

**FINANCIAL
REPORT
1ST QUARTER 2017**

Highlights of Q1 2017

- + Aluminium price up 22.5 % compared with Q1 2016
- + Shipment volumes rise by 3.3 % to 107,100 tonnes
- + Revenue up 13.0 % to EUR 257.5 million
- + EBITDA growth of 26.7 % to EUR 41.4 million
- + Earnings after tax double to EUR 15.1 million
- + 2017 guidance: Further increase in operating result
- + "AMAG 2020" expansion project running on budget and on schedule

Kennzahlenüberblick

Key figures for the Group in EUR million	Q1/2017	Q1/2016	Change in %
Shipments total in tons	107,100	103,700	3.3 %
External shipments in tons	100,100	94,400	6.0 %
Revenue Group	257.5	227.8	13.0 %
EBITDA	41.4	32.7	26.7 %
EBITDA margin	16.1 %	14.4 %	
Operating result (EBIT)	22.7	15.5	46.5 %
EBIT margin	8.8 %	6.8 %	
Earnings before taxes (EBT)	20.2	13.3	51.3 %
Net income after taxes	15.1	7.7	95.6 %
Cash flow from operating activities	7.6	35.1	(78.2 %)
Cash flow from investing activities	(44.6)	(43.7)	(2.1 %)
Employees 1)	1,819	1,705	6.7 %
	March 31, 2017	December 31, 2016	Change in %
Total assets	1,405.4	1,389.7	1.1 %
Equity	616.3	630.5	(2.3 %)
Equity ratio	43.8 %	45.4 %	
Working capital employed	288.9	256.4	12.7 %
Net financial debt	264.2	225.8	17.0 %
Gearing	42.9 %	35.8 %	

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 interest.

The totalling of rounded amounts and percentages can create rounding differences.

Economic environment

The global economy is set to grow by 3.5 % in 2017, according to the most recent forecast published by the IMF¹. Consequently, this estimate is above the previous year's growth rate of 3.1 %.

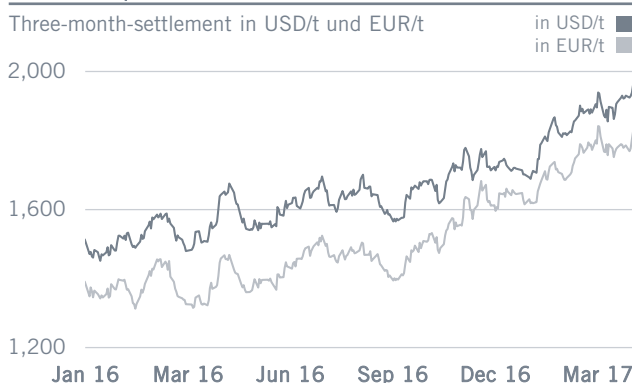
With a look to the USA, at 2.3 %, the IMF anticipates higher growth than in 2016 (1.6 %). A year-on-year unchanged growth rate of 1.7 % is forecasted for the Eurozone.

The Metal and Rolling divisions of AMAG operate worldwide, with global consumption of primary aluminium and rolled products being of central importance as a consequence. According to the latest estimates by market research institute CRU, demand for primary aluminium² is set to increase by 4.5 % to 62.3 million tonnes in 2017. The institute expects demand for aluminium rolled products³ to grow by 4.0 % to 26.1 million tonnes.

The aluminium price (3-month LME) increased significantly over the course of the first quarter of 2017. On a quarterly average basis of 1,856 USD/t, it was up by 22.5 % compared with the average for the previous year's equivalent period (Q1 2016: 1,516 USD/t).

The aluminium price marked its low for the year to date on January 3, 2017 at 1,689 USD/t. The high for the year to date was reached on March 30, 2017 at 1,960 USD/t. Consequently, the fluctuation range since the start of the year amounted to 271 USD/t. At the end of the month of March 2017, the aluminium price stood at 1,955 USD/t. This represents a gain of 30.2 % compared with the previous year's level of 1,501 USD/t.

