

**ANNUAL FINANCIAL REPORT**  
**2017**

# Content

## Company

- Key figures for the AMAG Group
- 01 Foreword
- 05 Management Board of AMAG Austria Metall AG

## Business model and strategy

- 08 Business model and strategy
- 10 Top AMAG products
- 11 Attractive market prospects
- 12 Site expansion in Ranshofen
- 16 Adding value through appreciation

## To our shareholders

- 20 Report of the Supervisory Board
- 22 Corporate governance report
- 28 Investor relations

## Group operating and financial review

- 34 Company profile
- 36 Non-financial statement
- 64 Economic environment
- 67 Business performance
- 73 Key financial performance indicators
- 74 Segment reporting
- 80 Risk and opportunity report
- 85 Corporate governance report
- 86 Disclosures pursuant to Section 243a (1) of the Austrian Commercial Code (UGB)
- 88 Outlook

## Consolidated financial statements

- 92 Consolidated statement of financial position
- 93 Consolidated statement of profit or loss
- 94 Consolidated statement of comprehensive income
- 95 Consolidated statement of cash flows
- 96 Consolidated statement of changes in equity
- 97 Notes to the consolidated financial statements
  - 97 The company
  - 97 Basis of accounting
  - 97 Currency translation
  - 98 Consolidation principles
  - 100 Accounting policies
  - 110 Accounting judgements and estimates
  - 112 Contingent liabilities and assets
  - 112 Adjustments from the first-time application of IFRS 9
  - 114 Segment reporting
  - 118 Notes to the consolidated statement of financial position
  - 136 Notes to the consolidated statement of profit or loss
  - 142 Notes to the consolidated statement of cash flows
  - 143 Financial instruments
  - 161 Contingent liabilities and guarantees
  - 161 Related party disclosures
  - 163 Supplementary information
- 164 Declaration of the Management Board under Section 124 (1) of the Austrian Stock Exchange Act (BörseG)
- 165 Audit opinion
- 169 Glossary
- 172 Jahresabschluss per 31. Dezember 2017 (in German)
  - Anlage 1 Bilanz
  - Anlage 2 Gewinn- und Verlustrechnung
  - Anlage 3 Anhang zum Jahresabschluss per 31. Dezember 2017
  - Beilage 1 Anlagespiegel
  - Erklärung des Vorstandes gem. § 124 (1) BörseG
  - Bestätigungsvermerk
  - Anlage 4 Lagebericht zum Jahresabschluss per 31. Dezember 2017

Imprint

Contact

# Key figures for the AMAG Group

| Key figures for the Group in EUR million   | 2017    | 2016    | Change<br>in % | 2015    |
|--|---------|---------|----------------|---------|
| <b>Economy</b>   |         |         |                |         |
| Shipments in tonnes  | 421,700 | 405,900 | 3.9 %          | 381,300 |
| External shipments in tonnes   | 395,900 | 375,200 | 5.5 %          | 347,100 |
| Group revenue  | 1036.2  | 906.2   | 14.3 %         | 913.3   |
| EBITDA   | 164.5   | 143.0   | 15.0 %         | 123.9   |
| EBITDA margin  | 15.9 %  | 15.8 %  | -              | 13.6 %  |
| Operating result (EBIT)  | 86.8    | 73.0    | 19.0 %         | 54.7    |
| EBIT margin in %   | 8.4 %   | 8.1 %   | -              | 6.0 %   |
| Earnings before taxes (EBT)  | 81.7    | 63.0    | 29.7 %         | 48.4    |
| Net income after taxes   | 63.2    | 46.3    | 36.4 %         | 40.5    |
| Cash flow from operating activities  | 101.8   | 114.9   | (11.3 %)       | 109.9   |
| Cash flow from investing activities  | (108.2) | (185.4) | 41.6 %         | (91.2)  |
| Total assets   | 1,404.9 | 1,389.7 | 1.1 %          | 1,104.3 |
| Equity   | 607.9   | 630.5   | (3.6 %)        | 638.0   |
| Equity ratio in %  | 43.3 %  | 45.4 %  | -              | 57.8 %  |
| Working capital employed   | 297.4   | 256.4   | 16.0 %         | 238.5   |
| Capital employed   | 873.3   | 804.1   | 8.6 %          | 732.8   |
| ROCE in %  | 7.8 %   | 6.5 %   | -              | 6.2 %   |
| ROE in %   | 10.2 %  | 7.3 %   | -              | 6.4 %   |
| Net financial debt   | 282.4   | 225.8   | 25.0 %         | 113.8   |
| Gearing ratio in %   | 46.4 %  | 35.8 %  | -              | 17.8 %  |
| <b>Social</b>  |         |         |                |         |
| Number of employees –<br>full-time equivalents (annual average) <sup>1)</sup>    | 1,881   | 1,762   | 6.8 %          | 1,704   |
| TRIFR accident rate <sup>2)</sup>  | 1.5     | 2.6     | (42.3 %)       | 2.2     |
| Number of CIP suggestions submitted <sup>2)</sup>                                | 13,590  | 12,809  | 6.1 %          | 10,331  |
| <b>Ecology<sup>2)</sup></b>  |         |         |                |         |
| Scrap utilisation in tonnes  | 347,800 | 330,200 | 5.3 %          | 306,000 |
| Specific energy consumption in kWh/tonne production                              | 1,178   | 1,131   | 4.2 %          | 1,160   |
| Specific CO <sub>2</sub> emissions in tonnes (CO <sub>2</sub> /tonne production) | 0.23    | 0.22    | 6.4 %          | 0.25    |
| <b>Share</b>   |         |         |                |         |
| Market capitalisation  | 1,812.2 | 1,172.5 | 54.6 %         | 1,128.4 |
| Closing price in EUR   | 51.39   | 33.25   | 54.6 %         | 32.00   |
| Earnings per share in EUR  | 1.79    | 1.31    | 36.4 %         | 1.15    |
| Dividend per share in EUR <sup>3)</sup>  | 1.20    | 1.20    | 0.0 %          | 1.20    |

1) Average number of employees (full-time equivalents) including temporary help workers and excluding apprentices. Includes 20 % pro rata share of labour force at Alouette smelter

2) Data without 20 % stake in Alouette smelter

3) According to proposal to the Annual General Meeting

# Dear reader, valued friends of the company,

2017 was a special year for AMAG. We not only achieved the highest operating result in the company's history but also reached an important milestone for the successful future of AMAG with the commissioning of the new plants related to the "AMAG 2020" site expansion project.

After the commissioning of our new hot rolling mill in the autumn of 2014 we complemented the site expansion with the new cold rolling mill and further finishing plants and thus we are now operating the most advanced, state-of-the-art plant in the European aluminium industry. Along with the new cold rolling mill, the "AMAG 2020" project also comprises an additional continuous heat-treatment furnace for the heat treatment of aluminium sheets and many additional finishing plants. We have also invested in expanding our recycling and casting capacities to produce our own rolling slabs. The investment volume for this project weighed in at around EUR 300 million, the majority of which we have already invested. As with our previous site expansion project, the construction of the new hot rolling mill, we built the plants in record time and in line with our budget and schedule.

Harnessing these state-of-the-art plants and additional capacities, we will further expand our role as an innovation and growth partner for our customers. We are extending our portfolio to include aluminium sheets and strips of over two metres width, thereby offering a comprehensive range of high-quality products across all alloy families. The broad product portfolio – for customers from the aerospace, automotive and packaging industries through to special products for the sports, consumer electronics and cooling industries – make this location unique.

Europe's most  
state-of-the-art  
aluminium plant

The high alloy diversity at our integrated location in Ranshofen enables us to combine our knowledge across many application areas, and to consistently develop optimal product solutions. We are constantly expanding our technological capabilities in high-quality special products, developing new and optimised product solutions together with our customers and research partners. We deploy the most advanced, leading-edge automation and simulation technologies in this context.

Long-term profitable growth and sustainability are key elements of our corporate strategy. The recycling of aluminium scrap plays a major role in our value creation process at our Ranshofen site. In producing our foundry alloys and rolling slabs we utilise around 75 to 80% aluminium scrap as input material. Our primary aluminium smelter in Canada also sets benchmarks in sustainable production by deploying electricity from hydropower. For the first time, we have integrated our sustainability reporting into our annual report. You will find our detailed non-financial statement in the Group management report.

The positive development and growth of AMAG is also reflected in its share price. With an appreciation of 54.6 % in 2017, the AMAG share was one of the top performers on the Vienna Stock Exchange, significantly outperforming the ATX index (+ 30.6 %). The AMAG share has appreciated by 170.5 % since our IPO in April 2011. The total shareholder return including dividends amounts to 203.7 % since the IPO.

The market environment for aluminium products proved positive in the 2017 financial year. In the course of the year the growth forecasts for demand for primary aluminium and aluminium rolled products in 2017 were upgraded several times. Attractive growth rates of 3 to 4 % per annum worldwide are also anticipated for the coming years. The aluminium price continued on the uptrend it started in 2016. At the end of 2017 it reached the highest level for more than five years. On a year-average basis, the aluminium price (3-month LME) of 1,980 USD/t stood 22.9 % above the previous year's average.

The very good operating results AMAG achieved confirm the adopted path. The total shipments increased to a new historic

**Growth and  
sustainability go  
hand in hand.**

//////  
**The highest  
operating income  
in the company's  
history.**  
//////

record level of 421,700 tonnes. The 3.9 % year-on-year increase is mainly due to the organic growth path and the advancing ramp-up of the new plants in the Rolling Division.

In the 2017 financial year we achieved for the first time revenues of more than EUR 1 billion. The higher shipment volume, coupled with the increase in the aluminium price, resulted in revenue growth of 14.3 % to EUR 1,036.2 million. Earnings before interest, tax, depreciation and amortisation (EBITDA) also performed well. At EUR 164.5 million, we achieved the highest operating result in the history of AMAG, reflecting a year-on-year improvement of 15.0 %. Positive contributions in this context mainly included the volume growth and an improved product mix in the Rolling Division, as well as the higher aluminium price. Despite higher depreciation due to the commissioning of the new plants, we also reported a significant gain of 19.0 % to EUR 86.8 million in terms of earnings before interest and tax (EBIT). Net income after taxes appreciated by 36.4 % to EUR 63.2 million.

Cash flow from operating activities amounted to EUR 101.8 million (2016: EUR 114.9 million), almost fully covering the cash flow from investing activities of EUR -108.2 million (2016: EUR -185.4 million). Free cash flow improved year-on-year from EUR -70.5 million to EUR -6.3 million.

Taking this positive business trend into account, we are proposing to the AGM to distribute a dividend of EUR 1.20 per share for the 2017 financial year. This would correspond to a dividend yield of 2.6 % in relation to the average share price for 2017.

We aim to continue our successful growth and development over the coming years and create sustainable value. A stable ownership structure, a solid balance sheet, attractive market prospects and the investments in the site expansion constitute a good basis for this.

Due to the investments that have been realised in the site expansion, we will benefit from a larger product portfolio, rising shipment volumes and productivity gains over the coming years. The ramp-up of the new plants is planned over several years.

Additional growth potentials will be tapped in 2018 through individual targeted investments to extend the vertical range of production in the Rolling Division and through modernising the equipment in the Casting Division.

Business trends in the Metal Division in 2018 will depend on the trend in the market prices of aluminium and the related requisite raw materials, as well as on the currency situation. During the second half of 2017, the market price for primary aluminium appreciated significantly, although prices of raw materials such as aluminium and petroleum coke have also become considerably more expensive. Moreover, the US dollar depreciated against the euro and the Canadian dollar. We anticipate a solid earnings performance in the Casting Division. In the Rolling Division, we expect further growth, mainly driven by the investments we have realised. The prerequisites for this include the successful continuation of the ramp-up of the new plants and the achievement of the requisite customer qualifications.

It is still too early to provide a results forecast for the 2018 financial year, as experience shows that commodity and currency markets may prove to be very volatile. We are confident, however, of continuing to benefit in 2018 from the growth path we have adopted in the Rolling Division.

# MANAGEMENT BOARD OF AMAG AUSTRIA METALL AG

*Gerald Mayer*  
Mag.  
Gerald Mayer  
Member of the Management Board  
(Chief Financial Officer)

*Helmut Wieser*  
Dipl.-Ing.  
Helmut Wieser  
Chairman of the Management Board  
(Chief Executive Officer)

*H. Kaufmann*  
Priv. Doz. Dipl.-Ing. Dr.  
Helmut Kaufmann  
Member of the Management Board  
(Chief Operating Officer)








## Business model and strategy

---

### Strategy of profitable growth

AMAG is on a growth course. Due to the site expansion in Ranshofen, the capacity for aluminium rolled products will increase to more than 300,000 tonnes and the product portfolio will be expanded to include larger dimensions.

The attractive market prospects and the rising demand for the high-quality aluminium rolled products of AMAG form the basis of this growth course.



## Business model and strategy

AMAG is a supplier of high-quality aluminium products for further processing in many growth sectors. Thanks to the consistent alignment to customers' requirements, high flexibility and innovation capabilities, AMAG is able to respond flexibly and rapidly with tailor-made products to customers' needs.

AMAG operates two production sites. The Austrian site in Ranshofen, AMAG Group headquarters, produces not only recycled foundry alloys but also, and especially, high-quality aluminium rolled products in the form of strips, sheets and plates. This integrated location is unique: the many different alloys, an extraordinarily high level of flexibility and the employees' extensive expertise guarantee high-quality aluminium products delivering superior benefits for the customers of AMAG.

AMAG owns a 20 % interest in Canada's Alouette smelter, the largest smelter in North and South America. Harnessing hydroelectric power and thanks to high energy efficiency levels, together with the partners around 600,000 tonnes of primary aluminium are produced per year. The 20 % interest secures access to primary aluminium for the Austrian site, while also enabling AMAG to benefit from this smelter's excellent cost structure.

Aluminerie Alouette Inc.  
Sept-Îles, Québec  
CANADA

### Aluminerie Alouette Inc. PRIMARY ALUMINIUM





**AMAG Austria Metall AG**

Ranshofen  
AUSTRIA

- Production site
- Sales subsidiaries and representatives

**Headquarters in Ranshofen** RECYCLING - FOUNDRY ALLOYS - ROLLED PRODUCTS



## Top AMAG products for different sectors:

The high-quality cast and rolled AMAG products are used in highly differing areas. Aside from the transportation industry, with a focus on aerospace and automotive, AMAG aluminium is utilised in the packaging, construction and engineering industries, as well as in the sports equipment and electronics sectors.

The high-quality products are sold worldwide. Sales revenue generated abroad amounted to around 86 % in 2017. Along with the headquarters operations, AMAG has numerous sales branches worldwide. In order to advance sales activities new sales subsidiaries for the Eastern European and Chinese markets were set up in 2017. All in all, the AMAG Group is represented in more than 20 countries on four continents.

### Broad portfolio of special products

| Divisions <sup>1)</sup>         | METAL   | CASTING   | ROLLING   | SERVICE   | GROUP   |
|---------------------------------|---|---|---|---|---------|
| Total shipments in tonnes       | 120,400   | 87,400  | 213,900   |   | 421,700 |
| External shipments in tonnes    | 120,400   | 61,600  | 213,900   |   | 395,900 |
| External revenue in EUR million | 208.0   | 110.2   | 712.2   | 5.9   | 1,306.2 |
| Employees                       | 190   | 126   | 1,424   | 141   | 1,881   |
| Products and services           | Primary aluminium<br>Access to raw materials market | High-quality recycled aluminium foundry alloys in the form of liquid aluminium, ingots and sows | High-quality aluminium rolled products in the form of plates, sheets and strips:<br><br>- High strength materials<br>- Tread plate<br>- Bright products<br>- Brazing sheet<br>- Foil stock<br>- Precision plate<br>- Cathode sheets | Group management Services at the Ranshofen site |         |

<sup>1)</sup> 2017 figures

# Attractive market prospects

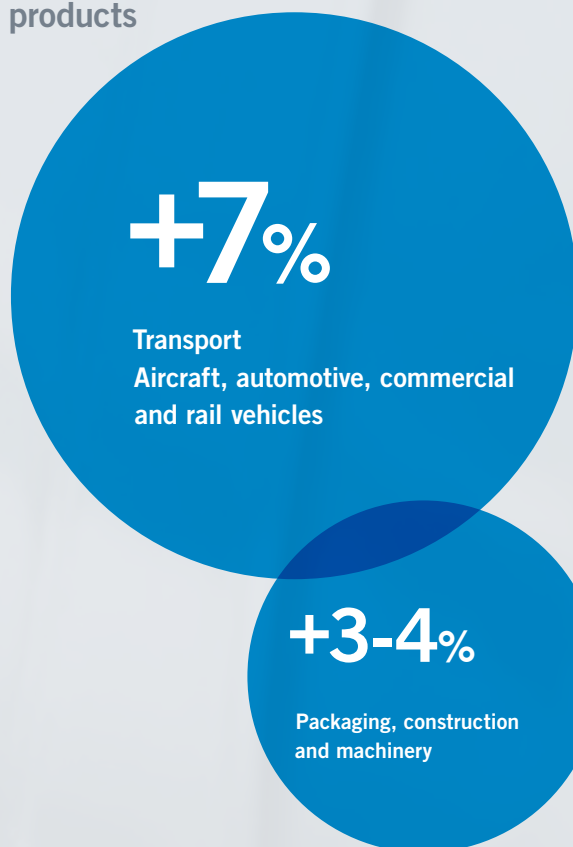
Thanks to its outstanding properties, aluminium has developed into the second most important industrial metal within half a century, and is deployed in almost all areas of our lives.

Global consumption of primary aluminium increased from 60 to **64 million tonnes** in 2017, representing an increase of 6 %. Attractive growth rates of 3 to 4 % p.a. are also anticipated for the coming years.

A significant share of primary aluminium is deployed in aluminium rolled products. Growth rates of around 4 % p.a. are also anticipated in this area over the next five years. While the transport industry is the most significant demand growth driver, attractive growth is also anticipated in many other industries for the coming years.

## Aluminium rolled products

Annual growth worldwide to 2022 in %



FINISHED GOODS WAREHOUSE

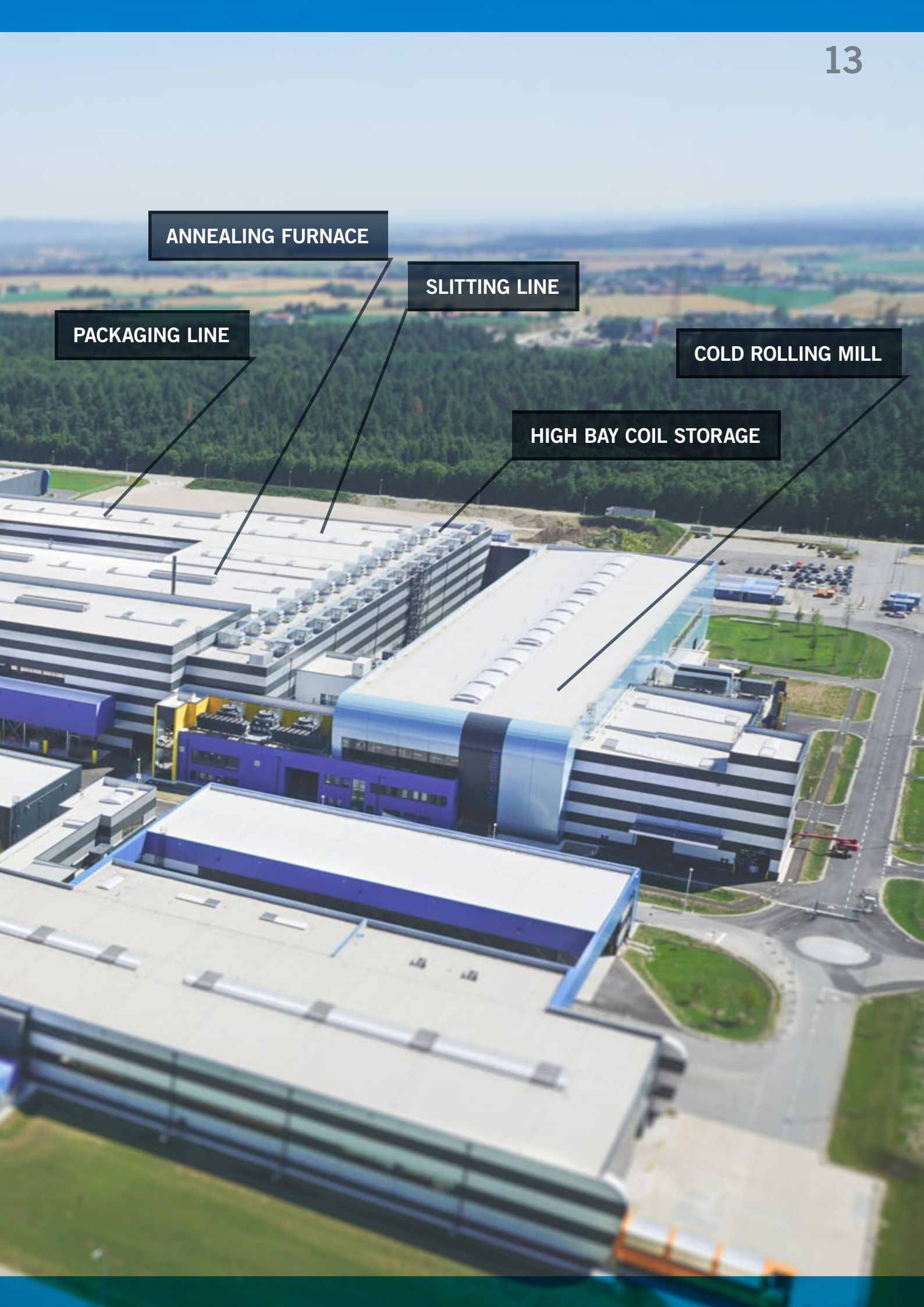
PASSIVATION

HEAT-TREATMENT FURNACE

# AMAG 2020

Site expansion in Ranshofen





**ANNEALING FURNACE**

**SLITTING LINE**

**PACKAGING LINE**

**COLD ROLLING MILL**

**HIGH BAY COIL STORAGE**



## Site expansion in Ranshofen – new cold rolling mill and finishing plants

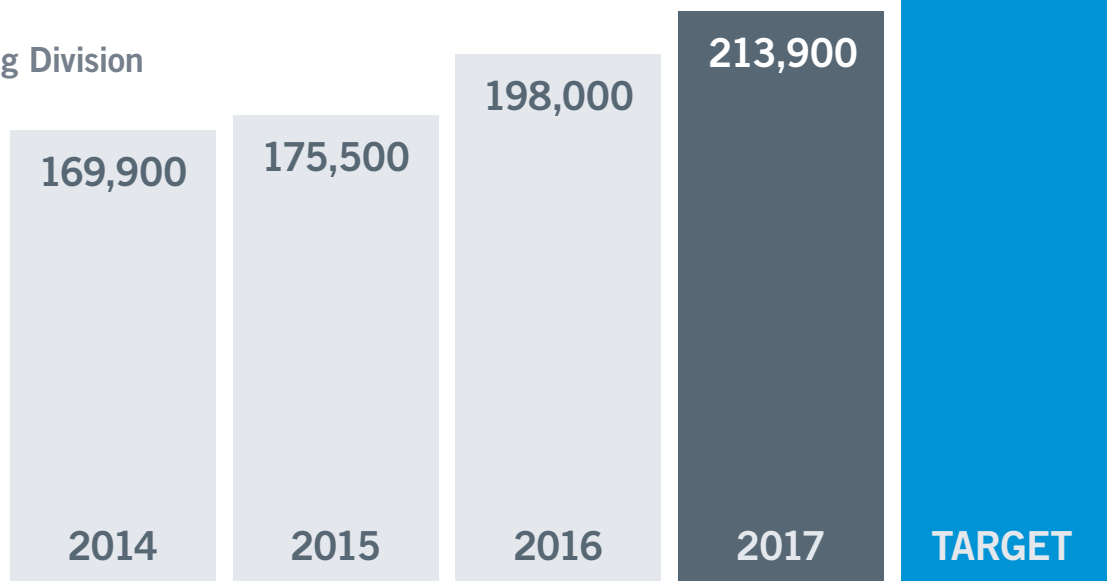
Thanks to the positive market prospects for aluminium rolled products and high customer demand for high-quality products, close to EUR 500 million had been invested in the two site expansion projects “AMAG 2014” and “AMAG 2020” by 2017.

