

REPORT OF THE SUPERVISORY BOARD



Dear Stockholders:

In 2012, the Supervisory Board discharged its duties under the law and the Articles of Association and in accordance with the Austrian Corporate Governance Code. Through oral and written communications, the Management Board kept the Supervisory Board informed in an ongoing, timely and comprehensive fashion of all of the company's major developments as well as its business policy, earnings position, financial position, investments and other fundamental issues involving its management and strategic planning.

The Management Board informed the Supervisory Board of major events in-between Supervisory Board meetings on an ongoing basis, and, where necessary, circular resolutions were adopted. The Management Board and the Chairman of the Supervisory Board discussed specific current events and projects regularly.

Key points of the meetings

In the year under review the Supervisory Board of AMAG Austria Metall AG, in line with its obligations defined by the provisions of law and the Articles of Association, held meetings on February 9 as well as on February 28, May 16, June 20, September 19 and November 22, 2012 and jointly with the Management Board deliberated on the trend of business and the situation and strategic development of the enterprise. Furthermore, the Supervisory Board of AMAG Austria Metall AG was newly constituted at its meeting on May 16, 2012.

At the first meeting of the Supervisory Board held on February 9, 2012, the "AMAG 2014 site expansion" strategic project was presented and discussed in detail. At the Supervisory Board meeting of February 28, 2012, the "AMAG 2014" project was approved by the Supervisory Board. Furthermore, the annual financial statements of AMAG Austria Metall AG as of December 31, 2011 were approved and the report of the Management Board and the audit report, the report of the audit committee pursuant to sec. 92 para. 4a sub-para. 5 and sub-para. 6 of the (Austrian) *AktG* (Stock Corporation Act) on the audit results, the consolidated financial statements and the Corporate Governance report were acknowledged. The proposal for the appropriation of the 2011 net profits was approved.

At the meeting on June 20, 2012, standing committees were established. Apart from the Supervisory Board's audit committee required by sec. 92 para. 4a of the Stock Corporation Act, a nomination and a remuneration committee were also set up. Furthermore, the Supervisory Board dealt with the Compliance rules, the Code of Ethics and technical risk management. On September 19, 2012, the subject of hedging was dealt with in detail by the Supervisory Board of AMAG Austria Metall AG. In addition, the subjects raised by the audit committee were discussed by the entire Supervisory Board.

At the last meeting of the year, held on November 22, 2012, the future business policy as well as the future development of the asset, financial and earnings position within the forecast accounts for the year 2013 as well as the medium-term planning until 2017 were adopted. Further topics dealt with by the Supervisory Board were the status of the pre-audit of the annual financial statements and the progress of the "AMAG 2014" strategic project as well as the external review

of the strategic considerations concerning the "AMAG 2014" project and the results of the self-evaluation performed by the Supervisory Board. Moreover, it was resolved to renew the contracts of Gerhard Falch (Chief Executive Officer) and of the Management Board members Dr. Helmut Kaufmann and Gerald Mayer.

The Supervisory Board and its committees

The current composition of the Supervisory Board of AMAG Austria Metall AG was determined at the shareholders' meeting of AMAG Austria Metall AG held on May 16, 2012. Dr. Josef Krenner, Dr. Michael Junghans, Dr. Franz Gasselsberger, Otto Höfl, Patrick Prügger, Dr. Heinrich Schaller, Dr. Sabine Seidler and Dr. Peter Uggowitzer were elected to the Supervisory Board. Maximilian Angermeier, Robert Hofer, Herbert Schützeneder and Georg Schreiner are the employees' representatives on the Supervisory Board. At the subsequent constituent meeting of the Supervisory Board, Josef Krenner and Michael Junghans were elected Chairman and Deputy Chairman, respectively, of the Supervisory Board.

In the year under review, the audit committee of the Supervisory Board of AMAG Austria Metall AG convened on February 7, on February 28 and on September 19. Representatives of the auditor of the financial statements took part in the meetings in order to report on their audit activities and findings in the management letter. The audit committee obtained the auditor's statement confirming its independence and, following the election, awarded the audit contract for the fiscal year 2012. It determined the key audit points with the auditor of the financial statements and reached an agreement on the audit fee. Specific accounting matters were also discussed in the presence of the auditor of the financial statements. Other issues that were dealt with included scrutinizing and overseeing the operating method and effectiveness of the internal control and risk management system.

In particular the following subjects were treated at the two meetings held in February 2012:

- The financial statements as of December 31, 2011 prepared in accordance with the (Austrian) UGB (Commercial Code), the consolidated financial statements as of December 31, 2011 prepared in accordance with the IFRS as well as the report of the Management Board and the audit report on the annual financial statements of AMAG Austria Metall AG as of December 31, 2011.
- The report of the audit committee to be rendered to the Supervisory Board of AMAG Austria Metall AG pursuant to sec. 92 para. 4a sub-para. 5 and sub-para. 6 of the Stock Corporation Act on the audit results, including the proposal for the appropriation of profits.
- Further issues that were discussed were the 2011 audit results and the audit planning for the financial year 2012.

