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AMAG posts record shipments in 2013; dividend recommendation of 0.60 EUR per share unchanged on last year

- **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% year on year, resulting in 4% decline in revenue to 786.4 mEUR (2012: 819.8 mEUR)**
- **EBITDA 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)**
- **Dividend recommendation of 0.60 EUR per share, as in 2012**

In spite of the difficult operating environment, the AMAG Group posted extremely positive performance in 2013. All of the Group's divisions reported full capacity utilisation, which pushed shipments to a new record of 351,700 t, up from 344,200 t a year earlier. Investment and other measures aimed at promoting organic growth led to a 4% jump in shipments in the Rolling Division, 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).

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

Earnings before interest, tax, depreciation and amortisation (**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% 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 in the reporting period (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 an increase in staff costs related to the AMAG 2014 expansion project. The absence of one-time effects recorded in 2012 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.

Strong capital structure despite increased investment

Owing to the AMAG 2014 expansion project, **cash flows from investing activities** rose to -125.2 mEUR, a year-on-year increase of 65.0% (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%, compared with 4.7% in 2012.

The Group maintained its robust capital structure in 2013, with an equity ratio of 62.6% (2012: 61.8%).

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

Due to the prevailing economic uncertainties and high aluminium price volatility, detailed predictions for the financial year ahead are particularly difficult to make at present.

As things stand, 2014 looks likely to be another year of challenging trading conditions. The Group expects increased exposure to aluminium price movements in the Metal Division because of the recent decline in the attractiveness of hedging instruments. This means that the division will probably post a reduced earnings contribution if aluminium prices remain low. Margins in the Casting and Rolling divisions were still under pressure as at the reporting date, and 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.

The AMAG 2014 expansion programme will be largely completed in the course of 2014. The run-up phase for the new hot rolling mill is currently set to begin in the fourth quarter of 2014, and expansion of the wrought alloy foundry is likely to be completed on schedule in the first quarter of 2015.

Group financial highlights

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

A pdf version of the annual report 2013 is available on the website www.amag.at.

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 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.