("consistently safe") and the promoting of health enjoy a very high priority. In the accident prevention area, extensive measures are in place, such as job evaluation and safe structuring, preventative measures and ongoing staff training. AMAG prides itself on its performance-related rewards system, its training and continuing education programs, its early identification and promotion of talent, and its attractive incentive system for managers.

The investment in the AMAG expansion projects will create additional jobs at the Group. Employer branding activities have also been stepped up to strengthen AMAG's position as an attractive employer.

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## OPERATIONAL RISKS

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### Production-related risks

At various stages in the value chain, AMAG's operating companies are exposed to the risk of interruption of operations and risks with respect to quality and occupational safety. Such risks are largely avoided as the result of comprehensive established procedures in production, quality management and occupational safety, including as part of the continuous improvement process (CIP), which encourage employees to assume personal responsibility. The risks of plant breakdown and interruption of energy supply at AMAG are also countered with systematic preventive maintenance and regular risk-based maintenance (RBM). In addition, modernisation and replacement investments are planned long-term. After implementing the expansion investments arising from "AMAG 2014" and "AMAG 2020", the redundancy of the plants at the Ranshofen site is increased with state-of-the-art technology. Additional security is provided by machine breakdown insurance.

### Technological development risks

In technologically advanced sectors such as aerospace, automotive engineering and sport, the risk exists of aluminium being displaced by the development of alternative lightweight materials with comparable properties, such as carbon fibre composites, plastics, magnesium and advanced steels. Equally, technological disruption in some client sectors can affect demand for aluminium products. The AMAG Group endeavours to offset this potential risk by carefully monitoring the market, by engaging in joint development work with its customers, and by continuously improving the properties of the aluminium materials offered. In parallel, it works on developing new applications for aluminium alloys.

### Natural hazard risks

Appropriate measures are taken to minimise natural hazard risks.

- Fire prevention: structural, technical and organisational measures appropriate to the potential hazards. Examples include works fire services, fire compartments, fire alarm systems, carbon dioxide fire protection systems, fire insurance policies, and construction of the sprinkler system in the new hot rolling mill and plate production center that was started in 2015.
- Flood and other natural hazard risks: ongoing improvement of preventive measures.

### Information-processing risks

The Group's primary focus in this sensitive area is on data security, systems compatibility and effectiveness, access protection, manipulation and malware protection, and operating reliability. The Chief Information Officer is responsible for Groupwide control of IT activities on the basis of the Group's IT standard.

The standard is designed to ensure that IT services meet the requirements with respect to availability, reliability, disaster tolerance and response time, and that human and product resources are used effectively and efficiently in providing IT services.

Security and user authorisation systems are also in place. Backup computer centres are available to reduce the risk of a system failure caused by defective hardware, data loss or data tampering.

### Risks arising from insufficient supervisory systems and fraudulent activities

An extensive internal controlling system has been set up to identify risks at an early stage, and to monitor and avoid them. The system provides all of the instruments and procedures required for the avoidance and timely identification of risks, and for appropriate responses to any risk incidents.

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## BUSINESS RISKS

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### Procurement risks

The prices and availability of electricity and alumina represent a significant risk to the Alouette smelter in which AMAG owns an interest. This risk is minimised by medium- and long-term supply contracts, however.

The chief risk for the casthouses is a potential shortage of ample scrap metal of sufficient quality. This risk is minimised through long-term contracts with scrap dealers and major collection points, and by internationally diversified sourcing. The additional primary metal required is a liquid commodity, available in the form of ingots or sows. AMAG purchases from recognised international suppliers

with which the company maintains long-standing business relationships. The possibility also exists to purchase primary aluminium for the Ranshofen site directly from the Alouette smelter.

The rolling mill sources most of its rolling slabs, which use a high percentage of recycled materials, from its own casthouse in Ranshofen. To ensure proper and full supply of the primary metal requirements, recognised international suppliers were selected on the basis of a competitive tender.

Materials procurement risk for AMAG Group can be considered as low accordingly.

### Sales risks

The broad product range of the AMAG Group ensures its independence from a few large customers or clients sectors. In 2015, its top 10 customers accounted for 32.3 % of sales.

Long-term agreements with key customers help to keep sales risks to a minimum. At the same time, we are continuing to work on extending the product range and target markets into premium segments that require innovative solutions and top quality. The new hot rolling mill also makes a positive contribution in this context, having expanded the product range in aluminium sheet and tread plate to comprise larger dimensions. Meeting the highest standards, particularly those of the automotive and aerospace industries, is of crucial importance to AMAG. The Rolling Division supplies to sectors entailing low-to-medium cyclical risk, such as the packaging and sports equipment industries, although it also has customers in cyclical industries such as construction, aerospace, automotive, and automotive suppliers.

Our focus on premium products and the wide range of customer sectors ensures a balanced portfolio. Relations with large customers are supported by joint development projects and high-quality customer service. The Casting Division's ability to supply liquid aluminium also contributes to stronger customer loyalty. Aluminium price risks and currency risks are minimised by active hedging.

### Project risks

After awarding the final acceptance certificates to the main suppliers, the "AMAG 2014" project was finished on schedule in 2015 and successfully concluded within the budgeted framework. The risks related to the "AMAG 2020" expansion project are monitored at regular project supervision meetings headed by the AMAG Management Board and executive managers with respective responsibilities, and with the participation of the project team. A particular focus is on deadlines and costs, and on ensuring that the technical progress of the project is running to schedule. The sales and procurement risks associated with the additional production volumes

are also monitored. The ongoing search for ways to minimise risks and implement risk-reducing measures forms a key task for the project supervisors.

### Competitive and capital market risks

The AMAG Group is committed without reservation to fair competition, fair and legally compliant contracts with its business partners, and compliance with capital market regulations. This commitment takes the form of appropriate rules and regulations (anti-trust guidelines, issuer compliance guidelines, and anti-corruption guidelines), and AMAG's code of ethics.

AMAG's compliance structure is divided into separate compliance areas. The respective compliance officers support the organisation through ongoing training measures, and supervise compliance with internal regulations, for example. A compliance hotline is also in place that can be used to report any compliance breaches.

### Research and development risks

The general increase in intellectual property rights, encouraged in particular by the continuing consolidation of the aluminium industry, poses a risk for development work.

When planning development activities, it is consequently essential to review and document the present status of research in Austria and abroad, in order to establish the extent of related risk, including the implications for the competitive situation and intellectual property rights. Internal technical risks and the effects of a project on the Group's financial performance must be clarified when submitting a project proposal. An R&D steering group consisting of the Group's senior management and an external group of renowned experts regularly reviews project proposals and the progress of existing projects. Joint research activities are also conducted at customer locations to minimise the risk of defective developments. In order to minimise risk, the company also performs patent monitoring with external lawyers via all relevant databases and personal research conducted by AMAG staff, patent lawyers and members of the scientific advisory council.

### Environmental risks

Environmental risks are minimised by certified environmental management systems within the relevant Group companies. Rising environmental protection expenses are partly offset by savings on energy and waste disposal costs enabled by deployment of modern technologies. Past pollution from earlier use of the Ranshofen site has been rectified by prompt implementation of remedial measures. The expected costs are otherwise covered by provisions. Input materials carrying pollution risks are exhaustively examined at the time of delivery, and rejected where required.

### Legal risks

The AMAG Group is active on a wide range of national markets. It monitors the relevant legal requirements and proposed legislation in these countries so that it can respond to changes in the legal environment in good time. The Group's operating companies are supported by AMAG's legal department where appropriate.

Risks of product liability damages are eliminated as far as possible by quality assurance measures. Any residual risks are largely covered by liability insurance policies. The AMAG Group has standard terms and conditions of sale for customers and standard purchasing conditions for suppliers. As a general rule these are also used by the individual operating companies. In the case of important supply agreements, for example in the aircraft industry, particular attention is paid in the individually negotiated contractual terms and conditions to special clauses limiting liability, and excluding liability for claims resulting from defects.

### Financial risks

As a producer and processor of aluminium, the AMAG Group is principally exposed to metal price risks and currency risks. Aluminium is traded in US dollars on the LME. Without appropriate hedging measures, the volatility of aluminium prices and the US dollar exchange rate would have a direct impact on AMAG's profitability. The Group's mandatory guidelines – its metal management guidelines and financial management guidelines – set out procedures for recording and hedging these two main risks.

In order to stabilise the earnings of AMAG's interest in the Alouette smelter, the sales prices of part of production can be hedged on a rolling basis by forward sales and options. Along with the current market situation, estimates of future aluminium price trends and attendant production costs comprise key decision-making criteria in this context. As a general rule, aluminium price volatility risks in Ranshofen are hedged.

The AMAG Group's metal management function registers all LME-related aluminium purchases and inventories, and all of the operating companies' LME-related sales, and constantly calculates the aluminium price risk exposure. The "metals book" – an SAP application developed at AMAG – comprises an important aid in managing the exposure. Open aluminium positions are hedged against metal price risk through contracts with brokers and investment banks. As a consequence, the underlying transactions' market price risk is fully offset by countervailing movements in the hedges. All underlying and hedge transactions in the metals book are marked to market daily. Since foundry alloys and LME prices are largely insufficiently price-correlated, foundry alloy sales are hedged by physical purchases of input materials. The position is monitored constantly.

Potential margin requirements associated with hedging (liquidity risks) are covered with liquid funds or bank guarantees. Counterparty risks on derivatives with a positive market value are limited by the careful selection of international banks and brokers, and a limit policy for risk diversification.

The AMAG Group operating companies utilise credit insurance and banking collateral such as guarantees and letters of credit to limit default risk on receivables.

All financing and investment activities, the hedging of such activities, and foreign currency management are managed centrally for the Group.

Working capital financing is based on short-term liquidity planning. Centralised daily euro pooling serves the purpose of financial equalisation within the Group.

Medium and long-term corporate financing occurs on the basis of preview and budget data. Interest-rate risks pertaining to variable rate financing facilities can be hedged proportionally by way of swaps or caps.

Counterparty risks relating to bank balances are actively managed by setting deposit limits for each bank, and – where available – making recourse to credit ratings and the regular monitoring of CDS spreads.

To the extent that receipts and payments in the same foreign currency do not provide a natural protection against exchange rate risk, AMAG proportionally hedges major foreign currency exposures through forward currency transactions and, where required, options.

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## RISKS FROM THE INTEREST IN ALUMINERIE ALOUETTE

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The significant agreements relating to the joint operation Alouette smelter are set out in a consortium agreement. In the case of significant decisions regarding Alouette's business, resolutions with 90 % approval are required. With the present ownership structure, and also with a change in structure, the risk exists of conflicting interests and thus of conflicts among the shareholders of Alouette.

Pursuant to the existing consortium agreement, obligations exist that are of essential importance for current production operations. A failure to satisfy such obligations could result in a loss of co-determination rights, implying liability on the part of AMAG for potential losses. This applies, for example, with respect to the procurement of AMAG's share of the alumina required for production.

As part of the planned expansion of capacity at the Alouette smelter, the consortium members, the Government of Québec and electricity utility Hydro Québec signed a long-term power supply contract in June 2012. Under the agreement, the consortium members have obligated themselves to purchase the agreed electricity volume that is realised only with the smelter expansion. In the event of non-fulfilment of the agreement, Alouette's owners would be obliged to pay a penalty, which would have an impact on AMAG's profit in proportion to its equity interest.

Extensive measures are in place to protect against operational risks in connection with the smelter. The risk of damages from events such as the loss of production owing to electrical power outages caused by bad weather is largely covered. Since the end of 2015, even greater electric energy supply security has existed due to the creation of a redundant electricity line.

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## BUSINESS OPPORTUNITIES

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In its role as the holding company, AMAG Austria Metall AG holds all the shares and interests in the AMAG Group. The operative business is conducted by Austria Metall GmbH and its subsidiaries.

The AMAG Group concentrates systematically on premium products in attractive market niches across a broad spread of industrial sectors.

Considerable potential exists for successful growth in marketing AMAG's high-quality products worldwide. For this reason, the international sales marketing network has been expanded consistently over the past years.

As a leading supplier of innovative products, the AMAG Group is also flexible enough to respond rapidly to customers' requests for tailored solutions. The Group is early to exploit the opportunities brought by change, and with its broadly diversified industry portfolio is well positioned for the future. Especially in times of economic turbulence, the Management Board sees AMAG's strategic orientation and its market positioning – combining primary aluminium from Alouette with high-quality rolled products and recycling foundry alloys from Ranshofen – as a successful combination of stability and long-term growth opportunities in attractive markets.

The Alouette smelter in which AMAG owns a 20 % interest already commands an advantageous cost position on a sector comparison. As a result of the newly agreed electricity terms and the additionally agreed 70 MW electricity block, this cost position will improve even further by international comparison for the 2017 to 2029 period. During this period, the electricity price will be based

on aluminium market price changes. This will also significantly improve the risk profile in terms of aluminium price and currency exchange rate fluctuations.

AMAG's integrated facility with its casthouses and rolling mill, and its physical proximity to strong industrial regions, facilitates continuing technological development and close customer support, particularly in the liquid aluminium supply business. The two casthouses at Ranshofen offer the smelting technologies for practically all types of scrap, high-level skills and expertise in scrap sorting, as well as special plant for scrap processing.

Our outstanding technological capabilities in rolling, cladding, and the surface and heat treatment of rolled products, open up opportunities for further expansion in attractive growth sectors, such as automotive, aerospace, construction, bright products and engineering applications, and high-strength materials for sports industry applications, as well as braze clad materials and cathode sheets.

The plant expansion at the Ranshofen site expands the product portfolio towards larger dimensions (gauge, thickness), thereby bolstering and expanding existing customer relationships. This product portfolio expansion enables AMAG to tap new markets and sectors that were not accessible to date with the existing plant. Productivity enhancement improves the cost position and competitiveness on the global market.

## Disclosures pursuant to Section 243a (1) of the Austrian Commercial Code (UGB)

The following disclosures are made pursuant to Section 243a of the Austrian Commercial Code (UGB):

1. The share capital of AMAG Austria Metall AG amounts to EUR 35,264,000, and is divided into 35,264,000 nil par shares, each corresponding to EUR 1 of the share capital. All the shares confer the same rights and obligations. Every share carries a right to one vote at the annual general meeting (AGM). No differing classes of shares exist.

2. The Management Board is aware of the following agreements between shareholders:

- Participation agreement between B&C Industrieholding GmbH and Oberbank AG: Besides agreements concerning the exercising of the voting rights arising from shares in AMAG, which result in attribution of all shares to the B&C Group that are held by B&C Industrieholding GmbH and Oberbank AG, B&C Industrieholding GmbH and Oberbank AG have agreed that B&C Industrieholding GmbH shall be entitled to acquire ordinary shares in AMAG held by Oberbank Industrie- und Handelsbeteiligungsholding GmbH if: (i) Oberbank Industrie- und Handelsbeteiligungsholding GmbH decides to sell the ordinary shares that it holds (or any part thereof) to any entity not belonging to the Oberbank Group ("Oberbank AG and all the companies which are wholly owned by the latter and in which it holds all the voting rights"); or ii) the company that owns these ordinary shares in AMAG were no longer to be a member of the Oberbank Group. These rights of pre-emption and first refusal on the part of B&C Industrieholding GmbH shall expire two years after the termination of the participation agreement, or on December 31, 2019 at the earliest. According to an announcement made by Oberbank AG on October 17, 2014, Oberbank AG has sold the 1,729,737 ordinary shares to the B&C Group. The participation agreement remains in place for the remaining 36,264 ordinary shares (equivalent to 0.1 % of the share capital) held by Oberbank AG.
- Shareholder agreement between B&C Industrieholding GmbH and AMAG Arbeitnehmer Privatstiftung (ANPS): ANPS have agreed, inter alia, that B&C Industrieholding GmbH shall, in the event that ANPS decides to sell all or any part of the 3,922,106 ordinary shares in AMAG and like number of voting rights held by it (approximately 11.12 % of the voting rights), that it shall be entitled to acquire those shares that ANPS intends to sell. These rights of pre-emption and first refusal on the part of B&C Industrieholding GmbH shall expire two years after the termination of the participation agreement, or on December 31, 2019 at the earliest.
- On March 1, 2013, B&C Industrieholding GmbH and RLB OÖ Alu Invest GmbH concluded an agreement on rights of pre-

emption and first refusal in respect of 2,292,160 AMAG ordinary shares currently owned by RLB OÖ Alu Invest GmbH (approximately 6.50 % of the voting rights). This agreement relating to pre-emption and first refusal rights shall end on December 31, 2016.

- Participation agreement between B&C Industrieholding GmbH and Raiffeisenlandesbank Oberösterreich Aktiengesellschaft dated April 1, 2015: on the basis of this participation agreement with Raiffeisenlandesbank Oberösterreich Aktiengesellschaft and pursuant to Section 92 of the Austrian Stock Exchange Act (BörseG), a further 5,818,560 shares and an equal number of voting rights in AMAG that are held by RLB OÖ Alu Invest GmbH are to be attributed to B&C Industrieholding GmbH. Also pursuant to this participation agreement, a further 18,588,631 shares in AMAG that are held by the B&C Group and an equal number of voting rights are to be attributed to Raiffeisenlandesbank Oberösterreich Aktiengesellschaft in addition to the voting rights arising from the shares held by RLB OÖ Alu Invest GmbH on the basis of a participation agreement pursuant to Section 92 of the Austrian Stock Exchange Act (BörseG).

3. Direct or indirect holdings in the company representing ten percent or more of its capital are comprised as follows:

B&C Industrieholding GmbH	52.7 %
Raiffeisenlandesbank Oberösterreich	16.5 %
Alu Invest GmbH	
AMAG Arbeitnehmer Privatstiftung	11.1 %

4. No shares exist that carry special control rights.

5. The voting rights attaching to the shares held in AMAG Austria Metall AG by the AMAG Employees' Private Foundation are exercised by the latter's management board, which comprises three members. The manner in which these voting rights are exercised requires the approval of the Foundation's advisory board, however. Decisions are taken at joint meetings of the Foundation's management board and advisory board. Approval is passed with a simple majority. The advisory board consists of three members who are nominated by the Group works council. The chairperson of the management board has a casting vote. The AMAG Group's Austrian employees are the beneficiaries of the Foundation.

6. Amendments to the company's articles of association require a simple majority of the votes cast and the capital, unless the law prescribes a greater majority. Supervisory Board members can be recalled before the end of their term of office by a simple majority.

7. At the AGM of AMAG Austria Metall AG on April 16, 2015, the Management Board was authorised to exercise the following powers connected with the issuing and repurchase of shares:

- With a resolution of the AGM of AMAG Austria Metall AG of April 16, 2015, the company's Management Board was authorised for a period of five years after the entry in the commercial register of the corresponding amendment to the articles of incorporation, to increase, with Supervisory Board approval, the company's share capital by up to EUR 17,500,000.00 (seventeen million five hundred thousand euros) through issuing 17,500,000 (seventeen million five hundred thousand) nil par value ordinary bearer shares (nil par value shares) in one or several tranches, including under full or partial exclusion of subscription rights, against cash or non-cash capital contributions, and to determine the issue amount, which cannot amount to less than the proportional amount of the ordinary shares in the share capital to date, as well as other issue terms by way of agreement with the Supervisory Board (Approved Capital 2015). Statutory subscription rights can be granted to the shareholders by transferring the new shares to a bank or a syndicate of banks with the obligation that they be offered to shareholders according to their subscription rights (indirect subscription rights).
  - With a resolution of the AGM of AMAG Austria Metall AG on April 16, 2015, the Management Board was authorised pursuant to Section 174 of the Austrian Stock Corporation Act (AktG) for a period of five years from the date of the passing of this resolution, consequently until April 16, 2020, to issue, with Supervisory Board approval, convertible bonds that also grant or comprise the conversion and/or subscription right to up to 17,500,000 nil par value ordinary bearer shares (nil par shares) of the company with a proportional amount in the share capital of up to EUR 17,500,000, including under full or partial exclusion of subscription rights, in one or more tranches (Convertible Bond 2015). The issue price and the conversion ratio must be calculated in a recognised pricing process (basis on which the issue amount is calculated) in accordance with the interests of the company, existing shareholders and convertible bond subscribers, as well as generally accepted finance-mathematical methods, and the company's quoted share price; including by making recourse to expert third parties. The Management Board, with Supervisory Board assent, is to determine the issue amount and all other issue terms, as well as the potential (including partial) exclusion of subscription rights for shareholders in relation to the convertible bonds. The issue amount of the convertible bonds cannot lie below the proportional amount in the share capital. The Management Board is additionally authorised to grant statutory subscription rights, with Supervisory Board approval, in such a manner that the convertible bonds are to be offered by a bank or a syndicate of banks with the obligation that they be offered to shareholders in accordance with their subscription rights. The servicing of the conversion and/or subscription rights can occur through conditional capital or treasury shares, or a combination of these.
  - The company's share capital is increased conditionally pursuant to Section 159 (2) Clause 1 of the Austrian Stock Corporation Act (AktG) by up to EUR 17,500,000.00 (seventeen million five hundred thousand euros) (Conditional Capital 2015) through issuing up to 17,500,000 (seventeen million five hundred thousand) ordinary nil par value ordinary bearer shares (nil par value shares) for issuing to holders of convertible bonds that the Management Board issues in the future on the basis of the authorisation granted at the April 16, 2015 AGM, with Supervisory Board assent (Convertible Bond 2015). The conditional capital increase can be implemented only to the extent that holders of these convertible bonds utilise their exchange and/or subscription rights in relation to the company's shares. The issue price and conversion ratio must be calculated in a recognised pricing process (basis on which the issue amount is calculated) in accordance with the interests of the company, existing shareholders and convertible bond subscribers, as well as generally accepted finance-mathematical methods, and the company's quoted share price; including by making recourse to expert third parties; the issue amount of the new shares cannot lie below the proportional amount in the share capital. The newly issued shares from the conditional capital increase are to be dividend-entitled to the same extent as already existing shares in the company.
  - With a resolution passed by the AGM of AMAG Austria Metall AG on April 16, 2015, the Management Board was authorised pursuant to Section 65 (1) Clauses 4 and 8 as well as (1a) and (1b) of the Austrian Stock Corporation Act (AktG), in each case with Supervisory Board approval, to purchase through the stock market the company's ordinary bearer shares in an extent of up to 10 % of the company's share capital during a validity period of 30 months from April 16, 2015, whereby the lowest consideration cannot lie more than 20 % below, and the highest consideration cannot lie more than 10 % above, the average stock market closing price of the last three stock market days before the purchase of the shares. Trading in treasury shares is excluded as the purpose of the purchase. The authorisation can be exercised wholly or in part, or in several partial amounts, and in pursuit of one or several objectives, by the company, a subsidiary (Section 228 (3) of the Austrian Commercial Code [UGB]), or for the company's account by third parties. The purchase can occur through the stock market or off-bourse, in compliance with statutory regulations.
- The Management Board is also authorised to withdraw or resell without a further AGM resolution treasury shares purchased on the basis of the resolution pursuant to Section 1 of this agenda item, and to determine the terms of the disposal. The authorisation can be exercised wholly or in several partial amounts, and in

pursuit of one or several objectives, by the company, a subsidiary, or for the company's account by third parties.

