

Ranshofen, July 31, 2014

## Further shipments record in H1 2014

- **H1 2014 shipments record: 195,500 tonnes (plus 7 %) compared with 181,900 tonnes in previous year**
- **Significant aluminium price recovery since start of Q2 2014, although H1 price of 1,793 USD/tonne down 8 % year-on-year (1,955 USD/tonne)**
- **Low aluminium price affects revenue and earnings. Revenue of 406.7 mEUR slightly below previous year's 412.4 mEUR. H1 2014 EBITDA of 54.3 mEUR compared with 65.4 mEUR in previous year.**
- **Full capacity utilisation also expected in Q3 2014**
- **Ranshofen plant expansion running on schedule**
- **2014 earnings outlook: EBITDA range upgraded to between 100 mEUR and 110 mEUR.**

The AMAG Group continued to operate at full capacity during the first half of 2014. **Shipment volumes** grew to 195,500 tonnes, up 7 % compared with H1 2013 (181,900 tonnes). Shipment volumes of 98,400 tonnes in Q2 2014 were also ahead of the previous year's level (Q2 2013: 93,700 tonnes).

The **market environment** has improved slightly during the second quarter of 2014. Following the low at the beginning of the year (1,687 USD/tonne on February 4, 2014), the aluminium price (3-month LME) stood at 1,884 USD/tonne at the end of June 2014 (June 2013: 1,776 USD/tonne). The average aluminium price during the first half of 2014 amounted to 1,793 USD/tonne, down 8 % compared with the previous year 1,955 USD/tonne. Pressure on margins in the Casting and Rolling divisions still exists, although margins have recovered somewhat during the course of the second quarter.

Helmut Wieser, President & CEO of AMAG: *"Continued good demand from the transport area, especially from the automotive and aerospace industries, is feeding through to full capacity utilisation in all divisions, and a pleasing trend in our shipments."*

Due to the aluminium price, the **revenue** of the AMAG Group of 406.7 mEUR in the first half of 2014 was slightly below the previous year's level (H1 2013: 412.4 mEUR).

In the second quarter 2014, revenue amounted to 204.0 mEUR, compared with 210.1 mEUR in the equivalent period of the previous year.

Earnings before interest, tax, depreciation and amortisation (**EBITDA**) of the AMAG Group amounted to 54.3 mEUR in the first half of 2014, compared with 65.4 mEUR in H1 2013. In the second quarter 2014, the AMAG-Group generated an EBITDA of 29.8 mEUR, up 22 % compared with Q1 2014. EBITDA in Q2 2013 amounted to 33.9 mEUR.

The AMAG Group generated 28.1 mEUR of operating profit (**EBIT**) during the first six months of 2014 (H1 2013: 40.4 mEUR), 16.7 mEUR of which was reported in the second quarter of this year (Q2 2013: 21.4 mEUR).

**Consolidated net income** after tax amounted to 26.7 mEUR in the first half of 2014 (H1 2013: 34.0 mEUR). In the second quarter 2014, the Group generated 16.3 mEUR of net income after tax, compared with 19.0 mEUR in the previous year.

### **Solid balance sheet structure despite high level of investment activity**

The first half of 2014 continues to be characterised by a high level of **investment activity** as part of the site expansion project at Ranshofen. The cash flow from investing activities amounted to -76.4 mEUR in the first half of 2014, compared with -61.4 mEUR in the prior-year equivalent period. Most of this capital requirement was covered by cash flow from operating activities, which amounted to 59.2 mEUR, compared with 69.2 mEUR in the previous year.

**Net debt** stood at 88.4 mEUR as of June 30, 2014 (December 31, 2013: 50.0 mEUR), which remains at a solid level along with the 15.2 % gearing ratio (December 31, 2013: 8.6 %).

Including the 21.2 mEUR outgoing dividend payment in April of this year, the AMAG Group continues to enjoy a solid balance sheet structure. The **equity ratio** amounted to 62.8 % as of the end of June 2014 (December 31, 2013: 62.6 %).