Following the new hot rolling mill, which was opened within the “AMAG 2014” project in September 2014, the cold rolling mill as well as further finishing plants of the “AMAG 2020” project were commissioned on schedule in June 2017.

These investments not only raise capacity in the Rolling Division to more than 300,000 tonnes but also expand the product portfolio in cold rolled and heat-treated sheets and strips to a width of more than two metres.

The ramp-up of the new plant is planned over several years, especially reflecting the necessary qualifications. Thanks to the employees' expertise and the advanced state-of-the-art equipment, we are highly confident that we will be able to ramp them up and consequently boost shipment volumes over the coming years.

Shipments  
in the Rolling Division  
in tonnes





## Adding value through appreciation

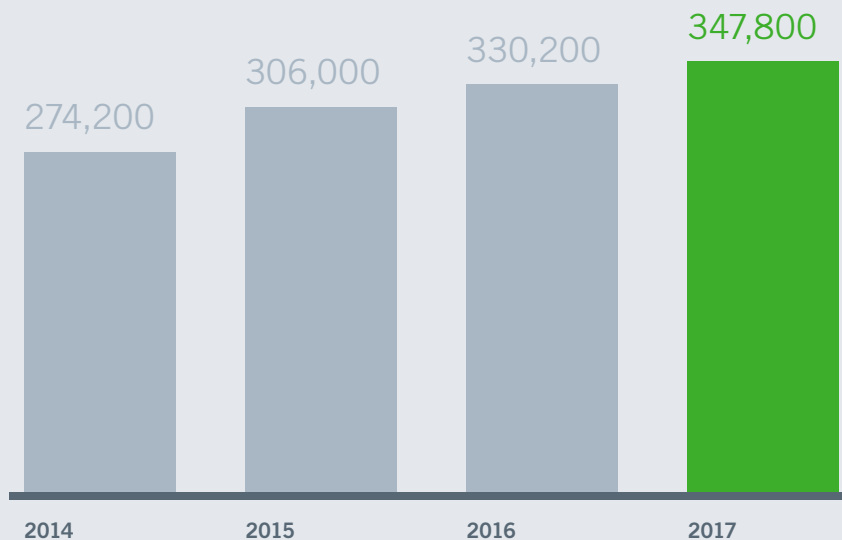
The sustainability strategy is based on the principle of “adding value through appreciation” and is consistently pursued.

The successful development of AMAG shows that growth and sustainability go hand in hand. This is why AMAG consistently follows a sustainable corporate strategy, which is described extensively as part of this annual report in the form of the non-financial statement in the Group management report.



The efficient utilisation of energy and resources plays an important role in AMAG’s sustainable development and growth.

Scrap utilisation at the Ranshofen site in tonnes



## Hydroelectric power:

The Canadian location utilises hydroelectric power in the production of primary aluminium. The smelter boasts an outstanding net CO<sub>2</sub> impact on a sector comparison. Alouette generates only around one eighth of the CO<sub>2</sub> emissions of many other smelters operated with electricity generated from coal power plants.



## Aluminium scrap recycling:

Aluminium is not only distinguished by its lightweight properties, but also by the fact that it can be infinitely recycled – and without loss of quality. Aluminium scrap can be reintroduced repeatedly into the value creation cycle – an advantage both ecologically and economically, as aluminium scrap recycling requires just 5 % of the energy that would be required for primary metal production, while aluminium scrap also contains valuable alloy elements.

Aluminium scrap represents the most important input material at the Ranshofen site in volume terms. The scrap utilisation rate

in the production of foundry alloys and rolling slabs averages 75 to 80 %.

The main reasons for this extraordinarily high recycling proportion on a sector comparison include the employees' many years of recycling expertise, ongoing investments in advanced, leading-edge sorting, processing and smelter technologies, and the high alloy diversity at the integrated location in Ranshofen. Consequently, it is possible to utilise aluminium scrap with highly differing characteristics and chemical composition for high-quality products.

## Energy Star 2017:

Energy-saving measures are also being further advanced as part of expanding the Ranshofen plant. One salient example is the "Optimal Energy Utilisation through Heat Recovery" flagship project, for which AMAG received the Region of Upper Austria's "Energy Star" award in 2017.

With the heat recovery project launched in 2015, AMAG will be able to utilise waste heat from casting plants to heat halls and office buildings. The proximity of the individual production and office buildings at the integrated site in Ranshofen represents a major advantage in this context.

This project enables natural gas required for heating to be reduced by up to 35 %, with a total of around 17,000 MWh of heating energy being saved – corresponding to the annual energy demand of approximately 700 households.

This project also benefits the environment. A total of around 4,500 tonnes of CO<sub>2</sub> emissions will be reduced annually, roughly equivalent to the CO<sub>2</sub> emissions of 2,000 cars per year.



## To our shareholders

### AMAG share

The positive development and growth of AMAG are also reflected in its share price. The share reported a year-on-year price increase of around 55 % in 2017 and continued its multiannual uptrend. Since the IPO in April 2011, the AMAG share has recorded a gain of 170 % and a total shareholder return of more than 200 %.



# Report of the Supervisory Board



Dear reader,

In the 2017 financial year, the Supervisory Board performed the tasks incumbent upon it according to the law and the company's articles of incorporation, and in compliance with the Austrian Corporate Governance Code. The Management Board reported regularly to the Supervisory Board both verbally and in written form, promptly and comprehensively on all material developments within the company, its business policy, on the financial position and performance, investments, and other fundamental issues relating to corporate management and planning.

Between meetings, the Management Board consistently informed the Supervisory Board about important matters, with resolutions concerning matters of urgency being passed by way of written circular. Current specific topics and projects were discussed in regular conversations between the Management

Board and the Supervisory Board Chairman.

## Main topics of the meetings

The Supervisory Board of AMAG Austria Metall AG met on February 27, April 19, June 22, September 18 and November 29, 2017, in accordance with the obligations imposed by law and the articles of incorporation. These meetings included discussions with the Management Board on the course of business, and the Group's current performance and strategic development. In particular, regular reports were issued on progress made with the large-scale "AMAG 2020" investment project, which was commissioned in June. Investments for the continuous development of the site were also approved as well as a strategy for digitalisation. Future business policy, and future financial position and performance trends, were agreed as part of the forecast for 2018, as well as the medium-term planning through to 2027. Sales subsidiaries in Eastern Europe and in China were founded to strengthen international sales. New managing directors have been appointed for AMAG service GmbH and for AMAG rolling GmbH as of January 1, 2018. The Supervisory Board also concerned itself with the issuer compliance officer's annual activity report, and with anti-corruption measures as well as with the Supervisory Board's self-assessment.

Moreover, the Supervisory Board of AMAG Austria Metall AG reconstituted itself at its April 19, 2017 meeting. The members of the Audit, Nomination, Remuneration and Strategy committees, as well as the Committee for Urgent Matters, were re-elected on an unchanged basis.

## Supervisory Board and committees

The corporate governance report provides further information about the composition and working methodology of the Supervisory Board, and its remuneration.

The Remuneration Committee of the Supervisory Board of AMAG Austria Metall AG convened three times during the 2017 reporting year. Representatives of the auditor also attended these meetings to report on their activities and the content of the management letter. In addition, specific accounting topics were discussed in the auditor's presence. Along with examining and preparing the approval of the separate and consolidated annual financial statements, the Audit Committee also concerned itself with the additional tasks pursuant to Section 92 (4a) of the Austrian Stock Corporation Act (AktG). In particular, the functioning and efficacy of the internal controlling, auditing and risk management system was critically scrutinised and monitored. The Audit Committee was also concerned with the structuring of the non-financial statement. The results were subsequently discussed with the plenary Supervisory Board.

The Nomination Committee of AMAG Austria Metall AG met twice during the year under review. It concerned itself with the election of Supervisory Board members and submitted corresponding proposed resolutions to the AGM. The Committee was also engaged with the appointment of managing directors.

The Remuneration Committee of AMAG Austria Metall AG met twice during the reporting year. Target agreements with the Management Board were handled in depth.

The Strategy Committee convened twice during the year under review, and concerned itself particularly with an update to strategy implementation in the "AMAG 2020" project, market-related topics and the further strategic development of AMAG Austria Metall AG. The results were subsequently discussed with the plenary Supervisory Board.

## Corporate governance

The Supervisory Board of AMAG is committed to adhering to the Austrian Corporate Governance Code, and consequently to responsible corporate governance and control systems designed to deliver sustainable value creation. A summary of activities in this area is presented in the corporate governance section in this annual report and on the website of AMAG.

## Audit and approval of the 2017 annual financial statements

The Management Board prepared the separate annual financial statements, the separate management report, the consolidated financial statements according to International Financial Reporting Standards (IFRS), the Group management report as of December 31, 2017, including the non-financial statement, and the disclosures required pursuant to Section 245a of the Austrian Commercial Code (UGB), which Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (appointed pursuant to Section 270 UGB) audited and awarded an unqualified audit opinion. Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. also audited the corporate governance report. The result of this audit showed that the statement that AMAG Austria Metall AG issued with regard to compliance with the Corporate Governance Code in the version dated January 2015 corresponds to actual circumstances. The Supervisory Board, in the auditor's presence, examined in the meaning of Section 96 of the Austrian Stock Corporation Act (AktG) the separate and consolidated annual financial statements, the management report and Group management report, including the non-financial statement, as well as the corporate governance report, the proposal for the distribution of profit, and the management letter with the audit findings, and approved them on February 26, 2018. The Supervisory Board concurs with the Management Board's proposal for the application of profits, whereby a dividend of EUR 1.20 per dividend-entitled share is to be distributed, with the remaining amount to be carried forward to a new account. The separate annual financial statements have thereby been adopted pursuant to Section 96 (4) of the Austrian Stock Corporation Act (AktG).

## Thanks

The Supervisory Board would like to express its thanks and recognition for the hard work of the Management Board as well as all employees at AMAG. Due to their personal contributions and commitment, AMAG continued on its growth path and set new records in the company's history in many areas.

We also appreciate the trust and close connections that we enjoy with our shareholders, customers, suppliers and lenders, and look forward to our further successful cooperation.

Ranshofen, February 26, 2018



Dr. Josef Krenner  
Chairman of the Supervisory Board



# Corporate governance report

## Declaration concerning the Austrian Corporate Governance Code

The Austrian Corporate Governance Code provides domestic stock corporations with a framework for managing and supervising companies. The Code aims to promote the management and controlling of companies and corporate groups based on sustainable and long-term value creation. This in turn is intended to create a high degree of transparency for all stakeholders in the company.

The basis for the Code published at [www.corporate-governance.at](http://www.corporate-governance.at) is formed by the guidelines of the Austrian Stock Corporation Act (UGB), the Stock Exchange Act and the Capital Market Act, European Union recommendations on tasks of supervisory board members and remuneration of management board members, as well as OECD guidelines on corporate governance, in its principles. This Corporate Governance Report is based on the status of the revised Code published in January 2015.

The Code, which requires voluntary commitment, was recognised and implemented by the Management and Supervisory boards of AMAG Austria Metall AG in the 2017 financial year. AMAG Austria Metall AG is consequently committed to adhering to the Austrian Corporate Governance Code in its latest version.

AMAG Austria Metall AG adheres to all "L rules" and "C rules".

## Composition of the Management Board

The Management Board's composition was unchanged compared with the previous year.

### Dipl.-Ing. Helmut Wieser (1953)

#### Chairman of the Management Board

First appointed as Management Board member: March 1, 2014, as Management Board Chairman (CEO): April 1, 2014

Contract expires on: December 31, 2018

Allocated Group functions: Strategy and Group Communications, Investor Relations, Human Resources, Key Accounts Sales, Purchasing, Service and Infrastructure

Supervisory board mandates at other companies: OJSC Novolipetsk Steel (NLMK), Russia; RAIN CII (holding company of Rütgers GmbH), Belgium; Hödlmaier International AG, Austria

### Priv. Doz. Dipl.-Ing. Dr. Helmut Kaufmann (1963)

#### Management Board member, Chief Technology Officer

Appointed on: February 18, 2011, initial appointment to the predecessor company Austria Metall AG in September 2007

Contract expires on: December 31, 2019

Allocated Group functions: AMAG casting GmbH, AMAG rolling GmbH, Corporate Technology, Business Development, Sales, Investment Planning, Occupational Safety, Commercial Law Management and Management Systems

Supervisory board mandates at other companies: -

### Mag. Gerald Mayer (1971)

#### Management Board member, Chief Financial Officer

Appointed on: February 18, 2011, initial appointment to the predecessor company Austria Metall AG in November 2007

End of contractual term: December 31, 2019

Allocated Group functions: Financing, Controlling and Reporting, Financial Accounting, Information Technology, Legal, AMAG metal GmbH (Managing Director) and AMAG service GmbH

Supervisory board mandates at other companies: -

(GRI 405-1)

\*) The Corporate Governance Code includes the following rules: "L rules" (= Legal), measures prescribed by law; "C rules" (Comply or Explain), where non-compliance must be justified and explained; "R rules" (Recommendations), recommendations that AMAG Austria Metall AG complies with as far as possible.

## Composition of the Supervisory Board

The composition of the Supervisory Board has not changed during 2017.

### Dr. Josef Krenner (1952)

Supervisory Board Chairman

First appointed: May 16, 2012

Mandate duration: until the Annual General Meeting that passes a resolution concerning the discharge for the 2017 financial year

Supervisory board mandates at other listed companies: Lenzing AG

### Dr. Hanno M. Bästlein (1963)

First Deputy Supervisory Board Chairman

First appointed: April 10, 2014

Mandate duration: until the Annual General Meeting that passes a resolution concerning the discharge for the 2020 financial year

Supervisory board mandates at other listed companies: Lenzing AG (Chairman)

### Dipl.-Ing. Gerhard Falch (1948)

Deputy Supervisory Board Chairman

First appointed: April 10, 2014

Mandate duration: until the Annual General Meeting that passes a resolution concerning the discharge for the 2019 financial year

Supervisory board mandates at other listed companies: -

### Dr. Heinrich Schaller (1959)

Deputy Supervisory Board Chairman

First appointed: May 16, 2012

Mandate duration: until the Annual General Meeting that passes a resolution concerning the discharge for the 2017 financial year

Supervisory board mandates at other listed companies: voestalpine AG (Deputy Chairman), Raiffeisen Bank International AG (Second Deputy Chairman)

### Dr. Franz Gasselsberger, MBA (1959)

Supervisory Board member

First appointed: May 16, 2012

Mandate duration: until the Annual General Meeting that passes a resolution concerning the discharge for the 2017 financial year

Supervisory board mandates at other listed companies: Bank für Tirol und Vorarlberg AG (Chairman), BKS Bank AG (Deputy Chairman), voestalpine AG, Lenzing AG

### Otto Höfl (1946)

Supervisory Board member

First appointed: March 21, 2011

Mandate duration: until the Annual General Meeting that passes a resolution concerning the discharge for the 2017 financial year

Supervisory board mandates at other listed companies: -

### Mag. Patrick F. Prügger (1975)

Supervisory Board member

First appointed: May 16, 2012

Mandate duration: until the Annual General Meeting that passes a resolution concerning the discharge for the 2021 financial year

Supervisory board mandates at other listed companies: Lenzing AG, Semperit AG Holding (First Deputy Chairman)

### Prof. Dr. Sabine Seidler (1961)

Supervisory Board member

First appointed: May 16, 2012

Mandate duration: until the Annual General Meeting that passes a resolution concerning the discharge for the 2017 financial year

Supervisory board mandates at other listed companies: -

### Dipl.-Ing. Franz Viehböck (1960)

Supervisory Board member

First appointed: April 16, 2015

Mandate duration: until the Annual General Meeting that passes a resolution concerning the discharge for the 2017 financial year

Supervisory board mandates at other listed companies: -

## Works Council delegates

### Martin Aigner (1968)

Supervisory Board member

Delegated: January 1, 2017

### Max Angermeier (1958)

Supervisory Board member

Delegated: April 14, 2011

### Robert Hofer (1977)

Supervisory Board member

Delegated: December 31, 2011

### Günter Mikula (1966)

Supervisory Board member

Delegated: August 1, 2014

Mr. Dipl.-Ing. Gerhard Falch was able to participate in just two of five Supervisory Board meetings in the 2017 financial year for health reasons. The remaining Supervisory Board members participated in more than half of the meetings.

(GRI 405-1)

## Disclosures on the independence of Supervisory Board members

Apart from Gerhard Falch, all members of the Supervisory Board elected by the Annual General Meeting have confirmed that they regard themselves as independent based on the criteria defined by the Supervisory Board (rule 53). The criteria defined by the Supervisory Board for independence largely correspond with Annex 1 of the Austrian Corporate Governance Code.

Due to the low free float of below 20 %, rule 54 is no longer applicable for AMAG.

## Supervisory Board committees

The articles of incorporation empower the Supervisory Board to form committees from among its ranks and to define their tasks and rights. Committees can also be granted the right to decision-making. The employee representatives appointed to the Supervisory Board have the right to nominate members to Supervisory Board committees in line with the ratio specified in Section 110 (1) of the Austrian Work Organisation Act (ArbVG). This does not apply to committees that handle relationships between the company and its Management Board members.

### Audit Committee

The Audit Committee is responsible for the auditing and preparation of the adoption of the separate annual financial statements, the proposal for distributing profit, the management report and the examination of the risk management system. It is also tasked with examining the consolidated financial statements as well as submitting a proposal for the selection of the auditor.

#### Members of the Audit Committee as of December 31, 2017:

- + Mag. Patrick F. Prügger (Chairman and finance expert)
- + Dr. Josef Krenner (Deputy Chairman)
- + Dr. Hanno M. Bästlein
- + Dr. Heinrich Schaller
- + Max Angermeier
- + Robert Hofer

### Nomination Committee

The tasks of the Nomination Committee include succession planning, the submission of proposals to the Supervisory Board for filling vacant Management Board mandates and the submission of proposals to the Annual General Meeting for filling vacant Supervisory Board mandates. The committee is also required to give its agreement to appointing and dismissing Group companies' managing directors.

#### Members of the Nomination Committee as of December 31, 2017:

- + Dr. Josef Krenner (Chairman)
- + Dr. Hanno M. Bästlein (Deputy Chairman)
- + Mag. Patrick F. Prügger
- + Dr. Heinrich Schaller
- + Max Angermeier
- + Robert Hofer

### Strategy Committee

The Strategy Committee's tasks include discussing the corporate strategy, current strategy implementation controlling, and strategy process controlling.

#### Members of the Strategy Committee as of December 31, 2017:

- + Dr. Hanno M. Bästlein (Chairman)
- + Dr. Josef Krenner (Deputy Chairman)
- + Dr. Heinrich Schaller
- + Dipl.-Ing. Franz Viehböck
- + Max Angermeier
- + Robert Hofer

### Remuneration Committee

The Remuneration Committee is responsible for drafting, concluding, amending and terminating employment agreements with Management Board members. Moreover, it regularly examines the remuneration policy and checks on the execution and enforcement of Management Board agreements.

#### Members of the Remuneration Committee as of December 31, 2017:

- + Dr. Josef Krenner (Chairman)
- + Dr. Hanno M. Bästlein (Deputy Chairman)

### Committee for Urgent Matters

The Committee for Urgent Matters is authorised to make decisions which, due to particular urgency, cannot be postponed until the next ordinary Supervisory Board meeting.

#### Members of the Committee for Urgent Matters as of December 31, 2017:

- + Dr. Josef Krenner (Chairman)
- + Dr. Hanno M. Bästlein (Deputy Chairman)
- + Dipl.-Ing. Gerhard Falch
- + Dr. Heinrich Schaller
- + Max Angermeier
- + Robert Hofer

### Number and main focuses of Supervisory Board and committee meetings

The Supervisory Board of AMAG Austria Metall AG fulfilled the tasks assigned to it according to the law and articles of incorporation in the 2017 financial year as part of five ordinary Supervisory Board meetings, including one constitutive meeting. In addition to the ongoing reporting on the current business and financial situation of the AMAG Group, these meetings addressed progress made with the "AMAG 2020" expansion project. Along with the 2018 forecast and medium-term planning up to 2027, additional focus areas of Supervisory Board meetings included the re-appointment of two managing director positions in Group companies as well as the founding of sales subsidiaries in Eastern Europe and China. At the constitutive Supervisory Board meeting, the individual committee members were re-elected unchanged.

At its three meetings, the Audit Committee focused on preparing and examining the consolidated and separate financial statements, the audit findings for 2016 and the audit planning of the auditor for 2017 as well as the effectiveness and functionality of the internal control system, risk management and specific accounting issues.

The Remuneration Committee convened twice during the 2017 financial year. Focus areas included target agreement discussions with the Management Board members.

The Nomination Committee met twice in 2017, and concerned itself especially with the election of Supervisory Board members and the appointment of the two managing directors for two Group companies of AMAG.

At two meetings, the Strategy Committee particularly addressed the "AMAG 2020" expansion project and the further strategic development of AMAG.

## Remuneration report for the Management and Supervisory boards

### Management Board remuneration

Pursuant to the Management Board contracts valid from 2016, remuneration for the Management Board consists of a current fixed and variable component, as well as a long-term performance-based component.

The measurement basis for the current variable component includes ROCE and personal qualitative targets. Current variable compensation is limited to 75 % of annual fixed salary. The ratio of fixed to current variable compensation for the Management Board amounted to around 62 % to 38 % in the 2017 financial year.

The calculation of the long-term performance-based component is based on the future trend in the equity value of AMAG Austria Metall AG up to the respective contractual duration of the individual Management Board members. The enterprise value consists of the net debt and a multiplication of the average operating earnings of the respective last four years by a predefined factor. The payout and level of this long-term remuneration component depends on the enterprise value growth achieved until the respective contract end and on the extension of the Management Board contract. The level of this long-term compensation component is limited to between 100 and 155 % of the corresponding fixed compensation for the period. A total of EUR 1,549 thousand was provisioned in respect of the actual Management Board contracts, should the corresponding targets be achieved in full in 2018 and 2019.

A defined contribution pension scheme exists for all Management Board members. The expenses for pensions totalled EUR 123.0 thousand, as in the previous year, and are included in the reported current fixed remuneration. A defined benefit pension commitment also exists for one Management Board member due to previous activity for AMAG. An amount of EUR 267.9 thousand was recognised directly in equity for this in the financial year under review.

A change of control clause exists for all Management Board members. A severance entitlement does not exist for the instance that a Management Board contract is dissolved for this reason. D&O insurance (directors & officers insurance) exists, with the company bearing its costs.

### Ongoing Management Board remuneration in EUR thousand

|                          | 2017                       |                               |         | 2016                       |                               |         |
|--------------------------|----------------------------|-------------------------------|---------|----------------------------|-------------------------------|---------|
|                          | Ongoing fixed compensation | Ongoing variable compensation | Sum     | Ongoing fixed compensation | Ongoing variable compensation | Sum     |
| Dipl.-Ing. Helmut Wieser | 617.1                      | 390.1                         | 1,007.2 | 627.5                      | 602.0                         | 1,229.4 |
| Dr. Helmut Kaufmann      | 463.3                      | 284.0                         | 747.3   | 465.4                      | 307.1                         | 772.4   |
| Mag. Gerald Mayer        | 463.3                      | 284.0                         | 747.3   | 465.4                      | 307.1                         | 772.4   |
| Sum                      | 1,543.7                    | 958.1                         | 2,501.8 | 1,558.2                    | 1,216.1                       | 2,774.3 |

### Supervisory Board remuneration

The principles of remuneration for members of the Supervisory Board are regulated in the articles of incorporation (section 13), which are published on the website.