The Management Board is authorised, pursuant to Section 65 (1b) of the Austrian Stock Corporation Act (AktG), for the period of 5 years from April 16, 2015, to approve for the disposal of treasury shares another legally permissible type of disposal than through the stock market or a public offering, including under exclusion of shareholders' resale rights, and to determine the terms of the disposal.

8. Loans as part of a promissory loan note, three committed credit lines, and seven bilateral loan agreements contain change-of-control clauses that grant the lending banks a right of termination in the case of a change of control at AMAG Austria Metall AG. AMAG Austria Metall AG has entered into no other material agreements that would come into effect, be modified or terminate as a result of a change of control at AMAG Austria Metall AG due to a takeover bid.

9. The employment contracts of two members of the Management Board contain change of control clauses. In the event of termination of contract on these grounds, a settlement payment equivalent to the basic annual remuneration is payable.

## Website: Corporate Governance Report

The corporate governance report of AMAG Austria Metall AG can be downloaded at [www.amag.at](http://www.amag.at) > Investor Relations > Corporate Governance.

# Outlook and events after the reporting period

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## EVENTS AFTER THE REPORTING PERIOD

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No significant events have occurred since the end of the 2015 financial year.

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## OUTLOOK

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### Economic outlook

Following growth of 3.1 % in 2015, the IMF<sup>17</sup> anticipates that the world economy will expand by 3.4 % in 2016. Emerging and developing economies, whose economic output is set to grow by an average of 4.3 % in 2016, are also to remain the main growth drivers. A further slowdown in the Chinese economy is meanwhile expected, with the IMF seeing it expanding at 6.3 % in 2016, compared with 6.9 % in 2015.

For the Eurozone and North America – AMAG's core markets – the economic environment is expected to be somewhat better than in 2015. Along with robust employment growth and rising consumption spending, the USA will also benefit from the low energy price level. According to the latest IMF estimates, 2016 growth of 2.6 % will consequently be slightly higher than in 2015 (2.5 %). The Eurozone will also be able to benefit from low energy prices, with the weak euro exchange rate and continued expansive monetary policy exerting a further positive effect on economic trends. Growth in 2016 should amount to 1.7 %, compared with 1.5 % in 2015.

### Aluminium market outlook

Recourse was made to CRU forecasts, among others, in gauging overall conditions for AMAG's medium-term growth and 2016 outlook. According to recent forecasts, demand for primary aluminium<sup>18</sup> and rolled products<sup>19</sup> should advance by 4.3 % and 4.6 % per year until 2020.

The CRU expects global primary aluminium consumption to be up by 5.0 % to 59.1 million tonnes in 2016. Growth is anticipated in all regions in this context, although, in particular, it is expected to continue in China, where consumption is set to grow by 6.5 % from 28.9 million tonnes to 30.8 million tonnes. With a look to Europe, 1.5 % growth to a total of 8.6 million tonnes is forecast. An increase of 6.1 % to 6.8 million tonnes is expected in North America.

European automotive industry trends are the main drivers for the Casting Division. An increase of 1.9 % is anticipated for 2016 in this context.<sup>20</sup>

With regard to the consumption of aluminium rolled products in 2016, the CRU is forecasting 5.2 % growth. For AMAG's core markets of Western Europe and North America, even higher growth is expected, with a 5.9 % demand increase overall.

The fastest growth continues to be expected in the transportation industry, with related global demand for aluminium rolled products set to grow 13.3 % to 4.0 million tonnes in 2016. In the construction sector, a growth rate of 3.7 % to 3.5 million tonnes is expected. Consumption in the machinery sector is anticipated to rise by 3.1 % to 2.0 million tonnes in 2016, and the large-volume packaging area is forecast to increase by 4.0 % to 12.7 million tonnes.

17) See International Monetary Fund, World Economic Outlook, January 2016

18) See CRU Aluminium Market Outlook, October 2015

19) See CRU Aluminium Rolled Products Market Outlook, November 2015

20) See IHS Automotive, Global Light Vehicle Production Summary, November 2015

### Business trend outlook for 2016

High demand growth for primary aluminium and aluminium rolled products offer a sound foundation for positive business trends in 2016. It is nevertheless too early to provide a forecast of revenue and earnings for the AMAG Group given the high volatility on commodity and currency markets.

While the Metal Division partly benefitted in 2015 from aluminium price hedges made in 2014, the 2016 financial year result will be almost fully exposed to fluctuations in the price of aluminium. Correspondingly, the sensitivity to the aluminium price is high compared to previous years (a 100 USD/t change in the aluminium price corresponds to around EUR 7 million of EBITDA).

In the 2015 financial year the Casting Division benefited from an extraordinarily positive market environment and achieved a record result in absolute terms. Taking current new order intake into account, we believe that earnings trends should emerge at a solid level, albeit somewhat below the record 2015 year.

The positive prospects for the demand for aluminium rolled products confirm the decision that was taken to expand capacities in the Rolling Division. The division will continue with the ramp-up of the new hot rolling mill in 2016, and report a further year-on-year increase in its earnings contribution on the basis of its current position.

Ranshofen, February 10, 2016

The Management Board



Helmut Wieser  
Management Board Chairman  
(Chief Executive Officer)



Helmut Kaufmann  
Management Board member  
(Chief Operating Officer)



Gerald Mayer  
Management Board member  
(Chief Financial Officer)



A large, dark blue, stylized letter 'G' that serves as a background logo for the document. It is composed of thick, rounded strokes.

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Consolidated  
**financial statement**

# Consolidated statement of financial position as of December 31, 2015

Assets in EUR thousand	Chapter G	December 31, 2015	December 31, 2014 revised <sup>1)</sup>
Intangible assets	1	6,627	6,363
Property, plant and equipment	1	609,547	576,874
Other non-current assets and financial assets	2	3,182	9,521
Deferred tax assets	3, H8	27,227	34,726
<b>Non-current assets</b>		<b>646,583</b>	<b>627,484</b>
Inventories	4	187,180	186,584
Trade receivables	5	93,244	86,756
Current tax assets		2,664	2,906
Other receivables	6	40,577	39,222
Cash and cash equivalents	7	132,282	144,285
<b>Current assets</b>		<b>455,947</b>	<b>459,754</b>
<b>TOTAL ASSETS</b>		<b>1,102,530</b>	<b>1,087,237</b>

Equity and liabilities in EUR thousand	Chapter G	December 31, 2015	December 31, 2014
Share capital	8	35,264	35,264
Capital reserves	8	379,337	379,337
Hedging reserve	8	(7,471)	449
Revaluation of defined benefit plans	8	(10,739)	(15,161)
Exchange differences	8	52,633	29,958
Retained earnings	8	194,423	194,043
<b>Equity</b>		<b>643,447</b>	<b>623,890</b>
Non-current provisions	9, 10	66,795	76,409
Interest-bearing non-current financial liabilities	11	231,761	219,043
Other non-current liabilities	13	13,262	11,820
Deferred tax liabilities	H8	15,746	19,188
<b>Non-current liabilities</b>		<b>327,563</b>	<b>326,460</b>
Current provisions	9, 10	18,248	14,726
Interest-bearing current financial liabilities	11	14,318	18,272
Trade payables	12	55,566	55,428
Current tax liabilities		4,151	6,093
Other current liabilities	13	39,236	42,369
<b>Current liabilities</b>		<b>131,519</b>	<b>136,887</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,102,530</b>	<b>1,087,237</b>

1) The restatement is described in section G3. "Deferred tax assets" and in section G9. "Personnel provisions".

The following notes to the consolidated financial statements form an essential component of the consolidated statement of financial position.

## Consolidated statement of profit or loss for the 2015 financial year

acc. to the cost of sales method in EUR thousand	Chapter H	1-12/2015	1-12/2014
<b>Revenue</b>	<b>1</b>	<b>913,331</b>	<b>822,956</b>
Cost of sales	3	(789,770)	(698,082)
<b>Gross profit</b>		<b>123,561</b>	<b>124,875</b>
Other income	4	14,182	7,660
Selling and distribution expenses		(41,371)	(36,908)
Administrative expenses		(21,508)	(20,936)
Research and development expenses		(11,504)	(9,645)
Other expenses		(5,769)	(6,093)
<b>Earnings before interest and taxes (EBIT)</b>		<b>57,590</b>	<b>58,953</b>
Net interest result		(6,131)	(5,979)
Other financial result		(171)	3,071
<b>Net financial income (expenses)</b>	<b>7</b>	<b>(6,302)</b>	<b>(2,907)</b>
<b>Earnings before taxes (EBT)</b>		<b>51,288</b>	<b>56,046</b>
Current taxes		(5,120)	(7,007)
Deferred taxes		(3,470)	10,173
<b>Income taxes</b>	<b>8</b>	<b>(8,591)</b>	<b>3,166</b>
<b>Net income after taxes</b>		<b>42,697</b>	<b>59,212</b>
Of which			
Attributable to the equity holders of the parent		42,697	59,212
Total number of no-par-value shares		35,264,000	35,264,000
Earnings per share		1.21	1.68
<b>Proposed dividend per non-par-value share (in EUR)</b>	<b>G8</b>	<b>1.20</b>	<b>1.20</b>

The following notes to the consolidated financial statements form an essential component of the consolidated statement of profit or loss.

## Consolidated statement of comprehensive income for the 2015 financial year

in EUR thousand	1-12/2015	1-12/2014
<b>Net income after taxes</b>	<b>42,697</b>	<b>59,212</b>
<b>Items that are or may be reclassified to profit or loss</b>		
Currency translation differences	22,675	24,197
Changes in the hedging reserve		
Recognised (expenses) and income during the financial year	(17,198)	(13,346)
Reclassifications of amounts that have been recognized in the statement of profit or loss	5,277	(11,174)
Deferred taxes relating thereto	3,150	6,268
Currency translation differences	851	1,208
<b>Items that will never be reclassified to profit or loss</b>		
Remeasurement of defined benefit plans	7,117	(6,897)
Deferred taxes relating thereto	(1,820)	1,875
Currency translation differences	(876)	(730)
<b>Other comprehensive income for the year net of tax</b>	<b>19,177</b>	<b>1,400</b>
Of which		
Attributable to the equity holders of the parent	19,177	1,400
<b>Total comprehensive income for the year</b>	<b>61,874</b>	<b>60,612</b>

## Consolidated statement of cash flows for the 2015 financial year

in EUR thousand	1-12/2015	1-12/2014
<b>Earnings before taxes (EBT)</b>	<b>51,288</b>	<b>56,046</b>
Interest income (expenses)	6,131	5,979
Depreciation, amortisation and impairment losses / reversal of impairment losses on non-current assets	69,146	55,791
Losses/gains from the disposal of non-current assets	569	(151)
Other non-cash expenses/income	(3,011)	1,289
Changes in inventories	2,001	17,288
Changes in trade receivables	(6,669)	(16,211)
Changes in trade payables	9,264	(17,648)
Changes in provisions	(3,729)	(5,000)
Changes in derivatives	(5,315)	637
Changes in other receivables and liabilities	837	7,721
	<b>120,511</b>	<b>105,741</b>
Tax payments	(7,249)	(6,613)
Interest received	509	675
Interest paid	(3,893)	(4,652)
<b>Cash flow from operating activities</b>	<b>109,878</b>	<b>95,151</b>
Proceeds from disposals of non-current assets	136	158
Payments for investments in property, plant and equipment and intangible assets	(92,091)	(119,843)
Proceeds from grants for investments	738	1,253
<b>Cash flow from investing activities</b>	<b>(91,217)</b>	<b>(118,431)</b>
Repayments of borrowings	(73,386)	(3,656)
Proceeds from borrowings	80,878	110,273
Dividends paid	(42,317)	(21,158)
<b>Cash flow from financing activities</b>	<b>(34,824)</b>	<b>85,458</b>
<b>Change in cash and cash equivalents</b>	<b>(16,162)</b>	<b>62,177</b>
Cash and cash equivalents at the beginning of the period	144,285	79,164
Effect of exchange rate changes on cash and cash equivalents	4,160	2,943
<b>Cash and cash equivalents at the end of the period</b>	<b>132,282</b>	<b>144,285</b>

## Consolidated statement of changes in equity for the 2015 financial year

in EUR thousand	Share capital	Capital reserves	Hedging reserve	Revaluation of defined benefit plans	Exchange differences	Retained earnings	Equity
Balance as of January 1, 2014	35,264	379,337	17,493	(9,408)	5,761	155,989	584,437
Net income after taxes						59,212	59,212
Other comprehensive income for the year net of tax			(17,044)	(5,753)	24,197		1,400
<b>Total comprehensive income for the year</b>			<b>(17,044)</b>	<b>(5,753)</b>	<b>24,197</b>	<b>59,212</b>	<b>60,612</b>
<b>Transactions with equity holders</b>							
Dividend distributions						(21,158)	(21,158)
<b>Balance as of December 31, 2014 = January 1, 2015</b>	<b>35,264</b>	<b>379,337</b>	<b>449</b>	<b>(15,161)</b>	<b>29,958</b>	<b>194,043</b>	<b>623,890</b>
Net income after taxes						42,697	42,697
Other comprehensive income for the year net of tax			(7,920)	4,422	22,675		19,177
<b>Total comprehensive income for the year</b>			<b>(7,920)</b>	<b>4,422</b>	<b>22,675</b>	<b>42,697</b>	<b>61,874</b>
<b>Transactions with equity holders</b>							
Dividend distributions						(42,317)	(42,317)
<b>Balance as of December 31, 2015</b>	<b>35,264</b>	<b>379,337</b>	<b>(7,471)</b>	<b>(10,739)</b>	<b>52,633</b>	<b>194,423</b>	<b>643,447</b>

# Notes to the consolidated financial statements

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## A THE COMPANY

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The corporate purpose of AMAG Austria Metall AG and its Group companies (referred to below as the "Group" or "AMAG") comprises the production, processing and distribution of aluminium, and of aluminium wrought and cast products.

As an Austrian holding company, AMAG Austria Metall AG is registered in the companies register at Ried im Innkreis District Court, and his headquarter is located in 5282 Ranshofen, Lamprechtshausener Strasse 61, Austria. The company prepares consolidated financial statements as the ultimate parent company of the AMAG Group. The shares of AMAG Austria Metall AG have been listed on the Prime Market of the Vienna Stock Exchange since April 8, 2011. The companies of the AMAG Group have been included in the consolidated financial statements of B&C Holding Österreich GmbH. The ultimate parent company of B&C Holding Österreich GmbH and consequently of the company is B&C Privatstiftung Wien.

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## B BASIS OF ACCOUNTING

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### Conformity with IFRS

The consolidated financial statements for the 2015 financial year were prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as formulated by the International Accounting Standards Board (IASB) and adopted by the European Union, which require mandatory application in 2015, as well as in accordance with Section 245a of the Austrian Commercial Code (UGB).

### Functional currency

The consolidated financial statements have been prepared in euros, the functional currency of the Group parent company. The amounts presented in the consolidated financial statements have been commercially rounded to the nearest thousand. The totals of the values and percentages presented may differ as the result of such rounding.

### Approval

The Management Board approved the consolidated financial statements on February 10, 2016 (previous year: February 10, 2015), and released them for examination by the Supervisory Board, for submission to the AGM, and for subsequent publication. The Supervisory Board can institute an amendment to the financial statements as part of the review incumbent upon it.

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## C CURRENCY TRANSLATION

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The consolidated financial statements of AMAG Austria Metall AG have been prepared in euros, and the separate financial statements of the consolidated companies have been prepared in their respective functional currencies. When preparing the consolidated financial statements, the assets and liabilities of entities applying a functional currency other than the euro are translated at the European Central Bank reference rate as at the end of the reporting period, and their statements of profit or loss at the annual average of the reference rate. Any resultant differences are recognised under the exchange differences item in other comprehensive income. In the event of the disposal of a foreign operation, the related exchange differences recognised as other comprehensive income are reclassified to profit or loss.

Foreign currency transactions are recognised at the time of the transaction, applying the exchange rate prevailing at that date. Monetary foreign currency positions are measured applying the rates as of the balance sheet date. Translation differences are recognised in profit or loss in the period in which they occur. Non-monetary items measured at historical cost in a foreign currency are translated applying the exchange rate at the transaction date. Non-monetary items measured at fair value in a foreign currency are translated applying the exchange rate at the date when the fair value was measured. In the year under review, translation differences of EUR 7,016 thousand were recognised in profit or loss (previous year: EUR 579 thousand).

The exchange rates of the currencies that are of significance for the AMAG Group have changed as follows:

per EUR	Closing rate at the end of the reporting period		Annual average rate for the reporting period	
	December 31, 2015	December 31, 2014	1-12/2015	1-12/2014
U.S. Dollar (USD)	1.0887	1.2141	1.1096	1.3288
Canadian Dollar (CAD)	1.5116	1.4063	1.4176	1.4669
Pound Sterling (GBP)	0.7340	0.7789	0.7260	0.8064
Swiss Franc (CHF)	1.0835	1.2024	1.0676	1.2146
Japanese Yen (JPY)	131.0700	145.2300	134.2865	140.3772
Norwegian Krone (NOK)	9.6030	9.0420	8.9417	8.3551

## D CONSOLIDATION PRINCIPLES

### Scope of consolidation and consolidation method

In October 2015, sales subsidiary AMAG Rolling Iberia S.L. in Barcelona, Spain, was formed as a wholly-owned subsidiary of AMAG rolling GmbH. Compared with the previous year's reporting date, the scope of consolidation has thereby expanded, and as of December 31, 2015 comprises both the parent company, AMAG Austria Metall AG, and 17 fully consolidated companies, as well as one jointly controlled operation (see section N "Group companies").

The consolidated financial statements include AMAG Austria Metall AG and the entities controlled by it. Control exists when AMAG Austria Metall AG has exposure, or rights, to variable returns from its involvement with an investee, and has the ability to use its power over the investee to affect the amount of the investor's returns.

Through AMAG Erste Beteiligungsverwaltungs GmbH, AMAG Austria Metall AG wholly owns Austria Metall GmbH, which, in turn, directly or indirectly wholly owns the other consolidated companies. A detailed presentation of the consolidated subsidiaries and the interests held in them is given in the notes, under section N. "Group companies".

The annual financial statements of the subsidiaries that are included in consolidation are based on uniform accounting policies. The reporting date of all these companies was December 31, 2015.

Intragroup transactions are eliminated on consolidation.

Intragroup trade and other receivables are offset against the corresponding intragroup liabilities as part of the consolidation of liabilities.

All intragroup expenses and income are eliminated as part of the consolidation of expenses and income, as well as intragroup profit or loss arising from intragroup delivery and service transactions.

### Business combinations

Acquisitions of businesses are accounted for applying the acquisition method in accordance with IFRS 3. Entities acquired or disposed of during a given reporting period are consolidated or deconsolidated on the date when control is gained or lost. No corporate acquisitions or disposals occurred during the financial year under review.

Upon the acquisition of an investment, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities, provisions and contingent liabilities of the investee at the time of the acquisition is recognised as goodwill. If the acquisition cost is below the Group's share of the net fair value of the identifiable assets and liabilities acquired, as well as the

provisions and contingent liabilities of the investee assumed at the time of the acquisition, such difference is recognised in profit or loss after a renewed examination.

### Jointly controlled operation

The Group operates the Alouette smelter in Canada as part of a joint arrangement with other companies under the terms of a contractual agreement that gives the parties joint control over Alouette's commercial operations (Aluminerie Alouette Inc. – hereinafter referred to as "Alouette"). Through the joint arrangement, the parties have joint control of the business operations of the aluminium smelter (see also "Accounting judgements and estimates"). In accordance with the agreement, a 20% share of the assets, obligations for liabilities and expenses is attributable to the Group. As a consequence, pursuant to IFRS 11, the Group assumes the proportionate assets, obligations for liabilities and expenses in this jointly controlled operation. Each party itself is responsible for sales, as Alouette does not realise sales revenues with third parties. As a consequence, the expenses correspond to the proportion of profit or loss from the joint arrangement.

The consolidated financial statements as of December 31, 2015 comprise the following amounts for the jointly controlled operation of Aluminerie Alouette Inc.:

in EUR thousand	2015	2014
Non-current assets	177,815	172,462
Current assets	18,288	15,930
Non-current provisions and liabilities	39,258	43,361
Current provisions and liabilities	14,145	9,999
Expenses	124,472	106,554

The significant agreements relating to the joint operation Alouette smelter are set out in a consortium agreement. In the case of significant decisions regarding Alouette's business, resolutions with 90 % approval are required. With the present ownership structure, or even with a change in structure, the risk exists of conflicting interests among the shareholders.

Pursuant to the existing consortium agreement, obligations exist that are of essential importance for current production operations. A failure to satisfy such obligations could result in a loss of co-determination rights, implying liability on the part of AMAG for potential losses. This applies, for example, with respect to the procurement of AMAG's share of the alumina required for production.

## E ACCOUNTING POLICIES

### First-time or early adoption of standards

In the 2015 financial year, the following amended standards were applied for the first time as required, or were adopted early:

IFRIC Interpretation 21 "Levies": IFRIC 21 "Levies" provides guidance on how an entity should account for a liability to pay a government-imposed levy. The interpretation specifies that the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by legislation.