The current composition of the audit committee of the Supervisory Board of AMAG Austria Metall AG was newly determined at the Supervisory Board meeting of June 20, 2012 and comprises Josef Krenner (Chairman), Michael Junghans (Deputy Chairman), Patrick Prügger (financial expert) and Heinz Schaller as well as the employees' representatives Maximilian Angermeier and Robert Hofer. At its meeting held on September 19, 2012, the planning of the audit for the fiscal year 2012 was discussed. Also thoroughly discussed were the internal control system, risk management and capital market compliance topics. The implementations arising from the management letter and the status of the 2012 internal audit were discussed as well, and a plan for the 2013 internal audit was defined.

The nomination committee of AMAG Austria Metall AG in the fiscal year 2012 deliberated on the renewal of the contracts with the Management Board members at three meetings (held on July 9, September 12 and November 22) and proposed corresponding draft resolutions to the Supervisory Board.

The remuneration committee held meetings on September 12, 2012 and on November 22, 2012. At these meetings, the committee dealt in detail with the evaluation of the existing contracts and the drafting of new contracts.

Corporate governance

The Supervisory Board of AMAG is committed to upholding the Austrian Corporate Governance Code and thereby to responsible corporate governance and control focused on long-term value creation. A summary presentation can be found in the "Corporate governance" section of this annual report and on the company's website.

Audit and approval of the 2012 annual financial statements

The annual financial statements, the management report and the Corporate Governance report of AMAG Austria Metall AG drawn up by the Management Board as well as the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS), the Group management report, and the information to be provided pursuant to sec. 245a of the Commercial Code, all as of December 31, 2012, were audited by the auditor of the financial statements appointed in accordance with sec. 270 of the Commercial Code, Deloitte Audit Wirtschaftsprüfungs GmbH, and an unqualified audit opinion was issued on them. The annual financial statements and consolidated financial statements, the management report and Group management report, as well as the Corporate Governance report, the proposal for the distribution of profits and the management letter containing the auditor's findings were analyzed by the Supervisory Board in the presence of the auditor of the financial statements, examined within the meaning of sec. 96 of the Stock Corporation Act and approved on February 28, 2013. The Supervisory Board concurs with the Management Board's proposal for the appropriation of profits, which provides for a dividend in the amount of 0.6 EUR per dividend-bearing share to be distributed and for the balance to be carried forward to new account. The annual financial statements are thus deemed approved in accordance with sec. 96 para. 4 of the Stock Corporation Act.

Thanks to Board members and employees

The Supervisory Board would like to thank the Management Board and all the employees of AMAG for their efforts. The company's satisfactory results in the current, rather challenging, economic environment would never have been possible without their contributions. We also appreciate the trust and loyalty of our customers, suppliers, lenders and stockholders and look forward to continuing our successful teamwork in the future.

Ranshofen, February 28, 2013



Dr. Josef Krenner

Chairman of the Supervisory Board

COMPOSITION OF THE SUPERVISORY BOARD

Dr. Josef Krenner

born in 1952

Chairman of the Supervisory Board

Chairman of the audit, nomination and remuneration committees

first appointed: May 16, 2012

Dr. Michael Junghans

born in 1967

Deputy Chairman of the Supervisory Board

Deputy Chairman of the audit, nomination and remuneration committees

first appointed: May 16, 2012

Dr. Heinrich Schaller

born in 1959

Member of the Supervisory Board

Member of the audit, nomination and remuneration committees

first appointed: May 16, 2012

Dr. Franz Gasselsberger

born in 1959

Member of the Supervisory Board

first appointed: May 16, 2012

Patrick F. Prügger

born in 1975

Member of the Supervisory Board

Member of the audit committee (financial expert)

first appointed: May 16, 2012

Otto Höfl

born in 1946

Member of the Supervisory Board

appointed: March 21, 2011

re-appointed: May 16, 2012

Dr. Sabine Seidler

born in 1961

Member of the Supervisory Board

Member of the nomination and remuneration committees

first appointed: May 16, 2012

Dr. Peter Uggowitzer

born in 1950

Member of the Supervisory Board

first appointed: March 21, 2011

re-appointed: May 16, 2012

Delegated by the works council:

Max Angermeier

born in 1958

Member of the Supervisory Board

Member of the audit and nomination committees

delegated: April 14, 2011

Robert Hofer

born in 1977

Member of the Supervisory Board

Member of the audit and nomination committees

delegated: Dec. 31, 2011

Georg Schreiner

born in 1954

Member of the Supervisory Board

delegated: April 14, 2011

Herbert Schützeneder

born in 1957

Member of the Supervisory Board

delegated: April 14, 2011

Left with effect as of the shareholders' meeting held on May 16, 2012:

Dr. Hanno M. Bästlein

born in 1963

Chairman of the Supervisory Board

Member of the audit committee

appointed: January 31, 2011

left: May 16, 2012

Christopher von Hugo

born in 1963

Deputy Chairman of the Supervisory Board

Member of the audit committee

appointed: January 31, 2011

left: May 16, 2012

Dr. Ludwig Scharinger

born in 1942

Member of the Supervisory Board

first appointed: March 21, 2011

left: May 16, 2012

Wolfgang Pfarl

born in 1944

Member of the Supervisory Board

appointed: January 31, 2011

left: May 16, 2012

Thomas Spitzenpfel

born in 1962

Member of the Supervisory Board

Chairman of the audit committee

appointed: March 21, 2011

left: May 16, 2012