

Ranshofen, March 1, 2012

AMAG invests EUR 220 million in the Ranshofen location

- **Supervisory board on February 28, 2012 gives go-ahead for extension of the Ranshofen location**
- **Expansion program comprises new hot-rolling mill, extension of plate production center and casthouse**
- **At some EUR 220 million, the expansion project is among the largest undertaken in the European aluminium industry**
- **Increase in special products with a focus on automotive and aircraft**
- **Creation of more than 200 new jobs**

The supervisory board of AMAG Austria Metall AG on February 28, 2012 approved the plant extension at Ranshofen. This milestone strengthens AMAG's position in the market for aluminium special products, which sees strong growth. The extension is scheduled to comprise the construction of a new hot-rolling mill, the expansion of the existing production capacities for aluminium plate as well as the expansion of the rolling slab caster for safeguarding the high percentage of recycled materials.

"This decision to further develop the Ranshofen location on a significant scale will go down in the history of AMAG. Our new production capacities will allow us to expand our unique position as a provider of specialties with a benchmark recycling rate in the global market," Gerhard Falch, CEO of AMAG Austria Metall AG, is sure.

Due to the strong demand, production levels at the Ranshofen location have been at the upper limit of plant capacity utilization rates for two years, despite continuing expansions. "This makes the present moment ideal for our plant expansion project. Current market analyses and customer requirements have validated our decision," Falch continues.

An investment volume of approximately EUR 220 million makes this project one of the largest expansion projects undertaken in the European aluminium industry. The new facilities will increase production capacity at the rolling mill from a current level of 150,000 tons a year by 50 percent until 2015, to over 225,000 tons a year. The main goals of the investment are expanding production capacities as well as extending the market, especially with regard to existing customers. Larger widths of up to 2,300 mm and greater thicknesses of up to 150 mm allow raising the share of special rolled products in the Rolling segment. This mainly responds to the requirements voiced by the transportation (aircraft,

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automotive, trucks, vessels) and mechanical engineering industries as well as the manufacturers of wind power plants.

"The percentage of some 80 percent of scrap input, where AMAG leads the rest of the field, is a material advantage in a growing market for sustainable products. Especially in the German automotive industry, which is greatly important for AMAG, sustainability is an issue that constantly gains in significance among manufacturers," Falch goes on to add. Expanding the casthouse to create a facility for producing rolling slabs with as high a scrap input as possible secures AMAG's raw material basis in a sustainable manner.

Some 200 new jobs are being created in the new production facilities. With 15 percent more staff, the new plants achieve a 50 percent increase in production. This boost in productivity significantly contributes to the economic strength of the district of Braunau and the Innviertel region and also provides a strong impetus in the area of employment.

The decision was preceded by extensive analyses of the market environment. CRU¹ forecasts global consumption of rolled aluminium products to grow 70 percent over the next ten years. The transportation sector will grow, driven by the automotive and aircraft industries, presumably by eight percent a year. In the mechanical engineering sector, growth is expected to amount to six percent per year.

About AMAG Group

AMAG is a leading Austrian provider of primary aluminium and high-quality aluminium cast and flat rolled products for various different industries such as the aircraft, automotive, sports equipment, lighting, mechanical engineering, construction and packaging industries. The Canadian smelter Alouette, in which AMAG holds a 20% interest, produces high-quality primary aluminium while safeguarding an exemplary eco-balance. With 1,422 employees (including 196 working in Canada), the company achieved sales of EUR 813 million and EBITDA of EUR 150 million in the fiscal year 2011.

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¹ Commodity Research Unit – globally recognized aluminium market analyst

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