Amendment to IAS 19: The amendments to IAS 19 simplify the recognition of pension plan contributions made by employees or third parties.

Annual Improvements to IFRS Cycles 2010-2012 and 2011-2013: These relate to clarifications of existing regulations.

First-time application of the aforementioned standards creates no significant changes compared with the previous year. The amendments have no effect on accounting policies within the AMAG Group.

### Standards adopted, but not yet applied

Application of the following new, revised or supplemented standards of the IASB and interpretations of the IFRIC is voluntary, and these will not be applied early.

Standard/ Interpretation	Application mandatory	Endorsement Status	Impact on the consolidated financial positions of AMAG Group
IFRS 9 Financial Instruments	01/01/2018	-	under examination
IFRS 14 Regulatory Deferral Accounts	01/01/2016	-	none
IFRS 15 Revenue Recognition	01/01/2018	-	under examination
Amendments to IFRS 10, IFRS 12 and IAS 28 Investment entities: exceptions from the requirement to consolidate	01/01/2016	-	none
Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture	postponed indefinitely	-	none
Amendment of IFRS 11 Acquiring an interests in joint ventures and joint operations	01/01/2016	24/11/2015	under examination
Amendment to IAS 1 Presentation of Financial Statements	01/01/2016	18/12/2015	under examination
Amendment to IAS 16 and 38 Clarification of Acceptable Methods of Depreciation and Amortisation	01/01/2016	02/12/2015	under examination
Amendment to IAS 16 and 41 Bearer Plants	01/01/2016	23/11/2015	none
Amendment to IAS 27 Equity Method	01/01/2016	18/12/2015	none
Other Annual Improvements to IFRS - Cycle 2012 - 2014	01/01/2016	15/12/2015	under examination

The new version of IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement", and all previous versions of IFRS 9. Previous versions of IFRS 9 can be applied early within a limited period, as long as the related relevant first-time application date predates February 1, 2015. IFRS 9 does not replace rules for a portfolio fair value hedge against interest rate risks pursuant to IAS 39. The part of the IFRS 9 project that originally related to this topic was pursued further as a separate IASB agenda project under the heading of "macro hedges", as it entailed greater time requirements, and it was not anticipated that the project would be completed quickly. A discussion paper was published for this project in April 2014 as part of due process: "Accounting for Dynamic Risk Management: a Portfolio Revaluation Approach to Macro Hedging". Given this, the possibility exists to continue to opt to apply the rules for a portfolio value hedge against interest rate risks, or to present hedging relationships pursuant to the general rules of IAS 39.

IFRS 14 allows first-time IFRS adopters to retain their existing national accounting regulations for price-regulated business transactions if the effects of the price regulation are reported separately.

IFRS 15 aggregates within one standard the rules relating to revenue recognition. In future, the decisive factor for the recognition of revenue is no longer the transfer of significant opportunities and risks, but instead the date on which the customer gains control of the agreed goods and services, and can draw benefit from them. In the future, IFRS 15 replaces IAS 11 "Construction Contracts" and IAS 18 "Revenue".

The amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosures of Interests in Other Entities" and IAS 28 "Interests in Associates and Joint Ventures" relate to the consolidation exception for investment entities: "Investment Entities: Applying

the Consolidation Exception" (Amendments to IFRS 10, IFRS 12 and IAS 28). The amendments serve to clarify three questions relating to the application of the consolidation exception for investment entities that measure their subsidiaries at fair value.

The amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Interests in Associates and Joint Ventures" concerning the disposal or contribution of assets between an investor and its associate or joint venture relate to the elimination of an inconsistency between the requirements of IFRS 10 and IAS 28. This clarifies the treatment of unrealised gains arising from transactions between an investor and its associate or joint venture.

Amendments to IFRS 11: The acquirer of shares in a jointly controlled operation that comprise an operation pursuant to IFRS 3 is required to apply all principles relating to the accounting of business combinations deriving from IFRS 3 and other IFRS, as long as they do not contravene the guidelines in IFRS 11.

The amendments to IAS 1 concerning presentation in the notes to the financial statements relate mainly to clarifications and provide help in making decisions concerning the question as to which information is to be presented in the notes to the financial statements.

Amendments to IAS 16/IAS 38: The amendments provide guidelines to select the depreciation or amortisation methods for property, plant and equipment, and intangible assets. In IAS 16, it is clarified that revenue-based methods are inappropriate to calculate asset depreciation. In IAS 38, the rebuttable assumption is supplemented to the extent the revenue-based amortisation methods are inappropriate for intangible assets.

Amendments to IAS 16/IAS 41: The amendments include fruit-bearing plants that are no longer subject to significant biological changes within the application scope of IAS 16, allowing them to be treated in the same way as property, plant and equipment.

Amendments to IAS 27: This amendment re-admits the possibility to equity-account investments in subsidiaries, joint ventures and associates in separate financial statements.

The 2012-2014 IFRS Annual Improvements Cycles clarify existing standards.

### Significant accounting policies

The principal accounting policies applied in the presentation of the consolidated financial statements of AMAG Austria Metall AG are set out below.

#### Consolidated statement of financial position

The consolidated financial statements have been prepared on the basis of historical cost, with the exception of financial instruments measured at fair value.

#### Non-current and current assets and liabilities

Pursuant to IAS 1, the consolidated statement of financial position is structured on a term basis. Assets and liabilities with maturities of up to one year are classified as current, and those with maturities of over one year as non-current. The maturities are always determined with reference to the date at the end of the reporting period.

#### Intangible assets and property, plant and equipment

Purchased intangible assets are measured at cost. Intangible assets with finite useful lives are amortised over their useful lives, and tested for impairment if indications of impairment exist. Amortisation is applied straight-line over periods of between 4 and 28 years. In the case of intangible assets with finite useful lives, the amortisation period and method are reviewed at least at the end of each financial year. Intangible assets with indefinite useful lives are tested annually for impairment, and such assessments of indefinite useful life are reviewed annually. No intangible assets with indefinite useful lives exist at present.

Changes in the amortisation method or period necessitated by changes in the expected useful life or the expected consumption of the future economic benefits of an asset are treated as changes in estimates. The intangible assets comprise purchased industrial property rights, franchises, trademarks and other rights, licences, patents and software.

Property, plant and equipment is capitalised at cost, less any accumulated depreciation and impairment losses, if subject to wear and tear. The expected useful life and depreciation method applied are reviewed periodically to assess whether they reflect the economic benefits embodied by the assets.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsidies for investments in plant are offset directly against cost.

Depreciation is applied on a straight line basis over the expected economic life of the asset:

Office, factory and other buildings	25-50 years
Plant and machinery	2-50 years
Other fixtures and fittings, tools and equipment	2-20 years

Cost comprises the cost to replace a part of an asset if the related recognition criteria are met. If large parts of items of property, plant and equipment must be replaced at regular intervals, the Group recognises such parts as separate assets with their own useful lives and depreciation methods. When performing major inspections, the cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement, provided that the recognition criteria are met. The present value of the expected cost of post-use disposal of an asset is included in the cost of the asset if the criteria for recognition of a provision are met.

Expenditure arising after the commissioning of non-current assets, such as repair, maintenance and reconditioning costs, is expensed, as a matter of principle.

If it is likely that the subsequent costs will lead to additional economic benefits from the use of the asset, such costs are capitalised.

Spare parts and servicing equipment are carried as property, plant and equipment if they meet the recognition criteria of IAS 16; they are otherwise recognised as inventories.

The costs of production for property, plant and equipment include direct costs and production-related production overheads. Administrative expenses are not capitalised. Subsidies for property, plant and equipment are recognised as cost reductions. Items of property, plant and equipment that are not yet operational are recognised as assets under construction, and measured at cost. Depreciation does not commence until the assets concerned are ready for operation.

Borrowing costs that are directly attributable to the cost of an asset that necessarily takes a substantial period of time to make ready for its intended use or sale are capitalised as part of the cost of the asset in accordance with IAS 23.

On each reporting date, the Group examines the carrying amounts of property, plant and equipment and intangible assets in order to determine whether indications of impairment exist. If such indications are identifiable, the recoverable amount of the asset is estimated in order to determine the scope of any impairment loss to be applied. If the recoverable amount for the specific asset cannot be estimated, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. In the case of intangible assets with indefinite useful lives and in the case of those that are not yet available for use, impairment testing is conducted annually, and whenever indications of impairment exist.

The recoverable amount is the higher of an asset's fair value less costs of disposal, and its value in use. When calculating value in use, the estimated future cash flows are discounted applying a pretax interest rate. This pretax interest rate reflects both the current market assessment of the time value of money, and the risks inherent in the asset, to the extent that these have not already been taken into consideration in the estimated cash flows.

If the estimated recoverable amount of an asset (or cash-generating unit) exceeds its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The impairment loss is expensed immediately.

If the impairment loss is to be reversed subsequently, the carrying amount of the asset (or cash-generating unit) is increased to the level of the more recent estimate of the recoverable amount. In this context, the increase in the carrying amount is to be limited to the amount that would have been derived if no impairment loss had been reported for the asset (or cash-generating unit) in previous years.

### Leases

Under IAS 17, the criterion for the attribution of a leased asset to the lessor or lessee is determined by assessing to which party all of the significant risks and rewards inherent in ownership transfer. Leased items of property, plant and equipment that represent asset purchases financed by long-term borrowings (finance leases) are recognised at the lower of the fair value or the present value of the minimum lease payments at the commencement of the lease term, in accordance with IAS 17. Depreciation is applied over the economic life of the assets. The commitments arising from the future lease payments are recognised as liabilities. The other lease or hire contracts are treated as operating leases, and the assets are attributed to the lessor or owner, while the current lease payments are expensed.

### Inventories

Raw materials and consumables that are fully interchangeable and destined for use are measured applying consumption tracking methods (weighted average cost, and first-in, first-out methods). Inventories that are not normally exchangeable are recognised at cost, including incidental purchase costs. Impairment losses are applied whenever the net realisable value is below the carrying amount.

Work in progress and finished goods are capitalised at the lower of costs of conversion or net realisable value. Costs of conversion include direct material and production costs, as well as reasonable material and production overheads, based on normal production capacity. General administrative and selling costs are not taken into consideration. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The aluminium price component of the inventories that have been designated as a fair value hedge are carried at fair value. The aluminium price component of inventories that does not form part of a hedge is measured at cost. If the market value (average value of customer orders) is lower on the reporting date, this market value is recognised.

### Financial assets and liabilities

Financial assets and liabilities comprise other non-current assets and financial assets, trade receivables and payables, other receivables and payables, cash and cash equivalents, and interest-bearing borrowings.

Financial assets and liabilities as defined by IAS 39 are classified as financial assets or financial liabilities at fair value through profit or loss, as loans and receivables, as held-to-maturity investments or as available-for-sale financial assets. Financial assets are measured at fair value on initial recognition. Settlement date accounting is normally applied to standard market purchases and sales of financial instruments. Price offers by banks or similar pricing models are used to estimate the fair value of financial instruments at the end of a reporting period. The fair values of financial assets and liabilities generally correspond to their market prices on the balance sheet date. In the absence of quoted prices on active markets, they are calculated applying generally accepted valuation models and current market parameters (especially interest rates, exchange rates and counterparties' credit ratings). To this end, the cash flows generated by the financial instruments are discounted to the balance sheet date.

### Derecognition of financial assets

Financial assets are derecognised if the contractual rights conferred by the assets expire, or the Group has transferred its contractual rights to receive cash flows from the assets, or assumed a contractual obligation to pay the cash flows to a third party immediately under an agreement that meets the conditions set out in IAS 39.19 (a so-called "pass-through arrangement"), and has either (a) transferred substantially all the risks and rewards entailed in ownership of the financial asset or (b) neither transferred nor retained substantially all the risks and rewards entailed in ownership of the financial asset, but has transferred control of the asset.

If the Group transfers its contractual rights to receive cash flows from an asset, or enters into a pass-through arrangement, and neither transfers nor retains substantially all the risks and rewards entailed in ownership of the financial asset, but retains control of the transferred asset, then the Group continues to recognise the asset to the extent of its continuing involvement in the latter. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled, or expires.

### Other non-current financial assets and financial investments

Other non-current assets and financial investments comprise non-consolidated equity interests, available-for-sale financial assets and other non-current assets. These are reported at cost less any impairment. Impairment losses are recognised in profit or loss. Impairment losses are reversed directly in equity in the case of equity instruments, and in profit or loss in the case of debt instruments.

Interest on securities is accrued in the appropriate periods and reported under the net interest result. Income from non-consolidated equity interests and miscellaneous other financial assets is shown under the other net financial result.

### Receivables

Receivables are classified as loans and receivables in accordance with IAS 39, and measured at amortised cost less any impairment losses. Foreign currency receivables are measured at the average rate prevailing on the balance sheet date. If indications of impairment exist, an impairment loss is recognised up to the present value of the future cash flows. The proportion of uncollectible receivables is calculated on the basis of term structure. An impairment loss is also recognised if objective evidence exists that a receivable is unlikely to be collected. Impairment losses are recorded on an allowance account. Receivables are only derecognised in the event of insolvency or unsuccessful attempts to enforce claims by taking legal action. Reversals of impairment losses are recognised in profit or loss. Interest-free or low-interest receivables with an expected residual maturity of over one year are discounted.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short-term investments. They are marked to market on the balance sheet date.

### Liabilities

Liabilities are recognised at amortised cost in accordance with IAS 39, applying the effective interest method. The effective interest method amortises the difference between the cost and the nominal value, applying the effective interest rate. The effective interest rate is the rate that discounts the estimated future cash flows until maturity, or the next market price-oriented interest rate adjustment date, to the current carrying amount of the financial asset or financial liability.

### Derivative financial instruments and hedging

#### Derivative financial instruments

Derivative instruments that do not meet the criteria for hedge accounting as per IAS 39 are classified as held for trading, and recognised at fair value through profit and loss in accordance with IAS 39. Measurement takes account of the risk of default by the counterparty and by the Group, where material.

#### Cash flow hedges

In the case of a cash flow hedge, the effective portion of the change in fair value is recognised in other comprehensive income, under the hedging reserve item, whereas the ineffective portion is recognised immediately in profit or loss, under the other net financial result. If the hedge subsequently results in the recognition of an asset or liability, the amounts deferred in equity are reclassified to profit or loss in the same period or periods during which the hedged position affects profit or loss. However, if a hedge of a forecast transaction results in the recognition of a non-financial asset or liability, the amounts are recorded as part of the cost of that asset or liability at the time of recognition.

Interest rate swaps are used to hedge against interest rate risk. Fixed interest is paid on the notional value of the swap contract and, in return, the Group receives variable interest payments on the same principal amount. These interest rate swaps offset the impact of future changes in interest rates on the cash flows derived from the underlying variable-rate financial liabilities.

The Group uses forward contracts and options to hedge part of future sales of its share of production from Aluminerie Alouette Inc. The derivatives used for this purpose are classified as cash flow hedges.

#### Fair value hedges

In a fair value hedge, both the underlying transaction in relation to the hedged risk and the derivative hedging instrument are measured at fair value, and changes in the latter are recognised in profit or loss. Some of the physical inventories are hedged by forward sales on the LME, and hedge accounting is partly used for these contracts. Subsequent measurement is at market value, as a matter of principle.

Physical stocks are hedged against exchange rate and price movements.

### **Firm commitment**

When an off-balance-sheet firm commitment (customer order) is designated as a hedged item, the subsequent cumulative change in the fair value of the commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

### **Embedded derivatives**

Derivatives embedded in other financial instruments or host contracts are treated as separate derivatives if their risks and characteristics are not closely related to those of the host contracts.

### **Power supply contract concluded by Aluminerie Alouette Inc.**

Alouette has a power contract with a state-owned utility that directly ties the rate to be paid by Alouette to the market price of aluminium under a contractual pricing formula. This contract contains an embedded derivative due to the linkage between electricity and aluminium prices. This derivative will act as a hedging instrument for future primary aluminium sales by way of a cashflow hedge. The fair value of the derivative is measured on the basis of a model. Given the monopolistic electricity market in Canada, no liquid electricity market exists in the conventional sense (in other words, a mark-to-market price is not directly observable). A discounted cash flow analysis is consequently employed to value the derivative, applying an electricity reference price, related yield curves, and forward aluminium prices.

In order to obtain a market-based valuation of the contract, the present value of future electricity payments is subsequently calculated applying aluminium forward prices, and compared with the present value of future electricity payments based on Alouette's reference electricity price. This approach provides a model-based valuation of the embedded derivative. Other current receivables as of December 31, 2015 recognised total fair value of EUR 9,331 thousand (previous year: EUR 12,732 thousand, of which EUR 6,070 thousand in other non-current receivables).

### **Share capital**

Only ordinary shares exist, all of which have been issued, and all of which carry the same rights.

### **Capital reserves**

The capital reserves include shareholder contributions, payments made by shareholders in connection with the issuance of shares, and effects arising from reorganisations.

### **Provisions for severance payments, pensions, medical care benefits and service anniversary bonuses**

Provisions for defined benefit pension plans and post-employment medical care plans, as well as severance payments and service anniversary bonuses obligations, are remeasured annually by independent actuaries.

The obligations and costs are measured applying the projected unit credit method, in accordance with IAS 19. The projected benefits are attributed to the entire period of employment. In the provisions for severance arrangements, the anticipated obligations are distributed over the period until the attainment of the individually maximum possible entitlement.

Provisions are measured based on the following financial and demographic assumptions:

Discounting rates are determined on a country-specific basis reflecting returns achieved on the market by top grade industrial bonds. The pension schemes of the Austrian companies are measured on the basis of yield trends as determined by MERCER Deutschland, and in accordance with the obligations' residual durations. In Canada, Fiera Capital's "CIA Method Accounting Discount Rate Curve" is applied as a reference in an analogous manner.

Salary growth is derived from the beneficiaries' wage and salary trends over recent years, taking expectations about the future into account. The consumer price index serves as the basis for pension adjustments in Austria. In Canada, cost trends for medical care services reflect the circumstances prevailing there.

Staff turnover rates are calculated on a country-specific basis. No staff turnover is taken into consideration for the pension obligations in Austria because no commitments to active employees exist.

Actuarial gains and losses other than those related to service anniversary bonuses are stated under other comprehensive income.

For the Austrian companies, current data from the Austrian Actuaries Association (AVÖ), the 2008-P mortality tables with generational effect for salaried employees, are utilised (although not for invalidity and marriage probability). These are derived from Ettl-Pagler basic probability data that have been used to date, being further developed with new assumptions concerning further mortality trends in the form of generation tables deriving from existing period tables. At the Canadian company Aluminerie Alouette Inc., the "CPM2014Priv projected with scale CPMB1D2014" are applied as the basis for mortality, with a reduction in the mortality rate of 2.5 %.

Where a pension plan qualifies for offsetting of the plan assets against the provision required by IAS 19, such offsetting is performed.

Current service cost and any past service cost are reported among personnel expenses, with the net interest expense on the measurement of the aforementioned obligations being reported in the net financial result.

At some Group companies, defined contribution pension commitments have been made to certain employees. Since no obligations exist beyond the annual contributions, the latter are expensed for the periods concerned.

### Other provisions

Other provisions are formed if an obligation to third parties arises from a past event, utilisation is probable, and the prospective level of the provisioning amount can be estimated reliably on the balance sheet date.

### Consolidated statement of profit or loss

#### Research and development expenses

Research costs are expensed in the period in which they are incurred. Development costs are expensed if the criteria for capitalisation as per IAS 38 are not met. A total of EUR 11,504 thousand were recognised as research and development expenses in the year under review (previous year: EUR 9,645 thousand).

#### Revenue recognition

Revenue from deliveries is not recognised until the significant risks and rewards of ownership of the goods delivered have transferred to the buyer. In the AMAG Group, satisfaction of this criterion is primarily based on contractually agreed Incoterms. Revenue from services is recognised if the service has been rendered, the level of revenue can be calculated reliably, and the economic benefit is likely to accrue to the Group.

As a matter of principle, expense-related government grants are recognised as revenue on a scheduled basis over the period that is required to offset the expenses that they subsidise. In the 2015 financial year, expense-related government grants of EUR 2,492 thousand were recognised in profit or loss (previous year: EUR 1,991 thousand).

The interest is accrued pro rata at the respective interest rate. Dividends are recognised when shareholders' rights to receive payment are substantiated.

#### Borrowing costs

Borrowing costs comprise interest and other costs incurred in connection with borrowings. Borrowing costs that are directly attributable to the purchase, construction or manufacturing of an asset that necessarily takes a substantial period of time to make ready for its intended use or for sale are capitalised as part of the cost of the asset. All the other borrowing costs are expensed in the period in which they are incurred.

#### Income taxes

Tax assets and tax liabilities are offset when they relate to income taxes levied by the same taxation authority, and a right exists to set off such tax assets against tax liabilities. The income tax liability is based on the annual profit, taking deferred tax into account. Deferred tax is calculated applying the balance sheet liability method. Deferred tax reflects the tax effects of the temporary differences between

the reported carrying amounts of assets and liabilities, and the corresponding amounts, on the basis of respective tax regulations. Deferred tax assets and liabilities are measured applying the tax rates (and tax regulations) that are expected to apply to the period when the deferred tax assets are expected to be realised or the liabilities settled.

Deferred taxes are recognised for all taxable temporary differences that give rise to deferred tax liabilities. Deferred tax assets are recognised only if it is probable that sufficient future taxable profit will be available for the deferred tax asset to be utilised. For this purpose, the carrying amounts of the deferred tax assets are reviewed at the end of each reporting period.

The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of the asset to be utilised. Deferred tax is recognised directly in equity if the tax relates to items that are recognised directly in equity, and this tax is offset against or credited to equity in the same or a different period.

Deferred tax assets are recognised in relation to non-forfeitable tax loss carryforwards under the assumption that sufficient taxable income will be generated in the future to realise the tax loss carryforwards. Tax planning for the coming years is utilised as the basis for measurement. Corresponding impairments are recognised to offset uncertainties in assumptions.

In Austria, dividend payouts from the Group companies to the Group parent company are free of tax. Pursuant to double taxation treaties between Canada and Austria, dividend payments incur withholding tax of 5%. If the entire net profit of the Canadian subsidiary of USD 76.6 million (previous year: USD 78.0 million) were to be distributed as a dividend, USD 3.8 million ((previous year: USD 3.9 million) of withholding tax would be incurred. No dividend payment from Canada is currently planned.