In accordance with the resolution of the Annual General Meeting 2017, the remuneration for the Supervisory Board in the 2017 financial year, including attendance fees, amounted to EUR 602.0 thousand.

| Paid remuneration for members of the Supervisory Board in EUR thousand | 2017         |
|--|--------------|
| Dr. Josef Krenner  | 139.5        |
| Dr. Hanno M. Bästlein  | 114.5        |
| Dipl.-Ing. Gerhard Falch   | 52.5         |
| Dr. Heinrich Schaller  | 83.5         |
| Dr. Franz Gasselsberger, MBA   | 32.5         |
| Otto Höfl  | 32.5         |
| Mag. Patrick F. Prügger  | 72.0         |
| Prof. Dr. Sabine Seidler   | 32.5         |
| Dipl.-Ing. Franz Viehböck  | 42.5         |
| <b>Sum</b>   | <b>602.0</b> |

### Diversity concept and promotion of women

Respect, diversity and inclusion form integral and indispensable elements of the corporate culture of AMAG Austria Metall AG and are taken into consideration in appointments to all functions.

For Supervisory Board appointments proposed to the Shareholders' General Meeting and when nominating Management Board members, attention is paid to a balance in relation to qualifications and diversity, as these contribute significantly to the professionalism and effectiveness of the work of the Supervisory and Management boards. Along with specialist and personal qualifications, this approach also includes aspects such as age structure, origin, gender, education and experience. A diversity concept in written form was approved with effect February 7, 2018.

The results of Works Council elections at the individual Group companies form the decision-making basis for the delegation of workforce representatives. The D'Hondt method was applied to calculate the election results for the Group Works Council.

The proportion of women employed in Ranshofen was at 12 % in the 2017 financial year. The proportion of women apprentices stood at 29 %. The non-financial statement in the Group management report presents more information on the topic of equal opportunities and diversity.

AMAG is committed to equal opportunities, and rejects any type of discrimination, especially based on age, gender, skin colour, sexual orientation, background, religion or handicap.

### Issuer compliance organisation

As a stock market listed company, AMAG Austria Metall AG is especially subject to the provisions of the EU Market Abuse Regulation (MAR) and Directive (MAD) as well as to the Austrian Stock Market Act concerning the principles for disseminating information within companies as well as relating to organisational measures to avoid the abuse of inside information by issuers.

An issuer compliance officer and a deputy have been appointed who are responsible for the ongoing monitoring of adherence to the relevant provisions and for reporting directly to the Management Board on issuer compliance issues.

A set of guidelines is in force concerning "the principles for the disclosure of information within the company as well as relevant organisational measures for avoiding the misuse of insider information" ("Issuer Compliance Directive"), including the provisions of the EU Market Abuse Regulation which became effective in 2016.

The tasks of the issuer compliance officer are also recorded in the AMAG internal control system, and the execution of such tasks is regularly checked as part of this system. AMAG employees receive ongoing issuer compliance training.

Pursuant to the EU Market Abuse Regulation, the dealings of Management and Supervisory board members in financial instruments of AMAG Austria Metall AG are published on the website of AMAG and via an electronic information distribution system.

No infringements of issuer compliance provisions were identified in 2017.

## AMAG Code of Ethics and Conduct

AMAG has very high ethical standards. It is conscious of its role as a leading company in Upper Austria, and the responsibility to society, business partners, employees and shareholders this position entails. The Code of Ethics creates the framework for these standards, and exists as a set of internal guidelines. It is published on the AMAG website.

In addition to the Code of Ethics and Conduct, AMAG has anti-corruption and anti-trust guidelines in place to support staff in all business transactions, so they always act in accordance with the law and on a morally impeccable basis. Staff affected by these guidelines' scope of application are required to complete regular training sessions.

AMAG has an internal control structure and an open corporate culture, whereby adhering to the relevant legal provisions is ensured and infringements against internal guidelines should be avoided. Involvement in the company as part of the Employee Foundation boosts the loyalty of the company's employees and reinforces adherence to this behavioural code.

AMAG provides its employees and business partners with a communication channel in the form of a compliance line, to report (potential) infringements. In 2017, as in previous years, no offences were reported through the compliance infringement hotline.

## External evaluation

The Corporate Governance Code stipulates regular external evaluation of company compliance with the Code. This was performed for "C rules" 1 to 76 by the Group auditor as part of the audit of the 2017 financial statements. As part of the audit, the auditors found that the statement that AMAG Austria Metall AG issued relating to compliance with the Corporate Governance Code in the version dated January 2015 corresponds to actual circumstances. The auditor's report on the external evaluation can be downloaded from the website at [www.amag.at](http://www.amag.at).

## Changes after the reporting date

No changes occurred to reportable matters between the reporting date and the date when the corporate governance report was prepared.

(GRI 102-18)

# Investor relations

## Equity markets

Supported by a historically low interest rate and more upbeat economy, equity markets worldwide reported further price gains in 2017.

The American stock market continued its uptrend. The Dow Jones Industrial Index exceeded the 20,000-point level for the first time in its history, reaching a new historic level of 24,876 points in December 2017. As of the year-end, the index traded at 24,719 points, 25.1 % higher than a year before. The Eurostoxx 50 Index, encompassing the Eurozone's 50 strongest capitalised companies, also reported gains. At 3,504 points as of the end of 2017 the index stood 6.5 % above the previous year's level. In line with the Dow Jones Industrial, the German DAX index of leading equities reached a new all-time high, ending 2017 at 12,912 points, a gain of 12.5 % compared to the end of 2016.

The Vienna Stock Exchange performed very well in 2017. The ATX Index increased by a total of 30.6 % during the year to reach 3,420 points.

Asia's most important indices also recorded positive trends. The Nikkei 225 Index was 19.1 % higher as of the year-end, and the Hang Seng Index even climbed by a total of 36.0 %.

## AMAG share price performance

The AMAG share continued its uptrend in 2017, reaching a new all-time high of EUR 55.22. The share ended 2017 at a closing price of EUR 51.39. Compared to the previous year's end (December 30, 2016: EUR 33.25), the gain thereby amounts to 54.6 %, representing a significant outperformance of the ATX Index. The total shareholder return, including the EUR 1.20 per share dividend paid in 2017, consequently amounted to 58.2 %.

Since the IPO in April 2011, the total shareholder return, including dividends, amounts to 170.5 %, based on the EUR 19.00 issue price, reflecting a 203.7 % share price appreciation.

The market capitalisation increased to EUR 1,812.2 million as of the end of 2017 (end of December 2016: EUR 1,172.5 million).

The average trading volume (double counting excluding OTC) in AMAG shares increased from 8,997 in the previous year to 9,326 units. The total turnover in AMAG shares traded on the Vienna Stock Exchange (excluding OTC) rose year-on-year by 57.6 % to EUR 52.6 million (2016: EUR 33.4 million).

### Share price performance YTD

January 2, 2017 – December 29, 2017 (in %)



## Investor relations (IR) work

In the interests of ensuring equal treatment of all shareholders, the company's IR work aims to provide prompt and transparent information on company developments of relevance to the capital markets, which is made available to all shareholders and interested parties at the same time.

To raise the profile of AMAG on the capital market and communicate with our investors in person, AMAG attended several roadshows and investor conferences in 2017.

As part of three roadshows, four investor conferences, several plant tours and numerous telephone conferences, the company engaged in dialogue with analysts, and with both private and institutional investors.

## Analyst coverage

Five financial institutions regularly issued analyses of the AMAG share in the 2017 financial year: Baader Bank (hold), Erste Group (hold), Kepler Cheuvreux (reduce), Landesbank Baden-Württemberg (sell) and Raiffeisen Centrobank (hold).

## Sustainable dividend policy

At the company's seventh Ordinary Annual General Meeting to be held in Linz, Austria, on April 17, 2018, the Management Board will propose a dividend of EUR 1.20 per dividend-entitled share, unchanged compared with the previous year. The dividend yield on the volume-weighted average price of the AMAG share in 2017 consequently amounts to 2.6 %. The ex-dividend date is April 24, 2018. The dividend payment date is April 26, 2018.

### Share price performance since IPO

April 8, 2011 – December 29, 2017 (in %)





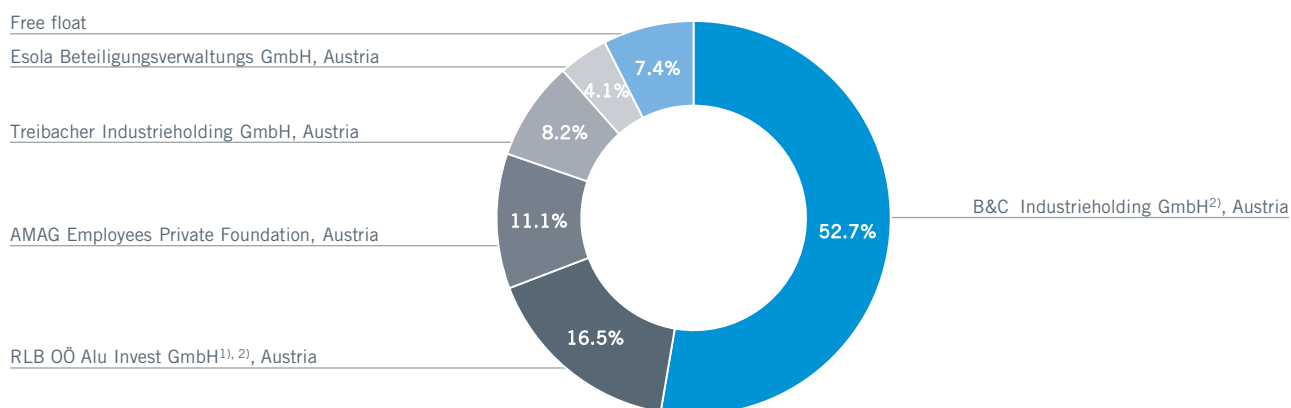
## Stable core shareholder structure

AMAG Austria Metall AG enjoys a stable ownership structure. B&C Industrieholding GmbH holds a majority interest of 52.7 % in the

company. RLB OÖ Alu Invest GmbH and AMAG Employees Private Foundation hold 16.5 % and 11.1 %, respectively, as in the previous year.

### Ownership structure

as at December 31, 2017



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

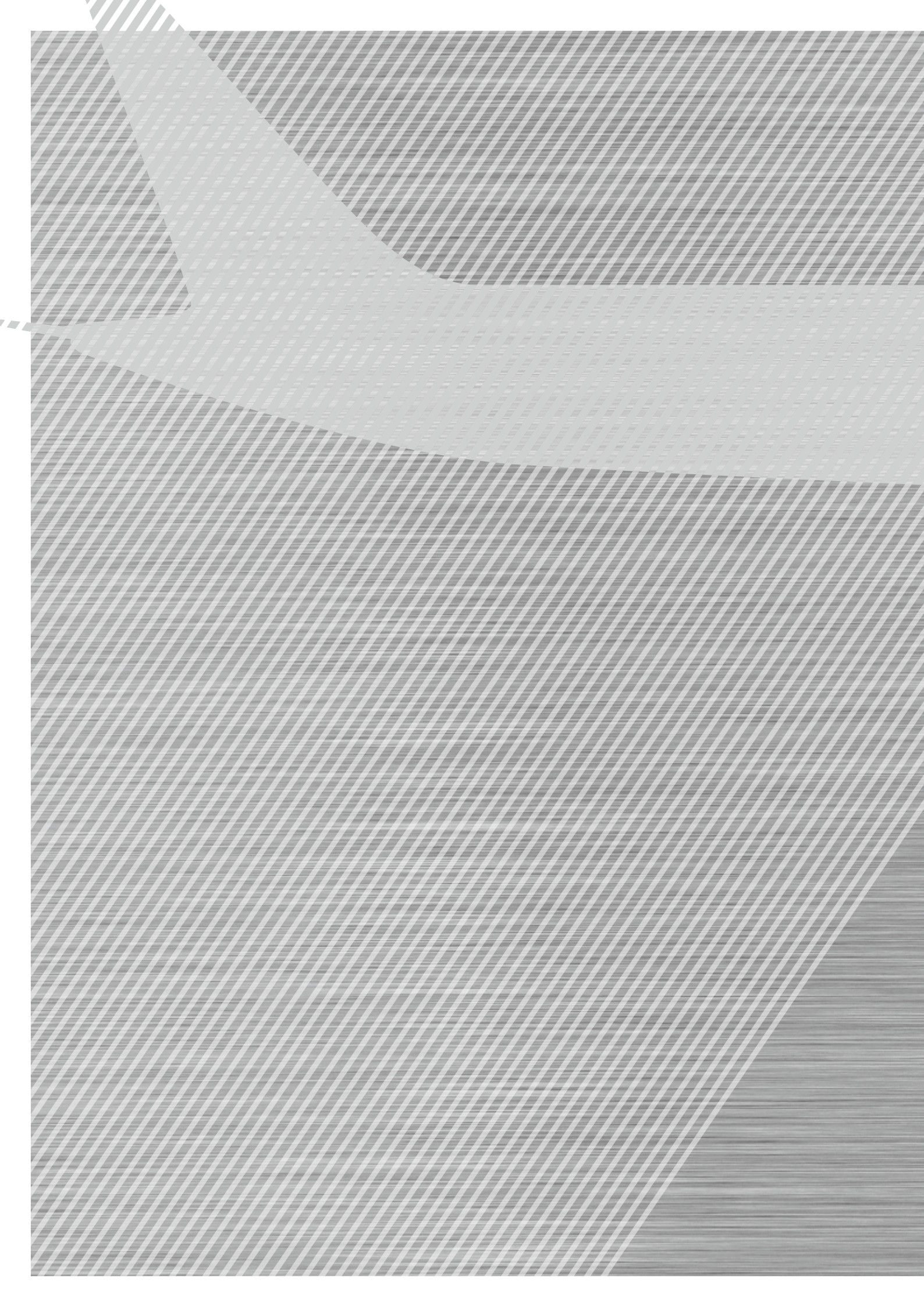
| Stock market indicators in EUR   | 2017    | 2016    | Change in % |
|--|---------|---------|-------------|
| Highest price  | 55.22   | 33.76   | 63.6        |
| Lowest price   | 33.65   | 25.06   | 34.3        |
| Average price (volume-weighted)  | 45.65   | 30.27   | 50.8        |
| Closing price  | 51.39   | 33.25   | 54.6        |
| Earnings per share   | 1.79    | 1.31    | 36.4        |
| Cash flow from operating activities per share                            | 2.89    | 3.26    | (11.3)      |
| Proposed dividend per share  | 1.20    | 1.20    | 0.0         |
| Dividend yield (annual average price)                                    | 2.6 %   | 4.0%    | -           |
| Market capitalisation on the last trading day of the year in EUR million | 1,812.2 | 1,172.5 | 54.6        |

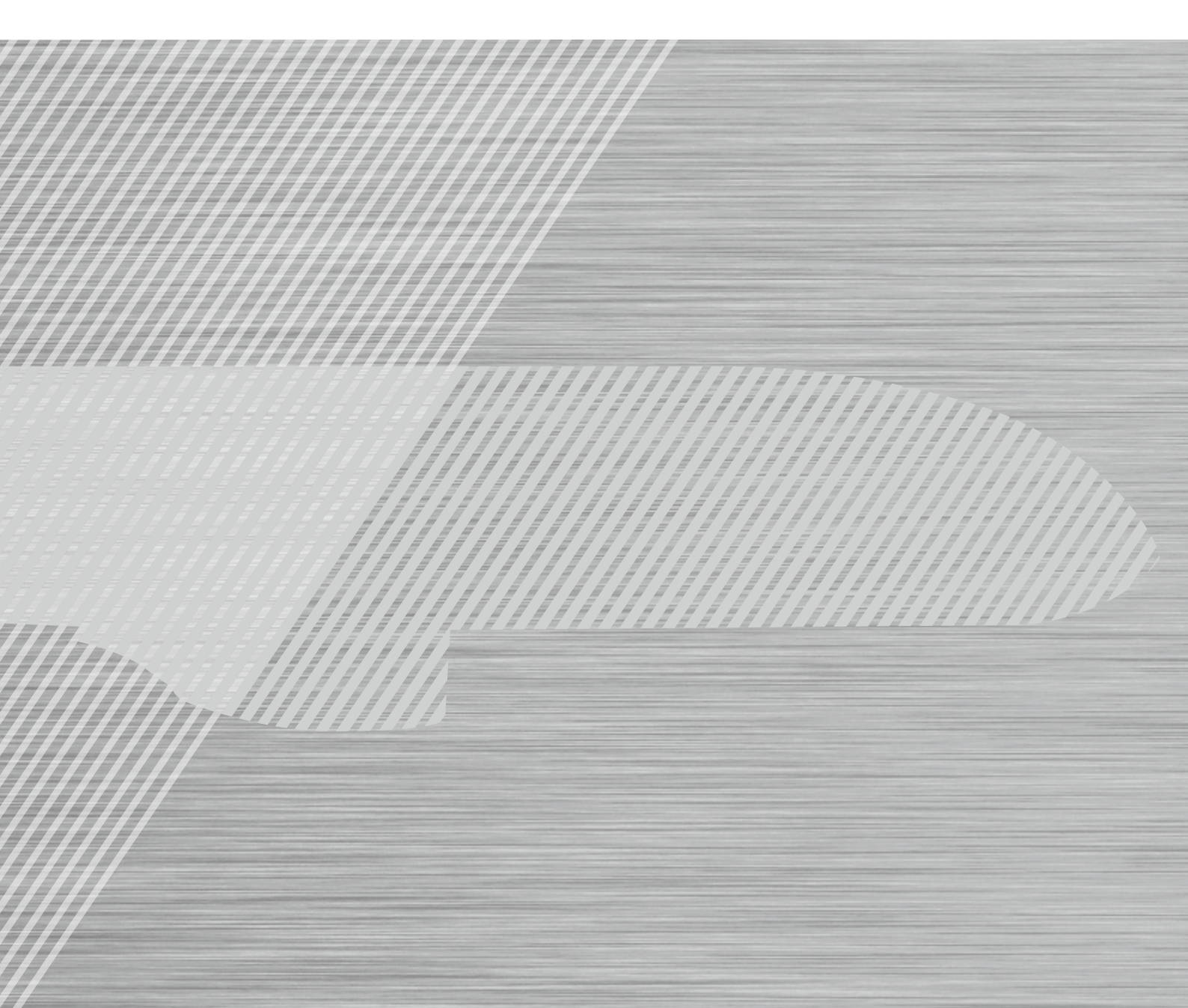
**Financial calendar 2018**

|                   |                                      |
|-------------------|--------------------------------------|
| February 27, 2018 | Full year results 2017               |
| April 7, 2018     | Record date (Annual General Meeting) |
| April 17, 2018    | Annual General Meeting               |
| April 24, 2018    | Ex-dividend date                     |
| April 25, 2018    | Record date (Dividends)              |
| April 26, 2018    | Payment date (Dividends)             |
| May 3, 2018       | Report on the 1st quarter 2018       |
| August 2, 2018    | Report on the 1st half-year 2018     |
| October 31, 2018  | Report on the 3rd quarter 2018       |

**Information on the AMAG stock**

|  |  |
|--|--|
| ISIN                                       | AT00000AMAG3                                   |
| Class of shares                            | Ordinary shares made out to bearer             |
| Ticker symbol on the Vienna Stock Exchange | AMAG   |
| Indexes                                    | ATX-Prime, ATX BI, ATX GP, ATX TD, Voenix, WBI |
| Reuters                                    | AMAG.VI  |
| Bloomberg                                  | AMAG AV  |
| Trading segment                            | Official Market                                |
| Market segment                             | Prime Market                                   |
| First day of trading                       | April 8, 2011                                  |
| Offer price per share in EUR               | 19.00  |
| Number of shares outstanding               | 35,264,000                                     |





## **New records in revenue and earnings**

In the fiscal year 2017 revenue and earnings increased significantly. Revenue was up by 14 % and exceeded the threshold of EUR 1.0 billion for the first time in the company's history. Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 15 % to a new record of EUR 164.5 million.

---

## **Group management report**

## Company profile

AMAG Austria Metall AG uniquely combines top product quality, efficient production, a broad product portfolio comprising a high specialities component, and aluminium recycling expertise, in a unique manner. (GRI 102-1)

The headquarters of AMAG are located in Ranshofen, Upper Austria, which is where the Group produces high-quality recycling foundry alloys and aluminium rolled products. (GRI 102-3)

AMAG also holds a 20 % interest in Canada's Alouette smelter, the largest smelter in North and South America. (GRI 102-4)

### Products for different sectors

The Alouette smelter in Canada produces primary aluminium in the form of sows and ingots. Alouette reports an excellent net environmental impact thanks to its harnessing of hydroelectric power and its very high energy efficiency.

The recycling foundry alloys produced at the Ranshofen location in Austria are delivered to the manufacturing industry in the form of ingots and sows, as well as in the form of liquid aluminium, where they are used especially in die casting applications.

A range of high-quality aluminium rolled products also comes out of Ranshofen in the form of sheets, strips and plates. The broad product portfolio comprises high-strength materials, tread plates, bright products, brazing sheets, foil stock for the packaging industry, precision plates and cathode sheets. These products are deployed in many different industrial sectors, such as aerospace, automotive, packaging, construction and engineering.

AMAG products are shipped worldwide. The share of Group sales revenue generated abroad amounts to 86 %. Sales occur through the company's headquarters in Ranshofen, supported by sales operations in China, Germany, France, the United Kingdom, the Netherlands, Spain, South Korea, Taiwan, the Czech Republic, Turkey and the USA. Together with further commercial agencies, the AMAG Group is represented overall in more than 20 countries on four continents. (GRI 102-4, GRI 102-6)

#### Key figures, condensed in EUR million

|   | 2017      | 2016      | Change in % |
|---|-----------|-----------|-------------|
| Total shipments in tonnes   | 421,700.0 | 405,900.0 | 3.9         |
| Revenue   | 1,036.2   | 906.2     | 14.3        |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 164.5     | 143.0     | 15.0        |
| Net income after taxes  | 63.2      | 46.3      | 36.4        |
| Employees <sup>1)</sup>   | 1,881     | 1,762     | 6.8         |
| Total assets  | 1,404.9   | 1,389.7   | 1.1         |
| Equity  | 607.9     | 630.5     | (3.6)       |
| Net financial debt  | 282.4     | 225.8     | 25.0        |

1) Average number of employees (full-time equivalents) includes a 20 % pro rata share of the labour force at the Alouette smelter

(GRI 102-7)

## Company structure

AMAG Austria Metall AG, as the Group holding company, manages business through its four operating divisions – Metal, Casting, Rolling and Service.

### Metal Division

The Metal Division includes the AMAG Group's 20 % interest in the Aluminerie Alouette smelter and is responsible for the risk management and steering of metal flows within the AMAG Group. Located in Canada, the Alouette aluminium smelter is one of the most efficient in the world, and benefits from a secure long-term energy supply in a politically stable country.

### Casting Division

The AMAG Group's Casting Division recycles aluminium scrap to produce high-quality foundry alloys. Its product portfolio covers aluminium materials tailored to customer requirements in the form of ingots, sows and liquid aluminium.

### Rolling Division

The AMAG Group's Rolling Division is responsible for the production and sale of rolled products (sheets, strips and plates), and precision cast and rolled plates. The rolling mill specialises in premium products for selected markets. The company's rolling slab casthouse supplies the rolling mill with rolling slabs predominantly with a very high scrap proportion.

### Service Division

Along with the Group management, the Service Division's portfolio includes facility management (building and area management), energy supplies, waste disposal, and purchasing and materials management. Consequently, this Division creates the preconditions for the operating divisions to concentrate on their respective core businesses.

