

keywords: Mid Year Results/6-month report

EANS-Adhoc: AMAG Austria Metall AG reports half-year figures for 2011  
Strong growth, earnings on record level again

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- Sales rise 21% to EUR 429.2 million as compared with the first half-year of 2010
- EBIT outperforms the record result of the first half-year of 2010 by 18% and reaches EUR 59.5 million in the comparable period of this year
- Cash flow from operating activities rises by 36% to EUR 55.8 million
- Continued extension of capacities at Ranshofen

in EUR million	H1 2011	H1 2010	Change
Sales	429.2	354.8	+21%
EBITDA	81.9	72.9	+12%
EBIT	59.5	50.3	+18%
Net income after taxes	48.1	37.3	+29%
Earnings per share in EUR	1.36	-	-
Cash flow from			
operating activities	55.8	41.1	+36%
Working capital employed	246.0	195.2	+26%
Equity	475.9	497.0	(4%)
Employees	1,213	1,169	+4%

#### Developments in the first half-year of 2011

In the first six months of the year under review, AMAG Austria Metall AG (AMAG) clearly outperformed the results of the comparable period of the prior year. Due to the good shipment volume in the area of special products, sales rose by 21% to EUR 429.2 million. Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 12% to EUR 81.9 million and achieved a new record level in the comparable period. EBIT even grew by 18% to EUR 59.5 million. An over-proportional increase was registered in the surplus for the period. Earnings after taxes for the first half-year of 2011 are EUR 48.1 million, or 29% above the result achieved in the comparable period.

Due to the strong demand for aluminium, the production facilities are working at full capacity. Therefore, the Supervisory Board approved a tranche in the amount of EUR 21 million as a further part of the EUR 75 million investment programme aimed at boosting capacity by 20%. These funds will be used to build a new melting and casting furnace in the casthouse as well as to expand the capacity of the existing rolling slab caster. The focus will be on processing coated scraps in an environmentally friendly manner in order to produce high-quality aluminium alloys. In doing so, utmost attention will be paid to optimizing energy use. In the rolling mill, a new shear line for fabricating aluminium sheets is to be installed, with high cutting power and more precise cuts, so as to comply with tightest process tolerances.

#### Metal Division

In the first half of 2011, sales in the Metal Division rose 22% from EUR 247.2 million in 2010, attaining EUR 301.2 million. One of the main reasons for this boost was the increase in the price of aluminium. In the same period, the average price per ton was at USD 2,576 as compared with USD 2,163 in the same

period of the prior year. After being continuously on the rise since 2009, the price of aluminium in the first half-year of 2011 is beginning to show a sideways movement. EBITDA rose from EUR 9.7 million to EUR 24.8 million as compared with the first quarter of 2011 (+155%). A comparison of half-year figures shows EBITDA to have gone down 24%, from EUR 45.7 million in the same period of the prior year to EUR 34.5 million in this half-year. The major contributing factors were, in particular, the positive effects from the valuation of hedging instruments (options) contained in the comparable period in 2010. The higher cost of raw materials as well as effects from currency translation had a negative effect, while the higher aluminium price had a positive effect.

#### Casting Division

The Casting Division's sales rose by 27% to EUR 68.4 million in the first half-year, and EBITDA even increased by 75%, to EUR 4.7 million. In addition to a shift in the product mix to higher-priced products, the improvement in price levels taking place in the first half-year of 2011 also contributed to this trend. The business trend in this Division is essentially driven by the development of the automotive industry. For AMAG, passenger car production in Germany, which was expanded by 5% in the reporting period, is of particular relevance.

#### Rolling Division

The Rolling Division improved its sales by 24% in the first half-year of 2011. It thus earned EUR 297.4 million after generating EUR 240.5 million in the same period of the prior year. In Europe, demand from the mechanical engineering sector and from the automotive industry was a material driver of this development. In the US, demand from the mechanical engineering and transport sectors continued to be satisfactory, as was demand from the aircraft industry. The Rolling Division's EBITDA increased by 78% in the reporting period, to EUR 41.0 million. The reasons behind this trend are higher sales volumes, a higher price level as well as a shift in the product mix towards higher-value products.

#### Outlook

For 2011, consumption of primary aluminium is forecast to grow by 9-12% overall. According to a current study of the English CRU institute, the consumption of rolled aluminium products is expected to see a global annual growth rate of +7.6% until 2013. For that period, the expected annual growth rate for Western Europe is 3.3%, while demand is expected to grow +6.6% in eastern Europe and +10.9% in Asia. In a breakdown by sectors, growth perspectives are encouraging in the sectors of transport (+10%), construction and mechanical engineering (+8%) as well as in the European aircraft industry (+9%). Against this backdrop, and based on the satisfactory order situation, the AMAG Management expect the positive business development to continue for the rest of the year. However, a slight reduction in quantities shipped is to be expected for the second half-year as compared with the first six months of 2011. This is due to maintenance work scheduled at the Ranshofen location.

Summing up it can be said that AMAG's Management, from today's perspective, expect that profitability in 2011 will exceed the record values achieved in the prior year.

#### About AMAG Group

AMAG is a leading Austrian manufacturer of primary aluminium and high-quality aluminium cast and flat rolled products for various different industries such as the aircraft, automotive, sports equipment, lighting, mechanical engineering, construction and packaging industries. With 1,175 employees, the company achieved sales of EUR 728 million and EBITDA of EUR 139 million in the 2010 fiscal year.

### Cautionary statements

The forecasts, plans and forward-looking assessments and statements contained in this report are based on the information currently available to us. Should the assumptions on which the forecasts have been based fail to occur, the targets not be met or risks materialize, then the actual results may deviate from the results currently anticipated. We undertake no obligation to update publicly any such forecasts in light of new information or future events. We have exercised the utmost diligence in preparing this report and have checked the data contained therein. However, rounding, transmission and printing errors cannot be ruled out. This report is also available in German. In case of doubt, the German version prevails.

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