### Accounting judgements and estimates

When preparing the consolidated financial statements, it is to some extent necessary to make estimates and assumptions that influence the reported assets, provisions and liabilities, the disclosures of other commitments as at the end of the reporting period, and the presentation of income and expenses for the reporting period. Actual future results may differ from the estimates, and this may have a significant impact on the consolidated financial statements.

The Management Board of AMAG Austria Metall AG believes that it has made reasonable assumptions, such that the consolidated financial statements in all material respects give a true and fair view of the Group's financial position and performance.

The estimates and underlying assumptions are subject to considerable uncertainty, and their accuracy is consequently scrutinised constantly. Changes in the estimates are recognised in the periods in which they are made.

### Accounting judgements

The interest held in smelting company Aluminerie Alouette Inc., Sept-Îles, Canada, is classified as a jointly controlled operation (IFRS 11.15) within the AMAG Group primarily for the following reasons:

- The agreement between the various partners regulates the joint control of Alouette's operations.
- The partners own pro rata shares of all of the company's assets.
- Alouette does not generate any revenue from third parties, and the company's owners are obligated to purchase a pro rata share of total output. The partners are also obligated to meet cash calls on a pro rata basis in order to fulfil Alouette's financing and liquidity requirements.
- For this reason, the partners are the primary source of cash flows, and consequently obligated to cover any debts that Alouette might incur.

As part of the planned expansion of capacity at the Alouette smelter, the consortium members, the Government of Québec and electricity utility Hydro Québec signed a long-term power supply contract in June 2012. Under the agreement, the consortium members have obligated themselves to purchase the agreed electricity volume that is realised only with the smelter expansion. In the event of non-fulfilment of the agreement, Alouette's owners would be obligated to pay a penalty, which would have an impact on the AMAG Group's profit in proportion to its equity interest. This obligation comprises a contingent liability pursuant to IAS 37.28, because an outflow of resources cannot be excluded.

### Assumptions and estimation uncertainties

The following notes to the financial statements include information about assumptions and uncertainties relating to estimates which can generate a considerable risk that necessitates a significant adjustment during the following financial year:

If an asset is tested for impairment at the level of a cash-generating unit, assumptions must be made about future cash inflows and cash outflows, in particular. These relate to both the planning period and trends in the subsequent period. To calculate future cash inflows and cash outflows, the management determines planning assumptions that are updated and regularly compared with external information sources. In particular, these planning assumptions take into account expectations about the profitability of the product portfolio, future market share trends, economic trends (such as changes in foreign currency exchange rates, interest rates and commodity prices), and legal conditions, as well as empirical data. In the year under review, no indications existed of impairment to assets.

When measuring provisions for severance payments, pensions, medical care benefits and service anniversary bonuses, assumptions are to be made relating to financial parameters (discount rate, salary increases) and demographic parameters (staff turnover rate, calculation basis). The discount rate is determined on the basis of market yields achieved by top grade fixed-interest corporate bonds on the balance sheet date. In Austria, the data tables produced by MERCER Deutschland serve as the basis, and in Canada, Fiera Capital's "CIA (Canadian Institute of Actuaries) Method Accounting Discount Rate Curve". Derived from past years' trends, salary growth comprises expected future increases that are estimated annually depending on inflation and career trends (except pensions), among other factors. As of December 31, 2015, provisions of EUR 56,011 thousand were recognised for severance payments, pensions, medical care benefits and service anniversary bonuses (previous year: EUR 63,075 thousand). Further details can be found in the notes to the consolidated statement of financial position, section 9.

To measure deferred tax assets, assumptions relating to future taxable income and the timing of realisation are to be made. For this, budgeted operating business results and earnings effects arising from the reversal of taxable temporary differences are taken into account. As the future trend of business is uncertain, and lies partially outside the Group's control, assumptions that are to be made in connection with the recognition of deferred tax assets are connected with uncertainties. In the year under review, EUR 1,929 thousand of deferred tax liabilities were formed in relation to temporary differences (previous year: EUR 684 thousand of deferred tax assets), which were offset with deferred tax assets from loss carryforwards.

Within the AMAG Group, essentially non-forfeitable loss carryforwards exist at the Austria Metall GmbH tax group and at the AMAG Austria Metall AG tax group. Deferred tax assets relating to non-forfeitable loss carryforwards are measured on the basis of medium-term planning for the coming five years, which is reconciled with the tax planning account. The Austria Metall GmbH tax group anticipates taxable income during this period. The deferred tax assets relating to loss carryforwards for this tax group amount to EUR 23,048 thousand (previous year: EUR 33,962 thousand). Based on current tax planning accounts for the AMAG Austria Metall AG tax group, positive tax results are anticipated for the corresponding period. For this reason, these loss carryforwards were also capitalised as deferred taxes in the year under review (TEUR 6,034 thousand). Further details can be found in the notes to the consolidated statement of financial position, section 3.

Non-current provisions for other risks are formed if an obligation to third parties exists, an outflow of resources is probable, and the prospective obligation can be estimated reliably. The amount recognised as a provision comprises the best possible estimate of the obligation on the balance sheet date. Provisions with an original term of more than one year are recognised with the satisfaction amount discounted to the reporting date. Provisions are reviewed regularly, and adjusted to reflect new information or a change in circumstances.

Contingent liabilities as per IFRS 3 deriving from previous years for environmental cleanup costs for potential hazardous sites exist in an amount of EUR 5,700 thousand (previous year: EUR 5,700 thousand). The recognised values were retained pursuant to IFRS 3.56, as neither the recognition for derecognition nor the criteria for a provision pursuant to IAS 37 were met as of the balance sheet date.

The AMAG Group is obligated to clean leachate deriving from a closed and sealed waste site to comply with prescribed consensus levels. This obligation was measured with the present value of the estimated operating costs until 2029. The congruent maturity interest rate deriving from the European government yield curve was applied as the interest rate. The carrying amount of the non-current portion of the provision stands at EUR 4,730 thousand (previous year: EUR 4,615 thousand).

Further details can be found in the notes to the consolidated statement of financial position, section 10.

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## F CONTINGENT LIABILITIES AND ASSETS

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Contingent liabilities are not shown on the statement of financial position, apart from those accounted for in accordance with IFRS 3. They are disclosed when the possibility of an outflow of resources embodying economic benefits cannot be excluded, although the criteria for the recognition of a provision are not met.

Contingent assets are disclosed in the consolidated financial statements only if an inflow of resources embodying economic benefits is probable.

## G NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 1 Consolidated statement of changes in non-current assets

#### Changes in historical cost

in EUR thousand	As of Jan. 1, 2015	exchange differences	Additions	Disposals	Reclassifi- cations	As of Dec. 31, 2015
<b>Intangible assets</b>	<b>7,315</b>	<b>398</b>	<b>1,119</b>	<b>(4)</b>	<b>(639)</b>	<b>8,189</b>
Undeveloped land	13,997	0	3,516	(28)	(36)	17,450
Land - developed land	22,255	485	1	(24)	(4,909)	17,808
Buildings - developed land	159,775	3,912	3,300	(53)	10,573	177,507
Plant and machinery	646,966	32,267	20,004	(19,947)	24,516	703,806
Other fixtures and fittings, tools and equipment	32,597	214	5,862	(2,170)	465	36,969
Advance payments made and assets under construction	32,748	663	50,302	(542)	(29,971)	53,200
<b>Property, plant and equipment</b>	<b>908,339</b>	<b>37,540</b>	<b>82,986</b>	<b>(22,764)</b>	<b>639</b>	<b>1,006,739</b>

in EUR thousand	As of Jan. 1, 2014	exchange differences	Additions	Disposals	Reclassifi- cations	As of Dec. 31, 2014
<b>Intangible assets</b>	<b>4,581</b>	<b>413</b>	<b>2,350</b>	<b>(29)</b>	<b>0</b>	<b>7,315</b>
Undeveloped land	8,118	0	5,890	(11)	0	13,997
Land - developed land	21,639	597	19	0	0	22,255
Buildings - developed land	131,758	3,908	4,739	(303)	19,673	159,775
Plant and machinery	466,106	33,242	92,521	(9,592)	64,689	646,966
Other fixtures and fittings, tools and equipment	26,059	215	6,219	(742)	846	32,597
Advance payments made and assets under construction	98,265	671	19,078	(57)	(85,208)	32,748
<b>Property, plant and equipment</b>	<b>751,944</b>	<b>38,634</b>	<b>128,466</b>	<b>(10,705)</b>	<b>0</b>	<b>908,339</b>

## Amortisation, depreciation and impairment losses

in EUR thousand	As of Jan. 1, 2015	exchange differences	Additions	Disposals	Reclassifi- cations	As of Dec. 31, 2015
<b>Intangible assets</b>	<b>952</b>	<b>27</b>	<b>635</b>	<b>(1)</b>	<b>(50)</b>	<b>1,562</b>
Undeveloped land	0	0	0	0	0	0
Land - developed land	3,392	312	170	0	(3,874)	0
Buildings - developed land	52,868	1,823	9,393	(25)	3,880	67,939
Plant and machinery	257,425	16,037	54,018	(19,128)	44	308,396
Other fixtures and fittings, tools and equipment	17,780	155	4,930	(2,006)	0	20,858
Advance payments made and assets under construction	0	0	0	0	0	0
<b>Property, plant and equipment</b>	<b>331,465</b>	<b>18,327</b>	<b>68,511</b>	<b>(21,160)</b>	<b>50</b>	<b>397,193</b>

in EUR thousand	As of Jan. 1, 2014	exchange differences	Additions	Disposals	Reclassifi- cations	As of Dec. 31, 2014
<b>Intangible assets</b>	<b>421</b>	<b>22</b>	<b>538</b>	<b>(29)</b>	<b>0</b>	<b>952</b>
Undeveloped land	0	0	0	0	0	0
Land - developed land	2,789	389	214	0	0	3,392
Buildings - developed land	42,883	1,700	8,507	(222)	0	52,868
Plant and machinery	207,748	16,009	42,637	(8,969)	0	257,425
Other fixtures and fittings, tools and equipment	14,451	152	3,895	(717)	0	17,780
Advance payments made and assets under construction	0	0	0	0	0	0
<b>Property, plant and equipment</b>	<b>267,870</b>	<b>18,250</b>	<b>55,253</b>	<b>(9,908)</b>	<b>0</b>	<b>331,465</b>

## Carrying amounts

in EUR thousand	Historical cost Dec. 31, 2015	Accumulated Amort./Depr. Dec. 31, 2015	Book values Dec. 31, 2015	Book values Dec. 31, 2014
<b>Intangible assets</b>	<b>8,189</b>	<b>1,562</b>	<b>6,627</b>	<b>6,363</b>
Undeveloped land	17,450	0	17,450	13,997
Land - developed land	17,808	0	17,808	18,863
Buildings - developed land	177,507	67,939	109,568	106,907
Plant and machinery	703,806	308,396	395,410	389,541
Other fixtures and fittings, tools and equipment	36,969	20,858	16,110	14,817
Advance payments made and assets under construction	53,200	0	53,200	32,748
<b>Property, plant and equipment</b>	<b>1,006,739</b>	<b>397,193</b>	<b>609,547</b>	<b>576,874</b>

### Advance payments made and assets under construction

During the course of the financial year, investments in the "AMAG 2020" expansion project were recognised as additions to assets under construction, and will not be reclassified to the corresponding non-current asset categories until they are completed and commissioned.

### Impairment losses and reversals of impairment losses

As in the previous year, in 2015 no impairment losses, or reversals of impairment losses, were applied to intangible assets or property, plant and equipment.

### Specialist spare parts

In the year under review, specialist spare parts in an amount of EUR 79 thousand were recognised as assets (previous year: EUR 4,804 thousand).

### Subsidies for property, plant and equipment

In the 2015 financial year, no subsidies were granted for property, plant and equipment (previous year: EUR 225 thousand).

### Borrowing costs

In the 2015 financial year, borrowing costs in an amount of EUR 39 thousand were capitalised in relation to qualifying assets (previous year: EUR 219 thousand). The calculated effective interest rate for the ERP financing of 1.63 % was applied as the basis (previous year: 1.59 %).

### Finance leases

Other fixtures and fittings, tools and equipment include IT hardware qualifies as a finance lease, with a carrying amount of EUR 1,486 thousand. No finance leases existed within the AMAG Group in the previous year.

Additions to fixtures and fittings, tools and equipment, include EUR 1,723 thousand (previous year: EUR 0,0 thousand) of non-cash investments.

The present value of the minimum lease payments is as follows:

<b>Payment obligations under finance leases in EUR thousand</b>	<b>2015</b>	<b>2014</b>
<b>Minimum lease payments</b>		
Up to one year	446	0
More than one year up to five years	1,078	0
Over five years	0	0
less:		
<b>Future finance costs</b>	<b>37</b>	<b>0</b>
<b>Present value of lease obligation</b>		
Up to one year	428	0
More than one year up to five years	1,059	0
Over five years	0	0
	<b>1,486</b>	<b>0</b>

Finance lease payment obligations are reported under interest-bearing financial liabilities in the consolidated statement of financial position.

### Operating leases

The Group is the lessee under a number of operating leases relating to buildings, machinery, office space and other items.

They do not contain either extension clauses or purchase options, nor do they place any restrictions on the Group's activities with regard to dividends, additional borrowing or other leasing agreements.

Lease payments of EUR 776 thousand were expensed in the year under review (previous year: EUR 1,167 thousand).

The Group's future obligations under operating leases are as follows:

<b>Payment obligations under operating leases in EUR thousand</b>	<b>2015</b>	<b>2014</b>
Up to one year	736	624
More than one year up to five years	1,850	594
Over five years	0	0
	<b>2,586</b>	<b>1,218</b>

### Obligations arising from investments in plant

Obligations arising from investments in plant amounted to EUR 126,742 thousand as of December 31, 2015 (previous year: EUR 11,699 thousand).

## 2 Other non-current assets and financial assets

in EUR thousand	2015	2014
Equity investments	27	27
Other non-current assets	2,553	2,499
Derivatives recognized as non-current assets	249	6,642
Securities available for sale	354	354
	<b>3,182</b>	<b>9,521</b>

This item includes binding commitments for government subsidies, and undertakings from customers subject to insolvency or bankruptcy proceedings to pay receivables.

Derivatives recognised as non-current assets include EUR 245 thousand of cash flow hedge derivatives (previous year: EUR 6,642 thousand), and held-for-trading derivatives of EUR 4 thousand (previous year: EUR 0 thousand).

The carrying amount of the cash flow hedge derivatives in the previous year also included the long-term portion of the EUR 6,070 thousand derivative embedded within the electricity contract of Aluminerie Alouette Inc., which was reclassified in full to current receivables in the year under review - see section E. Accounting policies.

Securities include non-controlling interests of less than 20 % in three companies.

## 3 Deferred tax assets

in EUR thousand	2015	2014
Deferred tax assets affecting net income	21,131	27,941
Deferred tax assets not affecting net income	6,097	6,784
	<b>27,227</b>	<b>34,726</b>

This item includes deferred tax assets relating to loss carryforwards in an amount of EUR 29,156 thousand (previous year: EUR 34,041 thousand). Deferred tax assets were capitalised for the entire loss carryforwards of the Austria Metall GmbH tax group in an amount of EUR 92,190 thousand (previous year: EUR 135,848 thousand), and for the pre-consolidation losses of AMAG Erste Beteiligungsverwaltungs GmbH in an amount of EUR 296 thousand (previous year: TEUR 317 thousand). In addition to this, deferred taxes were capitalised for the total loss carryforwards of AMAG Austria Metall AG of EUR 24,138 thousand, as the prospect of usability required reassessment due to current tax planning.

No deferred tax assets have been recognised for loss carryforwards in an amount of EUR 120 thousand, as it is unlikely that they can be realised (previous year: EUR 20,931 thousand).

An offsetting of EUR 5,290 thousand of deferred taxes was also applied at the level of the Austria Metall GmbH tax group in the year under review (previous year: EUR 5,264 thousand), with the previous year's figures being restated accordingly.

#### 4 Inventories

in EUR thousand	2015	2014
Raw materials and consumables	103,829	108,325
Work in progress	32,507	34,618
Finished goods	49,896	42,563
Merchandise	948	1,079
	<b>187,180</b>	<b>186,584</b>

This item includes impairment losses of EUR 21,271 thousand (previous year: EUR 16,888 thousand). Of the change in the impairment loss, EUR 4,283 thousand is attributable to additions (previous year: TEUR 1,303 thousand), EUR 44 thousand to consumption (previous year: EUR 1,225 thousand), and the remainder relates essentially to prior years' currency translation differences and adjustments. The carrying amount of inventories measured at fair value less costs of disposal was EUR 16,964 thousand (previous year: EUR 14,707 thousand).

Inventories of EUR 515,017 thousand were carried in profit or loss in the period under review (previous year: EUR 442,469 thousand), EUR 514,582 thousand of which were attributable to cost of sales (previous year: EUR 441,979 thousand).

#### 5 Trade receivables

in EUR thousand	2015	2014
Trade receivables	94,852	87,875
Trade receivables related parties	74	9
Receivables from equipment sales	10	236
Impairment trade receivables	(1,693)	(1,364)
	<b>93,244</b>	<b>86,756</b>

The change in impairment losses was as follows:

in EUR thousand	2015	2014
As of January 1	1,364	1,113
Addition	340	256
Reversal	(11)	(5)
<b>As of Dec. 31</b>	<b>1,693</b>	<b>1,364</b>

## 6 Other receivables

in EUR thousand	2015	2014
Other receivables and advanced payments	17,749	15,408
Derivatives recognized as current assets	22,627	23,339
Financial receivables - funds in transit	201	475
	<b>40,577</b>	<b>39,222</b>

Other receivables and prepayments include tax assets of EUR 12,659 thousand (previous year: EUR 9,999 thousand), firm commitments of EUR 235 thousand (previous year: EUR 439 thousand) and current receivables from government subsidies amounting to EUR 976 thousand (previous year: EUR 1,752 thousand).

In accordance with IAS 39, derivative instruments are divided into the following categories, and report the following market values of the end of the reporting period:

- Derivatives not designated or recognised as hedging instruments in accordance with IAS 39: EUR 10,979 thousand (previous year: 8,377 thousand). Under this item, an amount of EUR 2,073 thousand (previous year: EUR 19,027 thousand) was offset against derivative financial instruments recognised under current liabilities, due to an enforceable netting entitlement.
- Derivative financial instruments which are designated as hedging instrument in documented cash flow hedges, and which are determined to have been effective: EUR 56 thousand (previous year: EUR 4,776 thousand).
- Derivative financial instruments which are designated as hedging instrument in documented cash flow hedges, and which are determined to have been effective: EUR 11,593 thousand (previous year: EUR 10,186 thousand). The carrying amount of the cash flow hedge derivatives also includes the current portion of EUR 9,331 thousand of the derivative embedded in the power supply contract concluded by Aluminerie Alouette Inc. (previous year: EUR 6,662 thousand).

The following tables show the figures both before and after offsetting. For further details, please refer to the notes to the consolidated statement of financial position, section 13.

Offsetting financial assets and liabilities 2015 in EUR thousand	before Offsetting	Offsetting	after Offsetting
Derivatives recognized as current assets	24,700	(2,073)	22,627
Derivatives recognized as current liabilities	20,213	(2,073)	18,139

Offsetting financial assets and liabilities 2014 in EUR thousand	before Offsetting	Offsetting	after Offsetting
Derivatives recognized as current assets	42,366	(19,027)	23,339
Derivatives recognized as current liabilities	40,109	(19,027)	21,082

## 7 Cash and cash equivalents

in EUR thousand	2015	2014
Cash in hand	41	27
Current account surplus	36,656	31,212
Assessments	95,586	110,545
Securities	0	2,500
	<b>132,282</b>	<b>144,285</b>

These items in the statement of financial position relate to the cash positions at the start and end of the reporting period that are contained in the consolidated statement of cash flows.

## 8 Equity

Changes in equity are presented in a separate table (consolidated statement of changes in equity).

### Share capital

The share capital comprises 35,264,000 no par shares, each corresponding to EUR 1.00 of the share capital. All shares are fully paid in, and in circulation.

### Capital reserves

Of the capital reserves of EUR 379,337 thousand (previous year: EUR 379,337 thousand), EUR 94,752 thousand (previous year: EUR 94,752 thousand) is attributable to appropriated capital reserves, and EUR 284,585 thousand is attributable to unappropriated capital reserves (previous year: EUR 284,585 thousand).

### Hedging reserve

The hedging reserve comprises gains and losses from the effective portion of cash flow hedges. Cumulative gains or losses from hedging transactions that are recognised under the hedging reserve are transferred to the statement of profit or loss only when the hedged transaction affects results. The change in the reserve in the year under review is primarily due to the change in the US dollar exchange rate.

### Revaluation of defined benefit plans

Actuarial gains and losses from the provisions for severance payments, pensions and medical care benefits are fully recognised in the reserves in the period in which they are accrued.

### Exchange differences

The reserves for exchange differences recognise differences arising from the translation of the financial statements of subsidiaries that report in a foreign currency. The change in the reserve in the year under review is primarily due to the change in the US dollar exchange rate.

### Retained earnings

Retained earnings consist of cumulative retained earnings from the period under review and from prior periods.

The company paid out a dividend of EUR 42,317 thousand in the financial year under review (EUR 1.20 per share).

The Management Board proposes that EUR 1,20 per share (a maximum of EUR 42,317 thousand in total) be distributed as a dividend to shareholders from the parent company's profit for the year.

### Authorised capital

With a resolution of the AGM of AMAG Austria Metall AG of April 16, 2015, the revocation was realised of the authorised capital that was granted pursuant to Section 4 (5) of the current articles of incorporation in an amount of currently EUR 9,736,000.00, which can be implemented through issuing up to 9,736,000 ordinary nil par value bearer shares (individual share certificates) with voting rights, on the terms as set out in the authorisation pursuant to Section 4 (5) of the articles of incorporation.