(GRI 102-2)

| Divisions                       | Metal   | Casting   | Rolling   | Service   |
|---------------------------------|---|---|---|---|
| Total shipments in tonnes       | 120,400   | 87,400  | 213,900   |   |
| External shipments in tonnes    | 120,400   | 61,600  | 213,900   |   |
| External revenue in EUR million | 208.0   | 110.2   | 712.2   | 5.9   |
| Employees <sup>1)</sup>         | 190   | 126   | 1,424   | 141   |
| Products and services           | Primary aluminium<br>Access to raw materials market | High-quality recycling aluminium foundry alloys | High-quality aluminium rolled products  | Group management Services at the Ranshofen site |
| Brands                          |   | AMAG TopCast®                                   | AMAG TopResistant®<br>AMAG Multiclad®<br>AMAG Procath®<br>AMAG Titanal®<br>AMAG TopBright®<br>AMAG TopClad®<br>AMAG TopForm®<br>AMAG TopGrip®<br>AMAG TopPlate® |   |

1) The figure includes a 20 % pro rata share of the labour force at the Alouette smelter, figures in terms of full-time equivalents

(GRI 102-2, GRI 102-6, GRI-102-7)

# Non-financial statement

## Report profile

Since 2013, AMAG has been publishing its own sustainability report in a two-year cycle. This "Non-financial statement" represents the follow-up report to the sustainability report last published in 2015 and will be published annually from the 2017 reporting year on.

The integration of sustainability reporting into the 2017 management report highlights the interaction between financial, ecological and social factors. The non-financial statement pertains to the 2017 financial year, with the previous annual data from 2016 and 2015 being utilised for comparative purposes. (GRI 102-50, GRI 102-51, GRI 102-52)

### Scope of report

The contents and quality of the report reflect the principles of stakeholder inclusion, materiality, the sustainability context, and completeness.

The stakeholders of AMAG were involved in selecting the report's contents. The reported information was selected based on the results of the materiality analysis in accordance with GRI guidelines. In order to determine and prioritise the report contents, AMAG conducted a detailed materiality analysis in 2015 and updated it for the 2017 reporting year. Accordingly, the report covers all those sustainability aspects that either reflect important economic, ecological or social impacts of the organisation or could exert considerable influence over stakeholders.

The completeness of the non-financial statement refers to the treatment of the significant topics and how they are demarcated. (GRI 102-46)

### Conformity

This statement follows the standards of the Global Reporting Initiative (GRI) and, as in the last published sustainability report, was prepared in accordance with GRI Standards: Core Option, to ensure a high degree of transparency to shareholders, and enable comparison with other companies. The GRI content index lists all topics regarded as significant for AMAG. The management approaches to the main topics are presented in the respective chapters. An independent third party audited the disclosures published in this statement. GRI Standards: Core Option formed the audit criteria. The corresponding audit confirmation by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. is presented in a separate audit report. Along with the audit of the non-financial statement, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. was mandated to audit the consolidated financial statements and the Group management report for 2017. The Management Board instructed the relevant staff from the respective specialist areas to make available the complete and correct documents and information required for the audit. (GRI 102-54, GRI 102-55, GRI 102-56)

### Report boundaries

The disclosures in the non-financial statement relate exclusively to the headquarter operations in Ranshofen, Austria, and consequently

the production site for high-quality recycling foundry alloys and aluminium rolled products.

Detailed information about the ecological and social aspects of the 20 % interest in the Alouette smelter held through Aluminerie Alouette Inc. is not presented. In this connection, please refer to the Sustainable Development Report published by Alouette.

For reasons of materiality, the sales locations employing a total of 39 staff (see the company profile in the management report) as well as other participating interests are excluded from consideration. (GRI 102-45)

The presentation of the shareholdings as of December 31, 2017 as well as the companies included in the consolidated financial statements are presented in section D, Consolidation principles.

### Changes to size and structure

The new cold rolling mill (including finishing and upgrading plants) in Ranshofen was opened in June 2017. The rolling slab casthouse was also expanded again. The plant expansion extends the aluminium rolled product portfolio towards larger dimensions (width, gauge). New markets are developed and existing customer relationships are expanded as a consequence. The capacity for rolled products has thus been expanded to more than 300,000 tonnes overall. (GRI 102-10)

### Contact point

For questions relating to the content of this report, and dialogue concerning AMAG and its sustainability management, please contact the strategy and communication department (email: [sustainability@amag.at](mailto:sustainability@amag.at)). (GRI 102-53)

## Position on the significance of sustainability

We are our customers' reliable partner for sustainably produced premium-quality aluminium. Our strategy of profitable growth is accompanied by social and environmentally compatible development. In this context, we endeavour to balance the interests of our business partners and shareholders with those of our employees and the environment.

A growing market and a broad positioning with regard to our products' final applications form the foundation of our growth strategy. The numerous positive properties of aluminium provide the basis for this, especially given its increasing importance for applications where weight, technological characteristics, reliability and above all sustainability are vital. Our growth takes place in a specialised market with stringent quality requirements that demand innovation and environmentally compatible, resource-efficient downstream aluminium processing.

We attach great importance to operating to the highest moral, legal and ethical standards and to expanding profitably in line with the principles of fair competition. Megatrends such as globalisation, mobility, climate change, digitalisation, resource availability and demographic shifts are presenting companies with new challenges, and also driving development. We are preparing ourselves for this future, based on the principle of "adding value through appreciation", which we consistently pursue. For us, sustainable business means establishing harmony among the three dimensions of economy, ecology and social aspects.

Economically, sustainable business means generating sustainable, profitable growth through production that efficiently handles goods and resources, while also making an economic contribution. Risk-aware corporate management reflecting moral and ethical principles secures the company's continued existence and value.

Ecologically, we aim to efficiently utilise resources, construct production facilities that operate in an environmentally compatible manner and supply our customers with environmentally compatible products. The processing and recycling of aluminium scrap, which we have expanded as part of our site expansion project, is essential in this context. Together with our customers, we are working on closing materials cycles in industrial production, referred to as the closed-loop concept. The aim is to retain aluminium within a cycle that maintains the metal's value.

Our objective with regard to our social orientation is to perform our corporate activities in a socially balanced manner, improve our employees' occupational health and safety, and promote their qualification and further training. Expanding production capacities in Ranshofen secures employment in the region medium-term, thereby making an important contribution to regional value creation.

With a look to demographic developments, we have launched personnel policy measures such as knowledge and experience transfer through our in-house Alu-Academy in order to retain the expertise accumulated within the company.

We cultivate communication with our internal and external contacts to identify significant opportunities and risks for our company. Through active membership in sector associations and R&D networks, intensive collaboration with our customers and the involvement of our employees, augmented by certification according to international norms and standards, we are constantly engaged with the significant topics of our industry and their effects on our environment.

### The Management Board

(GRI 102-14)



## Value chain

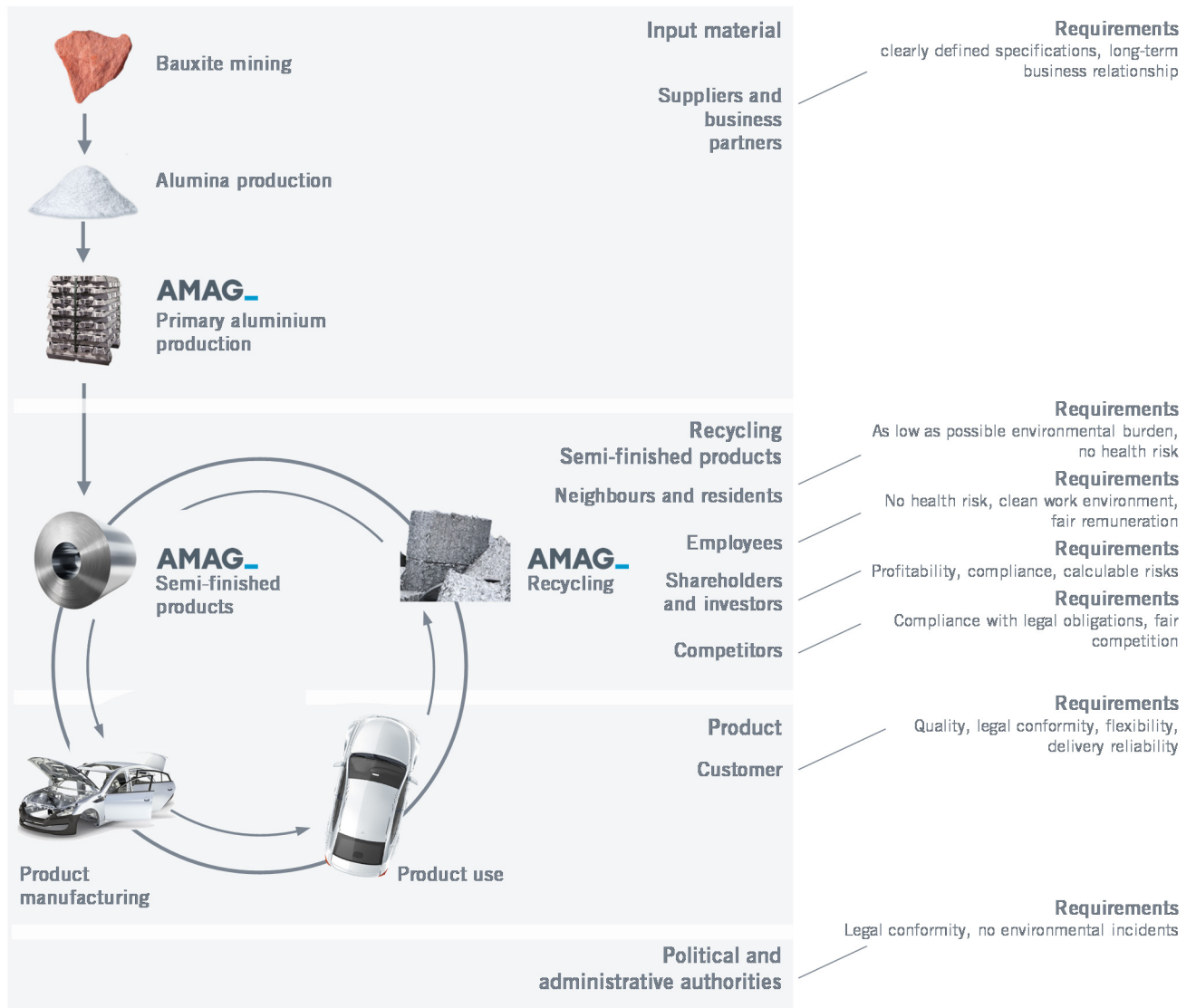
The following graph presents an overview of the product life cycle, reflecting identified stakeholder groups and issues.

The activities of AMAG include the production of primary aluminium, recycling foundry alloys and rolled products – each of which have clear strengths in terms of sustainability. The value chain of AMAG starts with the production of primary aluminium at the Canadian Alouette smelter in Sept-Îles, Québec, in which AMAG holds an interest of 20 %. Its other owners include Norsk Hydro with 20 %, Rio Tinto with 40 % and Albcour/Marubeni with 20 %.

The smelter produces primary aluminium in the form of low-profile sows and is one of the input material suppliers for AMAG in Ranshofen. Production occurs through the efficient deployment of hydroelectric power, thereby operating with exemplary net environmental impact, especially in terms of CO<sub>2</sub> emissions. Alouette's alumina supplies are secured by its owners. AMAG covers its raw materials requirements from major mining groups and raw materials dealers. (GRI 102-9)

AMAG is aware of the effects of bauxite mining and subsequent alumina production on the environment and society. To the extent possible based on industry structure, dimensions and volumes, the company demands responsible approaches from its suppliers when sourcing alumina.

### Value chain



The company manufactures recycling foundry alloys and aluminium rolled products at its integrated site in Ranshofen. The rolling slabs required to manufacture rolled products are largely produced at the company's own wrought alloy foundry. Input stock for the two cast-houses consists on average of around 75 to 80 % recycled aluminium scrap that stems especially from processing industries and products that have reached the end of their life cycle, as well as from our internal Group materials cycle. Because aluminium can be recycled without loss of quality, aluminium scrap can be reintroduced repeatedly into the value chain and utilised to manufacture high-quality aluminium products.

#### Operating activities' impact on the regional economy

The sourcing of raw materials, plant and equipment (buildings and machinery), operating resources, energy and services (logistics and IT) constitute an important economic driver within the region.

AMAG issued significant orders worth a total of EUR 94 million in Upper Austria in the 2017 financial year, including EUR 53 million in the Innviertel region. Thanks to orders awarded locally and the prominent presence of suppliers' personnel at the site (accommodation, gastronomy, commerce), companies within the region and the Austrian federal state of Upper Austria benefit from the growth path of AMAG. (GRI 204-1)

#### Regional & social commitment

We regard ourselves as part of society and assume social responsibility. We put this claim and ambition into practice by deploying financial resources, donations of materials and other tangible assets, as well as personal commitment. As a consequence, commitment to people in the region, the positive structuring of our environment, and fostering enthusiasm for technology, are matters that go without saying for us.

Our sponsorship activities near the company's headquarters comprise four areas:

- + Education, science and research: As part of our education sponsorship, we promote the development and further training of children, young people and adults.
- + Social initiatives: The company supported many projects in the social area in 2017, including as part of the AMAG Social Award.
- + Sport: Attractive leisure offerings form part of the quality of life of a region, making an important contribution to the wellbeing of the population, including the employees of AMAG. A significant proportion of spending goes into helping young people in this context. The company also sponsored many sports events.
- + Culture: We promote various cultural institutions as part of our cultural sponsorship.

Our employees' dedication forms a key element in the Group's social activities. The AMAG Social Award, which the company holds every year, creates a connection between not-for-profit campaigns and AMAG employees who wish to become involved in social initiatives. The main aim is to highlight the value of voluntary work. Employees are invited to submit social projects for consideration by an independent jury that decides whether to provide support. The key criterion is that aid should directly benefit disadvantaged individuals or people in need within the region. Support is given in the form of financial or in-kind donations to organisations (such as hospitals or nursing homes) or individuals.

## Sustainability concept

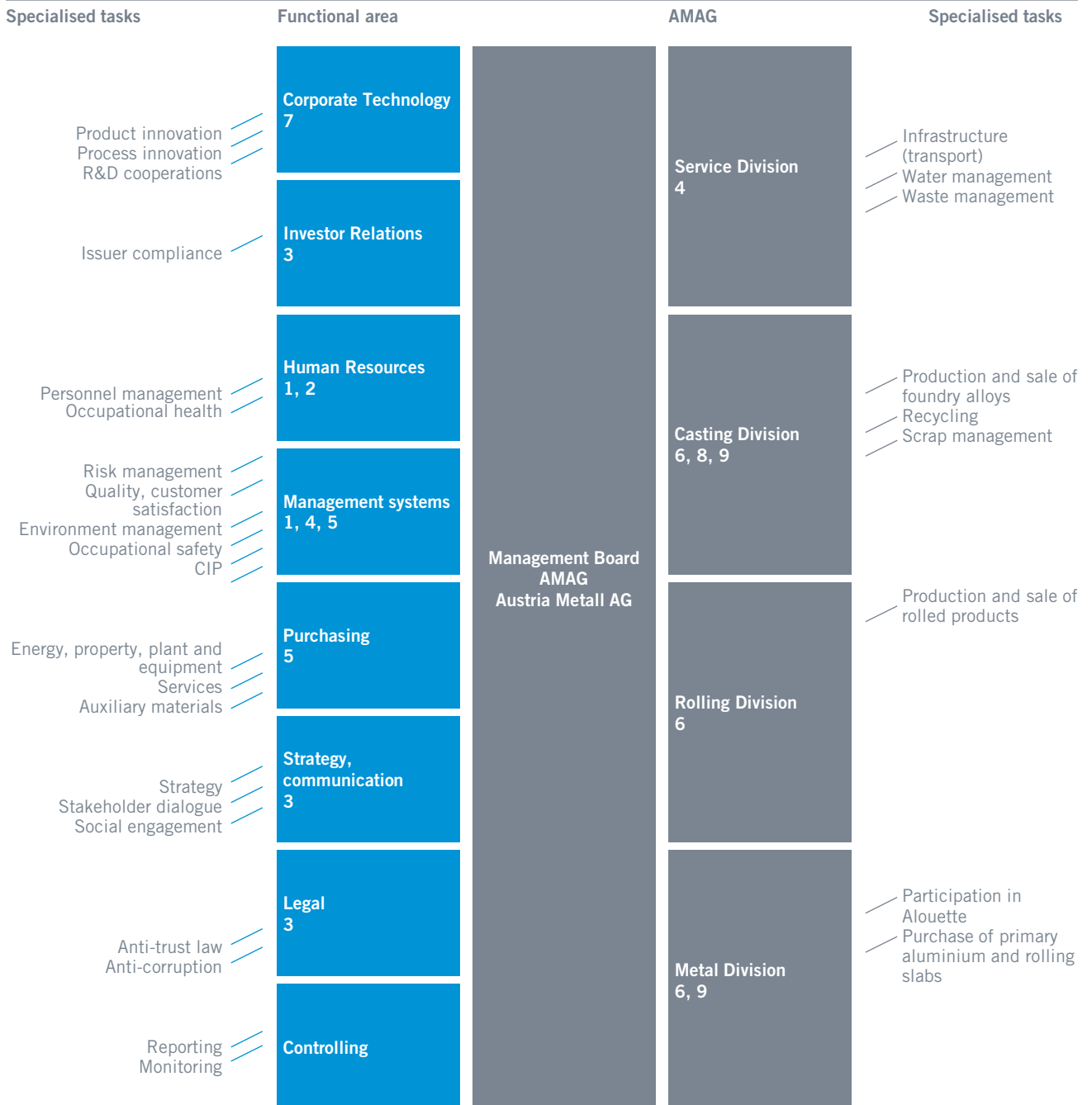
Sustainability management at AMAG is based on the following principles:

- + **Prevention:** In order to avoid burdens for man and the environment as best as possible, hazards for human beings and the environment are handled at an early stage, and on a forward-looking basis. In this context, AMAG operates certified management systems focused on occupational health & safety, quality, the environment, and energy efficiency, as well as an extensive risk management system and an internal controlling system. (GRI 102-11)
- + **Efficiency:** When developing plants, processes and products, we pay attention to resource and energy efficiency, and to minimising environmental effects, based on the AMAG guiding principle of "adding value through appreciation".
- + **Balance:** The broad positioning of AMAG by sector and products, as well as in terms of the geographic markets it supplies, ensures a high degree of balance and stability. This balance of sustainability activities in different corporate areas enables us to achieve our sustainability targets.
- + **Materiality:** AMAG focuses on the significant economic, environmental and social effects of its operating activities, and maintains constant dialogue with its stakeholders to determine important topics.
- + **Completeness:** The principles of transparency, up-to-dateness, and completeness are of cardinal significance in internal and external corporate communication. AMAG communicates promptly and comprehensively about key topics relating to its business activities.
- + **Flexibility:** We perceive changes to our economic and social environment, as well as new challenges posed by our customers and markets, as opportunities to be met with great flexibility.
- + **Innovative spirit:** Researching technologically challenging questions, the development of marketable applications, and continuous process and product improvement express the innovative spirit of AMAG.

**Main topics of relevance**

|   |                                |   |                       |   |               |
|---|--------------------------------|---|-----------------------|---|---------------|
| 1 | Occupational health and safety | 4 | Emissions             | 7 | Innovation    |
| 2 | Training and development       | 5 | Energy                | 8 | Recycling     |
| 3 | Compliance                     | 6 | Customer satisfaction | 9 | Raw materials |

**Responsibilities for main topics of relevance**



Responsibility for sustainability is anchored at Management Board level, being transferred with clearly defined areas of responsibility to a management structure based on proven functions. Annual target agreements with management generate incentives to boost performance, making target attainment measurable. The AMAG Executive Management Team (the Management Board and the management teams of the individual companies) cover sustainability-related topics based on reports and submissions from the functional areas. The corporate governance report presents general information about the company's management structure. (GRI 102-18)

In the interests of sustainability, risk management integrates ecological and social aspects. It is of crucial importance to effectively utilise scarce resources in a manner that is forward-looking, efficient and effective, to make decisions about new investments and (business) activities on a timely and risk-oriented basis, to avoid "accidents", and to be as best prepared as possible when accidents occur. A sufficiently high level of risk awareness at all organisational levels of AMAG is indispensable in this context, and the stronger assumption of responsibility on the part of all individuals involved. Active risk management counters risks entailed in operating activities, including operative, personnel, business, ecological and social risks. Based on the risk strategy approved by the Management Board, the current risk situation is evaluated annually and a catalogue of risk-minimising measures and supervisory tasks is defined. The risk and opportunity report contained in the management report presents more details on this topic. (GRI 102-11)

## Stakeholder involvement

As a globally operating, forward-looking industrial company, AMAG is required to identify topics related to sustainability, to set corresponding targets, and instigate the requisite measures. Communication and dialogue with stakeholders plays a central role in identifying important topics in this context.

Depending on the level of intensity, we differentiate three types of stakeholder involvement: information, dialogue and participation. Information refers to unilateral communication, such as through brochures and the company's website. Dialogue, as bilateral communication, occurs as part of ongoing contact with stakeholders. AMAG also participates in lobby groups and sustainability networks, for example. The stakeholders of AMAG include individuals or groups with legitimate interests or requirements related directly or indirectly to the company's operations. Relevant stakeholder groups were defined by an internal working group in 2015. One important criterion in this context was a direct or indirect relationship to corporate activity, and its economic, social and environmental effects. (GRI 102-42)

### Stakeholder management process

Stakeholder management at AMAG is oriented to the guiding principles of the Global Reporting Initiative (GRI), based on a structured, three-step approach:

- + Stakeholder mapping and analysis
- + Consultation and cooperation
- + Evaluation and communication

As part of preparing the 2017 annual report, the completeness of the stakeholder groups was analysed by the AMAG sustainability team together with sustainability experts from plenum – gesellschaft für ganzheitlich nachhaltige entwicklung gmbh, and summarised in the five following groups:

- + Shareholders and investors
- + Business partners
- + Employees
- + Public
- + Government bodies

(GRI 102-40)

Stakeholders are consulted continuously, applying different dialogue formats for specific groups. These include questionnaires (ongoing customer satisfaction assessments, broad-based online stakeholder survey, last conducted in 2015), annual target attainment discussions with employees, personal discussions and dialogue at local, national and international level, participation in bodies and associations, topic-related stakeholder events at the Ranshofen plant, participation in trade fairs and conferences, and communication through social media.

