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Earnings in Q3 2014 at previous year's level; 2014 earnings outlook upgraded

- **Market environment improvement due to rise in aluminium price and higher margins in the Casting and Rolling divisions**
- **Average Q3 2014 aluminium price of 2,008 USD/t is 10 % above previous year's quarter (Q3 2013: 1,827 USD/t)**
- **Q3 2014 revenue of 200.5 mEUR at previous year's level (Q3 2013: 203.5 mEUR)**
- **Q3 2014 EBITDA of 32.0 mEUR at previous year's level (Q3 2013: 33.0 mEUR)**
- **"AMAG 2014" expansion project: successful start of commissioning of new hot rolling mill on September 9, 2014**
- **2014 earnings outlook: EBITDA range upgraded further to between 110 mEUR and 115 mEUR**

The third quarter of 2014 developed very positively for AMAG Austria Metall AG from several perspectives. An important milestone in the strategy of profitable growth was achieved with the start of commissioning of the new hot rolling mill on September 9, 2014, for instance. The implementation, on schedule, of the most important project of the "AMAG 2014" expansion program will boost total annual capacity by around 50 % to 225,000 tons in the Rolling Division, which will allow AMAG to continue to participate in the high level of market growth for aluminium rolled products over the coming years. The Commodity Research Unit (CRU), a market research institute, expects demand for rolled products to grow annually by 5.4 % over the coming years, driven particularly by the transportation industry.

Helmut Wieser, CEO of AMAG: *"In addition to our capacity increase, we are now able to offer our customers a much broader product range, extending through to larger dimensions. This strengthens our customer relationships, and also opens up new sales opportunities."*

Compared with the first half of the year, the market environment has improved further during the third quarter of 2014. The aluminium price continued the rise that it started during the first half of the year, registering a new high for the year at 2,114 USD/t. The quarterly average aluminium price of 2,008 USD/t in the third quarter 2014 already comprises an increase of 10 % year-on-year (Q3 2013: 1,827 USD/t).

Helmut Wieser, CEO of AMAG: *"While aluminium continues to enjoy strong demand growth, numerous primary smelters have been shut down over the past five years. For this reason, for the first time in seven years we anticipate a market situation where demand for aluminium exceeds total production."*

An improvement in the market conditions for cast and rolled products is also identifiable in the Casting and Rolling divisions. Given a continued high level of order volumes, the margin level improved in the third quarter.

At 90,000 tons in the third quarter of 2014, total **shipment volumes** of the AMAG Group stood at a high level, and were only slightly below the previous year's 92,100 tons due to shifts in the Metal Division related to the reporting date. Both the Casting and Rolling divisions grew their shipment volumes when comparing the third quarter with the previous year's third quarter. On a cumulative basis, AMAG registered a further shipment record during the first nine months of 2014, growing to 285,500 tons (Q1 to Q3 2013: 274,000 tons).

The **revenue** of the AMAG Group amounted to 200.5 mEUR in the third quarter of 2014, compared with 203.5 mEUR in the previous year. Revenue stood at 607.2 mEUR during the first nine months of 2014, below the previous year's 615.9 mEUR, especially due to the fact that the average aluminium price was still at a lower level than in the previous year.

Compared with the two first quarters of this year, earnings before interest, tax, depreciation and amortisation (**EBITDA**) registered marked growth. EBITDA amounted to 32.0 mEUR in the third quarter of 2014 after 33.0 mEUR in the previous year. EBITDA stood at 86.2 mEUR during the first nine months of 2014, compared with 98.3 mEUR in the previous year.

The AMAG Group achieved an operating result (**EBIT**) of 18.1 mEUR in the third quarter of 2014 (Q3 2013: 20.5 mEUR). EBIT amounted to 46.2 mEUR during the first three quarters of 2014, compared with 60.9 mEUR in the equivalent period of the previous year.

With regard to the third quarter of 2014, the AMAG Group is reporting **net income after taxes** of 18.3 mEUR (Q3 2013: 15.8 mEUR), while during the first nine months of the year net income after taxes came in at 44.9 mEUR, compared with 49.8 mEUR during the first three quarters of 2013.

Continued solid balance sheet structure despite high level of investment activity

The equity of the AMAG Group amounted to 599.2 mEUR as of September 30, 2014, 2.5 % above the level at the end of 2013 (584.4 mEUR). As a consequence, the AMAG Group continues to enjoy a solid **equity ratio** of 60.5 % (December 31, 2013: 62.6 %).

Despite the high level of investment activity, especially in connection with the "AMAG 2014" expansion project, net debt (83.7 mEUR, compared with 50.0 mEUR as of the end of 2013) and gearing (14.0 %, compared with 8.6 % at the end of 2013) remain at a low level. This is primarily attributable to the high level of cash flow from operating activities, which, at 80.0 mEUR in the first three quarters of 2014 (Q1 to Q3 2013: 93.3 mEUR), covered a large proportion of cash flow from investing activities (-93.9 mEUR compared with -96.3 mEUR in the previous year).

Further upgrade of our 2014 earnings forecast

While the first half of the 2014 financial year continued to reflect a difficult market environment, market conditions have improved over the past months.

The aluminium price is currently above the average for the first nine months of 2014. The Casting and Rolling divisions continue to enjoy high order book positions levels, coupled with higher margins compared with the first three quarters of 2014.

Due to these improved conditions, the earnings estimate for the current 2014 year can be raised again. For the 2014 financial year, the Management Board now expects EBITDA in a range between 110 mEUR and 115 mEUR.

Following the start of commissioning of the new rolling plant, the expansion project is about to be concluded successfully. Extensive product quality and plant performance tests will be carried out during the fourth quarter of 2014. Continuing optimisation measures to individual units will allow our employees to create the basis for the significant volume growth that is planned in the Rolling Division for 2015. The expansion of this rolling slab casthouse is also proceeding to plan, and is to be concluded in the first quarter of 2015, according to the current status of progress.

AMAG – Key figures

in mEUR	Q3/2014	Q3/2013	Change	Q1-Q3 2014	Q1-Q3 2013	Change
Shipments in tons	90,000	92,100	-2.3 %	285,500	274,000	4.2 %
of which external shipments in tons	83,900	87,700	-4.3 %	266,900	257,500	3.7 %
Revenue	200.5	203.5	-1.5 %	607.2	615.9	-1.4 %
EBITDA	32.0	33.0	-3.1 %	86.2	98.3	-12.3 %
EBIT	18.1	20.5	-12.0 %	46.2	60.9	-24.2 %
Net income after taxes	18.3	15.8	16.1 %	44.9	49.8	-9.7 %
Cash flow from operating activities	20.8	24.1	-13.9 %	80.0	93.3	-14.2 %
Cash flow from investing activities	-17.5	-34.9	49.7 %	-93.9	-96.3	2.4 %
Employees ¹⁾	1,682	1,609	4.5 %	1,635	1,562	4.7 %

in mEUR	30/09/2014	31/12/2013	Change
Equity	599.2	584.4	2.5 %
Equity ratio in %	60.5 %	62.6 %	-

1) Average number of employees (full-time equivalents) including temporary help 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 premium supplier of high-quality aluminium cast and flat rolled products for highly varied 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 1,564 employees, the company achieved revenue of 786 mEUR and an operating result (EBITDA) of 123 mEUR in the 2013 financial year.

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Note

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