With a resolution by the AGM of AMAG Austria Metall AG on April 16, 2015, the company's Management Board was authorised, subject to Supervisory Board approval, to increase the company's share capital by up to EUR 17,500,000.00 by issuing 17,500,000 individual bearer share certificates in one or more tranches within five years of the entry of the resolution in the company register, in other words, by April 16, 2020, against cash or non-cash capital contributions, including under whole or partial exclusion of subscription rights, and to determine the issue price – which may not be lower than the proportion of the current share capital represented by each individual share certificate – and the other terms and conditions of the issue after consultation with the Supervisory Board (Authorised Capital established by section 4 (5) of the articles of incorporation).

With a resolution of the AGM of AMAG Austria Metall AG of April 16, 2015, the revocation was realised of the existing authorised capital pursuant to Section 4 (6) of the current articles of incorporation in an amount of currently EUR 15,000,000.00, which can be implemented through issuing up to 15,000,000 new nil par value bearer shares (individual share certificates) with voting rights, on the terms as set out in the authorisation pursuant to Section 4 (6) of the articles of incorporation.

A conditional increase in the company's share capital was implemented pursuant to Section 159 (2) (1) of the Austrian Stock Corporation Act (AktG) to satisfy conversion and/or subscription rights in respect of convertible bonds issued in accordance with the authorisation conferred by the AGM resolution of April 16, 2015. A conditional capital increase may be implemented only if convertible bond holders exercise their right to exchange the bonds for and/or subscribe to the company's shares (conditional capital as defined by Section 4 (6) of the articles of incorporation). The number of shares actually issued or potentially capable of being issued in accordance with the conditions of the convertible bonds and the number of shares specified by the authorised capital may not exceed 17,500,000.

### Restrictions

Following an internal review, the Management Board is not aware of any restrictions in the meaning of Section 243a Z2 of the Austrian Commercial Code (UGB).

### Additional disclosures regarding capital management

AMAG is not subject to any capital requirements under its Articles of Association. Due to the volatile nature of the aluminium business and the high fixed assets ratio, a sound capital structure provides the basis for financial flexibility, among other objectives.

The main aim of AMAG's capital management is to secure the Group's growth and further development, and to optimise returns for shareholders. The management exclusively regards the consolidated equity as measured pursuant to IFRS as its equity capital. The capital structure is monitored constantly, and is as follows as of the end of the reporting period:

in EUR thousand	2015	2014
Total Equity	643,447	623,890
Equity ratio	58.4 %	57.4 %
Balance-sheet total	1,102,530	1,087,237

## 9 Personnel provisions

in EUR thousand	2015	2014
Provisions for severance payments	21,766	24,339
Provisions for pensions	22,619	26,944
Provisions for medical care benefits	6,931	7,305
Provisions for service anniversary bonuses	4,695	4,486
<b>Total Personnel provisions</b>	<b>56,011</b>	<b>63,075</b>
thereof non-current (2014 adjusted)	52,160	60,452

Payments anticipated in the subsequent financial year are shown under current provisions, with the previous year's figures being restated accordingly.

### Provisions for severance benefits

Employees of Austrian Group companies who joined the Group before January 1, 2003 are entitled to severance payments upon reaching retirement age or in the event that their employment contract is terminated. The entitlement is determined by years of service and final salary ("old severance"). These obligations are accounted for as defined benefit plans.

For employees who joined after January 1, 2003, contributions to employee benefit funds (MVKs) in an amount of EUR 634 thousand have been made for severance entitlements in defined contribution plans (previous year: EUR 553 thousand).

The provisions for severance benefits changed as follows:

in EUR thousand	2015	2014
Present value of the obligation as of January 1	24,339	27,085
Reclassifications	0	27
Current service cost	643	818
Interest cost	463	912
Payments	(918)	(772)
<b>Expected value of the obligation as of Dec. 31</b>	<b>24,527</b>	<b>28,070</b>
<b>Present value of the obligation as of Dec. 31</b>	<b>21,766</b>	<b>24,339</b>
<b>Revaluation of the period (Other comprehensive income)</b>	<b>(2,761)</b>	<b>(3,731)</b>
thereof from changes in demographic assumptions	552	(3,520)
thereof from changes in financial assumptions	(3,584)	188
thereof from changes in experiential assumptions	271	(399)

Actuarial losses due to a modification of demographic assumptions arise from a 0.2 percentage point reduction in the staff turnover rate to 1.8%. Both a reduction in salary increases and a rise in the discount rate feed through to actuarial gains. Due to an amended appraisal, last year's calculation assumed for the first time that all staff departures from the company that were not due to incapacity, decease or retirement occur without entitlement to severance benefits, which resulted in the previous year's actuarial gains arising from modified demographic assumptions, as presented in the table.

The calculations were based on the following parameters:

	2015	2014
Increase in salary in %	2.50	3.50
Discount factor in %	2.25	2.00
Staff turnover in %	1.80	2.00
Female retirement age/pension age (years) in years	60	60
Male retirement age/pension age (years) in years	65	65

The average remaining duration of the obligations amounts to 12.6 years (previous year: 13.9 years).

The effects on earnings are as follows:

in EUR thousand	2015	2014
<b>Included in personnel expenses</b>		
Current service cost	(643)	(818)
<b>Included in net interest expenses</b>		
Interest cost	(463)	(912)

For the following financial year, severance benefits of EUR 496 thousand (previous year: EUR 334 thousand) are to be expected, which are reported under other current provisions.

A sensitivity analysis is important, especially in relation to changes in the parameters of interest rates and reference values. In this context, the management regards changes in each case of one percentage point up and down as realistic assumptions. A corresponding change in these parameters effects, firstly, service cost and interest cost, and, secondly, the present value of the obligation, as follows:

Sensitivity (in %)	2015		2014	
	+1 %	-1 %	+1 %	-1 %
Effect of changes in salaries				
on the current service cost and interest cost	14.5 %	(12.0 %)	11.4 %	(9.4 %)
on the defined benefit obligation	12.7 %	(10.8 %)	14.0 %	(11.8 %)
Effect of changes to the discount factor				
on the current service cost and interest cost	5.3 %	(7.4 %)	2.9 %	(4.4 %)
on the defined benefit obligation	(11.2 %)	13.4 %	(12.3 %)	14.9 %

## Provisions for pensions

Provisions for pensions relate mainly to provisions in Austria and Canada that are recognised as defined benefit plans in accordance with IAS 19, and are largely covered by plan assets. Calculations are made on the basis of an actuarial report applying country-specific parameters and calculation methods.

The measurement of the obligations of the Austrian subsidiaries to former managerial staff arising from individual contractual commitments is based on biometric information drawn from the 2008-P (Ettl-Pagler) tables for salaried employees prepared by the Austrian Actuaries Association (AVÖ). Entitlements are based on final salary and are index-linked. The group of beneficiaries largely comprises individuals who are already entitled to benefits, as well as former employees who are not yet entitled to benefits. A pensionable retirement age of 61.5 years is in principle applicable to the latter within the scope of individual contractual arrangements. No staff turnover rate is taken into consideration as the beneficiaries no longer include any active employees, and because of the obligation's short remaining term.

In Canada, a defined benefit scheme is in place for all employees who joined the Group before June 2012. The benefits are determined by years of service and average salary. Since June 2012, only production staff have received contracts that include defined benefit plans. The pensionable age for both men and women lies between 55 and 65 years. The measurement comprises a distribution over this period, with an ascending weighting. Staff turnover is taken into account differentiated according to age and gender.

The provisions for pensions changed as follows:

in EUR thousand	2015	2014
Present value of the obligation as of January 1	75,733	60,234
Reclassification	0	(27)
exchange differences	(3,205)	1,883
Current service cost	2,253	1,574
Contributions to plan assets (employees)	669	612
Interest cost	2,363	2,525
Payments from plan assets	(2,311)	(2,325)
<b>Expected value of the obligation as of Dec. 31</b>	<b>75,502</b>	<b>64,475</b>
<b>Present value of the obligation as of Dec. 31</b>	<b>71,205</b>	<b>75,733</b>
Revaluation of the period (Other comprehensive income)	(4,297)	11,258
Fair value of plan assets as of January 1	48,789	43,935
exchange differences	(2,351)	1,326
Expected return on plan assets	1,567	1,869
Contributions to plan assets (employer)	2,441	1,560
Contributions to plan assets (employees)	669	612
Payments from plan assets	(2,311)	(2,325)
<b>Expected value of plan assets as of Dec. 31</b>	<b>48,803</b>	<b>46,977</b>
<b>Fair value of plan assets as of Dec. 31</b>	<b>48,586</b>	<b>48,789</b>
Revaluation of the period (Other comprehensive income)	(217)	1,812
<b>Provisions for pensions Dec. 31</b>	<b>22,619</b>	<b>26,944</b>
<b>Revaluation of the period (Other comprehensive income)</b>	<b>(4,080)</b>	<b>9,446</b>
thereof from changes in demographic assumptions	0	(16)
thereof from changes in financial assumptions	(5,084)	11,076
thereof from changes in experiential assumptions	1,004	(1,614)

The calculations were based on the following parameters:

	2015	2014
<b>Austria</b>		
Increase in salaries in %	1.50	2.00
Discount factor (%) in %	2.00	1.50
<b>Canada</b>		
Increase in salary in %	3.00	3.00
Discount factor (%) in %	4.25	4.00

The average residual duration of the obligations amounts to 8.8 years in Austria (previous year: 7.9 years), and to 20.7 years in Canada (previous year: 21.3 years).

The effects on earnings are as follows:

in EUR thousand	2015	2014
<b>Included in personnel expenses</b>		
Current service cost (employer)	(2,922)	(2,186)
Contributions to plan assets (employees)	669	612
<b>Included in net interest expenses</b>		
Interest cost	(796)	(656)

Pension expenses are included in the following statement of profit or loss items:

in EUR thousand	2015	2014
Cost of sales	(2,572)	(2,044)
Selling and distribution expenses	(246)	(170)
Administrative expenses	(347)	(211)
Research and development expenses	(56)	(33)
Other expenses	(17)	(16)
	<b>(3,237)</b>	<b>(2,473)</b>

Plan assets are invested in Austria with APK Pensionskasse AG, in different investment and risk classes (IRCs) depending on the respective structure of the obligations. Assets relating to pensions drawn by retired employees are invested in IRC2, which has an investment and risk strategy based on significantly shorter maturities than those applied under IRC19, which manages assets related to projected benefit obligations. The Group is obligated to meet any funding shortfalls only in the event that returns do not cover the funding requirements for ongoing pension payments from APK.

In the following financial year, supplementary payments of EUR 1,078 thousand (previous year: EUR 607 thousand) are anticipated, and are reported under other current provisions.

In Canada, the individual pension schemes are invested in each case in their own pension funds that are all held under joint asset management (Fiducie Desjardins), for whose management Letko Brosseau & Associates and Aberdeen Asset Management Inc. are responsible.

Employer contributions to the plan assets of the Canadian company will amount prospectively to EUR 1,923 thousand in the following year (previous year: EUR 1,204 thousand); these expected payments are also reported under other current provisions.

Changes in plan assets in the respective IRCs are as follows:

Fair value of plan assets in EUR thousand	2015			2014		
	VRG2	VRG19	Canada	VRG2	VRG19	Canada
Fair value of plan assets as of January 1	12,756	2,769	33,264	13,350	2,590	27,995
exchange differences	0	0	(2,351)	0	0	1,326
Expected return on plan assets	188	40	1,339	388	80	1,402
Contributions to plan assets	536	0	2,574	383	0	1,789
Payments from plan assets	(1,774)	0	(537)	(1,770)	0	(555)
Actuarial (gains)/losses	150	(97)	(270)	406	99	1,307
<b>Fair value of plan assets as of Dec. 31</b>	<b>11,856</b>	<b>2,712</b>	<b>34,018</b>	<b>12,756</b>	<b>2,769</b>	<b>33,264</b>

The investment structure is outlined below:

Investment to plan assets as of Dec. 31 (in %)	2015			2014		
	VRG2	VRG19	Canada	VRG2	VRG19	Canada
Classes of assets	VRG2	VRG19	Canada	VRG2	VRG19	Canada
Shares	26.2	41.8	63.1	28.0	46.5	61.8
Bonds	56.3	39.5	28.0	50.2	37.9	29.9
Real estate	3.5	3.9	0.0	3.1	4.6	0.0
Cash	9.2	10.3	0.0	10.6	6.8	0.0
Other	4.8	4.5	8.9	8.1	4.2	8.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The plan assets predominantly comprise assets whose prices are quoted on active markets. Of the equity instruments in IRC2, around one third comprise US shares, approximately 30% euro-denominated shares, and approximately one quarter shares from the Asian region. In IRC19, the US share is around 30%, the euro-denominated proportion 27.5%, and around one quarter derive from the Asian region. The debt instruments of both IRCs comprise almost two thirds government bonds, of which in each case more than three quarters derive from the OECD area, with the rest comprising corporate bonds. The debt instruments in the Canadian plan assets comprise exclusively foreign currency securities (non-euro). Of the equity instruments, 21 % are denominated in euros and 76 % in foreign currencies, with 3% deriving from emerging markets.

A sensitivity analysis is important, especially in relation to changes in the parameters of interest rates and reference values. In this context, the management regards changes in each case of one percentage point up and down as realistic assumptions. A corresponding change in these parameters effects, firstly, service cost and interest cost, and, secondly, the present value of the obligation, as follows:

Sensitivity (in %)	2015		2014	
	+1 %	-1 %	+1 %	-1 %
Effect of changes in salaries				
on the current service cost and interest cost	14.1 %	(12.1 %)	14.2 %	(12.1 %)
on the defined benefit obligation	9.6 %	(8.2 %)	9.5 %	(8.1 %)
Effect of changes to the discount factor				
on the current service cost and interest cost	(18.0 %)	20.5 %	(16.4 %)	18.3 %
on the defined benefit obligation	(15.0 %)	19.6 %	(14.6 %)	19.1 %

#### Defined contribution plans

In Austria, managers and employees are also entitled to defined contribution plans after they have been employed by the company for a certain period of time. The Group companies make payments into a pension scheme depending on salary.

In Canada, payments are made into defined contribution plans for administrative staff, managers and senior employees of Aluminerie Alouette Inc.

The total amount of such payments in the year under review stood at EUR 1,181 thousand (previous year: EUR 899 thousand).

#### Provisions for medical care benefits

Defined benefit supplementary health insurance has been taken out for employees of Aluminerie Alouette Inc. who joined the company before April 1, 2009. The benefits are determined by years of service and average salary. The pensionable age for both men and women lies between 55 and 65 years. The measurement comprises a distribution over this period, with an ascending weighting. Staff turnover is taken into account differentiated according to age and gender.

The provisions for pensions changed as follows:

in EUR thousand	2015	2014
Present value of the obligation as of January 1	7,305	5,459
exchange differences	(483)	292
Current service cost	164	141
Interest cost	294	282
Payments	(73)	(50)
<b>Expected value of the obligation as of Dec. 31</b>	<b>7,208</b>	<b>6,122</b>
<b>Present value of the obligation as of Dec. 31</b>	<b>6,931</b>	<b>7,305</b>
<b>Revaluation of the period (Other comprehensive income)</b>	<b>(277)</b>	<b>1,183</b>
thereof from changes in demographic assumptions	0	(21)
thereof from changes in financial assumptions	(312)	1,079
thereof from changes in experiential assumptions	35	124

The calculations were based on the following parameters:

	2015	2014
Salary increase in %	3.00	3.00
Increase in costs in %	4.60	4.60
Discount rate in %	4.25	4.00

The average remaining duration of the obligations amounts to 17.8 years (previous year: 18.4 years).

The effects on earnings are as follows:

in EUR thousand	2015	2014
<b>Included in personnel expenses</b>		
Current service cost	(164)	(141)
<b>Included in net interest expenses</b>		
Interest cost	(294)	(282)

In the following year, employer contributions are expected to amount to EUR 74 thousand (previous year: EUR 50 thousand), and are reported under current provisions.

The effects of a one percentage point change in the projected movement of medical care benefits costs were as follows:

Sensitivity (in %)	2015		2014	
	+ 1 %	- 1 %	+ 1 %	- 1 %
Effect on the current service cost and interest cost	19.9 %	(15.8 %)	19.6 %	(15.6 %)
Effect on the defined benefit obligation	18.8 %	(15.1 %)	17.8 %	(14.3 %)

### Provisions for service anniversary bonuses

The provision for service anniversary bonuses relates to the provisions that Group companies in Austria form for payments under collective agreements and/or works agreements, depending on length of service.

The change in provisions for service anniversary bonuses was as follows:

in EUR thousand	2015	2014
Present value of the obligation as of January 1	4,486	4,621
Current service cost	281	296
Interest cost	84	152
Payments	(324)	(287)
<b>Expected value of the obligation as of Dec. 31</b>	<b>4,528</b>	<b>4,782</b>
<b>Present value of the obligation as of Dec. 31</b>	<b>4,695</b>	<b>4,486</b>
<b>Revaluation of the period (recognized in profit and loss)</b>	<b>167</b>	<b>(296)</b>

Of the obligation, the service anniversary bonuses anticipated in the subsequent year amount to EUR 280 thousand (previous year: EUR 313 thousand), which are reported as current provisions.

The calculations were based on the following parameters:

	2015	2014
Increase in salaries in %	2.50	3.00
Discount factor (%) in %	2.25	2.00
Staff turnover in %	1.80	2.00
Female retirement age/pension age (years) in years	60	60
Male retirement age/pension age (years) in years	65	65

The average remaining duration amounts to 12.5 years (previous year: 12.4 years).

The effects on earnings are as follows:

in EUR thousand	2015	2014
<b>Included in personnel expenses</b>		
Current service cost	(281)	(296)
Actuarial gains/(losses)	(167)	296
<b>Included in net interest expenses</b>		
Interest cost	(84)	(152)

## 10 Other provisions

in EUR thousand	2015	2014
Other non-current provisions	14,635	15,957
Other current provisions	14,397	12,103
	<b>29,032</b>	<b>28,060</b>

The change in other provisions was as follows:

2015 in EUR thousand	After-care costs	Contract risks	Customer Bonus	Customer Complaints	Others	Total
Book value as of January 1	15,154	3,274	4,144	4,206	1,282	28,060
exchange differences	453	35	0	0	5	493
Utilization	(1,213)	(4)	(3,247)	(202)	(834)	(5,499)
Reversal	0	(2,819)	(167)	(1,377)	(179)	(4,542)
Addition	308	3,610	3,983	824	1,524	10,250
Addition/deduction of accrued interest	270	0	0	0	0	270
<b>Book value as of Dec. 31, 2015</b>	<b>14,973</b>	<b>4,097</b>	<b>4,713</b>	<b>3,452</b>	<b>1,798</b>	<b>29,032</b>
<b>Thereof current</b>	<b>784</b>	<b>3,770</b>	<b>4,713</b>	<b>3,452</b>	<b>1,679</b>	<b>14,397</b>

2014 in EUR thousand	After-care costs	Contract risks	Customer Bonus	Customer Complaints	Others	Total
Book value as of January 1	14,340	5,656	3,826	5,585	1,604	31,011
exchange differences	162	0	0	0	4	166
Utilization	(3,230)	0	(2,844)	(268)	(775)	(7,117)
Reversal	0	(3,751)	(435)	(1,977)	(77)	(6,239)
Addition	3,890	1,369	3,597	866	526	10,248
Addition/deduction of accrued interest	(10)	0	0	0	0	(10)
<b>Book value as of Dec. 31, 2014</b>	<b>15,154</b>	<b>3,274</b>	<b>4,144</b>	<b>4,206</b>	<b>1,282</b>	<b>28,060</b>
<b>Thereof current</b>	<b>1,555</b>	<b>971</b>	<b>4,144</b>	<b>4,206</b>	<b>1,228</b>	<b>12,103</b>

Along with the following item, provisions for cleanup costs also include contingent liabilities pursuant to IFRS 3, and the provision for leachate cleaning at a waste site, which is described in more detail in chapter E Assumptions and estimation uncertainties.

Aluminerie Alouette Inc. is required to dispose professionally of contaminated furnace linings of electrolysis cells at the end of their expected operational lives. Provisions are formed for the estimated disposal costs at their present value as of the commissioning date. The discounting factor is calculated based on five-year maturity Canadian government bonds. The carrying amount of the non-current portion of the provision stands at EUR 3,335 thousand (previous year: EUR 2,840 thousand).

Provisions for contract risk include the provision for pending losses on onerous contracts. All customer orders are investigated for losses. This entails comparing estimated costs, taking inflation into account, with agreed prices. If the costs exceed the expected revenues, the difference is discounted applying a congruent maturity interest rate (congruent maturity European government yield curve on euro-denominated government bonds), and a provision is formed. The respective contracts run until 2018.

Under reclaims, all open reclaim cases are measured in relation to their estimated expenses, and recognised as provisions. As of the balance sheet date, bonus agreements with customers also exist that set out the terms and conditions of a rebate that is not to be paid until after the product is purchased. A provision has been formed for this obligation under customer bonuses.

## 11 Interest-bearing financial liabilities

in EUR thousand	2015	2014
Interest-bearing non-current financial liabilities	231,761	219,043
Interest-bearing current financial liabilities	14,318	18,272
	<b>246,078</b>	<b>237,315</b>

Financial liabilities increased by EUR 8,764 thousand in the reporting period, to EUR 246,078 thousand. The change arises chiefly from drawing down a long-term financing facility in an amount of EUR 60 million with a 10-year term and a 0.45% nominal interest rate plus 3-month EURIBOR. This facility was not secured by real property.

## 12 Trade payables

in EUR thousand	2015	2014
Trade payables	55,566	55,428
	<b>55,566</b>	<b>55,428</b>

Of the trade payables, EUR 13,627 thousand 9,631 are attributable to investment liabilities (previous year: EUR 23,923 thousand).

## 13 Other liabilities

in EUR thousand	2015	2014
Other non-current liabilities	13,262	11,820
Other current liabilities	39,236	42,369
	<b>52,498</b>	<b>54,189</b>

Other non-current liabilities include derivative financial instruments in a total amount of EUR 9,122 thousand (previous year: EUR 7,707 thousand). These comprise derivative instruments with a negative fair value not designated or recognised as hedging instruments in accordance with IAS 39 and consequently recognised as liabilities amounting to EUR 232 thousand (previous year: EUR 24 thousand), as well as derivative financial instruments designated as hedging instruments in documented cash flow hedges which are determined to have been effective, amounting to EUR 8,842 thousand (previous year: EUR 7,682 thousand).