A stakeholder survey with representatives from the region was held as part of a dialogue event in the 2017 reporting year. Around 100 stakeholders were asked to evaluate various predefined topics relating to AMAG in terms of their significance to them. The participants assessed the topics of environmental protection, innovation, and AMAG as an employer as especially important. Two customer satisfaction surveys with around 808 participants from 27 countries (32 % response rate) were also conducted in 2017. Key topics cited included quality, delivery reliability, product portfolio and employee expertise in processing customer issues. An externally conducted employee survey (around 1,600 questionnaires issued, 73 % response rate) focusing on health showed that 83 % of the workforce is satisfied or very satisfied with their work. Corporate culture, qualification and appreciative interaction with colleagues were specified as significant topics. The results of the survey were integrated into the company's health scheme. (GRI 102-43, GRI 102-44)

The following table lists the stakeholder groups and formats of AMAG.

|                            | Stakeholder  | Communication and cooperation formats   |
|----------------------------|--|---|
| Shareholders and investors | <ul style="list-style-type: none"> <li>+ Shareholders</li> <li>+ Banks</li> <li>+ Investors</li> </ul>   | Frequency: continuous/quarterly <ul style="list-style-type: none"> <li>+ One-on-one meetings with investors and owners</li> <li>+ Financial reporting (quarterly)</li> <li>+ Annual General Meeting</li> <li>+ Investor conferences, roadshows, investor fairs</li> <li>+ Plant visits</li> </ul>   |
| Business partners          | <ul style="list-style-type: none"> <li>+ Customers</li> <li>+ Suppliers</li> <li>+ Science and research</li> </ul>                             | Frequency: continuous <ul style="list-style-type: none"> <li>+ Working groups</li> <li>+ Audits</li> <li>+ Reporting</li> <li>+ Complaints management</li> <li>+ Research projects</li> <li>+ Communicating through social media</li> <li>+ Partnerships with universities, talks</li> <li>+ AluReport customer magazine</li> <li>+ Customer satisfaction measurement</li> <li>+ Trade fairs and specialist conferences</li> <li>+ Training activities</li> <li>+ Company website</li> <li>+ Plant visits</li> <li>+ Science &amp; technology advisory board</li> </ul> |
| Employees                  | <ul style="list-style-type: none"> <li>+ Applicants</li> <li>+ Management</li> <li>+ Employees</li> </ul>                                      | Frequency: continuous <ul style="list-style-type: none"> <li>+ Intranet (newsletter)</li> <li>+ Career fairs</li> <li>+ Communicating through social media</li> <li>+ Continuous improvement process (CIP)</li> <li>+ Employee surveys and meetings</li> <li>+ Employee appraisals</li> <li>+ Events, dialogue with employees and management</li> </ul>   |
| Public                     | <ul style="list-style-type: none"> <li>+ Neighbours</li> <li>+ NGOs</li> <li>+ Media</li> <li>+ Competitors</li> <li>+ Associations</li> </ul> | Frequency: continuous <ul style="list-style-type: none"> <li>+ Active collaboration in associations and bodies</li> <li>+ Working groups</li> <li>+ Questionnaires</li> <li>+ Reporting of non-financial information</li> <li>+ Communicating through social media</li> <li>+ Cultural sponsorship</li> <li>+ Press relations, conferences, interviews, one-on-one meetings</li> <li>+ Stakeholder surveys</li> <li>+ Events and dialogue</li> <li>+ Plant visits</li> </ul>  |
| Government bodies          | <ul style="list-style-type: none"> <li>+ Public authorities</li> <li>+ Legislators</li> <li>+ Policymakers</li> </ul>                          | Frequency: continuous <ul style="list-style-type: none"> <li>+ Dialogue, specialist discussions and talks</li> <li>+ Authorisation procedures</li> <li>+ Stakeholder surveys</li> <li>+ Opinions</li> <li>+ Plant visits</li> </ul>   |

(GRI 102-40, GRI 102-43)

## Materiality analysis

Effective sustainability management and transparent reporting is based on identifying sustainability topics that exhibit significant economic, ecological and social effects, and substantially influence stakeholders' assessments and decisions. At AMAG, the materiality analysis and review of topics for reporting was conducted in four phases. The results of the 2015 materiality analysis were drawn upon and reviewed as the starting point for the current materiality analysis.

### Phase 1: Identification & review of set topics

Through an online survey of internal and external stakeholders, a list of 20 relevant topics was established for the 2015 sustainability report to form the basis to prepare this report. On this foundation, current stakeholder engagement was evaluated (customer and stakeholder surveys, dialogue and one-on-one discussions with stakeholders during the reporting period), with any need to update or make additions being reviewed. The topics were also compared with a sector-specific materiality evaluation conducted by the Global Reporting Initiative and RobecoSam and assessed for materiality. As a result, the 20-topic list was confirmed.

### Phases 2 and 3: Evaluation and prioritisation

In order to prioritise the topics, both the relevance for internal and external stakeholders as well as the significance of the effects of AMAG operating activities were gauged, with eight key topics being derived.

### Phase 4: Validation

The final step entailed internal validation of the main topics and approval by the Management Board. The main topics of relevance to stakeholders and the significance of the economic, ecological social effects of AMAG operating activities form the basis for reporting. The sections covering

- + Ethics & integrity in business practice,
- + Customer relationships,
- + Innovation,
- + AMAG as an employer,
- + Raw materials & recycling, and
- + Environmental protection

explain how AMAG takes the main topics into consideration as part of its sustainability management, which related management approaches it pursues, and which related developments occurred in the reporting period.

The company intentionally refrained from a prioritisation (differentiated evaluation) of the main topics, as the effects of its operating activities can differ very significantly depending on value creation level, region or stakeholder group. Furthermore, no weighting has been applied to e.g. whether customer satisfaction is more important than employee health, or the environment. The crucial point is to establish a balance of interests between business partners and shareholders as well as employees and the environment.

The main topics are:

- + Occupational health and safety (GRI 403 Occupational health and safety)
- + Training and education (GRI 404 Training and education)
- + Compliance (GRI 307, 419 Compliance)
- + Energy (GRI 302 Energy)
- + Emissions (GRI 305 Emissions)
- + Innovation (not a separate GRI standard)
- + Customer satisfaction (not a separate GRI standard)
- + Raw materials & recycling (GRI 301 Materials)

Continuing from the 2015 sustainability report, trends and developments in relation to the following topics are also reported upon:

- + Waste
- + Water
- + Regional and social commitment
- + AMAG as an employer
- + Biodiversity (mainly connected with the plant expansion)
- + Human rights
- + Supply chain

(GRI 102-47, GRI 102-49)

## Ethics and integrity in business practice

AMAG exerts both direct and indirect effects on its environment through its operating activities. Forward-looking planning is essential to manage such effects responsibly. Therefore, the declared intention of AMAG is for environment and society to benefit from its operating activities and be subject to low burdens in this context.

### Key topic: Compliance

- + Compliance principles form the basis of fair business conduct and lay the foundation for dialogue with society, especially with suppliers and business partners. Breaches of laws and illicit and non-compliant behaviour can exert far-reaching social and commercial effects. (GRI 103-1)

### Principles

AMAG wishes to be perceived as a trustworthy partner by its stakeholders. For this reason, top priority is given to complying with all relevant laws, voluntary self-commitments and internal regulations, as well as fair competition. Related regulations are contained in the AMAG anti-corruption, anti-trust and issuer compliance guidelines. The AMAG Code of Conduct supplements these guidelines and provides regulations for the interaction of AMAG with business partners, shareholders and employees, thereby forming the basis of daily activity.

The aim of the anti-corruption and anti-trust guidelines is to help staff act legally and morally impeccably in all business transactions. Staff affected by these guidelines' scope of application are required to com-

plete regular training sessions on the anti-corruption topic. The relevant departments (see the compliance structure table) conduct such training sessions.

Clear rules of behaviour binding on all employees are included in the AMAG Code of Conduct issued by the plenary Management Board. It was revised in 2017 and issued as part of the guideline system to all employees with the requirement that they take note of its content. The Code of Conduct can be found on the company website together with the compliance rules for suppliers. (GRI 102-16)

#### Human rights

AMAG is committed to respecting human rights within its sphere of influence. Along with working conditions within the company and the protection of personal data, the focus is on expectations made of respecting human rights along the supply chain. Suppliers and contractual partners are expected to behave in accordance with the corporate ethical values of AMAG. The related requirements are set out in the compliance rules for suppliers. These rules are communicated actively to all suppliers and are integrated into the general purchasing terms and conditions. AMAG expects support from its suppliers in adhering to such principles.

The company has also installed a process to conduct compliance checks on suppliers, entailing up-to-date sanction lists for systematic review. Environmental criteria have not been examined for new suppliers to date. (GRI 308-1)

#### Implementation

The compliance function is structured as follows at present:

| Area              | Responsible department   |
|-------------------|--------------------------|
| Issuer Compliance | Investor Relations       |
| Anti-trust law    | Legal department         |
| Anti-corruption   | Legal department         |
| Code of Conduct   | Strategy & Communication |
| Guidelines        | Strategy & Communication |
| Risk management   | Management Systems       |

The heads of the departments listed above work together on a compliance board on the ongoing updating of the compliance system, reporting within their area of responsibility to the Management Board. Ongoing audit checks and an internal control system (ICS) secure the compliance system.

A compliance hotline operating as an anonymous point of contact is available for employees and business partners to alert the Group to potential offences. All employees are required to immediately report any suspicions of compliance offences (infringements of the Code of Conduct, internal regulations, statutory regulations). Besides the compliance hotline, employees can also inform the compliance officer directly.

#### Developments in the reporting period

In 2017, no proceedings due to anti-competitive behaviour or offences against anti-trust and monopoly law were reported or determined at AMAG. Moreover, no significant fines were paid due to non-compliance with laws and regulations in the social and economic area in 2017. (GRI 206-1, GRI 419-1)

#### Targets and measures

The uppermost objective in the compliance area is to avoid committing offences. The following measures have been implemented for this purpose:

- + Further development of the compliance system that has been established (training, controls)
- + Ongoing reviews of legislative amendments
- + Regular review of compliance guidelines
- + Implementing statutory regulations in the data protection area (EU General Data Protection Regulation and relevant EU regulations)
- + Regular training for individuals in roles involving confidentiality
- + Participation in relevant events

The AMAG Compliance Program supports employees in performing their daily work in accordance with legal regulations as well as internal guidelines, to avoid negative effects on reputation as well as legal consequences. (GRI 103-2, 103-3)

#### External initiatives and memberships

AMAG is committed to the principles of the Austrian Corporate Governance Code, and consequently to responsible corporate governance and control systems designed to deliver sustainable value creation. (GRI 102-12)

AMAG was a member of the following associations and lobby groups in 2017:

- + A2LT - Austrian Advanced Lightweight Technology
- + AAI - Austrian Aeronautics Industries Group
- + ASI - Aluminium Stewardship Initiative, a founder initiative to create a sustainable standard for the aluminium value chain – from responsible corporate management through to meeting environmental standards as well as social standards.
- + ASMET - Austrian Society for Metallurgy and Materials
- + Automobil Cluster – cross-sector network to support automotive sector companies
- + BIR - Bureau of International Recycling
- + Christian Doppler Research Association
- + CIRA - Cercle Investor Relations Austria
- + EAA - European Aluminium Association
- + GDA - German Aluminium Association
- + GDMB - Society for Mining, Metallurgy, Resource and Environmental Technology
- + ÖGfZP - Austrian Society for Non-destructive Testing
- + IV - Federation of Austrian Industries
- + ÖVFA - Austrian Association for Financial Analysis and Asset Management

- + respACT – Austrian Business Council for Sustainable Development
- + VDM - German Association of Metal Dealers
- + VNL - Association for Network Logistics
- + WGM - Semifinished Metal Products Wholesalers Association (GRI 102-13)

## Customer relationships

The AMAG strategy aims at sustainable growth in selected product markets with a balanced mix of specialty products and high-quality standard products. AMAG is an attractive growth and development partner for customers in such markets. The new works' plant and the expanded product range have created the basis for these strengths.

AMAG customers benefit from the following USPs:

- + Production of all aluminium alloy families (1xxx – 8xxx) at one location
- + Maximum flexibility (plant configurations, plant redundancies)
- + Maximum quality in product markets supplied by AMAG (niches)
- + Sustainable production (hydroelectric power – Alouette, recycling proportion in Ranshofen well above industry average)
- + Maximum concentration of expertise (experience and expertise in many products, synergies)

### Key topic: Customer satisfaction

Customer satisfaction is the central benchmark for a company, describing the benefit and utility that products deliver for customers. Its effects are considerable as a consequence, especially where AMAG is concerned. Dissatisfaction with aluminium as a material can lead to AMAG being squeezed out by competitors regionally, and substitution of aluminium by other materials. (GRI 103-1)

### Principles

Sustainable long-standing customer relationships create a trusting basis for collaboration and the expansion of business relationships. Responsibility for the sales process lies with the Chief Executive Officer as far as key customers are concerned, as well as with the Chief Operating Officer. In the operating segments, the respective commercial management reporting directly to the Management Board is responsible.

The following functions have also been established within the Rolling Division:

- + Strategic business units (oriented to customer sectors)
- + Key account managers
- + Sales team
- + International sales subsidiaries
- + International sales representatives

The following departments support the sales organisation:

- + Customer support (process, systems, documentation)
- + Strategy (market and competitor monitoring, trend analyses)
- + Marketing and PR
- + Business development (surveying and analysing business potentials)
- + Business optimisation (delivery performance, efficiency enhancement, customer complaints)
- + Management Systems (certifications, audits, CIP)

All companies have set up quality management systems based on extensive certification by customer specification and the following quality standards:

- + ISO 9001 general quality standard (certified July 2015)
- + ISO 16949 in the automotive management systems area (certified June 2015)
- + AS9100 for the aerospace industry (certified May 2015)

Ongoing audits are an important tool to identify risks and improvement potentials.

### Targets and measures

Enhancing customer benefits and consequently customer satisfaction take top priority in the AMAG target system. The following measures have been implemented:

- + Ongoing improvement of product and service quality and reliable delivery
- + Qualification of the new works' plant
- + Boosting shipment volumes to meet growing demand
- + Market launch of new products (dimensions, alloys)
- + Greater vertical range of production (contour sawing for aerospace applications), start in 2018

To measure customer satisfaction, we launched the Net Promoter Score (NPS) as a uniform standard in 2015 and conducted surveys based on it. A total of 8 surveys have been conducted to date, involving contacting 1,790 individuals, 608 of whom participated. Along with being questioned about whether they would recommend AMAG, customers were able to use freely structured responses to specify important topics for cooperation, which were utilised for the materiality analysis. These included quality, delivery reliability, product portfolio and employee expertise in processing customer issues. The so-called closed loop process, the mandatory and fast feedback loop for below-average evaluations, forms an important part of this methodology.

With regard to the consumption of aluminium rolled products, the CRU market research institute anticipates growth of around 4 % per annum over the next five years (7 % per annum in the transport).<sup>1</sup> Following the commissioning of the new plant, production capacity has been boosted to over 300,000 tonnes and the product portfolio is extended to include larger dimensions (width, gauge). Special sur-

1) See CRU Aluminium Rolled Products Outlook, November 2017



faces for the automotive industry are produced with the new passivation plant. In connection with rising customer demand, the aforementioned measures enjoy special priority. Demand for near-net-shape products is also increasing. In response to this, the value chain is being extended. The related production waste also remains within AMAG thanks to such in-house processing and can be converted directly back into high-quality products. (GRI 103-2, 103-3)

#### Developments in the reporting period

A customer relationship management system (CRM) was introduced to support the sales process. This serves to systematically process customer issues and produce documentation (client visits, telephone calls, written correspondence).

In customer communication AMAG focuses particularly on:

- + Trade fairs and events, specialist conferences
- + The "AluReport" customer and market magazine, which is generally published three times a year and provides information on product news and development projects.
- + Social media such as Facebook and LinkedIn (since 2017)

For many years, the AMAG brand has stood for superior customer orientation, flexibility and speed in fulfilling customer orders. The AMAG brand landscape, which was launched in 2017, focuses on this commitment in a structured manner. Under the AMAG brand umbrella, three brand families will be managed in the future, specifically relating to different requirements in the area of quality, sustainability and specialisation:

- + AMAG prime: The aluminium for special requirements in terms of mechanical and technological characteristics. The material of choice for sustainability, precision, stability and optimal processability.
- + AMAG green: The aluminium of choice for environmental compatibility and resource conservation.
- + AMAG AI4: Special aluminium products for particular requirements in different sectors and for very varied applications. (GRI 102-2)

The TOP brands maintain their position.

## Innovation

The research strategy of AMAG is aimed at boosting competitive strengths, thereby making important contributions to the AMAG growth strategy.

#### Key topic: Innovation

Innovation is an important pillar to advance products for a sustainable future and master technological challenges along the aluminium value chain. Many AMAG product innovations directly or indirectly address current and global social and ecological topics such as fossil resource shortage, recycling, climate change and mobility. A special focus is directed to solutions enabling closed-loop concepts with customers,

reducing environmental impact (e.g. lightweight design components) and offering new and improved application potential. (GRI 103-1)

#### Principles

Responsibility for research and development lies with the Corporate Technology specialist area, which is responsible for developing and implementing the R&D strategy, product and process innovations as well as the further development of products and processes, and application-based materials development. The head of this area reports to the Chief Operating Officer. Technology areas are installed within the operating companies. The focus in the casting area is on metallurgy and metals analysis. In the rolling mill, focus areas include sector-specific materials development, process optimisation and materials inspection.

The accredited testing centre with its departments consisting of metallography/physics, surface technology, chemical analysis/environment, and materials inspection, delivers not only the test results required for certification purposes, but also the data required to appraise R&D test results.

AMAG has established a Science and Technology Advisory Board to enhance the efficiency of its R&D activities. The board consists of six university professors whose expertise covers all the production areas of AMAG. The AMAG R&D strategy is constantly reviewed and updated in coordination with the Advisory Board. Cooperation with universities and non-university research institutions makes an important contribution to innovative strength at AMAG. Principal examples include current cooperation ventures with the University of Leoben, Vienna University of Technology, Graz University of Technology, ETH Zürich, Friedrich Alexander University Erlangen Nuremberg, Light Metals Technologies Ranshofen, and the Max Planck Institute for Iron Research in Düsseldorf. Global partnerships in the area of testing technology have also been set up, and are utilised consistently. Important activities include collaboration committees and working groups such as at European Aluminium (EA), and in very varied standardisation bodies such as the Austrian Standards Institute, the German Institute for Standardisation, the Austrian Society for Non-destructive Testing (ÖGfZP) as well as the Aluminium Stewardship Initiative. AMAG is also significantly involved with leading representatives from the business world as a founding member in the Austrian initiative "A2LT - Austrian Advanced Lightweight Technology". This initiative has set itself the goal of strengthening and further developing lightweight construction methods.

#### Targets and measures

The paramount objective of R&D activities is to enhance competitiveness as part of the profitable growth strategy. The following measures have been implemented for this purpose:

- + Developing special products and efficient production processes
- + Tapping new applications for AMAG products
- + Advancing digitalisation (automation, simulation, in-house data processing)
- + Boosting materials efficiency, alloy optimisation

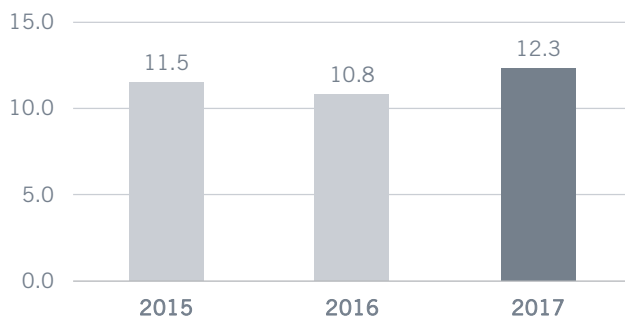
The aluminium industry is on an uptrend worldwide, which is especially reflected in a higher level of investment activity in China as well as in automotive capacities in Europe and the USA. Competitive pressure and, with it, the demand for characteristics offering differentiation against competitors, are increasing as a consequence. A high degree of specialisation, state-of-the-art production technologies and far-reaching digitalisation play an important role in this context. R&D activities at AMAG also include optimisation of material properties and efficient materials deployment. AMAG focuses here on collaborating with key customers from technologically challenging sectors with high innovation potential (e.g. automotive, aerospace). The integrated site with foundry and rolling mill, and its geographic proximity to the strong industrial regions and development centres, foster technological advancement and intensive customer service. (GRI 103-2)

#### Developments in the reporting period

Research and development expenditures amounted to EUR 12.3 million in 2017, up 14 % compared with the previous year (2016: EUR 10.8 million). A total of around 110 individuals (full-time equivalents) were engaged with R&D and innovation tasks in 2017. This reflects a 17 % year-on-year increase.

#### AMAG Group research and development expenditures

in EUR million



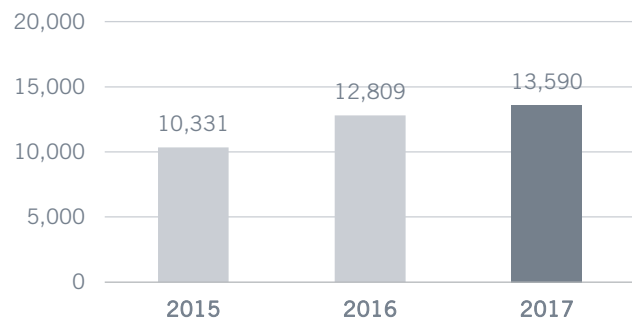
Research focus areas in 2017 included:

- + Alloy development, especially with regard to mechanical and technological properties, as well as a high recycling shares
- + Optimising mechanical properties as well as the processability of rolled products, especially in the aerospace and automotive areas
- + Enhancing production process efficiency
- + Extending simulation expertise and further developing the digital twin of the value chain

#### Continuous improvement process (CIP)

The special strength of AMAG lies in its employees' creative potential and commitment. The continuous improvement process (CIP) gives employees the opportunity to play an active role in shaping working processes. If our employees' suggested improvements are implemented successfully, they receive bonuses based on the proposals' net benefit. This actively promotes a culture of change and constant improvement. A total of 13,590 proposals were submitted in 2017, around 78 % of which were implemented. (GRI 103-3)

#### Number of suggestions as part of the CIP



## AMAG as an employer

Qualified and motivated staff comprise a key element in the success of AMAG.

Employees participate in the success of AMAG insofar as the AMAG Employees' Private Foundation comprises a core shareholder of the company. The AMAG Employees' Private Foundation holds 3.9 million shares in AMAG, equivalent to an 11.1 % interest. This forms an additional factor strengthening employee loyalty and fostering the commitment to joint success.

### Key topic: Occupational health and safety

Occupational health and safety exert considerable effects, as occupational accidents and illness entail not only health effects for employees but also costs for the company and the social security system as well as reputational losses. For this reason, both companies and employees benefit equally from a safe working environment. (GRI 103-1)

### Principles

AMAG supports its own employees' health potentials and ensures the highest safety standards in its production facilities. Along with statutory regulations, specific measures in this context include works agreements, guidelines and safety instructions. The occupational safety topic comprises a fixed element in the integrated management system and is certified according to the Occupational Health and Safety Assessment System (OHSAS) 18001. The OHSAS system evaluates the company's occupational health and safety scheme above and beyond statutory regulations.

All staff are represented by formal employer-employee committees for occupational health & safety. The efficacy of occupational health and safety is monitored by the safety steering committee under the direction of the Management Board. Its members include the managers of the operating companies, occupational health and safety managers, the occupational medical department, the personnel department and the Group Works Council. This system is supplemented by regular safety audits. (GRI 403-1)

AMAG aims for the target of zero accidents with its "Consistently Safe" campaign. Extensive safety instructions and training measures, safety audits, and workshops as part of the Continuous Improvement Process (CIP) serve target attainment. The main safety indicator is the so-called TRIFR (Total Recordable Injury Frequency Rate). This internationally comparable figure shows Lost Time Injuries (LTIs) per capita plus incidents entailing medical treatment per 200,000 working hours. Commuting accidents are not included.

Occupational health and safety aims to prevent workplace illness and leverage health potentials. Employees can contribute health-promoting ideas to the continuous improvement system. Since 2009, AMAG has been the bearer of the "Quality Seal for Occupational Health Promotion" bestowed by the Austrian Network for Occupational Health Promotion (ÖNBGF), with renewed awards in 2012 and 2015.

The occupational health department of AMAG, which forms part of the personnel department, is the central point of contact for all health-relevant topics, such as first aid, medical examinations, healthcare and advice.