## **Slight upgrade to 2014 earnings forecast**

**Aluminium consumption** is set to grow significantly over the coming years, especially due to rising demand for lightweight construction solutions in the transportation area. The Commodity Research Unit (CRU), a market research institute, forecasts demand for primary aluminium and rolled products **growing** annually by 5.2 % and 5.3 % respectively by 2018. Moreover, the CRU anticipates a rising aluminium price over the coming years, due to growing demand for primary aluminium in western industrialised nations, which production capacities cannot cover fully. The aluminium price has recovered significantly over recent weeks. The 2,000 USD/tonne level was exceeded for the first time since February 2013 on July 21, 2014.

Helmut Wieser: *"We anticipate full capacity utilisation during the third quarter due to our currently high order book position. For 2014, we see a marked increase in shipment volumes, with our record level of 2013 being outstripped."*

As far as the 2014 financial trend is concerned, the Management Board continues to anticipate a year-on-year decline in earnings. Due to the improved market situation, especially in connection with the higher aluminium price, the **EBITDA range** that was published in the first quarter 2014 is being upgraded slightly to between 100 mEUR and 110 mEUR.

## **Rolling mill investment in Ranshofen largely concluded by end of 2014**

*"We will commission our new hot rolling mill in Ranshofen in the fourth quarter of 2014. This will boost our production capacities by 50 % to 225,000 tonnes, expanding our rolled products portfolio to include larger widths and thicknesses. The expansion of the rolling slab casthouse that we started in January 2014 will be concluded prospectively during the first quarter of 2015,"* Helmut Wieser added.

**Group financial highlights**

| mEUR                                 | Q2 2014 | Q2 2013 | Change  | H1 2014 | H1 2013 | Change |
|--------------------------------------|---------|---------|---------|---------|---------|--------|
| Shipments (tonnes)                   | 98,400  | 93,700  | 5.0%    | 195,500 | 181,900 | 7.5%   |
| of which external shipments (tonnes) | 92,100  | 87,600  | 5.1%    | 183,000 | 169,800 | 7.8%   |
| Revenue                              | 204.0   | 210.1   | -2.9%   | 406.7   | 412.4   | -1.4%  |
| EBITDA                               | 29.8    | 33.9    | -12.0%  | 54.3    | 65.4    | -17.0% |
| EBIT                                 | 16.7    | 21.4    | -22.1%  | 28.1    | 40.4    | -30.4% |
| Net income after taxes               | 16.3    | 19.0    | -14.4%  | 26.7    | 34.0    | -21.7% |
| Cash flows from operating activities | 48.8    | 42.2    | 15.7%   | 59.2    | 69.2    | -14.4% |
| Cash flows from investing activities | -50.0   | -18.8   | -166.2% | -76.4   | -61.4   | -24.4% |
| Employees <sup>1</sup>               | 1,636   | 1,559   | 4.9%    | 1,612   | 1,539   | 4.7%   |

| mEUR         | June 30, 2014 | December 31, 2013 | Change |
|--------------|---------------|-------------------|--------|
| Equity       | 583.2         | 584.4             | -0.2 % |
| Equity ratio | 62.8%         | 62.6%             | -      |

<sup>1</sup> Average number of employees (full-time equivalent) including agency workers and excluding apprentices. The figure includes a 20% pro rata share of the labour force at the Alouette smelter, in line with the equity holding.

## About the AMAG Group

AMAG is a leading Austrian supplier of premium-quality cast and rolled aluminium products for a wide variety of industries, including the aircraft, automotive, sports equipment, lighting, engineering, construction and packaging sectors. Located in Canada, the Alouette smelter, in which AMAG holds a 20% stake, produces high-quality primary aluminium and has an exemplary environmental track record. In 2013 the Group had 1.564 employees and generated revenue of 786 mEUR, with earnings before interest, tax, depreciation and amortisation (EBITDA) of 123 mEUR.

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### Note

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

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