Derivative financial instruments designated as hedging instruments in documented fair value hedges of reported assets or firm commitments which are determined to have been effective amount to EUR 48 (previous year: EUR 0 thousand).

Other current liabilities are composed as follows:

in EUR thousand	2015	2014
Derivatives recognized as current liabilities	18,139	21,082
Liabilities due to employees	13,532	13,296
Other tax liabilities	2,965	3,125
Liabilities due to social security carriers	2,321	2,174
Deferred income	50	41
Sundry other liabilities	2,230	2,651
	<b>39,236</b>	<b>42,369</b>

Current derivative liabilities include derivatives with a negative fair value that are not designated or recognised as hedging instruments in accordance with IAS 39 amount to EUR 2,585 thousand (previous year: EUR 11,314 thousand). Their main purpose is to hedge risks associated with AMAG's aluminium stocks and order book. Under this item, an amount of EUR 2,073 thousand (previous year: EUR 19,027 thousand) was offset against derivative financial instruments recognised under current assets, due to an enforceable claim for netting. For more details, please refer to the notes relating to the consolidated statement of financial position, section 6.

The remaining current derivative liabilities are divided into the following categories, in accordance with IAS 39; their fair values as at the end of the reporting period are also provided:

- Derivatives designated as hedging instruments in documented fair value hedges of reported assets or firm commitments which are determined to have been effective: EUR 755 (previous year: EUR 401 thousand).
- Derivatives designated as hedging instruments in documented cash flow hedges which are determined to have been effective: EUR 14,800 thousand (previous year: EUR 9,367 thousand).

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## H NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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The AMAG Group prepares its statement of profit or loss applying the cost of sales method.

### 1 Revenue

As the AMAG Group operates in several business segments, this reduces the risk of dependency on a small number of customers. Its ten largest customers account for 32.3 % of sales revenue (previous year: 39.5 %), and the largest single customer, which is attributable to the Rolling Division, accounts for 7.6 % (previous year: 8.3 %).

Further information on divisional revenue can be found under segment information. Due to the high cost of preparing reports on revenue deriving from different customers by comparable product and service, such reports are not presented. Only the Service Division generates revenue from services.

Revenue includes EUR 2,462 thousand of expenses from derivatives that are designated as cash flow hedges pursuant to IAS 39 (previous year: EUR 13,549 thousand of income).

### 2 Segment reporting

#### Business divisions

Reporting by business divisions (the Metal, Casting, Rolling and Service divisions) conforms to the Group's organisational and management structure, and this serves as the basis for segment information.

Production of primary aluminium, management of metal production streams, hedging the aluminium price risk exposure of AMAG's operating subsidiaries, and marketing primary aluminium fall under the remit of the Metal Division.

The Casting Division is responsible for the production of high-quality cast aluminium alloys from aluminium scrap for use by various sectors, including the automotive sector and supply industry, as well as the engineering and electrical engineering sectors.

The Rolling Division manufactures high-quality rolled aluminium products such as sheets, strips and plates for applications in the automotive sector and supply industry, and in the sports, engineering, transportation and other industrial sectors. The Division also specialises in bright products, customised cathode elements for zinc electrolysis plants, brazing materials, tread plate and high strength alloys, as well as foil stock for the packaging industry. The portfolio is rounded out by foil stock materials for the packaging industry.

The Service Division provides all centralised services to AMAG's operating divisions at the Ranshofen facility, and the entire Group management functions for the AMAG Group. Its tasks particularly span the entire facility management at the Ranshofen site. The value of its land and buildings is attributed in its entirety to this division. Energy supply, waste disposal, general site services and materials management are also included in the Service Division. The revenue reported in the Service Division relates entirely to the provision of services.

No business divisions were combined in order to create the four reportable divisions described above. The accounting principles applied to prepare the segment information for AMAG Austria Metall AG are based on the IFRSs applied in the preparation of the consolidated financial statements.

AMAG Austria Metall AG evaluates divisional performance on the basis of shipments and earnings before interest, tax, depreciation and amortisation (EBITDA), among other indicators.

Inter-divisional sales and purchases of materials and services are calculated on the basis of market prices. Divisional assets and liabilities comprise all assets and liabilities recognised on the basis of the financial statements that are prepared by the operating divisions and included in the consolidated financial statements. Divisional investment comprises additions to intangible assets, and to property, plant and equipment.

## Inter-divisional transactions

The revenue, expenses and income of each division include elimination of intragroup balances between business divisions and geographical segments. Interdivisional transfer pricing is based on comparable, standard market terms.

## Business divisions

2015 in EUR thousand	Metal	Casting	Rolling	Service	Consolidation	Group
<b>Shipments in tons</b>	<b>119,648</b>	<b>86,142</b>	<b>175,470</b>		<b>(34,187)</b>	<b>347,073</b>
of which internal <sup>1)</sup>	15,177	19,009	0		(34,187)	0
<b>Revenue</b>						
External	192,757	129,226	585,924	5,423	0	913,331
Internal	454,888	8,241	107,072	65,300	(635,501)	0
	<b>647,645</b>	<b>137,468</b>	<b>692,996</b>	<b>70,723</b>	<b>(635,501)</b>	<b>913,331</b>
<b>Gross profit</b>	<b>9,736</b>	<b>12,778</b>	<b>89,854</b>	<b>12,896</b>	<b>(1,703)</b>	<b>123,561</b>
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>						
Depreciation and amortisation	28,991	2,461	27,910	9,784	0	69,146
<b>Earnings before interest and taxes (EBIT)</b>	<b>4,324</b>	<b>8,409</b>	<b>48,932</b>	<b>(4,074)</b>	<b>0</b>	<b>57,590</b>
Interest income	2,026	1	141	3,323	(4,982)	509
Interest expenses	(2,355)	(182)	(5,953)	(3,133)	4,982	(6,640)
<b>Net interest income (expenses)</b>	<b>(329)</b>	<b>(180)</b>	<b>(5,812)</b>	<b>190</b>	<b>0</b>	<b>(6,131)</b>
Other financial income (expenses)	691	0	(0)	39,937	(40,800)	(171)
<b>Net financial income (expenses)</b>	<b>362</b>	<b>(180)</b>	<b>(5,812)</b>	<b>40,128</b>	<b>(40,800)</b>	<b>(6,302)</b>
<b>Earnings before taxes (EBT)</b>	<b>4,686</b>	<b>8,228</b>	<b>43,120</b>	<b>36,053</b>	<b>(40,800)</b>	<b>51,288</b>
Income taxes	(166)	(2,036)	(10,522)	4,133	0	(8,591)
<b>Net income after taxes</b>	<b>4,520</b>	<b>6,192</b>	<b>32,599</b>	<b>40,186</b>	<b>(40,800)</b>	<b>42,697</b>
<b>Balance sheet</b>						
Division assets	409,886	27,617	416,496	657,366	(408,835)	1,102,530
Division liabilities	135,838	10,831	260,351	259,131	(207,069)	459,083
<b>Other disclosures</b>						
Investments (excluding financial investments)	15,888	1,255	51,919	15,042	0	84,104
Employees FTE	203	123	1,243	135	0	1,704

1) Internal volumes include material supplies from Alouette in the Metal Division, and reprocessing volumes in the Casting Division.

2014 in EUR thousand	Metal	Casting	Rolling	Service	Consolidation	Group
<b>Shipments in tons</b>	<b>122,741</b>	<b>83,300</b>	<b>169,863</b>		<b>(23,814)</b>	<b>352,090</b>
of which internal <sup>1)</sup>	4,864	18,950	0		(23,814)	0
<b>Revenue</b>						
External	191,805	111,923	513,800	5,428	0	822,956
Internal	388,474	9,819	87,250	56,226	(541,769)	0
	<b>580,280</b>	<b>121,742</b>	<b>601,050</b>	<b>61,654</b>	<b>(541,769)</b>	<b>822,956</b>
<b>Gross profit</b>	<b>31,392</b>	<b>6,586</b>	<b>76,131</b>	<b>12,218</b>	<b>(1,453)</b>	<b>124,875</b>
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>						
	<b>48,151</b>	<b>4,787</b>	<b>59,902</b>	<b>1,904</b>	<b>0</b>	<b>114,744</b>
Depreciation and amortisation	23,974	2,482	20,402	8,934	0	55,791
<b>Earnings before interest and taxes (EBIT)</b>	<b>24,177</b>	<b>2,305</b>	<b>39,501</b>	<b>(7,030)</b>	<b>0</b>	<b>58,953</b>
Interest income	2,317	0	133	3,901	(5,676)	675
Interest expenses	(2,051)	(405)	(6,690)	(3,184)	5,676	(6,653)
<b>Net interest income (expenses)</b>	<b>266</b>	<b>(405)</b>	<b>(6,557)</b>	<b>717</b>	<b>0</b>	<b>(5,979)</b>
Other financial income (expenses)	1,227	0	(68)	17,912	(16,000)	3,071
<b>Net financial income (expenses)</b>	<b>1,493</b>	<b>(405)</b>	<b>(6,625)</b>	<b>18,628</b>	<b>(16,000)</b>	<b>(2,907)</b>
<b>Earnings before taxes (EBT)</b>	<b>25,670</b>	<b>1,901</b>	<b>32,876</b>	<b>11,599</b>	<b>(16,000)</b>	<b>56,046</b>
Income taxes	(5,910)	(453)	(7,305)	16,833	0	3,166
<b>Net income after taxes</b>	<b>19,760</b>	<b>1,448</b>	<b>25,571</b>	<b>28,432</b>	<b>(16,000)</b>	<b>59,212</b>
<b>Balance sheet</b>						
Division assets	394,457	32,196	380,549	640,020	(359,984)	1,087,237
Division liabilities	137,702	20,693	245,614	242,357	(183,018)	463,347
<b>Other disclosures</b>						
Investments (excluding financial investments)	20,559	1,044	90,291	18,922	0	130,816
Employees FTE	207	122	1,181	128	0	1,638

1) Internal volumes include material supplies from Alouette in the Metal Division, and reprocessing volumes in the Casting Division.

## Geographical divisions

2015 in EUR thousand	Production site Austria	Production site Canada	Total	Consolidation	Group
<b>Revenue</b>					
Austria revenue <sup>1)</sup>	124,552	211,965	336,517	(203,777)	132,741
Western Europe	521,617	0	521,617	0	521,617
Other markets	258,974	0	258,974	0	258,974
	<b>905,143</b>	<b>211,965</b>	<b>1,117,108</b>	<b>(203,777)</b>	<b>913,331</b>
<b>Earnings</b>					
Earnings before interest, taxes, depreciation and amortization (EBITDA)	101,432	25,304	126,736	0	126,736
Earnings before interest and taxes (EBIT)	61,265	(3,675)	57,590	0	57,590
<b>Balance sheet</b>					
Division assets	884,641	301,279	1,185,919	(83,390)	1,102,530

2014 in EUR thousand	Production site Austria	Production site Canada	Total	Consolidation	Group
<b>Revenue</b>					
Austria revenue <sup>1)</sup>	117,183	203,795	320,978	(196,683)	124,295
Western Europe	502,397	0	502,397	0	502,397
Other markets	196,264	0	196,264	0	196,264
	<b>815,844</b>	<b>203,795</b>	<b>1,019,640</b>	<b>(196,683)</b>	<b>822,956</b>
<b>Earnings</b>					
Earnings before interest, taxes, depreciation and amortization (EBITDA)	56,600	56,586	113,186	1,558	114,744
Earnings before interest and taxes (EBIT)	24,772	32,623	57,395	1,558	58,953
<b>Balance sheet</b>					
Division assets	883,566	284,058	1,167,624	(80,387)	1,087,237

1) Aluminium production at the Alouette smelter in Canada is charged on a pro rata basis to the Austrian metal management subsidiary, which in turn sells AMAG's share of production.

### 3 Cost of sales

The cost of sales includes expenses of EUR 602,070 thousand for materials and purchased services (previous year: EUR 521,646 thousand). The entire expenses for materials and purchased services are recognised under the following items in the statement of profit or loss:

in EUR thousand	2015	2014
Cost of sales	602,070	521,646
Selling and distribution expenses	99	62
Administrative expenses	129	242
Research and development expenses	269	260
Other expenses	893	2,715
	<b>603,460</b>	<b>524,925</b>

The cost of sales includes gains and losses from derivatives designated as hedging instruments in cash flow hedges in accordance with IAS 39 amounting to EUR 2,247 thousand (previous year: EUR 1,081 thousand), and income from derivatives designated as hedging instruments in fair value hedges in accordance with IAS 39 amounting to EUR 7,322 thousand (previous year EUR -2,436 thousand). The change in value of the hedged aluminium stocks amounts to EUR -5,006 thousand (previous year: EUR 9,231 thousand).

### 4 Other income

in EUR thousand	2015	2014
Gains from the disposal of property, plant and equipment and intangible assets	215	332
Insurance income	236	123
Grants and government subsidies	2,492	1,991
Income from currency translation	4,095	1,187
Other income	7,144	4,027
	<b>14,182</b>	<b>7,660</b>

Sundry other income mainly comprises income from maintenance services and services provided by the accredited testing station to third parties.

### 5 Personnel expenses

Personnel expenses are composed as follows:

in EUR thousand	2015	2014
Wages	56,590	53,504
Salaries	38,878	38,503
Expenses for severance payments and contributions to employee benefit funds	1,373	1,428
Retirement benefit obligation	3,237	2,473
Expenses for social security contributions	22,546	20,823
Other expenses for social benefits	396	332
	<b>123,020</b>	<b>117,063</b>

Pension expenses are included in the following income statement items:

in EUR thousand	2015	2014
Cost of sales	93,029	88,340
Selling and distribution expenses	9,266	8,751
Administrative expenses	11,729	12,180
Research and development expenses	7,154	6,008
Other expenses	1,842	1,784
	<b>123,020</b>	<b>117,063</b>

### Management Board members and senior employees

The variable remuneration of the AMAG Management Board is based on a number of indicators including return on capital employed and consolidated net income after tax. The ratio of fixed to variable components in the total remuneration of Management Board members is approximately 51 % to 49 % (previous year: approximately 62 % to 38 %). Management Board compensation stood at EUR 2,749 thousand in the 2015 financial year (previous year: EUR 3,467 thousand).

Executive staff within the Group received EUR 6,669 thousand of compensation (previous year: EUR 6,202 thousand).

Expenses for severance payments and contributions to employee benefit funds are comprised as follows:

in EUR thousand	2015	2014
Board members	34	29
Executive employees	46	175
Other employees	1,294	1,224
	<b>1,373</b>	<b>1,428</b>

Pension expenses are comprised as follows:

in EUR thousand	2015	2014
Board members	113	107
Executive employees	195	176
Other employees	2,929	2,190
	<b>3,237</b>	<b>2,473</b>

A premium of EUR 41 thousand (previous year: EUR 41 thousand) was paid for D&O liability insurance.

The pension scheme for Management Board members and managing directors of consolidated companies is comprised entirely of defined contribution plans. The Group has no obligation to meet any funding shortfalls.

### Supervisory Board

Compensation of EUR 351 thousand was paid to the Supervisory Board of AMAG Austria Metall AG in 2015 (previous year: EUR 195 thousand).

Remuneration for members of the Supervisory Board is determined by the Annual General Meeting, in consideration of responsibility borne, and activities undertaken, by the Supervisory Board. In particular, the company's size and organisational structure, and the scope of decisions made by the Supervisory Board, are taken into account. In contrast with Management Board compensation, the company's financial position is not relevant to the remuneration of the Supervisory Board. The activity of the Supervisory Board of the AMAG Group is not subject to performance-based measurement.

The distribution of remuneration between Supervisory Board members is decided by the Supervisory Board.

## Headcount

Average number of employees (Full Time Equivalent)	2015	2014
Blue-collar employees	1,159	1,117
White-collar employees	545	521
	<b>1,704</b>	<b>1,638</b>

The headcount includes a 20 % share of the workforce at the Aluminerie Alouette joint operation, or 196 employees (previous year: 200 employees), in line with the Group's 20 % interest in the operation.

## 6 Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses are allocated among the income statement items as follows:

in EUR thousand	2015	2014
Cost of sales	66,960	54,082
Selling and distribution expenses	219	171
Administrative expenses	957	675
Research and development expenses	623	519
Other expenses	387	343
	<b>69,146</b>	<b>55,791</b>

## 7 Net financial result

in EUR thousand	2015	2014
Interest income	509	675
Interest expenses	(6,640)	(6,653)
Other financial income (expenses)	(171)	3,071
	<b>(6,302)</b>	<b>(2,907)</b>

Interest expenses comprised the following items:

in EUR thousand	2015	2014
Interest expenses from financial liabilities at amortized cost	(3,829)	(3,901)
Interest expenses from provisions	(1,908)	(1,992)
Interest expenses from non-financial liabilities	(903)	(761)
	<b>(6,640)</b>	<b>(6,653)</b>

Interest expenses from provisions include the net interest expense from provisions for employee benefits, as well as the interest added back to non-current provisions.

Other financial income (expenses) includes income from non-consolidated investments amounting to EUR 359 thousand (previous year EUR 195 thousand expense), currency translation effects deriving from financing, totalling EUR 3,359 thousand (previous year: EUR 1,498 thousand), as well as expenses from derivatives not designated as hedging instruments in accordance with IAS 39, amounting to EUR 1,687 thousand (previous year: EUR 823 thousand income). In addition, EUR 2,183 thousand of expenses from cash flow hedges that had become ineffective were also recognised in the other net financial result (previous year: EUR 714 thousand of income), of which EUR 1,343 thousand (previous year: EUR 0 thousand) relate to interest-rate swaps that were unwound early.

## 8 Income taxes

Income taxes comprise income taxes paid and payable, as well as deferred tax. Parts of AMAG Group companies are subject to group taxation.

### Tax reconciliation

in EUR thousand	2015	2014
Earnings before taxes (EBT)	51,288	56,046
<b>Tax expenses at 25 %</b>	<b>12,822</b>	<b>14,011</b>
Not deductible expenses	483	1,012
Tax-free income	(476)	(290)
Other tax rates	(56)	286
Minimum corporate tax	5	7
Tax expenses previous years	108	(357)
Allocation and release of deferred taxes on losses carried forward	(3,226)	(16,504)
Other	(1,069)	(1,330)
<b>Current tax expenses</b>	<b>8,591</b>	<b>(3,166)</b>
Tax payments	7,249	6,613

The increase in consolidated income tax expense compared with 2014 derived primarily from effects from prior reporting periods. The current tax expense was affected mainly by the formation of deferred taxes in relation to loss carryforwards (see section H 3 Deferred tax assets).

## Deferred tax

in EUR thousand	Deferred taxes 2015		Deferred taxes 2014	
	Assets	Liabilities	Assets	Liabilities
Property, plant and equipment	0	33,105	184	34,221
Other non-current assets and financial assets	1,684	2,296	1,510	5,268
Inventories	1,687	0	709	194
Receivables	79	10,387	489	7,705
Losses carried forward	29,156	0	34,041	0
Untaxed reserves	0	0	1,676	0
Provisions	14,759	999	15,587	401
Liabilities	12,104	1,199	12,648	3,518
Others	0	0	0	0
	<b>59,468</b>	<b>47,987</b>	<b>66,845</b>	<b>51,307</b>
Offsetting towards the same taxation authority	32,241	32,241	32,119	32,119
<b>Net deferred tax assets and liabilities</b>	<b>27,227</b>	<b>15,746</b>	<b>34,726</b>	<b>19,188</b>

Deferred tax at the level of the Austria Metall GmbH tax group was offset (see also section G. 3 Deferred tax assets).

The following table shows the changes and distribution of changes in deferred tax among those components that are recognised in profit or loss, and those recognised directly in equity:

in EUR thousand	Deferred tax assets	Deferred tax liabilities
As of Jan. 1, 2014	27,271	27,557
Profit and loss changes	3,973	(3,941)
Cash flow hedges	3,754	(2,515)
Revaluation of defined benefit pension plans	(271)	(2,146)
Currency translation differences	0	232
Not recognised in profit or loss	3,482	(4,429)
<b>As of Dec. 31, 2014</b>	<b>34,726</b>	<b>19,188</b>
As of Jan. 1, 2015	34,726	19,188
Profit and loss changes	(6,811)	(1,293)
Cash flow hedges	439	(2,711)
Revaluation of defined benefit pension plans	(1,127)	693
Currency translation differences	0	(132)
Not recognised in profit or loss	(687)	(2,149)
<b>As of Dec. 31, 2015</b>	<b>27,227</b>	<b>15,746</b>

## I NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows is presented according to the indirect method. A distinction is made in the statement between cash flows deriving from operating, investing and financing activities.

Other non-cash expenses and income primarily include measurement effects deriving from currency translation. The change in investment liabilities of EUR -10,296 thousand (previous year: EUR 10,644 thousand) is included in the item for payments for investments in property, plant and equipment and intangible assets.

Cash and cash equivalents comprise cash on hand of EUR 41 thousand (previous year: EUR 27 thousand) and short-term investments amounting to EUR 132,242 thousand (previous year: EUR 144,257 thousand).

## J FINANCIAL INSTRUMENTS

### Risk management strategies

AMAG Austria Metall AG is exposed to risks arising from changes in exchange rates, interest rates and quoted share prices, which can have an impact on assets, liabilities and planned transactions. The handling of such risks is regulated in Group-wide valid guidelines that are updated constantly and adjusted to reflect changes in circumstances. The aim of financial risk management is to limit market risk by means of the Group's ongoing operating and financial activities. Derivative instruments are deployed solely for hedging purposes.

### Liquidity risks

Liquidity risk refers to the risk that the company will not enjoy uninterrupted access to funding in order to settle its financial obligations. Accordingly, the Group takes steps to ensure that sufficient cash and cash equivalents are available, and that financing requirements can be met through credit facilities. Liquidity risks are determined by liquidity planning, which is conducted across the Group on the basis of different currencies. Capital measures for the Group companies are planned on the basis of these results.