### Targets and measures

The following measures are implemented to reduce the TRIFR accident rate as part of the "zero accidents" strategy:

- + Information and raising awareness: Preparing safety videos and installing screens in production areas for information and training purposes
- + Training employees, managers and safety officers
- + Safety patrols
- + Fifteen-minute safety sessions: Addressing current incidents with high risk potential relating to the occupational health and safety topic in the form of "ad hoc" training
- + Checking the efficacy of implemented measures

Occupational health & safety measures implemented in the 2017 reporting year included:

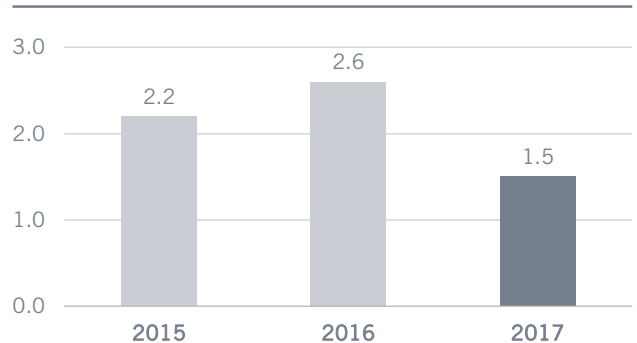
- + Investing in air conditioning systems and desks that can be set electrically to different working heights for ergonomic sitting and standing working positions
- + Varied training programs
- + New protective equipment in the casthouses
- + Various lifting aids
- + Voluntary health checks
- + Launching a weekly AMAG running event

(GRI 103-2)

### Developments in the reporting period

Progress in the occupational health and safety area is evident in the reduction in the key TRIFR figure from 2.6 in 2016 to 1.5 in the 2017 reporting year. The illness rate was reduced from 2.1 in 2016 to 1.2 in the 2017 reporting year (definition of the illness rate: accidents entailing illness (LTI) per 100 employees in relation to the total number of employees).

### TRIFR



Significant achievements in the 2017 reporting year included the successful OHSAS 18001 reaudit and recertification as an integral element of occupational safety management. Safety workshops and incident analyses are held to minimise risks and eliminate related causes.

In order to also regularly review implemented health promotion measures for their effectiveness, a corporate survey was conducted in the spring of 2017 that yielded very positive results. (GRI 103-3)

#### Key topic: Training and development

Very well-trained employees are essential for business success and make a considerable contribution to customer satisfaction. Targeted support and promotion of employees boosts motivation and readiness to perform and generates prospects for the employees themselves to remain competitive in their future careers.

(GRI 103-1)

#### Principles

Our personnel strategy aims to cover future personnel requirements both qualitatively and quantitatively. It is based on corporate objectives approved by the Management Board. Related guidelines and instruments are implemented in the personnel area, comprising tried and tested processes for recruitment, the induction phase, career planning, personnel development and successor planning for employees. The head of the personnel department reports to the Chief Executive Officer (CEO). The Works Council is responsible for employee representation, with four representatives on the Supervisory Board of AMAG Austria Metall AG.

An important personnel development instrument is the annual appraisal, a consultation between employee and manager to discuss targets and development, which reviews the past year, sets targets for cooperation and training & further development in the coming year, and serves to assess technical and professional performance. Recognition and appreciation of good work play an important role in this context. All employees are obligated to participate in such appraisals, with the exception of apprentices, employees with reasons for absence (such as military/community service, parental leave) and employees with employment contracts shorter than six months. (GRI 404-3)

The training of apprentices enjoys a high priority within the company. As of end of September 2017, a total of 72 AMAG apprentices were being trained, including 63 industrial apprentices and 9 commercial apprentices.

AMAG offers young people applications-based training in high-tech workshops in collaboration with the Braunau Training Centre. Apprentices complete theoretical and practical training in the shops at the centre and at AMAG, with a special emphasis also being placed on promoting social skills. Moreover, apprentices have the opportunity to complete their training with school-leaving certificates.

The company already held its third apprentices information day in 2017, to provide information about training options and apprenticeships. Around 150 interested schoolchildren and their parents visited AMAG and talked with trainers and apprentices. The subsequent on-site tour gave insights into the company.

#### Targets and measures

As part of the growth path, the technological leading position is being expanded and new jobs are being created. AMAG is also investing in its employees' expertise, thereby enabling the company to offer innovative products for varied applications and rising technical requirements in combination with its leading-edge plants. A key objective of personal development is to create an environment which, based on an e-learning platform, offers all employees the opportunity to develop their full potential.

The following measures have been implemented for this purpose:

- + Preparing training sessions in appropriate learning formats such as compliance training, IT awareness training, etc.
- + Creating a training program based on evaluating individual requirements
- + Recruiting new employees

#### Developments in the reporting period

In 2017, the company started to implement a learning management system (LMS) with an integrated e-learning platform for sustainable, IT-supported knowledge transfer. This system helps determine the individual learning requirements and personal development targets of employees and supports successor planning. The qualification management system also ensures compliance with the requirement to provide evidence of qualification measures to customers. AMAG also offers all employees its in-house training academy to expand their specialist expertise. At the "Alu-Academy", employees are taught by experienced AMAG specialists and technical experts who hand on their specific knowledge and skills to their colleagues. Learning contents range from occupational health and safety, materials science, production processes, quality and environmental management through to teambuilding units. The training program is oriented to all employees and managers. The groups consist of around 20 participants, with a total of 45 teaching units being held in the evening. A total of 81 employees participated in the Alu-Academy in the 2017 reporting year. (GRI 103-2, 103-3)

| Number of hours for education and training | 2017          | 2016          | Change in %  |
|--|---------------|---------------|--------------|
| <b>Total</b>                               | <b>48,263</b> | <b>48,334</b> | <b>(0.1)</b> |
| Per employee                               | 27            | 29            | (6.5)        |
| per woman                                  | 35            | 41            | (14.0)       |
| per man                                    | 26            | 27            | (4.9)        |
| per industrial worker                      | 9             | 10            | (5.8)        |
| per salaried employee                      | 16            | 14            | 9.2          |
| per apprentice                             | 401           | 416           | (3.6)        |

AMAG employees completed a total of 48,263 training hours in the 2017 reporting year. The average annual education and training per employee amounted to 9 hours in the case of industrial workers and to 16 hours in the case of salaried employees. The high number of 401 training hours in the case of apprentices is due to external training at the Braunau Training Centre. (GRI 404-1)

#### Employment

At the Ranshofen site, the number of employees in the 2017 reporting year increased by 6.8 % and amounted to 1,796 (December 31 reporting date/individuals). In terms of geographic distribution, most of the workforce is based in Austria. Around 82 % of the employees at the Ranshofen location are resident in Austria, and 18 % in Germany. Of the managers employed in Ranshofen (by this we refer to individuals at the first management level below the Management Board), around 80 % are recruited from Austria. (GRI 102-8, GRI 202-2)

The proportion of employees to which collective bargaining wage agreements apply amounts to 99 % (excluding respective managing directors and the plenary Management Board). (GRI 102-41)

A total of 1,780 employees were permanently employed and 16 employees had temporary employment contracts.

The staff turnover rate has remained at a very low level for some years and stood at 4.6 % in 2017. This includes all staff departures (excluding individuals starting retirement and employment contracts ending due to expiry or probationary periods concluding). (GRI 401-1)

#### Personnel recruitment

AMAG makes early preparations to cover future long-term requirements for employees and aligns its young employee and further training programs accordingly. An average period of employment at the company of 11.1 years ensures that accumulated knowledge and expertise remains with the company. Appointments are made to job vacancies while taking long-term prospects into account.

The implementation of the new candidate database in the 2017 reporting year raised the quality and speed of internal personnel processes, and also helped modernise the online application portal and enhance data security. The number of newly employed individuals until December 31, 2017 amounted to 243, including 218 men and 25 women. (GRI 401-1)

A measure to recruit production employees in the 2017 reporting year included holding five job interview sessions in the form of "job speed-dating" on site in Ranshofen. This innovative form of personnel recruiting enables the company and its career options to be quickly presented to applicants in a ten-minute presentation talk. The plant expansion, creating a total of around 450 jobs, forms the background to the new application format.

The employer brand is being strengthened through greater presence on online job portals such as karriere.at, Stepstone and LinkedIn and social media platforms such as Facebook. AMAG is also present at career fairs in order to recruit young talents. The Group also comes into contact with students by organising information evenings. In addition, AMAG focuses on strategic partnerships with universities to provide practical supplements to teaching and research in specialist areas of relevance for AMAG.

#### Equal opportunities & diversity

AMAG is committed to equal opportunities, and rejects any type of discrimination, especially based on age, gender, skin colour, sexual orientation, origin, religion or handicap. We align ourselves with the UN Charter in this context, as well as with the European Convention on Human Rights. All employees have the opportunity to report suspected discriminatory treatment to the compliance manager, or through a compliance hotline. No cases of discrimination were reported in the 2017 reporting year. (GRI 406-1)

As of the December 31, 2017 reporting date, the proportion of women at the Ranshofen site amounted to 12 %, with the proportion of women industrial workers standing at just 2 %, compared with 32 % among salaried employees. A higher proportion of women employees is also reported in the apprentices category at 29 %. A great number of female graduates from technical colleges and universities were also recruited in the area of research, development and technology. A high degree of working time flexibility and many part-time working models also make it easier to combine work and family. It goes without saying for us to offer our employees attractive job opportunities after maternity/paternity leave, or periods of part-time working for maternity/paternity reasons.

An example of supporting individuals with immigrant backgrounds is our renewed participation in the "Start" scholarship, which enables committed young people from immigrant backgrounds to acquire university entry qualifications.

With regard to the minimum disclosure periods for organisational changes, AMAG complies with all applicable Austrian laws and orders, and with the provisions of the collective agreement for the iron

and metalworking industry. No significant changes occurred during the reporting period that had a material impact on the Group's employees and required disclosure. (GRI 402-1)

| Total number of employees at the Ranshofen site (December 31 reporting date/individuals) | 2017         | 2016         | Change in %   |
|--|--------------|--------------|---------------|
| <b>Total</b>   | <b>1,796</b> | <b>1,681</b> | <b>6.8</b>    |
| <b>thereof women</b>   | <b>220</b>   | <b>208</b>   | <b>5.8</b>    |
| thereof permanent employment contract  | 217          | 208          | 4.3           |
| thereof temporary employment contract  | 3            | 0            | -             |
| thereof full-time  | 153          | 144          | 6.3           |
| thereof part-time  | 67           | 64           | 4.7           |
| <b>thereof men</b>   | <b>1,576</b> | <b>1,473</b> | <b>7.0</b>    |
| thereof permanent employment contract  | 1,563        | 1,463        | 6.8           |
| thereof temporary employment contract  | 13           | 10           | 30.0          |
| thereof full-time  | 1,526        | 1,428        | 6.9           |
| thereof part-time  | 50           | 45           | 11.1          |
| <b>Leased employees</b>  | <b>31</b>    | <b>15</b>    | <b>106.7</b>  |
| <b>Contract workers</b>  | <b>1</b>     | <b>2</b>     | <b>(50.0)</b> |

(GRI 102-8)

| New hired employees in Ranshofen (December 31 reporting date/individuals) | 2017       | 2016       | Change in % |
|---|------------|------------|-------------|
| <b>Total</b>  | <b>243</b> | <b>200</b> | <b>21.5</b> |
| <b>thereof women</b>  | <b>25</b>  | <b>22</b>  | <b>13.6</b> |
| thereof younger than 30   | 15         | 18         | (16.7)      |
| thereof between the ages of 30 and 50                                     | 9          | 4          | 125.0       |
| thereof older than 50   | 1          | 0          | -           |
| <b>thereof men</b>  | <b>218</b> | <b>178</b> | <b>22.5</b> |
| thereof younger than 30   | 115        | 99         | 16.2        |
| thereof between the ages of 30 and 50                                     | 94         | 77         | 22.1        |
| thereof older than 50   | 9          | 2          | 350.0       |

| Employees who left the Ranshofen site (December 31 reporting date/individuals) | 2017      | 2016      | Change in %   |
|--|-----------|-----------|---------------|
| <b>Total</b>   | <b>83</b> | <b>67</b> | <b>23.9</b>   |
| <b>thereof women</b>   | <b>6</b>  | <b>8</b>  | <b>(25.0)</b> |
| thereof younger than 30  | 4         | 4         | 0.0           |
| thereof between the ages of 30 and 50  | 2         | 4         | (50.0)        |
| thereof older than 50  | 0         | 0         | -             |
| <b>thereof men</b>   | <b>77</b> | <b>59</b> | <b>30.5</b>   |
| thereof younger than 30  | 42        | 21        | 100.0         |
| thereof between the ages of 30 and 50  | 31        | 31        | 0.0           |
| thereof older than 50  | 4         | 7         | (42.9)        |

(GRI 401-1)

| Breakdown of employees by diversity aspects                     | 2017        | 2016        | Change in % |
|---|-------------|-------------|-------------|
| <b>Industrial workers</b>                                       | <b>65%</b>  | <b>65%</b>  | <b>0.0</b>  |
| thereof women   | 2%          | 2%          | 0.0         |
| thereof men   | 98%         | 98%         | 0.0         |
| thereof younger than 30   | 31%         | 32%         | (3.1)       |
| thereof between the ages of 30 and 50                           | 53%         | 52%         | 1.9         |
| thereof older than 50   | 16%         | 16%         | 0.0         |
| <b>Salaried employees</b>                                       | <b>31%</b>  | <b>31%</b>  | <b>0.0</b>  |
| thereof women   | 32%         | 32%         | 0.0         |
| thereof men   | 68%         | 68%         | 0.0         |
| thereof younger than 30   | 21%         | 21%         | 0.0         |
| thereof between the ages of 30 and 50                           | 56%         | 56%         | 0.0         |
| thereof older than 50   | 23%         | 23%         | 0.0         |
| <b>Apprentices</b>  | <b>4%</b>   | <b>4%</b>   | <b>0.0</b>  |
| thereof women   | 29%         | 27%         | 7.4         |
| thereof men   | 71%         | 73%         | (2.7)       |
| <b>Total employees</b>  | <b>100%</b> | <b>100%</b> | <b>0.0</b>  |
| Thereof other diversity indicators (registered disabled people) | 3%          | 4%          | (8.3)       |

(GRI 405-1)

## Raw materials & recycling

Aluminium is one of the most frequently occurring elements in the Earth's crust. Industrial production started in 1886. Since then, around 1 billion tonnes of aluminium have been produced, of which around 75 % is still in use. Aluminium can be recycled indefinitely without quality loss, thereby forming an important part of an economy oriented to efficient resource utilisation. Current recycling rates in Europe stand at around 90 % in the transport and building area, and at more than 60 % in packaging. The aluminium industry is working together with policymakers at raising these rates<sup>2</sup>.

### Key topic: Raw materials

Raw materials utilisation is accompanied by climate change or the loss of biodiversity, especially in ecologically sensitive areas. Aluminium production starts with the raw material bauxite. AMAG is aware of the ecological effects of bauxite mining and the subsequent production of alumina. AMAG contributes to defining and implementing sustainable standards in the aluminium industry through membership in initiatives such as the ASI, the EA, the GDA and the OEA.

(GRI 103-1)

### Principles

AMAG activities in Ranshofen comprise:

- + The purchasing of primary aluminium, rolling slabs and almost-primary scrap in the Metal Division. Its management reports directly to the Chief Financial Officer.
- + The purchasing of aluminium scrap and alloy metals as well as the recycling of aluminium scrap and production of recycling cast alloys and rolling slabs in the Casting Division.

Business, ethical and ecological principles are anchored within our general terms and conditions of business and in compliance regulations for suppliers. The purchasing process is regulated in procedural instructions and guidelines, whereby we not only minimise purchasing-specific risks such as supply bottlenecks and major price fluctuations but also secure our competitiveness and smooth production processes. (GRI 308-1)

### Targets and measures

AMAG is a founding member of the Aluminium Stewardship Initiative (ASI), an initiative comprising aluminium industry companies, and remains constantly involved in collaborating on the further development of ASI Performance Standards.

The initiative aims to develop an independent third-party certification program entailing responsible production, purchasing, and aluminium handling. The contribution of the ASI consists in bringing all aluminium sector lobby groups around one table to develop a joint strategy to implement best practice procedures for these topics. The certifiable standard has been available since December 2017. Through the involvement of AMAG in the initiative (and, not least, through certification according to ASI standards), AMAG customers will benefit from

aluminium deliveries in compliance with ASI sustainability criteria certified by third parties by means of an extensive audit program.

The aim in this area is to implement ASI Performance Standards. The following measures have been implemented for this purpose:

- + Certification according to the Aluminium Stewardship Initiative (ASI) Performance Standard

### Developments in the reporting period

The following materials required for the manufacture of cast and rolled products at the Ranshofen site were purchased:

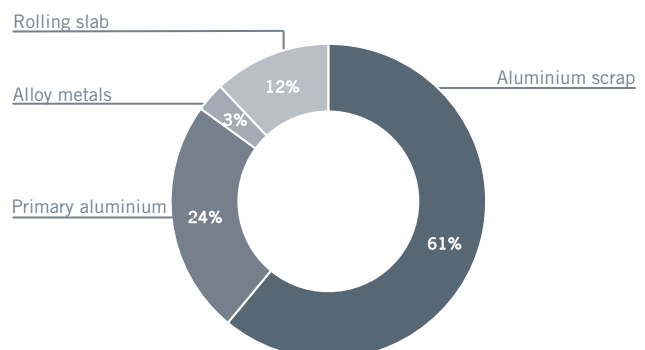
- + Aluminium scrap: AMAG has around 192 suppliers of a broad spectrum of aluminium scrap types. The company bought in a total of around 196,800 tonnes of aluminium scrap in 2017. AMAG also has contracts (such as with customers of its rolling mill) to collect and sort aluminium scrap from processing or production. (GRI 301-2)
- + Primary aluminium is purchased in the form of sows and ingots. AMAG utilises only material from smelters it has approved, including the Alouette smelter in Canada. The company bought in a total of around 76,400 tonnes of primary aluminium in 2017.
- + Along with rolling slabs produced in the AMAG foundry, AMAG also purchases low-alloy rolling slabs from smelters that it qualifies. The company bought in around 38,400 tonnes of rolling slabs in 2017.
- + Alloy elements: The most important alloy elements are magnesium, silicon, manganese, copper and zinc. They play a major role in ensuring that finished products have the required characteristics. The company bought in around 10,100 tonnes of metal alloys in 2017.

(GRI 102-9, GRI 103-2, 103-3)

Total materials purchases (volumes purchased from third parties) in the year under review amounted to 321,700 tonnes. No significant changes occurred to the supply chain structure during the reporting period. (GRI 102-10)

### Purchase of raw materials

in %



2) See [https://european-aluminium.eu/media/1712/ea\\_recycling-brochure-2016.pdf](https://european-aluminium.eu/media/1712/ea_recycling-brochure-2016.pdf)



### Key topic: Recycling

Aluminium can be constantly re-smelted to manufacture products of consistently high quality. Three quarters of the aluminium ever processed worldwide remain in the recycling system today. As a consequence, the recycling topic is strategically essential to secure the raw materials base and a high proportion of scrap utilisation. This is becoming more significant given the rising significance of ecological considerations globally and is also thereby becoming a co-determining factor in competition. (GRI 103-1)

### Principles

AMAG is an aluminium recycling specialist. Aluminium scrap is the most important raw material utilised at the Ranshofen site. The energy consumption to create aluminium products from aluminium scrap is significantly lower than from primary aluminium, thereby saving up to 95 % of energy and eliminating more than 85 % of CO<sub>2</sub> emissions<sup>3</sup>.

### Targets and measures

In the recycling area, AMAG pursues the objective of boosting production while keeping the scrap utilisation rate in the 75-80 % range, comprising the purchasing of scrap externally and internally recycled scrap. The following measures have been implemented for this purpose:

- + Expanding recycling capacities and expertise in the scrap sorting area
- + Expanding closed-loop relationships with customers
- + Expanding the supplier base in Europe

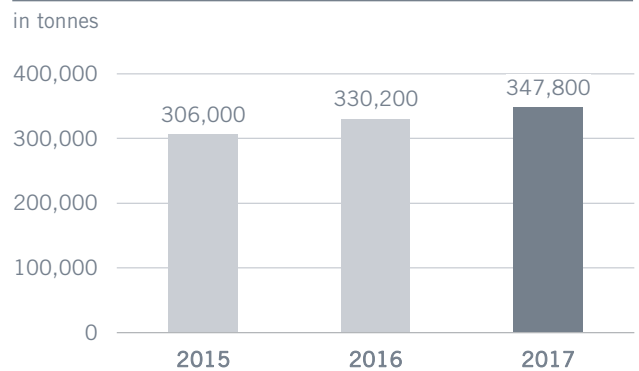
As the aluminium industry is increasingly focusing on recycling, aluminium scrap is expected to be in greater demand over the coming years. Around 4.7 million tonnes of aluminium alloys were produced through recycling in Europe in 2015<sup>4</sup>. Approximately 0.9 million tonnes of aluminium scrap were exported in 2016, of which 80 % went to Asia<sup>5</sup>. With the measures defined, AMAG aims to ensure it has sufficient capacity and technical possibilities to process almost all scrap types available in this market environment. Scrap of a very varied composition, unit volume and contamination can be reutilised by means of advanced, leading-edge sorting and processing technologies. Scrap incurred when customers further process AMAG products (such as in the packaging and automotive industries) comprises an increasingly important source of input material. Constant work on expanding the supplier base also continues.

### Developments in the reporting period

AMAG makes a considerable contribution to sustainable raw material supplies at the Ranshofen site through its significant expertise in scrap recycling deploying advanced processing, smelting and casting technologies. Due to the expansion of the rolling slab casthouse and related expansion of recycling competencies, AMAG is able to continue to chart its growth course on a high ecological level.

Scrap utilisation (purchased including scrap recycled from the company's own production) was increased to 347,800 tonnes in 2017. This corresponds to a scrap utilisation rate of 80 %.

### Usage of scrap at Ranshofen site



Recycling involves a greater focus on recycling contaminated scrap as well as the best possible sorting, and thereby on the "alloy-to-alloy recycling" topic. The company invested in a customised scrap sorting plant in 2016 specialising in sensor-based scrap sorting applying XRT technology, producing input material qualities close to target alloys and expanding the bandwidth of recycling material deployable in casting and wrought alloy production. The closure of materials cycles in industrial production, the so-called "closed-loop" concept, represents a further step. The aim is to manage aluminium within a cycle that maintains its value and avoids downgrading. Aluminium scrap generated by customers in processing can be returned to AMAG unmixed and without losses, to be reutilised in most cases as input for the respective product. (GRI 103-2, 103-3)

## Environmental protection

The company has identified the environmentally compatible manufacturing of products, the prevention and reduction of environmental burdens, and compliance with statutory provisions and regulatory requirements as the responsibility of all its employees.

The environmental and energy management system is presented in a management manual defining the structural and process organisation, as well as responsibilities and detailed procedural instructions. Recertifications according to EN ISO 14001 and EN ISO 50001 in the 2016 and 2017 reporting years confirmed the functionality of the environmental and energy management system. Responsibility for this lies with the Management Systems department, whose head reports to the Chief Operating Officer.

3) See EA, <https://european-aluminium.eu/data/environmental-data/greenhouse-gas-emissions-in-the-aluminium-industry/>

4) See EA, [https://european-aluminium.eu/media/1899/pro\\_sustainable-development-indicators-2015\\_20170614.pdf](https://european-aluminium.eu/media/1899/pro_sustainable-development-indicators-2015_20170614.pdf)

5) See [http://europa.eu/geninfo/query/index.do?queryText=recycling&query\\_source=GROWTH&summary=summary&more\\_options\\_source=global&more\\_options\\_date=\\*%&more\\_options\\_date\\_from=%&more\\_options\\_date\\_to=%&more\\_options\\_language=en&more\\_options\\_f\\_formats=\\*%&swlang=de](http://europa.eu/geninfo/query/index.do?queryText=recycling&query_source=GROWTH&summary=summary&more_options_source=global&more_options_date=*%&more_options_date_from=%&more_options_date_to=%&more_options_language=en&more_options_f_formats=*%&swlang=de)

The environmental management system includes:

- + Compliance with all statutory regulations and regulatory requirements
- + Continually improving corporate environmental protection through avoiding or reducing environmental burdens
- + Annual setting and review of environmental and energy targets
- + Periodic internal audits of defined areas to ensure the efficacy of the management system
- + Systematic evaluation of relevant environmental aspects and effects
- + Training of employees, who subsequently thereby become personally responsible for environmental matters

Employees also make valuable contributions to environmental protection and efficient energy utilisation as part of the continuous improvement process (CIP). (GRI 103-2)

#### Key topic: Energy

Aluminium manufacturing is generally very energy-intensive. A differentiation is made between primary and secondary aluminium in production. Significant energy input is harnessed to produce primary aluminium from bauxite and subsequently from alumina (the energy costs amount to as much as 40 % of production costs)<sup>6</sup>. Aluminium scrap is utilised when producing secondary aluminium, thereby requiring just 5 % of the energy needed for primary production<sup>7</sup>. (GRI 103-1)

#### Principles

The efficient utilisation of energy and resources plays an important role in the sustainable development and growth of AMAG. Significant energy consumers at the Ranshofen production site include:

- + The casthouse, which uses natural gas for melting and tempering aluminium. Significant energy savings have been achieved over the past years thanks to the utilisation of waste heat from the furnaces to preheat combustion air using regenerative burners.
- + The rolling mill, where the majority of the electricity consumed is utilised to drive the mill stands, and electricity and natural gas are deployed in the heat treatment of aluminium strips and plates.