Aluminium prices



AMAG Group business trends

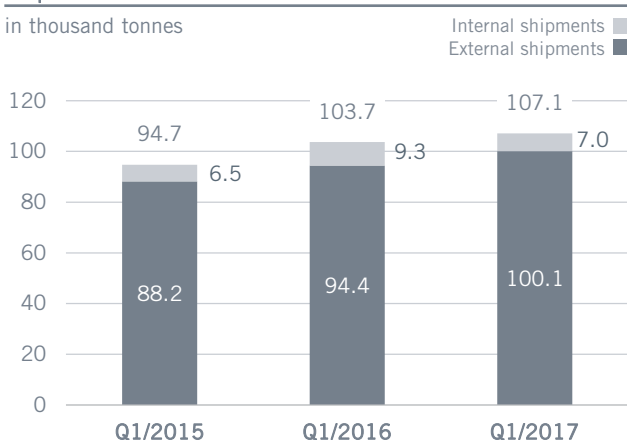
Operating trends

The AMAG Group's total shipment volumes advanced from 103,700 tonnes to a total of 107,100 tonnes. This represents an increase of 3.3 % and is particularly attributable to organic growth achieved in the Rolling Division. External shipment volumes were up by 6.0 % from 94,400 tonnes in the previous year to 100,100 tonnes.

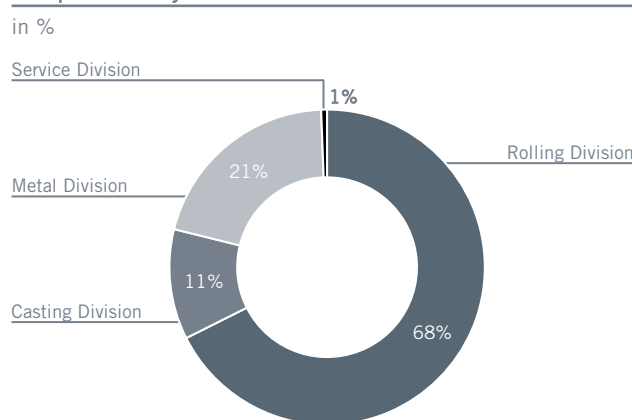
AMAG Group revenue and earnings

Revenue by quarter on quarter comparison rose by a total of 13.0 % to reach EUR 257.5 million (Q1 2016: EUR 227.8 million). This is attributable to both higher shipment volumes and the increase in the aluminium price.

Shipments



Group revenue by divisions



1) See IMF, World Economic Outlook, April 2017
 2) See CRU Aluminium Market Outlook, January 2017

3) See CRU Aluminium Rolled Products Market Outlook, February 2017

The higher aluminium price, an increase in shipment volumes and an improved product mix exerted a positive effect on earnings trends, lifting AMAG Group EBITDA by 26.7 % from EUR 32.7 million to EUR 41.4 million.

Taking depreciation, amortisation and impairment of EUR 18.7 million into account (Q1 2016: EUR 17.2 million), the Group posted EUR 22.7 million of earnings before interest and tax (EBIT) for the first quarter of 2017. This was up by 46.5 % compared with the result in the previous year's equivalent period as a consequence (Q1 2016: EUR 15.5 million).

Given a net financial result of EUR -2.6 million (Q1 2016: EUR -2.2 million) and a tax expense of EUR 5.1 million (Q1 2016: EUR 5.6 million), the Group generated EUR 15.1 million of earnings after tax. This represents an increase of 95.6 % compared with the previous year's result (Q1 2016: EUR 7.7 million).

Investments

The "AMAG 2020" expansion project was continued successfully and is running on budget and on schedule. Commissioning of the new cold rolling mill is planned to start in the second quarter of 2017.

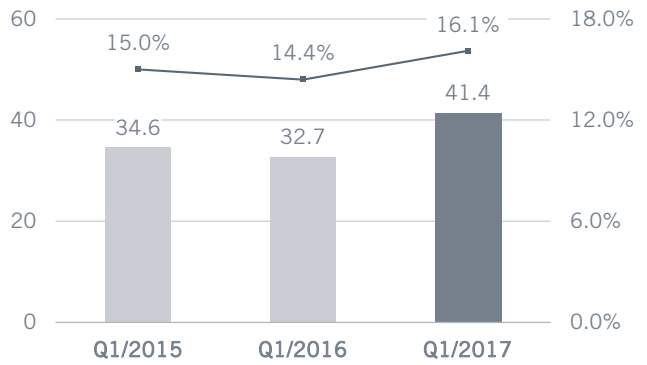
Financial position and net debt

The equity of the AMAG Group amounted to EUR 616.3 million at the end of March 2017, below the 2016 year-end level of EUR 630.5 million. This reduction is especially attributable to effects connected with the valuation of the new electricity contract for the Alouette smelter.

