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## **AMAG benefited in Q1 2016 significantly from plant expansion**

- **Shipment volumes up 9.5 % to 103,700 tonnes**
- **Revenue of EUR 227.8 million at previous year's level (Q1/2015: EUR 231.0 million)**
- **AMAG Group EBITDA of EUR 32.7 million (Q1/2015: EUR 35.3 million)**
- **Rolling Divisions's record quarterly results almost offset effects on earnings from the aluminium price decline**
- **New cold rolling mill construction starts on schedule**

AMAG Austria Metall AG has made a good start to 2016. With **revenue** of EUR 227.8 million (Q1/2015: EUR 231.0 million) and **earnings before interest, tax, depreciation and amortisation (EBITDA)** of EUR 32.7 million (Q1/2015: EUR 35.3 million), the previous year's levels were almost reached, although the lower aluminium price exerted a negative effect on earnings of around EUR 16 million.

Helmut Wieser, CEO of AMAG: *"The good earnings performance and the higher shipment volumes in our Rolling Division enabled us to almost offset negative effects from the low aluminium price, and maintain the operating earnings at the previous year's level – we are already benefiting from our new hot rolling mill's output."*

EBITDA in the Metal Division stood at EUR 2.8 million in the first quarter of 2016, compared with EUR 14.7 million. In the Casting Division, EBITDA was up slightly from EUR 1.9 million to EUR 2.0 million. The Rolling Division benefited from significantly higher shipment volumes and lower raw materials costs, improving its EBITDA by more than 50 % to reach EUR 26.8 million (Q1/2015: EUR 17.3 million).

The operating result (**EBIT**) of the AMAG Group stood at EUR 15.5 million in the first quarter of 2016, compared with EUR 18.1 million in the previous year. **Net income after taxes** amounted to a total of EUR 7.7 million during the first three months of 2016 (Q1/2015: EUR 12.6 million).

## **High operating cash flow and robust balance sheet structure**

The AMAG Group continued to generate high cash flow from operating activities during the first quarter of 2016, with EUR 35.1 million well exceeding the previous year's level of EUR 13.5 million by 160 %. As a consequence, AMAG financed most of its high level of investment spending from its own resources during the first quarter of 2016. Cash flow from investing activities amounted to EUR -43.7 million, compared with EUR -16.5 million in the previous year.

Key balance sheet figures also remain at a robust level accordingly. Given equity of EUR 647.3 million (December 31, 2015: EUR 643.4 million), AMAG reports a 58.1 % equity ratio as of the quarter-end (December 31, 2015: 58.4 %). Gearing of 19.5 % is also at a solid level (December 31, 2015: 17.7 %).

## **Plant expansion**

In March 2016, construction work started on the new cold rolling mill, rolling slab casthouse, and finishing plants. The company plans to commission these new plants – comprising a EUR 300 million site expansion project – in around a year's time, with the project thereby running to schedule. This expansion project will boost aluminium rolled product capacities to more than 300,000 tonnes.

Helmut Wieser, CEO of AMAG: *"With our plant expansion, we are following the growth of our customers – mainly from the automotive, aerospace, packaging, sports and electronics industries. The sound quarterly results from the Rolling Division confirms our chosen growth course."*

## Guidance 2016:

The market for primary aluminium and aluminium rolled products continues to expand in 2016. Market research institute CRU forecasts growth rates of around 4 %. Similar annual growth rates in subsequent years are also expected.

A high level of investment activity will characterise the 2016 financial year given the "AMAG 2020" plant expansion project. The company expects investments of around EUR 190 million in total in 2016.

Due to the scheduled start-up of the "AMAG 2014" investment program, the Management Board assumes that the Rolling Division will report growth in shipment volumes and results in 2016. The Metal Division's results trend will be significantly influenced by the further development of the aluminium price. Taking conditions in the first months of 2016 into account, the Management Board expects for the AMAG Group an EBITDA range between EUR 110 million and EUR 125 million.

## AMAG – key figures

EUR millions	Q1/2016	Q1/2015	Change
Shipments in tonnes	103,700	94,700	9.5 %
of which external shipments in tonnes	94,400	88,200	7.0 %
Revenue	227.8	231.0	-1.4 %
EBITDA	32.7	35.3	-7.4 %
EBIT	15.5	18.1	-14.1 %
Net income after taxes	7.7	12.6	-39.0 %
Cash flow from operating activities	35.1	13.5	159.9 %
Cash flow from investing activities	-43.7	-16.5	-164.8 %
Employees <sup>1)</sup>	1,705	1,661	2.6 %

EUR millions	31/03/2016	31/12/2015	Change
Equity	647.3	643.4	0.6 %
Equity ratio	58.1 %	58.4 %	-
Gearing	19.5 %	17.7 %	-

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 achieving an exemplary eco-balance. With around 1,700 employees, the company achieved revenue of EUR 913 million and an operating result (EBITDA) of EUR 127 million in the 2015 financial year.

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## Note

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

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