In order to reduce its exposure to liquidity risk, the AMAG Group has lines of credit evidenced by certificates lines of credit totalling EUR 160,000 thousand (previous year: EUR 130,000 thousand), as well as a guarantee facility of EUR 68,426 thousand (previous year: EUR 41,183 thousand).

The residual terms of the liabilities are as follows:

2015 in EUR thousand	Book value	Gross cash flow	With a residual term of less than 1 year	With a residual term of more than 1 but less than 5 years	With a residual term of more than 5 years
Financial liabilities	246,078	275,089	16,350	183,499	75,241
Other non-current liabilities without derivatives	4,140	4,140	0	4,140	0
Derivatives recognized as non-current liabilities	9,122	9,122	0	9,122	0
Trade payables	55,566	55,566	55,566	0	0
Current tax liabilities	4,151	4,151	4,151	0	0
Other current liabilities without derivatives	21,097	21,097	21,097	0	0
Derivatives recognized as current liabilities	18,139	18,139	18,139	0	0
	<b>358,294</b>	<b>387,305</b>	<b>115,303</b>	<b>196,761</b>	<b>75,241</b>

2014 in EUR thousand	Book value	Gross cash flow	With a residual term of less than 1 year	With a residual term of more than 1 but less than 5 years	With a residual term of more than 5 years
Financial liabilities	237,315	271,995	21,032	213,973	36,990
Other non-current liabilities without derivatives	4,114	4,114	0	4,114	0
Derivatives recognized as non-current liabilities	7,707	7,707	0	7,707	0
Trade payables	55,428	55,428	55,428	0	0
Current tax liabilities	6,093	6,093	6,093	0	0
Other current liabilities without derivatives	21,286	21,286	21,286	0	0
Derivatives recognized as current liabilities	21,082	21,082	21,082	0	0
	<b>353,025</b>	<b>387,706</b>	<b>124,922</b>	<b>225,794</b>	<b>36,990</b>

### Credit risks

Credit risk and the risk of default by contractual partners is managed by way of credit assessments, credit limits and routine checks. Where appropriate, the Group obtains government export guarantees or guarantees from private credit insurers in order to minimise default risk.

The Group operates exclusively with financial partners with good credit ratings, which also serves to reduce credit risk.

With regard to assets, the reported values of the relevant primary financial instruments represent the maximum credit or default risk. Provisions are formed for all identified risks. The management is of the opinion that no other credit risks above and beyond these will arise.

Trade receivables that are not yet due are owed mainly by long-term business partners. Creditworthiness is assessed on the basis of internal guidelines. Credit insurance has been taken out with various insurers in relation to a significant proportion (84.7 %) of trade receivables (previous year: 80.3 %). An excess is payable in the event of a claim. Impairment allowances equivalent to the maximum excess are recognised for such receivables, based on local management's assessment. Impairment losses are applied to uninsured receivables, depending on their overdue nature.

in EUR thousand	2015	2014
<b>Not yet due</b>	<b>77,043</b>	<b>71,835</b>
<b>Overdue receivables</b>	<b>12,062</b>	<b>11,547</b>
Less than 30 days overdue	10,667	10,299
More than 30 days, but less than 60 days overdue	899	867
More than 60 days, but less than 90 days overdue	65	225
More than 90 days, but less than 180 days overdue	430	155
	<b>89,105</b>	<b>83,382</b>
Receivables written-down	5,831	4,738
<b>Total Trade receivables (excl. allowances )</b>	<b>94,936</b>	<b>88,120</b>

None of the other receivables are overdue.

## Market risks

### Currency risks

Currency risk refers to the risk that the value of a financial instrument may change due to exchange rate fluctuations. The Group concludes exchange futures and options transactions (cash flow hedges) in order to limit the currency risk arising from cash flows from operating activities. The fair value of assets and liabilities reported in the statement of financial position is hedged using exchange forward transactions and options (fair value hedges).

The Group is exposed to currency risk on account of the fact that it operates, and generates revenue, in various countries around the world. Foreign currency receivables and liabilities related to transactions that require disclosure are recognised at the time when the respective contract is entered into, as are undisclosed items, in particular recurring transactions required for operating activities (e.g. anticipated purchases of raw materials and consumables, and revenue).

Production costs at the Ranshofen site are incurred mainly in euros, although also in US dollars. Any imbalance between expenses and revenue is hedged. Costs at the Canadian plant are incurred in US dollars and Canadian dollars, although sales revenue is realised primarily in US dollars. Items not covered by natural hedges are hedged in accordance with the risk position and risk horizon.

The table below shows the breakdown of primary financial instruments – comprising trade receivables and payables, loans receivable, borrowings and financial assets – by currency at the end of the reporting period:

	2015			2014		
	Currency	in EUR thousand	Share	Currency	in EUR thousand	Share
<b>Primary financial instruments/assets</b>	<b>EUR</b>	<b>144,254</b>	<b>62.2 %</b>	<b>EUR</b>	<b>179,513</b>	<b>75.3 %</b>
	USD	83,348	35.9 %	USD	53,994	22.7 %
	CAD	1,181	0.5 %	CAD	1,179	0.5 %
	GBP	3,124	1.3 %	GBP	2,523	1.1 %
	DKK	56	0.0 %	DKK	589	0.2 %
	NOK	45	0.0 %	NOK	180	0.1 %
	Other	310	0.1 %	Other	169	0.1 %
		<b>232,318</b>	<b>100.0 %</b>		<b>238,148</b>	<b>100.0 %</b>

	2015			2014		
	Currency	in EUR thousand	Share	Currency	in EUR thousand	Share
<b>Primary financial instruments/liabilities</b>	<b>EUR</b>	<b>273,097</b>	<b>89.2 %</b>	<b>EUR</b>	<b>267,333</b>	<b>89.8 %</b>
	USD	13,764	4.5 %	USD	10,796	3.6 %
	CAD	19,463	6.3 %	CAD	19,795	6.6 %
	GBP	144	0.0 %	GBP	80	0.0 %
	CHF	0	0.0 %	CHF	16	0.0 %
	Other	35	0.0 %	Other	27	0.0 %
		<b>306,503</b>	<b>100.0 %</b>		<b>298,047</b>	<b>100.0 %</b>

### Interest rate risks

This refers to risks associated with changes in the net interest result or present value. Due to the interaction between these types of risks, interest rate risk cannot be eliminated entirely. The Group's exposure to risks related to present value affects interest-bearing financial instruments and assets, while net interest income-related risks have an impact on interest expense and income.

At the end of the reporting period the Group had entered into euro-denominated interest rate swaps that qualified as cash flow hedges. AMAG Austria Metall AG pays fixed interest on the notional value of the swap contract and, in return, receives variable interest payments on the same principal amount.

These interest rate swaps offset the impact of future changes in interest rates on the cash flows derived from the underlying variable-rate financial liabilities. The interest rate swaps are reported at fair value in the statement of financial position.

Changes in the fair value of interest rate swaps designated as cash flow hedges are recognised in equity under the hedging reserve item. Once interest payments are received in relation to the hedged underlying transaction, the hedging reserve is reclassified and recognised in profit or loss under net interest income/expense.

A detailed overview of the weighted interest rates applicable at the end of the reporting period is provided below:

### Interest rate summary as of Dec. 31, 2015

Position	Rate type	Average	Bank accounts	Current	Non-current
Deposits	Fixed	-	-	-	-
	Variable	0.40 %	0.09 %	0.47 %	-
	<b>Average</b>	<b>0.40 %</b>	-	-	-
Financial liabilities	Fixed	0.91 %	-	1.11 %	0.89 %
	Variable	0.61 %	-	0.00 %	0.61 %
	<b>Average</b>	<b>0.82 %</b>	-	<b>1.11 %</b>	<b>0.80 %</b>

### Interest rate summary as of Dec. 31, 2014

Position	Rate type	Average	Bank accounts	Current	Non-current
Deposits	Fixed	-	-	-	-
	Variable	0.33 %	0.15 %	0.36 %	-
	<b>Average</b>	<b>0.33 %</b>	-	-	-
Financial liabilities	Fixed	1.17 %	-	1.18 %	1.17 %
	Variable	1.61 %	-	1.14 %	1.68 %
	<b>Average</b>	<b>1.25 %</b>	-	-	-

### Commodity price risks

In the commodities area, AMAG Austria Metall AG is particularly exposed to price risks arising from aluminium. The Group's aluminium risks derive from the fact that the AMAG Group produces and processes aluminium. Aluminium production gives rise to price risks that are hedged through deploying derivative instruments. The reprocessing of aluminium also results in risk exposures. For this, metals are purchased on an aluminium basis (e.g. scrap), and resold following processing.

Hedging instruments are deployed in order to reduce the resultant purchasing and selling risks.

The risk of changes in raw material prices on the London Metal Exchange (LME) is hedged by means of standard commodities forwards and options. Hedges of future cash flows arising from aluminium production are classified as cash flow hedges. Hedges of inventory are recognised as fair value hedges in accordance with the IFRS criteria.

Derivatives designated as held for trading may not be classified as cash flow or fair value hedges under the current accounting standards, although they serve as hedges against the Group's operating risk exposures.

Due to the long risk horizon in some cases, these risks are hedged for periods of up to three years. In the commodities price hedging area, too, derivatives are deployed only to hedge raw material price risk if they can be clearly accounted for and measured.

## Sensitivity analysis

**Sensitivity analyses as of Dec. 31, 2015 (amounts in EUR thousand)**

<b>Foreign exchange rate risks</b>	<b>Change</b>	<b>EUR</b>	<b>USD</b>	<b>Other</b>	<b>Total</b>
Change in net financial liabilities due to an exchange rate reduction by	10 %	0	5,385	(1,707)	3,678
Effect to profit or loss from foreign currency transactions due to an exchange rate reduction by	10 %	(607)	182	0	(425)
Effect to other comprehensive income from foreign currency transactions due to an exchange rate reduction by	10 %	(20,801)	2,800	6,332	(11,668)
<b>Interest rate risks</b>	<b>Change</b>	<b>EUR</b>	<b>USD</b>	<b>Other</b>	<b>Total</b>
Change in net interest income (expenses) due to an interest rate increased by	1 %	165	537	13	715
Effect to other comprehensive income from interest swap due to an interest rate increased by	1 %	600	0	0	600
<b>Commodity price risks</b>	<b>Change</b>			<b>AL</b>	<b>Total</b>
Change in inventory write-down due to LME aluminium price reduction by	10 %	0	0	(7,349)	(7,349)
Effect to profit or loss from commodity price hedging due to an LME reduction by	10 %	0	0	(10)	(10)
Effect to other comprehensive income from commodity price hedging due to an LME reduction by	10 %	0	0	645	645

**Sensitivity analyses as of Dec. 31, 2014 (amounts in EUR thousand)**

<b>Foreign exchange rate risks</b>	<b>Change</b>	<b>EUR</b>	<b>USD</b>	<b>Other</b>	<b>Total</b>
Change in net financial liabilities due to an exchange rate reduction by	10 %	0	1,493	254	1,747
Effect to profit or loss from foreign currency transactions due to an exchange rate reduction by	10 %	(344)	0	0	(344)
Effect to other comprehensive income from foreign currency transactions due to an exchange rate reduction by	10 %	(17,192)	3,079	3,566	(10,547)
<b>Interest rate risks</b>	<b>Change</b>	<b>EUR</b>	<b>USD</b>	<b>Other</b>	<b>Total</b>
Change in net interest income (expenses) due to an interest rate increased by	1 %	506	335	0	841
Effect to other comprehensive income from interest swap due to an interest rate increased by	1 %	316	0	0	316
<b>Commodity price risks</b>	<b>Change</b>			<b>AL</b>	<b>Total</b>
Change in inventory write-down due to LME aluminium price reduction by	10 %	0	0	(6,749)	(6,749)
Effect to profit or loss from commodity price hedging due to an LME reduction by	10 %	0	0	112	112
Effect to other comprehensive income from commodity price hedging due to an LME reduction by	10 %	0	0	4,419	4,419

The table shows the effect of a generally possible exchange rate reduction of 10 % on periodic earnings, as well as the sensitivities of the hedges.

The table also shows sensitivity given a one percentage point increase in the interest rate, as well as the effect of the hedges.

Finally, the table also shows the effects of a 10 % change in the aluminium price on inventory values, and the sensitivity of the commodities hedges.

### Primary financial instruments

Details of primary financial instruments can be found on the statement of financial position and in the related notes.

### Cash and cash equivalents

The carrying amounts correspond to market values.

### Securities held as non-current and current assets

These assets relate to interests of less than 20 % that are classified as available for sale, and recognised at cost.

### Derivative financial instruments

Only standard market transactions offering sufficient liquidity are deployed for hedging purposes.

### Cash flow hedges

Foreign exchange derivatives are employed to hedge cash flows from outstanding and anticipated foreign currency transactions. Additionally, raw material price risks (in relation to aluminium and, to a minor extent, copper) arising from expected and highly probable forecast transactions are hedged using commodity derivatives. Euro-denominated interest rate swaps serve as a hedge against interest rate risk. The fair value of interest rate derivatives reflects changes in the yield curve since the start of the instruments' terms. In the case of options, only the intrinsic value of the derivative is designated as a hedging instrument. As a consequence, changes in the fair value of this intrinsic value are recognised in the hedging reserve, and changes in the fair value of the derivative are recognised immediately in profit or loss.

Derivative financial instruments qualifying as cash flow hedges and recognised in the hedging reserve are as follows:

Currency or commodity		time of concentration	Nominal values <sup>1)</sup>	2015	time of concentration	Nominal values 1)	2014
				Market values in EUR thousand			Market values in EUR thousand
<b>Currency derivatives</b>							
Foreign exchange forwards							
USD	Sale	02/2019	227,721	(15,685)	12/2018	206,938	(13,229)
GBP	Sale	10/2016	540	(4)	10/2015	896	(52)
CAD	Buy	02/2019	94,618	(7,401)	02/2017	46,736	(2,187)
USD	Buy	11/2016	30,492	307	02/2016	39,690	511
Foreign exchange options							
CAD	Put		0	0	03/2015	5,250	0
<b>Commodity derivatives</b>							
Forward contracts							
AL	Sale	12/2016	5,250	1,701	12/2016	23,175	3,287
CU	Buy	12/2016	600	(274)	12/2015	300	17
Options							
AL	Sale		0	0	12/2015	6,000	82
<b>Interest rate derivatives</b>							
Interest rate swaps							
EUR		10/2024	60,000	220	05/2019	31,600	(1,383)
<b>Embedded derivative</b>							
AL	Sale	12/2016	8,917	9,331	12/2016	17,809	12,732

The nominal values of currencies are stated in '000s, and those of commodities in tonnes of aluminium (AL) or copper (CU).

The table below shows the changes in the hedging reserve (after taxes) in accordance with IAS 39.

<b>2015 in EUR thousand</b>	<b>Commodity derivatives</b>	<b>Currency derivatives</b>	<b>Interest rate derivatives</b>	<b>Embedded derivative</b>	<b>Total</b>
Change in fair value recognized directly in other comprehensive income (OCI)	7,777	(29,352)	260	4,118	(17,198)
Reclassification from OCI recognized through profit or loss	(9,736)	21,858	1,343	(8,188)	5,277
of which: reclassification from OCI recognized in the original acquisition costs	0	0	0	0	0

<b>2014 in EUR thousand</b>	<b>Commodity derivatives</b>	<b>Currency derivatives</b>	<b>Interest rate derivatives</b>	<b>Embedded derivative</b>	<b>Total</b>
Change in fair value recognized directly in other comprehensive income (OCI)	3,693	(17,493)	(685)	1,139	(13,346)
Reclassification from OCI recognized through profit or loss	(4,219)	157	0	(7,112)	(11,174)
of which: reclassification from OCI recognized in the original acquisition costs	0	0	0	0	0

### Fair value hedges

Forward currency transactions that qualify as fair value hedges have been entered into in order to hedge foreign currency receivables. Fluctuations in the market value of these foreign exchange derivatives are reported as other expenses. Forward transactions designated as fair value hedges are used for the purpose of aluminium inventory hedging. Changes in the market value of these instruments are recorded as raw materials and consumables used.

The following derivative financial instruments qualify as fair value hedges, and are recognised in profit or loss:

Currency or commodity	time of concentration	Nominal values <sup>1)</sup>	2015		2014		
			Market values in EUR thousand	time of concentration	Nominal values <sup>1)</sup>	Market values in EUR thousand	
<b>Commodity derivatives</b>							
Forward contracts							
AL	Sale	01/2016	40,000	(520)	06/2016	46,284	4,515
AL	Buy	03/2017	6,500	(228)	12/2015	11,184	(141)
Hedged firm commitments							
AL	Sale	03/2017	6,500	228	12/2015	11,184	141
AL	Buy		0	0	06/2015	6,284	(615)

1) The nominal values of currencies are stated in '000s, and those of commodities in tonnes of aluminium (AL) or copper (CU).

### Held for trading

Foreign exchange and commodity (aluminium) derivatives that meet the requirements for hedge accounting under IAS 39 in terms of documentation and effectiveness are designated as held for trading. Fair value changes in these derivative financial instruments are recognised in profit or loss.

The following derivative financial instruments qualify as held-for-trading, and are recognised in profit or loss:

Currency or commodity	time of concentration	Nominal values 1)	2015		2014	
			Market values in EUR thousand	time of concentration	Nominal values 1)	Market values in EUR thousand
<b>Currency derivatives</b>						
Foreign exchange forwards						
USD	Buy	12/2016	2,000	48		0
GBP	Sale	03/2016	2,719	48	02/2015	2,263
JPY	Sale	02/2016	53,834	(6)	02/2015	43,435
USD	Sale	12/2016	2,000	(48)		0
CHF	Sale		0	0	03/2015	71
NOK	Sale	02/2016	1,290	3	01/2015	1,649
Foreign exchange options						
CAD	Put		0	0		5,250
<b>Commodity derivatives</b>						
Forward contracts						
AL	Buy	11/2018	222,450	(282)	11/2016	320,316
AL	Sale	05/2016	222,450	8,404	12/2015	320,316
Options						
AL	Sale	0	0	0	12/2015	6,000

1) The nominal values of currencies are stated in '000s, and those of commodities in tonnes of aluminium (AL) or copper (CU).

The nominal values comprise the gross sum of the purchase and sales prices of the derivative financial transactions. The value of commodity derivatives is stated in tonnes in the transaction currency.

The market values are based on the values at which the respective transactions are traded as at the end of the reporting period. The market values of commodity derivatives reflect the official aluminium prices listed on the LME at the end of the reporting period. The fair value of forward derivatives is calculated on the basis of the forward rate as at the end of the reporting period.

Recognised models are applied to determine option prices. The market valuation of interest rate swaps, interest rate caps and forward rate agreements is performed on the basis of generally accepted mathematical measurement models.

A hedge's term is determined by that of its underlying transaction, as a matter of principle.

Additional disclosures about financial instruments pursuant to IFRS 7:

<b>2015</b> Amounts in EUR thousand	Fair Value- Hedge	Cashflow- Hedge	Held for Trading	Held to Maturity
<b>Assets</b>				
Other non-current assets and financial assets	0	245	4	27
Trade receivables	0	0	0	0
Current tax assets	0	0	0	0
Other receivables	56	11,593	10,979	0
Cash and cash equivalents	0	0	0	0
<b>Liabilities</b>				
Interest-bearing non-current financial liabilities	0	0	0	0
Other non-current liabilities	48	8,842	232	0
Interest-bearing current financial liabilities	0	0	0	0
Trade payables	0	0	0	0
Current tax liabilities	0	0	0	0
Other current liabilities	755	14,800	2,585	0

<b>2014</b> Amounts in EUR thousand	Fair Value- Hedge	Cashflow- Hedge	Held for Trading	Held to Maturity
<b>Assets</b>				
Other non-current assets and financial assets	0	6,642	0	27
Trade receivables	0	0	0	0
Current tax assets	0	0	0	0
Other receivables	4,776	10,186	8,377	0
Cash and cash equivalents	0	0	2,500	0
<b>Liabilities</b>				
Interest-bearing non-current financial liabilities	0	0	0	0
Other non-current liabilities	0	7,682	24	0
Interest-bearing current financial liabilities	0	0	0	0
Trade payables	0	0	0	0
Current tax liabilities	0	0	0	0
Other current liabilities	401	9,367	11,314	0

\*) Loans and receivables at an amortised cost

Available for Sale	Loans, receivables and liabilities <sup>*)</sup>	Cash and cash equivalents <sup>*)</sup>	Not a financial instrument	Book value as of Dec. 31, 2015	Fair Value as of Dec. 31, 2015
354	2,472	0	81	3,182	3,182
0	93,244	0	0	93,244	93,244
0	0	0	2,664	2,664	2,664
0	3,739	201	14,010	40,577	40,577
0	0	132,282	0	132,282	132,282
0	231,761	0	0	231,761	225,162
0	2,630	0	1,510	13,262	13,262
0	14,318	0	0	14,318	14,246
0	55,566	0	0	55,566	55,566
0	0	0	4,151	4,151	4,151
0	2,228	0	18,868	39,236	39,236

Available for Sale	Loans, receivables and liabilities <sup>*)</sup>	Cash and cash equivalents <sup>*)</sup>	Not a financial instrument	Book value as of Dec. 31, 2014	Fair Value as of Dec. 31, 2014
478	2,345	0	30	9,521	9,521
0	86,756	0	0	86,756	86,756
0	0	0	2,906	2,906	2,906
0	3,782	475	11,626	39,222	39,222
0	0	141,785	0	144,285	144,285
0	219,043	0	0	219,043	214,479
0	2,639	0	1,475	11,820	11,820
0	18,233	39	0	18,272	18,257
0	55,428	0	0	55,428	55,428
0	0	0	6,093	6,093	6,093
0	2,665	0	18,622	42,369	42,369

Cash and cash equivalents, financial instruments, and trade and other receivables generally have short maturities. As a result, the carrying amounts for these items are approximately the same as the respective fair value. Financial instruments not categorised in accordance with IFRS 7 include financial assets and liabilities measured at fair value as well as those recognised at amortised cost.

In general, trade payables and other current liabilities have terms of less than one year, and the recognised values are approximations of their respective fair value.