The equity ratio amounted to 43.8 % on the reporting date, compared with 45.4 % on December 31, 2016.

EBITDA and EBITDA margin

In EUR million and %



During the first three months of 2017, investments for the "AMAG 2020" project amounted to a total of EUR 25.9 million, thereby comprising most of the investing activities. Total investments of the AMAG Group stood at EUR 32.7 million in the first quarter of the year, compared with EUR 43.8 million in the previous year's equivalent period.

The liquid assets of the AMAG Group stood at EUR 135.0 million at the end of March 2017, compared with EUR 149.8 million at the end of the previous year.

Net financial debt increased from EUR 225.8 million at the end of 2016 to EUR 264.2 million at the end of March 2017, reflecting investment activity. Gearing stood at 42.9 % (December 31, 2016: 35.8 %).

Segment reporting

Metal Division

Key figures for the Metal Division in EUR million	Q1/2017	Q1/2016	Change in %
Shipments in tons ¹⁾	30,100	31,200	(3.5 %)
of which internal shipments	0	3,000	(100.0 %)
Revenue	188.8	152.2	24.1 %
of which internal revenue	134.5	108.9	23.5 %
EBITDA	7.8	2.8	174.3 %
EBIT	0.1	(4.1)	101.8 %
Employees FTE (excluding apprentices)	188	194	(3.1 %)

1) Shipment volumes and internal shipment relate exclusively to the AMAG interest in the smelter Alouette

Shipment volumes in the Metal Division amounted to 30,100 tonnes in the first quarter of 2017, below the previous year's level of 31,200 tonnes, mainly due to effects relating to the reporting date.

EBITDA stood at EUR 7.8 million in the first quarter of 2017, more than doubling compared with the previous year (Q1 2016: EUR 2.8 million).

Revenue climbed from EUR 152.2 million in the first quarter of 2016 to a total of EUR 188.8 million. This growth was mainly driven by the higher aluminium price, which was also reflected in an increase in results.

Casting Division

Key figures for the Casting Division in EUR million	Q1/2017	Q1/2016	Change in %
Shipments in tons	22,400	21,500	4.2 %
of which internal shipments	7,000	6,300	11.1 %
Revenue	30.1	27.8	8.3 %
of which internal revenues	2.6	2.4	9.0 %
EBITDA	1.3	2.0	(38.0 %)
EBIT	0.7	1.4	(50.1 %)
Employees FTE (excluding apprentices)	123	124	(0.8 %)

Total shipment volumes amounted to 22,400 tonnes in the first quarter of 2017, up 4.2 % on the previous year's level (Q1 2016: 21,500 tonnes).

EBITDA in the first quarter of 2017 of EUR 1.3 million was down on the previous year's EUR 2.0 million due to market factors.

Revenue in the Casting Division rose from EUR 27.8 million to EUR 30.1 million due to the higher price level and increase in shipment volumes.

Rolling Division**Key figures for the Rolling Division in EUR million**

	Q1/2017	Q1/2016	Change in %
Shipments in tons	54,500	51,000	6.9 %
Revenue	201.8	185.3	8.9 %
of which internal revenues	27.5	27.6	(0.4 %)
EBITDA	30.1	26.8	12.2 %
EBIT	22.3	19.6	13.5 %
Employees FTE (excluding apprentices)	1,369	1,258	8.8 %

Shipment volumes reported further growth due to the organic growth programme and scheduled ramp-up of the new hot rolling mill. Shipment volumes amounted to 54,500 tonnes, up 6.9 % year-on-year.

Driven by higher shipment volumes and the higher aluminium price, revenues in the first quarter of 2017 rose to a total of EUR 201.8 million, 8.9 % higher than the previous year's level (Q1 2016: EUR 185.3 million).