The energy management department established in 2013 as part of EN ISO 50001 certification focuses on systematically boosting energy efficiency at AMAG, achieved through consistent improvement of processes and plants as well as heat recovery. Energy management forms an integral element of the AMAG management system.

The AMAG Management Board defines the energy strategy, which forms the framework for setting energy targets, and appoints the energy officer responsible for the introduction, realisation and continuous improvement of energy management.

Energy consumption by area (plants, processes, systems) and influencing factors such as product mix are analysed constantly as part of the energy management system. Based on this, possibilities to enhance energy efficiency are identified in collaboration with the respective specialist managers. The energy evaluation also takes into consideration past appraisals as well as future energy consumption. The following key indicators are documented and calculated on an ongoing basis to monitor and measure energy-related performance:

- + Absolute energy consumption and energy costs of AMAG
- + Composition of total energy demand (electricity, gas, compressed air, diesel, etc.)
- + Change in energy consumption compared to energy starting basis, and in relation to the previous year
- + Specific energy consumption (consumption per production unit, energy consumption per plant unit)

Investments with a significant bearing on energy consumption are reviewed in relation to energy-relevant criteria before being purchased. In the case of investment projects, this role is performed by the energy officer as part of the relevance test.

The purchasing guidelines set out requirements for the purchasing of energy and energy-relevant purchasing criteria for facilities and products. New plants (such as smelting or casting furnaces) are state-of-the-art or exceed existing standards.

#### Targets and measures

Energy management at AMAG aims to continuously improve energy-related performance, and thereby reduce energy costs and greenhouse gas emissions.

Energy targets deriving from the annual energy evaluation are established by the energy officer in collaboration with the energy planning team in the "AMAG Energy Efficiency Program" and reviewed by senior management. The setting of targets factors in statutory requirements and the main energy inputs.

The following measures were determined as part of the energy efficiency program:

- + Implementation of the "Optimal Energy Utilisation through Heat Recovery" flagship project, making waste heat from the casting plants usable for heating purposes
- + Optimising the hall heating from the new cold rolling mill by means of heat recovery
- + Optimising compressed air consumption
- + Saving electricity through more efficient hall lighting
- + Optimising energy consumption in individual process steps or plants
- + Raising employee awareness
- + Incentive scheme to suggest energy-saving improvements

6) See Aluminum Association, <http://www.aluminum.org/industries/production/primary-production>

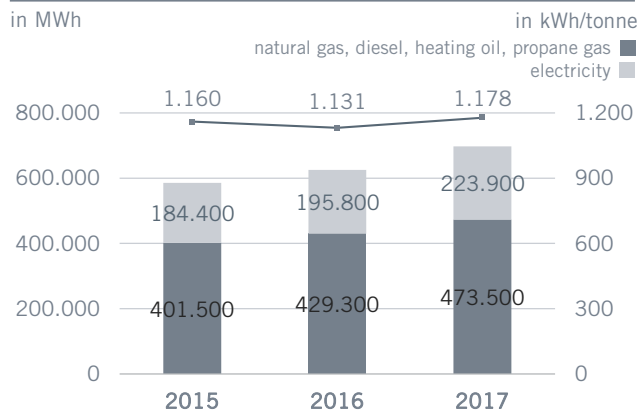
7) See EA, <https://www.european-aluminium.eu/advocacy/circular-economy/>

Our aim is also to continually reduce – and thereby avoid as far as possible – our operating activities' effects on the environment, especially in the form of gas emissions damaging the climate and the environment. (GRI 103-2, 103-3)

#### Developments in the reporting period

The total energy consumption of the Ranshofen site was 697,400 MWh in 2017 (2016: 625,100 MWh). This is calculated as the consumption of fuel from non-renewable sources (natural gas, diesel, heating oil and propane) and electricity. The respective energy volumes are calculated by multiplying actually measured fuel volumes by the relevant conversion factors<sup>8</sup>.

#### Energy consumption and energy intensity coefficient



Total energy consumption rose by 12 % year-on-year because of increased output, a higher proportion of wrought alloys and changes in the product portfolio in favour of higher-strength products which require additional heat treatment. Higher energy demand also reflected the ramp-up of several new plants. The total consumption of electricity at AMAG in 2017 amounted to 223,900 MWh (2016: 195,800 MWh).

In terms of energy sources in the electricity mix in 2017, the proportion of hydroelectric power amounted to 65 %, the proportion of renewable energies to 16 %, and the proportion of fossil fuel sources to 19 %. Heating energy consumption of 34,200 MWh was approximately at the previous year's level (2016: 32,800 MWh). Energy in the form of renewable fuels (wood chips, biodiesel) and cooling or steam energy is not bought in. Heating is generated only partly through heat recovery plants from process waste heat, with the remaining proportion being covered by heating produced in-house from fuels. (GRI 302-1)

Specific energy consumption in relation to production volume of 1,178 kWh/tonne in 2017 was higher than the previous year's level of 1,131 kWh/tonne. The change derives from shifts in the product

mix to more energy-intensive products. The specific total energy consumption at AMAG was selected for the key indicator for energy intensity. The energy volume includes all energy products that AMAG consumes (electricity, natural gas, diesel, extra-light heating oil, propane). The annual production volume in tonnes was applied as the denominator. The specific energy consumption relating to the production volume amounted to 1,144 kWh/tonne in the 2014 year that was taken as the basis. The 2014 year was selected as it marked the start of the significant expansion of the site. (GRI 302-3)

#### Key topic: Emissions

Significant volumes of greenhouse gases are emitted as part of aluminium production and processing. The aluminium industry's efforts to reduce greenhouse gas emissions and its investments to enhance production process efficiency have already resulted in a 53 % reduction of greenhouse gas emissions in the aluminium industry since 1997<sup>9</sup>.

Innovations and legal conditions comprise two important levers for further improvements. At product level, aluminium actively contributes to climate protection – compared with conventional metal materials, lightweight aluminium components reduce weight and consequently cut fuel consumption, emissions and carbon dioxide output. (GRI 103-1)

#### Principles

Climate-relevant emissions generally correlate with energy consumption. Greenhouse gases derive especially from the gas-fired melting and heat treatment of aluminium alloys, temperature control of fluids, the generation of heating, and the diesel used for the vehicle fleet. Direct emissions ("Scope 1") relate to those CO<sub>2</sub> emissions generated on site when burning fossil fuels. Scope 2 emissions arise when generating the electricity consumed at AMAG. They are measured based on data from our electricity suppliers about the CO<sub>2</sub> intensity of their electricity generation.

The procedural instructions for the management of greenhouse gas emissions regulates related handling and responsibilities.

In relation to CO<sub>2</sub> emissions, AMAG casting GmbH, AMAG service GmbH and AMAG rolling GmbH are subject to EU emissions trading, and consequently to stringent reporting and monitoring requirements. Third parties verify the annual emission reports.

8) Standards, methods and assumptions applied: lower combustion heat natural gas: 10.1 kWh/Nm<sup>3</sup>, lower combustion heat diesel: 9.99 kWh/l, lower combustion heat extra-light heating oil: 10.02 kWh/l, lower combustion heat propane gas: 12.78 kWh/kg (Source: standard factors for

fuels from the national greenhouse gas inventory to apply Level 2A in Austria)

9) See EA, <https://www.european-aluminium.eu/media/1717/driver-of-change-energy-aluminium-s-lifeblood.pdf>

The following principles are adhered to in this context:

- + Transparent calculation and testing of greenhouse gas emissions in compliance with all international and national requirements
- + Securing cost-efficient energy supplies through active energy management
- + Systematic and regular monitoring of legal requirements and in-house processes

**Targets and measures**

AMAG pursues the objective of reducing its specific CO<sub>2</sub> emissions, implementing the following measures to this end:

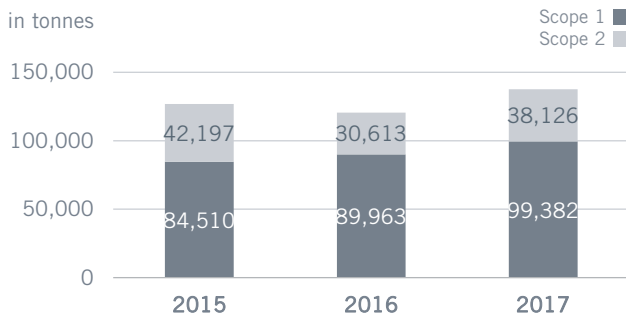
- + Implementation of the "Optimal Energy Utilisation through Heat Recovery" flagship project

**Developments in the reporting period**

In the 2017 reporting year, direct greenhouse gas emissions (Scope 1) increased by 10 %, and indirect greenhouse gas emissions (Scope 2) by 25 %. This is chiefly attributable to the higher production volume level.

CO<sub>2</sub> is the greenhouse gas included in the calculation. The total annual energy consumption in 2014 (518,600 MWh) represents the current energy basis. The CO<sub>2</sub> emissions are calculated from the actually measured fuel volumes applying the standard factors from the national greenhouse gas inventory.

**Direct (Scope 1) and indirect (Scope 2) CO<sub>2</sub> emissions**

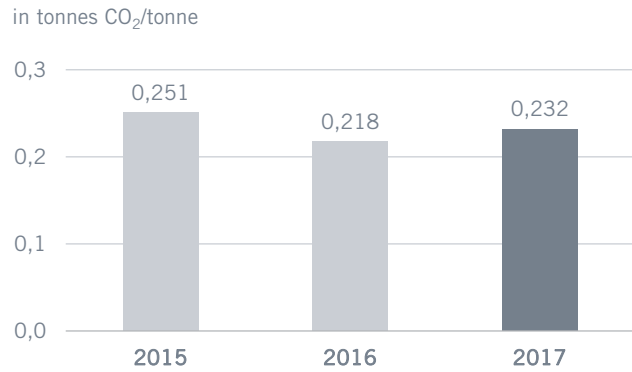


Specific CO<sub>2</sub> emissions (Scope 1 + 2) in relation to production volume (tonnes of CO<sub>2</sub>/tonne) grew to 0.232 tonnes CO<sub>2</sub>/tonne in 2017 (2016: 0.218 tonnes CO<sub>2</sub>/tonne).<sup>10</sup> The rise in specific CO<sub>2</sub> emissions especially reflects shifts in the product mix towards a higher proportion of heat-treated products, and the ramp-up of several new plants. To produce high-strength and heat-treated plates, for instance, around three times as much energy is utilised as for naturally hard plates.

(GRI 103-2, 103-3, 305-1, 305-2)

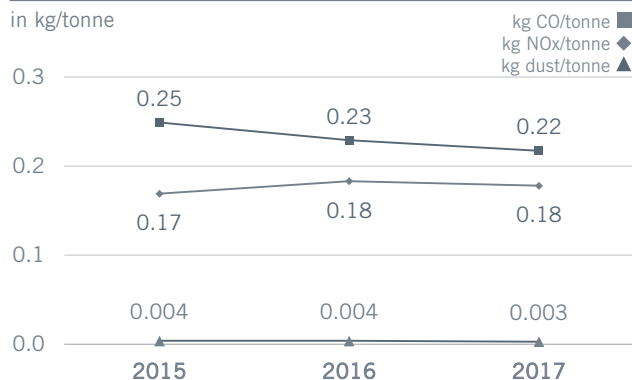
10) Direct CO<sub>2</sub> emissions in the 2014 basis year amounted to 75,371 t. The location-based Scope 2 emission factor from total domestic baseload electricity production amounted to 0.000302 t CO<sub>2</sub>/kWh in 2017. (Source of emission factors: German Federal Environment Agency [UBA], October 2017). The market-based Scope 2 emission factor amounted to 0.00017026 t CO<sub>2</sub>/kWh in 2017 (Source: electricity suppliers).

**Specific CO<sub>2</sub> emissions/production volume**



Besides the greenhouse gas CO<sub>2</sub>, the most important AMAG air emissions include nitrogen oxide (NO<sub>x</sub>), carbon monoxide (CO) and dust. By contrast with greenhouse gases with global impact, these air emissions tend to exert local effects. Nitrogen oxides arise when burning natural gas at high temperatures in the furnace plants. Carbon monoxide arises mainly because of incomplete combustion. At AMAG, compliance with emission limits is confirmed both by continuously registering measuring equipment and taking individual measurements. The regulator is informed if limits are exceeded.

**Emissions of air pollutants per tonne of production**



No significant excesses were registered in the 2017 reporting year. The annual volume of emitted pollutants is calculated by multiplying the results of individual measurements by the gas consumption or the operating hours of the respective plant.

In the case of nitrogen oxides, the specific emissions amount to 0.18 kg NO<sub>x</sub>/tonne, with the total emission for 2017 amounting to 106

tonnes (2016: 101 tonnes). In the case of specific carbon monoxide emissions, marked reductions are evident from 0.23 kg CO/tonne in 2016 to 0.22 kg CO/tonne in 2017 thanks to ongoing plant optimisation (total emission in 2017: 129 tonnes). A decline in dust emissions has also been recorded. Compared with 2.1 tons of total dust still being emitted in 2016, 2.0 tonnes were emitted in 2017. (GRI 305-7)

**Water**

We regard it as our task to utilise water efficiently and handle it as sparingly as possible. Most of the water is utilised for cooling in the foundry, rolling and heat treatment processes. Before any water goes into the canalisation system, contaminated effluents are drawn into water treatment plants where they are processed and purified.

The effluent volume corresponds, less (evaporation) losses, to the withdrawal volume of drinking and service water. At the Ranshofen headquarters, water supply is taken from two service water wells and one drinking water well supplied by groundwater. Volumes are calculated from measurements taken directly at the tapping point. Rainwater is discharged directly into the River Inn through the rainwater channel or seeps into the land at AMAG, and in-house waste water is fed to the Braunau waste water treatment plant. Contaminated operating waste waters are processed and purified in water treatment plants. Before going into the canalisation system, waste water is tested for corresponding quality, and retained if a divergence has arisen.

In 2017, we received a renewed water regulatory permit to withdraw groundwater at the Ranshofen site. We accompany groundwater withdrawal with extensive monitoring, also including measuring the groundwater level.

Despite higher production volumes, AMAG has kept its service water withdrawal constant by means of cycle management. Total service water withdrawal in 2017 amounted to 3,486,000 m<sup>3</sup> (2016: 3,252,000 m<sup>3</sup>). Specific service water withdrawal in 2017 amounted to 5.9 m<sup>3</sup>/tonne (2016: 5.9 m<sup>3</sup>/tonne). (GRI 303-1)

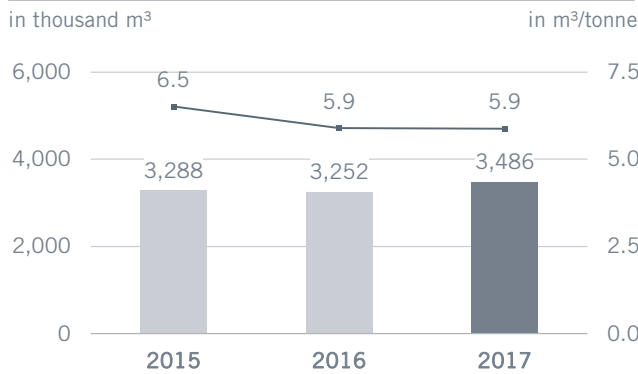
Projects to utilise water more efficiently are being constantly implemented. A cooling water cycle is currently being implemented at the electromagnetic casting plants, thereby further reducing water requirements.

**Waste**

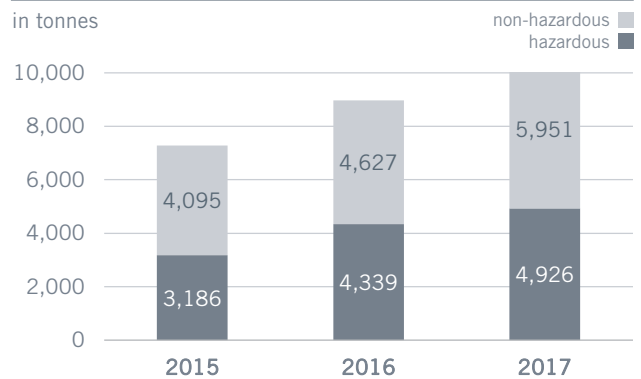
AMAG service GmbH acts as a waste collector for the Ranshofen site. Accumulated waste is recorded by waste type and volume and disposed of through licensed companies in accordance with statutory legislation.

AMAG endeavours to avoid generating waste in line with the Austrian Waste Management Act 2002, prepare waste for reuse, or put it to other uses (e.g. as an energy source). Disposal of hazardous waste (such as used oil, emulsions, workshop waste and filter dust) in line with the statutory requirements is a leading priority.

**Total and specific service water withdrawal**



**Waste by type**



Higher production volumes in the period under review and the plant expansion resulted in an increase in waste volumes to 10,877 tonnes.

At the same time, the specific waste volume in relation to production volume rose to 18 kg/tonne in 2017 (2016: 16 kg/tonne).

The figures do not include:

- + Waste metal generated during production, as this is recycled and returned to the internal materials cycle
- + Construction waste from the expansion works, the majority of which is assessed in accordance with the guidelines for recycling construction materials of the Austrian Construction Material Recycling Association (BRV) and reused on-site
- + Salt slag

(GRI 306-2)

#### Salt slag

Salt slag comprises the largest waste volume at AMAG. Recycling contaminated scrap requires the application of special salts to provide protection against oxidation and to remove and separate the oxidic and non-metallic contaminants. This generates salt slack, which is processed by specialist companies. As part of this recycling process, the salt and the residual aluminium are recovered and reutilised in melting plants. The oxidic residue is processed and utilised in the insulation materials industry, for example.

Because of the closure of the smelting operations at the Ranshofen site in 1992, a need arose to dispose of waste materials. AMAG owns a landfill site which is currently subject to aftercare and is included in the Austrian register of contaminated sites. The Group regularly monitors the groundwater near the landfill. We are also aware of other former landfills which are included in the register of potentially hazardous sites. In addition, AMAG owns a disused landfill in Furth im Walde, Germany. AMAG is required to submit annual reports to the relevant authorities on the environmental state of the site and precautionary measures taken.

#### Biodiversity

AMAG currently owns 297 hectares of land, of which 125 hectares can be used for industrial purposes. The operational site is situated in Lachforst Forest. The following nature protection areas with high

priority for biodiversity conservation are located in the immediate vicinity of the operating site:

- + The "Unterer Inn" nature protection area
- + The "Buchenwald" nature protection area, a mainly enclosed wooded area directly next to the operating site
- + The "Auwälder am unteren Inn" fauna-flora habitat area
- + The "Salzachmündung" bird reserve in Bavaria

AMAG endeavours to minimise its interference with nature as far as possible and protect the habitat of animals and plants within the environment.

As part of expanding the casthouse and related review of environmental compatibility, no official obligations above and beyond those deriving from prevailing statutory regulation were imposed on AMAG. The official experts categorised the expansion as environmentally compatible. In the forestry and soil area, biomonitoring of the surrounding area was prescribed, entailing examining various pollutants such as heavy metals and dioxins in ground and spruce needle samples. Tests to date have shown that pollutant content lies in the range of natural background levels, and that the ground can be utilised for multifunctional purposes at all test sites – including in the immediate vicinity of the AMAG operating site.

Along with monitoring environmental effects of normal operating activities as part of certified environmental management, AMAG has also implemented processes regulating the handling of divergent conditions. Corresponding environmental incident and crisis management regulates responsibilities and measures in unforeseen operating circumstances.