The fair values of bank borrowings and other financial liabilities are calculated as the present values of the related payments on the basis of the respective yield curve, taking account of the Group's credit risk exposure.

The measurement categories are as follows:

in EUR thousand	2015				2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>								
Other non-current assets and financial assets	0	249	0	249	0	572	6,070	6,642
Other receivables	0	13,296	9,331	22,627	0	16,677	6,662	23,339
Cash and cash equivalents	0	0	0	0	2,500	0	0	2,500
<b>LIABILITIES</b>								
Interest-bearing non-current financial liabilities	0	225,162	0	225,162	0	214,479	0	214,479
Other non-current liabilities	0	9,122	0	9,122	0	7,707	0	7,707
Interest-bearing current financial liabilities	0	14,246	0	14,246	0	18,257	0	18,257
Other current liabilities	0	18,139	0	18,139	0	21,082	0	21,082

The Group applies the following hierarchy to determine and report the fair value of financial instruments for each valuation method:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: methods in which all inputs that have a material effect on the reported fair value are directly or indirectly observable. The transactions outlined below are recognised at this level:

Forward currency transactions:

In forward currency transactions, a specified amount of a certain currency is exchanged for an amount in another currency at an agreed exchange rate on a particular date. Both of the cash flows arising at the maturity date are recognised at present value on the basis of the yield curve for each transaction currency. The present value of the forward currency transaction comprises the difference between the two cash flows discounted to their present value and translated into the reporting currency applying the exchange rates. The exchange rates and the yield curve are applied as inputs.

Interest rate swaps:

Interest rate swaps involve the exchange of a floating interest rate for a fixed rate. Measurement entails calculating the present value of the variable interest payments and the present value of the fixed interest payments. The present value of the interest rate swap is the difference of the two cash flows discounted to present value over the term of the transaction. The inputs comprise 3-month Euribor and the yield curve.

Commodity futures:

The value of these futures is the difference between the contract price and the aluminium price quoted on the London Metal Exchange (LME) at the maturity date of the transaction. The LME quoted aluminium price including the term structure, and the euro/US dollar futures curve comprise the inputs.

Commodity options:

The Black-Scholes model is applied in the valuation of commodity options. The key inputs are the LME quoted aluminium price including the term structure, the euro/US dollar futures curve, and aluminium price volatility data.

Level 3: methods based on input parameters that have a material effect on fair value and are not based on observable market data.

Assets measured at a fair value determined in accordance with level 3 in the course of a subsequent measurement relate to the derivative embedded in the electricity supply agreement of Aluminerie Alouette Inc. For more details please refer to section F. The change in the value of the embedded derivative is shown below:

	Other non-current assets and financial assets	Other receivables
As of Jan. 1, 2014	9,045	6,044
Currency translation differences	1,229	821
Changes Fair Value	1,251	2,126
Recycling	0	(7,784)
Reclassification	(5,455)	5,455
<b>As of Dec. 31, 2014</b>	<b>6,070</b>	<b>6,662</b>
As of Jan. 1, 2015	6,070	6,662
Currency translation differences	699	767
Changes Fair Value	0	1,715
Recycling	0	(6,583)
Reclassification	(6,769)	6,769
<b>As of Dec. 31, 2015</b>	<b>0</b>	<b>9,331</b>

The impact of a change in the electricity reference price on measurement is outlined below:

Sensitivity in EUR thousand	2015		2014	
	+1 %	-1 %	+1 %	-1 %
Other non-current assets and financial assets	0	0	208	(208)
Other receivables	237	(237)	227	(227)

## Net gains and losses by measurement categories

<b>Net gains (losses) on financial instruments in EUR thousand</b>	<b>2015</b>	<b>2014</b>
Hedging instruments and held for trading	(4,009)	1,986
Available for Sale	359	195
receivables and credits	(290)	1,989
liabilities at continued acquisition costs	7,016	(1,509)
	<b>3,075</b>	<b>2,662</b>

The net profit/loss from financial instruments includes dividends received, but not profit attributable to non-controlling interests, or interest expense and interest received. Impairment losses and reversals of impairment losses, foreign exchange gains and losses, gains and losses on disposals, and other changes in the fair values of financial instruments recognised in profit or loss are included in the calculation of net profit/loss from financial instruments.

In the 2015 financial year, impairment losses amounting to EUR 1,693 thousand were applied to trade receivables (previous year: EUR 1,364 thousand). Gains and losses from derivative financial instruments used to hedge operating risk, which are offset by expenses under raw material and consumables and by revenue, are not included in net profit/loss from financial instruments. An inefficiency of EUR -828 thousand (previous year: EUR 692 thousand), which is recognised in profit or loss, derives from the efficiency measurement of the embedded cash flow hedge derivative.

## K CONTINGENT LIABILITIES AND GUARANTEES

### Legal proceedings

As at the end of the reporting period, no legal proceedings were pending that represented risks beyond those arising from normal business operations. In addition, the Group was unaware as of the reporting date of any legally relevant circumstances which could lead to the instigation of such proceedings.

### Other

<b>in EUR thousand</b>	<b>2015</b>	<b>2014</b>
Guarantees	17,239	12,253
	<b>17,239</b>	<b>12,253</b>

The sureties and guarantees item relates mainly to bank guarantees for public amenities of EUR 6,769 thousand, compared with EUR 6,415 thousand in the previous reporting period. A provision of EUR 511 thousand (previous year: EUR 243 thousand) was recognised in relation to this arrangement.

As part of the planned expansion of capacity at Aluminerie Alouette Inc., the consortium members, the Government of Québec and electricity company Hydro Québec signed a long-term power supply contract in June 2012. Under the agreement, the consortium members have obligated themselves to purchase the agreed electricity volume that is realised only through the expansion of the smelter. If the corresponding clauses take effect, the owners of Aluminerie Alouette Inc. are obligated to pay a penalty. The proportionate penalty would amount to EUR 6,489 thousand as of the December 31, 2015 reporting date (previous year: EUR 5,163 thousand), and will increase by EUR 1,588 thousand per year until the decision. From today's perspective, we assume that no penalty is to be paid.

In connection with the construction of a second electricity line, an obligation exists to participate in the construction costs. This depends on the additional purchasing of electric power, and amounts to up to EUR 2,204 thousand on a proportional basis. From today's perspective, we assume that this will generate no additional costs.

## L RELATED PARTY DISCLOSURES

All of the transactions under this item occur on an arm's length basis.

The composition of the Management Board has remained unchanged compared with the previous year. The Management Board contracts of CFO Gerald Mayer and CTO Dr. Helmut Kaufmann were extended early until December 31, 2019.

As part of re-formulating the Management Board contracts, a long-term compensation scheme was implemented that enables the Management Board members to participate in the company's value appreciation, taking a predetermined minimum return on capital into account.

The following remuneration, including the change in provisions, was granted to Supervisory and Management board members, and to managing directors.

<b>2015 in EUR thousand</b>	<b>Supervisory Board members</b>	<b>Management Board members</b>	<b>Directors</b>	<b>Total</b>
Short-term benefits	351	2,603	1,956	4,910
Benefits upon termination of employment	0	0	0	0
Post-employment benefits	0	147	133	279
	351	2,749	2,089	5,189

<b>2014 in EUR thousand</b>	<b>Supervisory Board members</b>	<b>Management Board members</b>	<b>Directors</b>	<b>Total</b>
Short-term benefits	195	3,131	1,732	5,057
Benefits upon termination of employment	0	200	0	200
Post-employment benefits	0	136	101	237
	195	3,467	1,832	5,494

No loans have been extended to Management and Supervisory board members, and no guarantees have been given on their behalf. No other transactions – and in particular no purchase contracts involving assets of significant value – have been entered into with related parties. Consulting agreements excess by March or April 2015 with two Supervisory Board members.

The Group has business relations with Raiffeisen Landesbank Oberösterreich AG and Oberbank AG associated with financing, investment and foreign exchange transactions.

## Supplier relationships

in EUR thousand					2015
Company	Speditions service Ranshofen Ges.m.b.H.	unitIT Dienstleis- tungs GmbH & Co KG	Supervisor y Board members	Others	Total
Received	15,283	1,552	40	698	17,573
Provided	369	283	0	3	655
Status of receivables	74	41	0	0	115
Status of payables	958	166	0	2	1,127

in EUR thousand					2014
Company	Speditions service Ranshofen Ges.m.b.H.	unitIT Dienstleis- tungs GmbH & Co KG	Supervisor y Board members	Others	Total
Received	13,928	1,949	31	597	16,505
Provided	673	661	0	2	1,336
Status of receivables	9	42	0	0	51
Status of payables	1,027	137	0	58	1,222

## M AUDITORS' EXPENSES

Audit expenses comprise Deloitte's fees for the audit of the separate financial statements in accordance with local law, as well as of the individual Group companies' IFRS packages, and of the AMAG Austria Metall AG consolidated financial statements.

## Auditors' expenses

in EUR thousand	2015	2014
Audits	199	217
Other certification services	73	122
Tax advice	0	0
Other services	17	24

## N GROUP COMPANIES

Corporate name	Registered Office	Shares in %	
		direct*	indirect**
<b>Full consolidation</b>			
AMAG Austria Metall AG (parent company)	Ranshofen, A		
AMAG Erste Beteiligungsverwaltungs GmbH	Ranshofen, A	100.0	100.0
Austria Metall GmbH	Ranshofen, A	100.0	100.0
Aluminium Austria Metall Québec Inc.	Montréal, CAN	100.0	100.0
AMAG metal GmbH	Ranshofen, A	100.0	100.0
AMAG casting GmbH	Ranshofen, A	100.0	100.0
AMAG rolling GmbH	Ranshofen, A	100.0	100.0
AMAG Asia Pacific Ltd.	Taipei City, TW	100.0	100.0
AMAG Benelux B.V.	Delft, NL	100.0	100.0
AMAG Deutschland GmbH	Bergisch Gladbach, D	100.0	100.0
AMAG France S.A.R.L.	Suresnes, F	100.0	100.0
AMAG Rolling Iberia S.L.	Barcelona, ES	100.0	100.0
AMAG Italia S.R.L.	Milano, IT	100.0	100.0
AMAG UK Ltd.	Great Bookham, Surrey, GB	100.0	100.0
AMAG USA Corp.	Upper Saddle River, New Jersey, USA	100.0	100.0
AMAG service GmbH	Ranshofen, A	100.0	100.0
Metallwerk Furth GmbH	Furth im Wald, D	100.0	100.0
<b>Proportional consolidation</b>			
Aluminerie Alouette Inc. (direct shareholder is the fully consolidated Aluminium Austria Metall Québec Inc.)	Sept-Îles, CAN	20.0	20.0
<b>Other equity investments</b>			
Ausbildungszentrum Braunau Ges.m.b.H.	Braunau, A	20.0	20.0
Speditionsservice Ranshofen Ges.m.b.H.	Ranshofen, A	25.1	25.1
<b>Companies not included in the consolidation</b>			
APK Pensionskasse AG	Wien, A	2.0	2.0
unit-IT Dienstleistungs GmbH & Co KG	Linz, A	12.6	12.6
unit-IT Dienstleistungs GmbH	Linz, A	12.6	12.6

\*) from the perspective of the direct parent company \*\*) from the perspective of AMAG Austria Metall AG

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## O SUPPLEMENTARY INFORMATION

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### Events after the balance sheet date

No significant events occurred after the balance sheet date.

Ranshofen, February 10, 2016

The Management Board



Helmut Wieser  
Management Board Chairman (Chief Executive Officer)



Helmut Kaufmann  
Management Board member  
(Chief Operating Officer)



Gerald Mayer  
Management Board member  
(Chief Financial Officer)

### Declaration of the Management Board under Section 82 (4) of the Austrian Stock Exchange Act (BörseG)

The Management Board hereby declares that to the best of its knowledge the consolidated annual financial statements of AMAG Austria Metall AG, prepared in accordance with the applicable accounting standards, give a true and fair view of the Group's financial position and performance. The Group operating and financial review likewise as far as possible gives a true and fair view of the financial position and performance of the AMAG Group, and provides information on the course of business, results and position of the Group, and describes the risks and uncertainties to which the Group is exposed.



Helmut Wieser  
Management Board Chairman (Chief Executive Officer)



Helmut Kaufmann  
Management Board member  
(Chief Operating Officer)



Gerald Mayer  
Management Board member  
(Chief Financial Officer)

# Audit opinion

## Report on the consolidated financial statements

We have audited the attached consolidated financial statements of AMAG Austria Metall AG, consisting of the consolidated statement of financial position as of December 31, 2015, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year ending as of this reporting date, as well as the notes to the consolidated financial statements.

## Responsibility statement by the company's legal representative for the consolidated financial statements

The Group's legal representatives are responsible for the Group's accounting and the preparation of consolidated annual financial statements which, as far as possible, present a true and fair view of the Group's financial position and performance in accordance with the International Financial Reporting Standards (IFRSs) adopted by the EU, and the additional requirements pursuant to Section 245a of the Austrian Commercial Code (UGB).

## Auditor's responsibility statement

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit of the financial statements in accordance with Austrian proper auditing principles. These principles require the application the International Standards on Auditing (ISAs). Pursuant to these principles, we are required to comply with the relevant codes of professional conduct, and plan and perform the audit so as to obtain reasonable assurance that the consolidated financial statements are free from material misstatement.

An audit involves the performance of audit procedures to obtain evidence about the amounts and other disclosures in the consolidated annual financial statements. The selection of these procedures lies at the due discretion of the auditors, taking into account their assessment of the risk of material misstatement due to fraud or error. In making this risk assessment, the auditors consider the internal control system, to the extent relevant to the preparation of the consolidated financial statements and the presentation of a true and fair view of the Group's financial position and performance, in order to arrive at audit procedures that are appropriate in the circumstances, albeit not for the purpose of expressing an opinion on the effectiveness of the Group's internal control system. An audit also includes assessing the appropriateness of the accounting methods applied and of significant estimates made by the Company's legal representatives, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a sound basis for our audit opinion.

## Opinion

Our audit gave rise to no objections. Based on the results of our audit, in our opinion the consolidated financial statements to the maximum possible extent conform to the legal regulations, and present a true and fair view of the Group's financial position as of December 31, 2015, as well as its financial performance for the financial year ending as of this date, in accordance with the International Financial Reporting Standards (IFRSs) as applicable in the EU, and the additional requirements of Section 245a of the Austrian Commercial Code (UGB).

### Opinion on the Group operating and financial review

The legal regulations require us to audit the Group operating and financial review to determine whether it is consistent with the consolidated financial statements, and whether the other disclosures made in the operating and financial review do not present a misleading view of the Group's position. The auditors' report must also contain a statement as to whether the Group operating and financial review is consistent with the consolidated financial statements and whether the disclosures made in accordance with Section 243a of the Austrian Commercial Code (UGB) are correct.

In our opinion the Group operating and financial review is consistent with the consolidated financial statements. The disclosures under Section 243a of the Austrian Commercial Code (UGB) are correct.

Vienna, February 10, 2016

Deloitte Audit Wirtschaftsprüfungs GmbH



Walter Müller  
Auditor



pp Monika Viertlmayer  
Tax advisor

The consolidated financial statements may only be published or disseminated with our auditors' report in the version approved by us. The auditors' report applies solely to the complete German-language consolidated financial statements, including the Group operating and financial review. With regard to differing versions, attention is drawn to the provisions of Section 281 (2) of the Austrian Commercial Code (UGB).

# Glossary

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## TECHNICAL GLOSSARY

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### "Alloy-to-alloy" recycling:

Specific separation and sophisticated metal analysis that allows scrap (input materials) to be recycled, usually for manufacturing finished product alloys of identical analysis

### Cast ingots:

Aluminium or aluminium alloy ingots cast in moulds for re-melting in aluminium foundries (die casting, mould casting, sand casting)

### Cathode sheet:

Metallic zinc deposits on pure aluminium sheets that are placed in an electrolysis tank containing zinc solvent in a sulphuric solution

### Clad brazing sheet:

Composite material consisting of a core aluminium alloy and a cladding layer of a brazing alloy with a lower melting point (for use in coolers and heat exchangers)

### Collection point:

Production site where scrap from cans, foils, wheel rims, window frames, chips and engine blocks etc, is collected, classified, sorted by type to the highest possible accuracy, and stored for recycling purposes

### Continuous solution annealing furnace for aluminium strip:

Continuous solution annealing furnace to adjust certain metallurgical properties of aluminium strip

### Heat-treatable plates:

Aluminium plates with increased hardness achieved through special thermal processing

### Homogenisation furnace:

Type of furnace used in the casthouse to produce a homogenised microstructure prior to subsequent hot rolling

### Horizontal heat-treatment furnace:

Non-continuous, multizone furnace in the rolling mill, utilised for solution annealing of heat-treatable plates

### Hot rolling simulation:

Computer simulation of hot rolling to make predictions about the final product prior to the actual rolling process

### Manufacturing of rolling ingots:

Manufacturing of ingots intended for rolling that are vertically cast in the ingot casthouse

### Passivation:

The oxide layer of the aluminium is replaced by an artificial barrier layer, providing a good surface for adhesively bonded joints

### Precision cast plates:

Aluminium precision plates cut from rolling slabs and precision-milled on both sides

### Primary aluminium:

Aluminium produced from alumina using electric power, petroleum coke, pitch and other raw materials

### Rolling:

A forming process. If materials are formed at temperatures above their recrystallisation temperature, the process is referred to as hot rolling, otherwise as cold rolling

### Rolling slab:

Vertically cast ingots for deployment in rolling mills

### Secondary aluminium:

Aluminium alloy obtained from recycled aluminium scrap

### Semi-finished aluminium:

Generic term used to describe aluminium products in the form of sheet, sections and strips, pipes etc

### Sows:

Ordinary cast form for aluminium, suited for re-melting

### Special rolled products:

Rolled products that are distinguished from standard products through a combination of specific properties (e.g. bright sheet)

### Stretcher:

Stretchers are used to remove unevenness from sheets, strips and plates, and to reduce the material's residual stress

### Two-piece ingots and horizontal direct chill cast ingots:

Ingots produced in two-part or horizontally continuous casting lines

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## FINANCIAL GLOSSARY

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**ATX Prime:**

Benchmark index of the Vienna Stock Exchange that includes all stocks in the prime market segment

**Backwardation:**

A situation on a futures market where the spot price is higher than the futures price

**Compliance:**

Adherence to laws, guidelines and voluntary codes

**Contango:**

A situation with a commodity futures transaction where the spot price is lower than the forward price

**Capital employed:**

The total of average equity and average net debt (long-term and short-term interest-bearing financial liabilities less liquid assets and short-term securities)

**Corporate governance:**

Rules of behaviour for responsible management and controlling of companies, as set out in the Austrian Corporate Governance Code; compliance with this code is voluntary

**Corporate Social Responsibility (CSR):**

Term referring to voluntary initiatives implemented with a view to promoting sustainable corporate governance that extends above and beyond statutory requirements, and reflects all stakeholders' interests

**Cash flow:**

Financial parameter indicating the net cash received over a period of time; an indicator of a company's solvency

**Coverage:**

Regular reporting by analysts about a company's development

**D&O: Directors and officers:**

legally liable members of company boards such as the management or supervisory board of a public limited company, or corporate officers and directors in a limited liability corporation

**Derivative financial instruments:**

Financial instruments whose prices are based on other investments' actual or expected prices

**Dividend yield:**

Ratio between a company's dividend and its share price, expressed in percent; shows the return on invested capital per share

**Earnings per share:**

Derived by dividing consolidated net profit or loss by the weighted average number of shares in issue

**EBIT (Earnings before Interest and Tax):**

A measure of operating income after taking depreciation and amortisation into account

**EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation):**

A measure of cash operating income

**EBT (Earnings before Tax):**

A measure of profit before the application of tax

**Equity ratio:**

Ratio between equity and total assets

**Gearing:**

Ratio of net debt (long-term and short-term interest-bearing borrowings less cash and cash equivalents, and long-term and short-term securities) to equity

**Hedging:**

Financial risk management measures to limit or avoid the negative impact of market price changes in the areas of interest rates, currencies, asset values or commodities

**ISIN (International Security Identification Number):**

A reference number for securities

**London Metal Exchange (LME):**

One of the world's largest metals trading exchanges for spot and forward transactions

**Management letter:**

A document addressed to a management board with recommendations for potential improvements at the company, published by an independent auditor as part of a legally prescribed auditors' report and opinion

**Market capitalisation:**

Calculated by multiplying the number of a company's shares in issue by their current share price on the stock market

**NOPAT (Net Operating Profit after Tax):**

Earnings after tax adjusted to reflect the net interest result and related tax (tax effect deriving from the net financial result)

**Price/earnings ratio (PER):**

Ratio to value a share on the stock market; ratio between the current share price and earnings per share

**Profit attributable to non-controlling interests:**

Portion of net income attributable to non-controlling interests. If the amount is positive, a pro rata share of the consolidated subsidiary's net loss is added to consolidated profit.

**ROCE (Return on Capital Employed):**

NOPAT in relationship to average capital employed = profitability of capital employed

**ROE (Return on Equity):**

Ratio between earnings after taxes and average equity, expressed as a percentage. It shows the profitability in relation to average equity employed in the course of the financial year

**Small and mid caps:**

Listed companies with small or medium market capitalisations

**Stakeholder:**

Person with a vested interest in the conduct of a company (e.g. a shareholder, employee, customer or supplier); the stakeholder value approach assesses the company in its overall socio-economic context with a view to reconciling the needs of the various stakeholder groups

**Total shareholder return:**

Derived by adding together the dividend paid for a financial year and the share price appreciation realised during the year

**Treasury:**

Company department responsible for finance, market risk management and cash management

**Working capital:**

Inventories and trade receivables less trade payables

# Imprint

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## DISCLAIMER

The forecasts, plans and forward-looking assessments and statements contained in this annual report are based on the information currently available to us. Should the assumptions on which the forecasts have been based fail to occur, the targets not be met or risks materialize, then the actual results may deviate from the results currently anticipated.

We have exercised the utmost diligence in preparing this annual report and have checked the data contained therein. However, rounding, transmission and printing errors cannot be ruled out. This annual report is also available in German. In case of doubt, the German version prevails.

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