In a quarterly comparison, EBITDA amounted to EUR 30.1 million, as against EUR 26.8 million the previous year. This increase reflected mainly the higher shipment volume as well as an improved product mix.

In a comparison of quarters, the operating result (EBIT) was up from EUR 19.6 million to EUR 22.3 million, representing an increase of 13.5 %.

Segment Service**Key figures for the Service Division in EUR million**

	Q1/2017	Q1/2016	Change in %
Revenue	20.6	18.2	12.8 %
of which internal revenues	19.1	16.8	13.5 %
EBITDA	2.3	1.0	123.2 %
EBIT	(0.4)	(1.4)	75.4 %
Employees FTE (excluding apprentices)	140	129	8.5 %

Revenue in the first quarter of 2017 amounted to EUR 20.6 million, compared with EUR 18.2 million in the previous year.

EBITDA during the first three months of the year stood at EUR 2.3 million in 2017, as compared with EUR 1.0 million in the previous year.

In a comparison of the first three months of the year, the operating result (EBIT) increased from EUR -1.4 million to EUR -0.4 million.

Outlook

Rising demand for aluminium products offers a good foundation for the growth path of AMAG Austria Metall AG.

The "AMAG 2020" expansion project is continuing to run on budget and on schedule as of the end of March 2017. The cold rolling mill as well as further finishing equipment will consequently start commissioning in the second quarter of 2017, as planned, thereby creating the precondition for further volume growth during the course of 2017 and in subsequent years.

Market conditions have improved year-on-year in connection with the higher aluminium price, although higher alumina prices offset some of the aluminium price rise. Moreover, the Metal Division will benefit from more favourable energy costs due to the new electricity contract.

Taking current conditions into account, the Casting Division will report a year-on-year largely stable earnings trend.

The Rolling Division will benefit from the organic growth path and report a further significant year-on-year increase in shipment volumes.

Overall, the Management Board anticipates growth in the operating result for the current 2017 financial year. Taking current market conditions into account, EBITDA is expected to be recorded in a range between EUR 150 million and EUR 160 million. EBITDA in the 2016 financial year amounted to EUR 143.0 million.

Consolidated statement of financial position

Assets in EUR thousand	March 31, 2017	December 31, 2016	December 31, 2015*
Intangible assets	7,527	7,420	6,627
Property, plant and equipment	754,921	743,381	609,547
Other non-current assets and financial assets	70,350	102,728	3,182
Deferred tax assets	20,541	23,406	28,579
Non-current assets	853,339	876,935	647,935
Inventories	229,127	198,989	187,180
Trade receivables	127,892	102,641	93,244
Current tax assets	2,994	3,164	3,114
Other assets	57,023	58,166	40,577
Cash and cash equivalents	135,042	149,833	132,282
Current assets	552,079	512,793	456,398
TOTAL ASSETS	1,405,417	1,389,727	1,104,333
	March 31, 2017	December 31, 2016	December 31, 2015*
Equity and liabilities in EUR thousand			
Share capital	35,264	35,264	35,264
Capital reserves	379,337	379,337	379,337
Hedging reserve	(44,655)	(18,457)	(7,471)
Revaluation of defined benefit plans	(18,410)	(18,519)	(10,739)
Exchange differences	56,664	59,833	52,633
Retained earnings	208,066	193,003	189,014
Equity	616,265	630,460	638,039
Non-current provisions	80,549	79,167	66,795
Interest-bearing non-current financial liabilities	367,953	343,451	231,761
Other non-current liabilities and grants	114,303	120,113	13,262
Deferred tax liabilities	1,442	13,066	15,746
Non-current liabilities	564,248	555,797	327,563
Current provisions	15,265	17,434	25,460
Interest-bearing current financial liabilities	32,101	32,673	14,318
Trade payables	84,178	73,322	55,566
Current tax liabilities	2,785	6,732	4,151
Other current liabilities and grants	90,575	73,309	39,236
Current liabilities	224,904	203,470	138,731
TOTAL EQUITY AND LIABILITIES	1,405,417	1,389,727	1,104,333

