

Ranshofen, 28 February 2014

AMAG posts record shipments in 2013; dividend recommendation of 0.60 EUR per share

- **Shipments at an all-time high of 351,700 tonnes (t) in 2013, compared with 344,200 t a year earlier**
- **Average aluminium price down by 8 percent year on year, resulting in 4 percent decline in revenue to 786.4 mEUR (2012: 819.8 mEUR)**
- **EBITDA in 2013 remained solid at 122.8 mEUR (2012: 133.8 mEUR) despite challenging market conditions in 2013**
- **Cash flows from operating activities increased year on year to 122.2 mEUR (2012: 117.4 mEUR)**
- **Equity ratio holds up well at 62.6 percent (2012: 61.8 percent)**
- **AMAG 2014 expansion project in its closing stages, with run-up phase for new hot rolling mill scheduled to begin in fourth quarter of 2014**

In spite of the difficult operating environment, AMAG Austria Metall AG posted extremely positive performance in 2013. Shipments reached a new record of 351,700 t, up from 344,200 t a year earlier. In the Rolling Division, shipments rose by 4 percent year on year to 157,600 t (2012: 151,300 t). The Metal Division recorded a slight increase in shipments, to 115,000 t (2012: 114,500 t), as did the Casting Division, to 79,100 t (2012: 78,400 t).

“Thanks to the jump in shipments in the Rolling Division combined with full capacity utilisation across the Group, AMAG posted record shipments once again in 2013. We also concluded significant multi-year supply contracts with Airbus and Boeing. Our commitment to sustainability was instrumental in securing orders related to BMW’s new i3 electric city car. To round things off we also secured numerous qualifications to supply automotive customers including Audi, Daimler, Chrysler and General Motors, which will lay the foundation for future supply agreements,” commented Gerhard Falch, Chairman of the AMAG Austria Metall AG Management Board.

Consolidated **revenue** slipped to 786.4 mEUR in 2013 (2012: 819.8 mEUR), a 4.1 percent drop, owing to the 8 percent fall in the average aluminium price.

EBITDA amounted to 122.8 mEUR, compared to 133.8 mEUR in the previous year.

The Metal Division made a significant contribution to earnings, with EBITDA of 50.8 mEUR, compared with 42.6 mEUR in 2012. This 19 percent increase reflected a combination of cheaper raw materials, higher premiums and the targeted use of price hedges. The Casting Division saw EBITDA slide to 4.6 mEUR (2012: 6.1 mEUR), mainly as a result of persistent downward pressure on margins due to continued weakness in the European car manufacturing industry. EBITDA in the Rolling Division fell short of last year's record level of 79.9 mEUR, reaching 63.5 mEUR. This was primarily due to the rising cost of input materials, as well as the increase in staff costs related to the AMAG 2014 expansion project. The absence of one-time effects was reflected in the Service Division's earnings contribution, which dipped to 3.9 mEUR (2012: 5.3 mEUR).

Group earnings before interest and tax (**EBIT**) stood at 72.4 mEUR in 2013, down on the 83.2 mEUR recorded in 2012. **Net income after taxes** was 56.0 mEUR, compared to 71.3 mEUR in the previous reporting period.

Solid capital structure despite increased investment

Owing to the extensive measures implemented under the AMAG 2014 expansion project, **cash flows from investing activities** rose to -125.2 mEUR, a year-on-year increase of 65 percent (2012: -75.9 mEUR). However, these were almost fully covered by **cash flows from operating activities**, which rose to 122.2 mEUR (2012: 117.4 mEUR). The **gearing ratio** remained low at year-end 2013, coming in at 8.6 percent, compared with 4.7 percent a year earlier. The Group maintained its robust capital structure at year-end 2013, with an equity ratio of 62.6 percent (31 December 2012: 61.8 percent).

Dividend recommendation of 0.60 EUR per share

The AMAG Management Board will propose a dividend of 0.60 EUR per share at the annual general meeting to be held on 10 April 2014. This is identical to last year's dividend.

Difficult market conditions set to persist in 2014

The prevailing economic uncertainties and high aluminium price volatility point to a challenging operating environment in 2014, and mean that detailed predictions for the financial year ahead are difficult to make at present.

Management anticipates another sharp increase in shipments in the Rolling Division in 2014. However, if low aluminium prices and tight margins persist in the Casting and Rolling divisions, earnings are likely to decline year on year in 2014.

Closing stages of AMAG 2014 investment project

The AMAG 2014 expansion programme will be largely completed in the course of 2014. This will boost capacity in the Rolling Division by some 50 percent to 225,000 t, and the ability to produce larger formats will enable the Group to enter into new markets. As things stand, the run-up phase for the new hot rolling mill will begin on schedule in the fourth quarter of 2014. The related expansion of the casthouse is likely to be completed as planned in the first quarter of 2015.

"The medium term market forecasts remain upbeat. The industry is anticipating an expansion in global demand for rolled products of over five percent a year for the next five years. The transport and construction sectors – both key markets for AMAG – are set to see above-average annual growth of nine and six percent respectively. And as a specialist supplier, the on-schedule commissioning of our new hot rolling mill will enable us to capitalise on this trend," explained Gerhard Falch.

Media information



Group financial highlights, Q4 and full-year 2013

mEUR	Q4 2013	Q4 2012	Change	2013	2012	Change
Shipments (tonnes)	77,800	78,000	-0.3%	351,700	344,200	2.2%
of which external shipments (tonnes)	72,100	72,700	-0.8%	329,600	327,800	0.5%
Revenue ¹	170.5	180.9	-5.7%	786.4	819.8	-4.1%
EBITDA	24.5	23.9	2.5%	122.8	133.8	-8.2%
EBIT	11.5	11.0	4.9%	72.4	83.2	-13.0%
Net income after taxes	6.2	13.5	-53.8%	56.0	71.3	-21.4%
Cash flows from operating activities	29.0	5.1	466.9%	122.2	117.4	4.1%
Cash flows from investing activities	-28.9	-18.1	-59.9%	-125.2	-75.9	-65.0%
Equity	584.4	544.1	7.4%	584.4	544.1	7.4%
Equity ratio	62.6%	61.8%	-	62.6%	61.8%	-
Employees ²	1,570	1,490	5.4%	1,564	1,490	5.0%

1 The AMAG Group began presenting its statement of profit or loss using the cost of sales method in the first quarter of 2013. The comparative figures for prior periods have been adjusted.

2 Average number of employees (full-time equivalent) including agency workers and excluding apprentices. The figure includes a 20% pro rata share of the labour force at the Alouette smelter, in line with the equity holding

About the AMAG Group

AMAG is a leading Austrian supplier of premium-quality cast and rolled aluminium products for a wide variety of industries, including the aircraft, automotive, sports equipment, lighting, engineering, construction and packaging sectors. Located in Canada, the Alouette smelter, in which AMAG holds a 20% stake, produces high-quality primary aluminium and has an exemplary environmental track record. In 2013 the Group had 1,564 employees and generated revenue of 786 mEUR, with earnings before interest, tax, depreciation and amortisation (EBITDA) of 123 mEUR.

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Note

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

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