* A correction pursuant to IAS 8.41 requires a restatement of the previous year's figures (see note in the consolidated financial statements of 2016)

Consolidated statement of profit or loss

acc. to the COST OF SALES METHOD in EUR thousand	Q1/2017	Q1/2016	2016
Revenue	257,489	227,790	906,246
Cost of sales	(217,933)	(192,371)	(755,871)
Gross profit	39,556	35,419	150,375
Other income	4,927	1,283	7,026
Selling and distribution expenses	(11,274)	(10,971)	(41,992)
Administrative expenses	(6,107)	(6,116)	(24,552)
Research and development expenses	(2,819)	(2,613)	(10,842)
Other expenses	(1,559)	(1,490)	(7,043)
Earnings before interest and taxes (EBIT)	22,724	15,512	72,971
Net interest result	(1,558)	(1,333)	(8,262)
Other financial result	(999)	(848)	(1,756)
Net financial income (expenses)	(2,556)	(2,181)	(10,018)
Earnings before taxes (EBT)	20,168	13,331	62,953
Current taxes	(4,083)	(3,375)	(8,078)
Deferred taxes	(1,022)	(2,255)	(8,570)
Income taxes	(5,105)	(5,630)	(16,648)
Net income after taxes	15,063	7,701	46,305
Total number of no-par-value shares	35,264,000	35,264,000	35,264,000
Earnings per share	0.43	0.22	1.31

Consolidated statement of comprehensive income

in EUR thousand	Q1/2017	Q1/2016	2016
Net income after taxes	15,063	7,701	46,305
Items that are or may be reclassified to profit or loss:			
Currency translation differences	(3,169)	(9,316)	7,200
Changes in the hedging reserve			
Recognized (expenses) and income during the financial year	(42,643)	10,322	(13,486)
Reclassifications of amounts that have been recognized in the statement of profit or loss	6,710	1,326	(1,224)
Deferred taxes relating thereto	9,644	(2,979)	3,727
Currency translation differences	92	(206)	(4)
Items that will never be reclassified to profit or loss:			
Remeasurement of defined benefit plans	0	(4,518)	(10,049)
Deferred taxes relating thereto	0	1,165	2,521
Currency translation differences	109	359	(252)
Other comprehensive income for the year net of tax	(29,258)	(3,846)	(11,567)
Total comprehensive income for the year	(14,195)	3,856	34,738

Consolidated statement of cash flows

in EUR thousand	Q1/2017	Q1/2016	2016
Earnings before taxes (EBT)	20,168	13,331	62,953
Interest income (expenses)	1,558	1,333	8,262
Depreciation, amortisation and impairment losses / reversal of impairment losses on non-current assets	18,713	17,185	70,026
Losses/gains from the disposal of non-current assets	(5)	(38)	913
Other non-cash expenses/income	159	1,223	346
Changes in inventories	(30,481)	7,319	(11,099)
Changes in trade receivables	(25,270)	(14,608)	(9,389)
Changes in trade payables	23,295	3,377	2,470
Changes in provisions	(905)	1,056	(8,004)
Changes in derivatives	8,006	8,898	(91,391)
Changes in other receivables and liabilities	761	(2,377)	100,640
	15,998	36,700	125,727
Tax payments	(7,811)	(1,039)	(5,735)
Interest received	262	151	721
Interest paid	(802)	(742)	(5,836)
Cashflow from operating activities	7,648	35,070	114,877
Proceeds from disposals of non-current assets	110	48	503
Payments for investments in property, plant and equipment and intangible assets	(44,691)	(43,723)	(186,834)
Proceeds from grants for investments	0	0	941
Cash flow from investing activities	(44,580)	(43,675)	(185,390)
Repayments of borrowings	(1,272)	(1,045)	(13,371)
Proceeds from borrowings	24,726	37	140,357
Dividends paid	0	0	(42,317)
Cash flow from financing activities	23,454	(1,008)	84,669
Change in cash and cash equivalents	(13,479)	(9,613)	14,156
Cash and cash equivalents at the beginning of the period	149,833	132,282	132,282
Effect of exchange rate changes on cash and cash equivalents	(1,312)	(2,814)	3,394
Cash and cash equivalents at the end of the period	135,042	119,855	149,833

Consolidated statement of changes in equity

in EUR thousand	Share capital	Capital reserves	Hedging reserve	Revaluation of defined benefit plans	Exchange differences	Retained earnings*	Equity*
Balance as of January 1, 2016	35,264	379,337	(7,471)	(10,739)	52,633	189,014	638,039
Net income after taxes						7,701	7,701
Other comprehensive income for the year net of tax			8,464	(2,994)	(9,316)		(3,846)
Total comprehensive income for the year			8,464	(2,994)	(9,316)	7,701	3,856
Transactions with equity holders							
Dividend distributions						0	0
Balance as of March 31, 2016	35,264	379,337	993	(13,733)	43,318	196,716	641,894
Balance as of January 1, 2017	35,264	379,337	(18,457)	(18,519)	59,833	193,003	630,460
Net income after taxes						15,063	15,063
Other comprehensive income for the year net of tax			(26,198)	109	(3,169)		(29,258)
Total comprehensive income for the year			(26,198)	109	(3,169)	15,063	(14,195)
Transactions with equity holders							
Dividend distributions						0	0
Balance as of March 31, 2017	35,264	379,337	(44,655)	(18,410)	56,664	208,066	616,265

* A correction pursuant to IAS 8.41 requires a restatement of the previous year's figures (see note in the consolidated financial statements of 2016)

The AMAG share

AMAG share price performance

The AMAG share reported a considerable appreciation in its stock market value during the first months of the year. With a closing price of EUR 42.50 at the end of March 2017, it was 27.8 % higher than the start of 2016 (EUR 33.25). It thereby significantly outperformed the ATX index, which was up by just 7.7 % over the same period.

The market capitalisation of AMAG stood at EUR 1,499 million as of March 31, 2017.

Share price performance YTD

January 2– March 31, 2017 (in %)



Annual General Meeting

AMAG Austria Metall AG held its sixth Ordinary Annual General Meeting as a public stock corporation at the Schlossmuseum in Linz on April 19, 2017. All agenda items were addressed, and resolutions passed with large majorities, including approving the distribution of a

dividend of EUR 1.20 per share. Further details of the agenda and the resolutions can be found in the Investor Relations section of our website at www.amag.at.

Ownership structure

AMAG Austria Metall AG continues to enjoy a stable ownership structure with B&C Industrieholding GmbH comprising a core shareholder with its 52.7 % interest.

Ownership structure

as at March 31, 2017

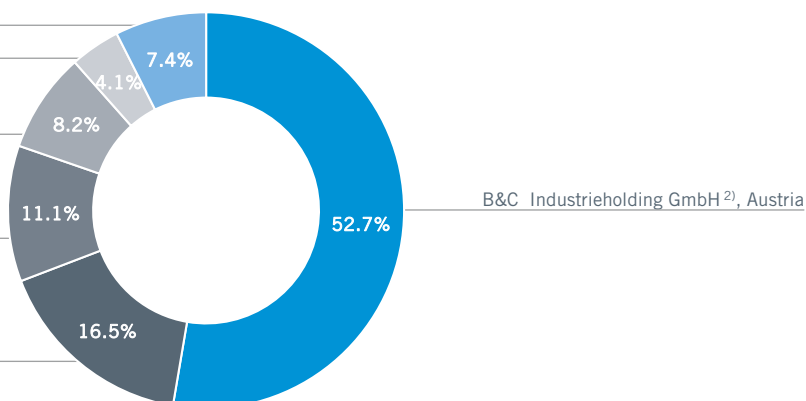
Free float

Esola Beteiligungsverwaltungs GmbH, Austria

Treibacher Industrieholding GmbH, Austria

AMAG Employees Private Foundation

RLB OÖ Alu Invest GmbH ^{1), 2)}, Austria



1) RLB OÖ Alu Invest GmbH is an indirect wholly-owned subsidiary of Raiffeisenlandesbank Oberösterreich AG

2) B&C Industrieholding GmbH and Raiffeisenlandesbank Oberösterreich concluded a participation agreement on April 1, 2015

Note

AMAG compiled the forecasts, budgets and forward-looking assessments and statements contained in this report 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.

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

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