The primary objective is to prevent the inadvertent release of materials, and thereby rule out potential harm to people and the environment. No significant fines or non-monetary sanctions were imposed in the 2017 reporting year due to non-compliance with environmental legislation and directives. (GRI 304-1, GRI 307-1)

## Sustainability program relating to the main topics

| Goals  | Measures  | Status                      |
|--|---|-----------------------------|
| <b>Ethics &amp; integrity in business practice</b>   |   |                             |
| <b>Topic: Compliance</b><br><b>Target: No offences</b>   | <ul style="list-style-type: none"> <li>+ Further development of the compliance system that has been established (training, controls)</li> <li>+ Ongoing reviews of legislative amendments</li> <li>+ Regular review of compliance guidelines</li> <li>+ Implementing statutory regulations in the data protection area (EU General Data Protection Regulation and relevant EU regulations)</li> <li>+ Regular training for individuals in roles involving confidentiality</li> <li>+ Participation in relevant events</li> </ul>  | ongoing                     |
| <b>Customer relationships</b>  |   |                             |
| <b>Topic: Customer satisfaction</b><br><b>Target: Enhancing customer satisfaction</b>  | <ul style="list-style-type: none"> <li>+ Ongoing improvement of product and service quality and reliable delivery</li> <li>+ Qualification of the new works' plant</li> <li>+ Boosting shipment volumes to meet growing demand</li> <li>+ Market launch of new products (dimensions, alloys)</li> <li>+ Greater vertical range of production (contour sawing for aerospace applications)</li> </ul>   | ongoing<br><br><br><br>2018 |
| <b>Innovation</b>  |   |                             |
| <b>Topic: Innovation</b><br><b>Target: Boosting competitiveness</b>  | <ul style="list-style-type: none"> <li>+ Developing special products and efficient production processes</li> <li>+ Tapping new applications for AMAG products</li> <li>+ Advancing digitalisation (automation, simulation, data exchange)</li> <li>+ Boosting materials efficiency, alloy optimisation</li> </ul>   | ongoing                     |
| <b>AMAG as an employer</b>   |   |                             |
| <b>Topic: Occupational health and safety</b><br><b>Target: Reducing the TRIFR accident rate as part of the "zero accidents" strategy</b> | <ul style="list-style-type: none"> <li>+ Information and raising awareness</li> <li>+ Training employees, managers and safety officers</li> <li>+ Safety patrols</li> <li>+ Fifteen-minute safety sessions</li> <li>+ Checking the efficacy of implemented measures</li> </ul>  | ongoing                     |
| <b>Topic: Training and further development</b><br><b>Target: Establishing an e-learning platform</b>                                     | <ul style="list-style-type: none"> <li>+ Preparing training sessions in appropriate learning formats</li> <li>+ Creating a training program based on evaluating individual requirements</li> <li>+ Recruiting new employees</li> </ul>  | 2018<br><br>ongoing         |
| <b>Raw materials, recycling</b>  |   |                             |
| <b>Topic: Raw materials</b><br><b>Target: Implementing ASI Standard</b>  | <ul style="list-style-type: none"> <li>+ Certification according to the Aluminium Stewardship Initiative (ASI) Performance Standard</li> </ul>  | 2018                        |
| <b>Topic: Recycling</b><br><b>Target: Production growth retaining 75-80 % scrap utilisation rate</b>                                     | <ul style="list-style-type: none"> <li>+ Expanding recycling capacities and expertise in the scrap sorting area</li> <li>+ Expanding closed-loop relationships with customers</li> <li>+ Expanding the supplier base in Europe</li> </ul>   | ongoing                     |
| <b>Environmental protection</b>  |   |                             |
| <b>Topic: Energy</b><br><b>Target: Continuous improvement of energy-related output</b>   | <ul style="list-style-type: none"> <li>+ Implementation of the "Optimal Energy Utilisation through Heat Recovery" flagship project, making waste heat from the casting plants usable for heating purposes</li> <li>+ Optimising the hall heating from the new cold rolling mill by means of heat recovery</li> <li>+ Optimising compressed air consumption</li> <li>+ Saving electricity through more efficient hall lighting</li> <li>+ Optimising energy consumption in individual process steps or plants</li> <li>+ Raising employee awareness</li> <li>+ Incentive scheme to suggest energy-saving improvements</li> </ul> | ongoing                     |
| <b>Topic: Emissions</b><br><b>Target: Reducing specific CO<sub>2</sub> emissions</b>   | <ul style="list-style-type: none"> <li>+ Implementation of the "Optimal Energy Utilisation through Heat Recovery" flagship project</li> </ul>   | ongoing                     |

## GRI content index

| GRI Standard                            | Disclosure   | Page number              | Omission   | Topic boundaries |
|---|--|--------------------------|--|------------------|
| <b>GRI 102 General Disclosures 2016</b> |  |                          |  |                  |
| <b>Organisational profile</b>           |  |                          |  |                  |
| 102-1                                   | Name of the organisation                                     | 34                       |  |                  |
| 102-2                                   | Activities, brands, products, and services                   | 35, 46                   |  |                  |
| 102-3                                   | Location of headquarters                                     | 34                       |  |                  |
| 102-4                                   | Location of operations                                       | 34                       |  |                  |
| 102-5                                   | Ownership and legal form                                     | 86                       |  |                  |
| 102-6                                   | Markets served   | 34 f., 67                |  |                  |
| 102-7                                   | Scale of the organisation                                    | 34 f.                    |  |                  |
| 102-8                                   | Information on employees and other workers                   | 50 f.                    |  |                  |
| 102-9                                   | Supply chain   | 38, 53                   |  |                  |
| 102-10                                  | Significant changes to the organisation and its supply chain | 36, 53<br>39, 41, 80 ff. |  |                  |
| 102-11                                  | Precautionary principle or approach                          |                          |  |                  |
| 102-12                                  | External initiatives   | 44                       |  |                  |
| 102-13                                  | Membership of associations                                   | 45                       |  |                  |
| <b>Strategy</b>                         |  |                          |  |                  |
| 102-14                                  | Statement from senior decision-maker                         | 37                       |  |                  |
| <b>Ethics and integrity</b>             |  |                          |  |                  |
| 102-16                                  | Values, principles, standards, and norms of behaviour        | 44                       |  |                  |
| <b>Governance</b>                       |  |                          |  |                  |
| 102-18                                  | Governance structure   | 22-27, 41                |  |                  |
| <b>Stakeholder engagement</b>           |  |                          |  |                  |
| 102-40                                  | List of stakeholder groups                                   | 41 f.                    |  |                  |
| 102-41                                  | Collective bargaining agreements                             | 50                       |  |                  |
| 102-42                                  | Identifying and selecting stakeholders                       | 41                       |  |                  |
| 102-43                                  | Approach to stakeholder engagement                           | 41 f.                    |  |                  |
| 102-44                                  | Key topics and concerns raised                               | 41                       |  |                  |
| <b>Reporting practice</b>               |  |                          |  |                  |
| 102-45                                  | Entities included in the consolidated financial statements   | 36, 98 f.                | See consolidated financial statements, section D, Consolidation principles |                  |
| 102-46                                  | Defining report content and topic boundaries                 | 36                       |  |                  |
| 102-47                                  | List of material topics                                      | 43                       |  |                  |
| 102-48                                  | Restatements of information                                  |                          | No material restatements of information                                    |                  |
| 102-49                                  | Changes in reporting   | 43                       |  |                  |
| 102-50                                  | Reporting period   | 36                       |  |                  |
| 102-51                                  | Date of most recent report                                   | 36                       |  |                  |
| 102-52                                  | Reporting cycle  | 36                       |  |                  |
| 102-53                                  | Contact point for questions regarding the report             | 36                       |  |                  |
| 102-54                                  | Claims of reporting in accordance with the GRI Standards     | 36                       |  |                  |
| 102-55                                  | GRI content index  | 36, 61 ff.               |  |                  |
| 102-56                                  | External assurance   | 36                       |  |                  |



| GRI Standard Disclosure                               | Page number   | Omission                            | Topic boundaries         |
|---|---|-------------------------------------|--------------------------|
| <b>GRI 103 Management approach 2016</b>               |   |                                     |                          |
| 103-1   | Explanation of the material topic and its boundary  |                                     |                          |
| 103-2   | The management approach and its components  | Described in the respective chapter |                          |
| 103-3   | Evaluation of the management approach   | Described in the respective chapter |                          |
| <b>GRI 201 Economic performance 2016</b>              |   |                                     |                          |
| 201-1   | Direct economic value generated and distributed   | 92 f.                               |                          |
| <b>GRI 202 Market presence 2016</b>                   |   |                                     |                          |
| 202-2   | Proportion of senior management hired from the local community  | 50                                  |                          |
| <b>GRI 204 Procurement practices 2016</b>             |   |                                     |                          |
| 204-1   | Proportion of spending on local suppliers   | 39                                  | raw materials, recycling |
| <b>GRI 206 Anti-competitive behaviour 2016</b>        |   |                                     |                          |
| 206-1   | Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices  | 44                                  | compliance               |
| <b>GRI 301 Materials 2016</b>                         |   |                                     |                          |
| 301-2   | Recycled input materials used   | 53                                  | raw materials, recycling |
| <b>GRI 302 Energy 2016</b>                            |   |                                     |                          |
| 302-1   | Energy consumption within the organisation  | 56                                  | energy                   |
| 302-3   | Energy intensity  | 56                                  |                          |
| <b>GRI 303 Water 2016</b>                             |   |                                     |                          |
| 303-1   | Water withdrawal by source  | 58                                  |                          |
| <b>GRI 304 Biodiversity 2016</b>                      |   |                                     |                          |
| 304-1   | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 59                                  |                          |
| <b>GRI 305 Emissions 2016</b>                         |   |                                     |                          |
| 305-1   | Direct (Scope 1) GHG emissions  | 57                                  | emissions                |
| 305-2   | Energy indirect (Scope 2) GHG emissions   | 57                                  | emissions                |
| 305-7   | Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions                                 | 58                                  | emissions                |
| <b>GRI 306 Effluents and waste 2016</b>               |   |                                     |                          |
| 306-2   | Waste by type and disposal method   | 59                                  |                          |
| <b>GRI 307 Environmental compliance 2016</b>          |   |                                     |                          |
| 307-1   | Non-compliance with environmental laws and regulations  | 59                                  | compliance               |
| <b>GRI 308 Supplier environmental assessment 2016</b> |   |                                     |                          |
| 308-1   | New suppliers that were screened using environmental criteria   | 44, 53                              |                          |
| <b>GRI 401 Employment 2016</b>                        |   |                                     |                          |
| 401-1   | New employee hires and employee turnover  | 50, 52                              |                          |
| <b>GRI 402 Labor/Management relations 2016</b>        |   |                                     |                          |
| 402-1   | Minimum notice periods regarding operational changes  | 51                                  |                          |

Annual averages were not calculated for sulphur oxide (SO<sub>x</sub>), persistent organic pollutants (POP), volatile organic compounds (VOC) and hazardous air pollutants (HAP); particulate matter (PM) is measured as total dust emissions

| GRI Standard  | Disclosure  | Page number | Omission | Topic boundaries               |
|---|---|-------------|----------|--------------------------------|
| <b>GRI 403 Occupational health and safety 2016</b>  |   |             |          |                                |
| 403-1   | Workers representation in formal joint management-worker health and safety committees | 48          |          | occupational health and safety |
| <b>GRI 404 Training and education 2016</b>          |   |             |          |                                |
| 404-1   | Average hours of training per year per employee                                       | 50          |          | training and education         |
| 404-3   | Percentage of employees receiving regular performance and career development reviews  | 49          |          | training and education         |
| <b>GRI 405 Diversity and equal opportunity 2016</b> |   |             |          |                                |
| 405-1   | Diversity of governance bodies and employees  | 22f., 52    |          |                                |
| <b>GRI 406 Non-discrimination 2016</b>              |   |             |          |                                |
| 406-1   | Incidents of discrimination and corrective actions taken                              | 50          |          |                                |
| <b>GRI 419 Socioeconomic compliance 2016</b>        |   |             |          |                                |
| 419-1   | Non-compliance with laws and regulations in the social and economic area              | 44          |          | compliance                     |

# Economic environment

## Economic trends

The worldwide economy improved in 2017, with global economic growth forecasts being upgraded several times during the year. According to recent IMF estimates<sup>11</sup>, global economic growth amounted to 3.7 % in 2017, 0.5 percentage points higher than in the previous year.

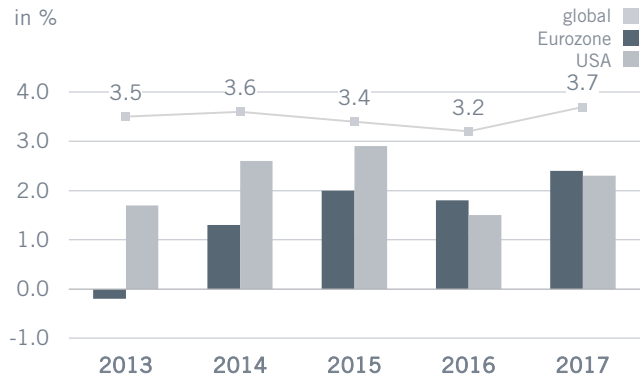
Stronger growth dynamics were registered in almost all regions and countries of the world. In 2017 growth in industrialised nations amounted to 2.3 %, compared with 1.7 % in the previous year.

The Eurozone economy expanded by 2.4 % (2016: 1.8 %). With a look to Germany, the IMF anticipates 2.5 % economic growth in 2017 (2016: 1.9 %). Year-on-year higher growth rates were also calculated for France (1.8 % compared with 1.2 % in the previous year) and Italy (1.6 % compared with 0.9 % in the previous year). Austria's economy registered 3.0 % growth (2016: 1.5 %), according to the Austrian Institute of Economic Research (Wifo)<sup>12</sup>.

The US economy is also expected to have reported stronger economic growth than in the previous year. According to the most recent IMF forecast, the USA registered an increase of 2.3 % in 2017, following 1.5 % growth in the previous year.

The group of emerging and developing countries also reported a year-on-year higher economic growth rate in 2017 with an increase of 4.7 % (2016: 4.4 %). China's economy is estimated to have expanded by 6.8 % to 2017, compared with an increase of 6.7 % in 2016.

## Real economic growth



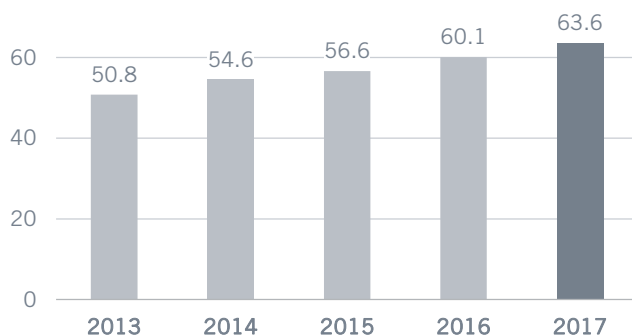
## Demand for aluminium products

The Metal and Rolling divisions of AMAG operate worldwide. Global consumption of primary aluminium and rolled products is of central importance as a consequence. Attractive growth continued to be registered in both areas in 2017, with annual global consumption in each case reaching a new historic record level, according to estimates by market research institute CRU.

In terms of worldwide demand for primary aluminium<sup>13</sup>, global growth of 5.8 % is calculated for 2017, reaching a total of 63.6 million tonnes. Global demand for rolled products<sup>14</sup> increased by 5.2 % from 25.1 million tonnes in the previous year to 26.4 million tonnes in 2017, according to the Commodity Research Unit (CRU).

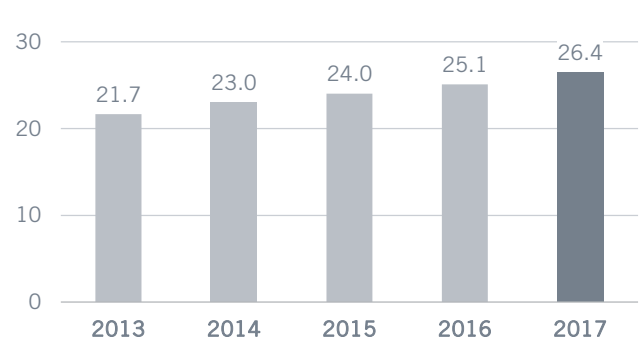
## Global consumption of primary aluminium

in million tonnes



## Global consumption of aluminium rolled products

in million tonnes



11) See International Monetary Fund, World Economic Outlook, January 2018

12) See Wifo economic forecast, December 2017

13) See CRU Aluminium Market Outlook, October 2017

14) See CRU Aluminium Rolled Products Outlook, November 2017

The strongest growth in the consumption of aluminium rolled products was registered in the transport area, which benefited particularly from lightweight design dictating the use of aluminium in cars and from rising demand for aircraft. Demand for rolled products in the transport industry was up by 7.6 % year-on-year to 4.4 million tonnes. The large-volume packaging area recorded a demand increase of 4.4 % in 2017. The construction, the engineering and the electronics industries also registered attractive growth rates of between 4 and 7 %.

In the Casting Division of AMAG, the foundry alloys business features as a regional business with a focus on Western and Central Europe. The automotive industry is the most important customer sector. European automotive production<sup>15</sup> was up by around 3 % year-on-year in 2017, according to the most recent estimates.

## Price trends in aluminium and raw materials

The aluminium price (3-month LME) continued on the uptrend it started in early 2016, and at the end of 2017 reached its highest level for more than five years.

The aluminium price registered its high for the year at 2,257 USD/t on December 28, 2017. The low for the year was recorded at 1,689 USD/t on January 4, 2017. Consequently, the fluctuation range amounted to 568 USD/t.

The year-average aluminium price of 1,980 USD/t stood 22.9 % above the previous year's 1,610 USD/t.

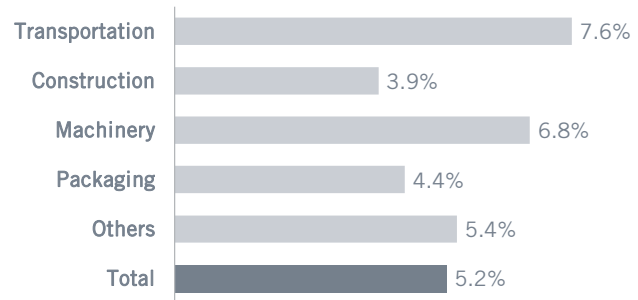
### Aluminium price

three-month settlement in USD/t



### Global demand for aluminium rolled products in 2017

year-on-year, in %



At the year-end, the aluminium price quoted at 2,251 USD/t, 32.3 % higher than at the previous year's end (December 31, 2016: 1,702 USD/t).

AMAG holds a 20 % interest in the Canadian Aluminerie Alouette smelter, which has a long-term electricity contract, and is one of the world's most efficient smelters. Despite the use of hedging instruments, the earnings of the Metal Division reflect LME aluminium price trends. The aluminium price risk exposures of the Casting and Rolling divisions are fully hedged at the Ranshofen site.

15) See IHS Automotive, Global Light Vehicle Production Summary, October 2017

The premiums that are added to aluminium prices are determined, in particular, by the location of delivery, and by supply and demand. Premiums in the 2017 financial year were slightly above the previous year's level.

Raw materials required to produce primary aluminium – especially alumina, petroleum coke and pitch – became considerably more expensive during 2017 and were significantly above the previous year's level.

Aluminium scrap is the most important raw material in terms of volume for the Ranshofen site. For the most part, the price of such aluminium scrap reduced slightly year-on-year, adjusted by the aluminium price component.

#### EUR/USD exchange rate



## Currency market trends

Aluminium is traded in US dollars on the London Metal Exchange (LME). US dollars are also the transaction currency to purchase raw materials required for primary metal production. Moreover, trends in the Canadian dollar are important due to the production site in Canada.

The US dollar (USD) depreciated against the euro during the year. Based on exchange rates on the reporting date, the EUR/USD exchange rate increased by 13.8 % to 1.20 as of December 31, 2017. On a year-average basis, an increase of 2.0 % was recorded. The US dollar also trended down in relation to the Canadian dollar (CAD). In comparing the two year-end rates, the USD/CAD exchange rate of 1.25 was 6.8 % below the previous year's level. On a year-average basis, the change amounted to -2.1 %.

#### USD/CAD exchange rate



# Business performance

## Revenue and earnings trends

### Shipments and revenue

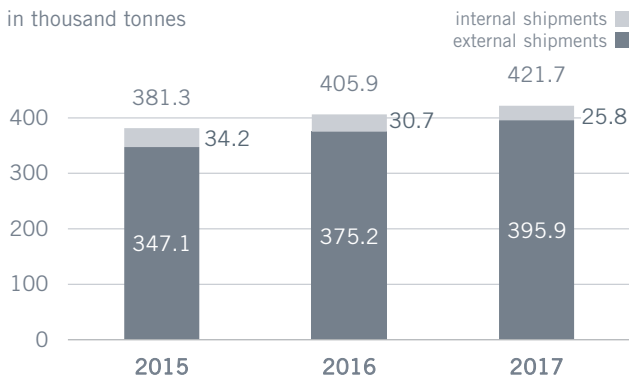
The total shipments of the AMAG Group increased year-on-year especially due to the organic growth path in the Rolling Division. A new historic record in terms of shipments was reached at 421,700 tonnes. Compared with the previous year (2016: 405,900 tonnes), the growth amounts to 3.9 %.

External shipment volumes rose year-on-year from 375,200 to 395,900 tonnes, an increase of 5.5 %.

In addition to the volume increase, the higher aluminium price also exerted a positive effect on consolidated revenue in 2017. Totalling EUR 1,036.2 million, the figure stood 14.3 % above the previous year's level (2016: EUR 906.2 million).

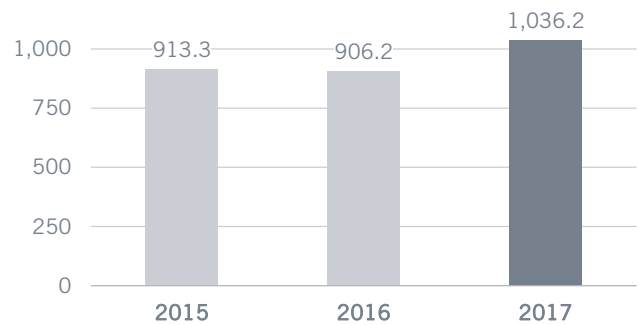
### Shipments

in thousand tonnes



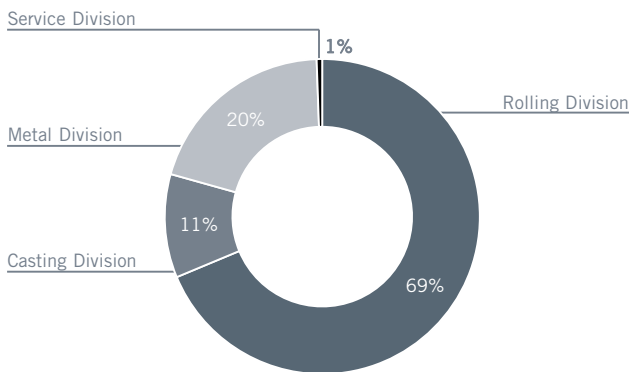
### Group revenue

in EUR million



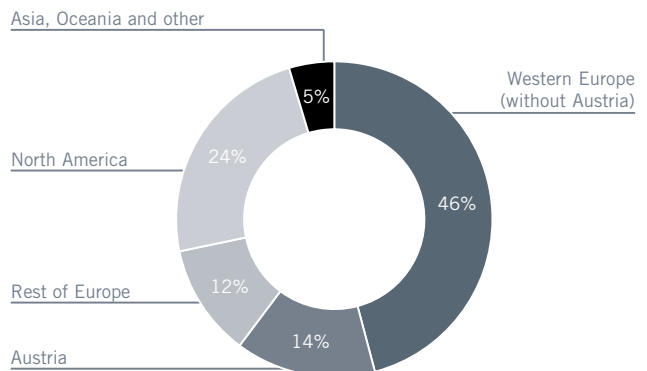
### Group revenue by divisions

in %



### Group revenue by regions

in %



(GRI 102-6)

### Results of operations

AMAG continued to report growth in its key results figures in the 2017 financial year. Earnings before interest, tax, depreciation and amortisation (EBITDA) of EUR 164.5 million were up by 15.0 % compared with the previous year. Firstly, AMAG benefited from the higher aluminium price. Secondly, the higher shipment volume together with the organic growth track and an improved product mix led to a significantly higher earnings contribution.

The EBITDA margin of the AMAG Group improved from 15.8 % in the previous year to 15.9 %.

Reporting EBITDA of EUR 41.3 million, the Metal Division made a higher earnings contribution than in the previous year (EUR 37.9 million).

This increase is attributable to the considerably higher aluminium price, which more than offset the negative effects from higher raw materials costs and the weaker US dollar.

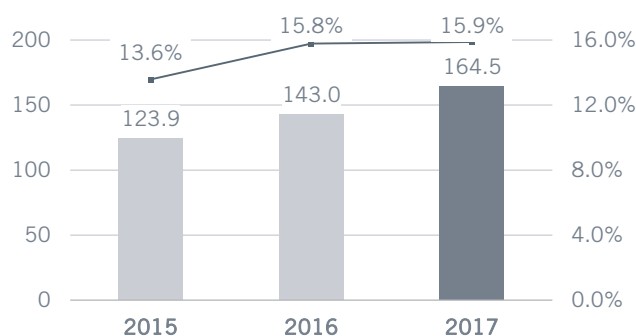
EBITDA in the Casting Division in the 2017 financial year of EUR 5.7 million came in below the previous year's level (2016: EUR 6.1 million).

The Rolling Division increased its EBITDA by 10.8 %, from EUR 95.6 million to EUR 105.9 million, especially due to the higher shipment volume and improved product mix.

The Service Division recorded EUR 11.5 million of EBITDA in the 2017 financial year (2016: EUR 3.4 million).

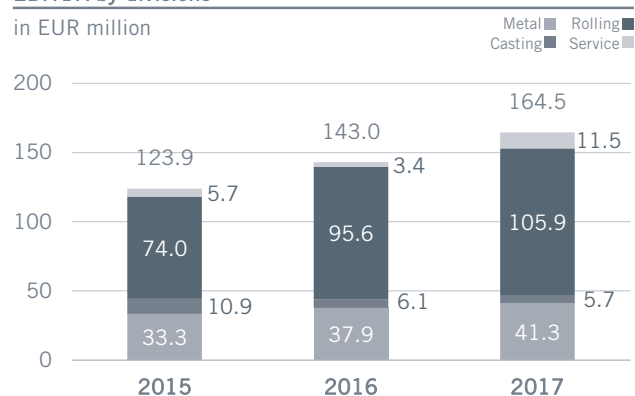
### EBITDA and EBITDA margin

in EUR million and %



### EBITDA by divisions

in EUR million



### Consolidated Statement of Income, condensed in EUR million

|  | 2017         | Structure in % | 2016         | Structure in % | Change in % |
|--|--------------|----------------|--------------|----------------|-------------|
| Revenue  | 1,036.2      | 100.0          | 906.2        | 100.0          | 14.3        |
| Cost of sales                                      | (880.0)      | (84.9)         | (755.9)      | (83.4)         | (16.4)      |
| <b>Gross profit</b>                                | <b>156.2</b> | <b>15.1</b>    | <b>150.4</b> | <b>16.6</b>    | <b>3.9</b>  |
| Other income                                       | 15.0         | 1.4            | 7.0          | 0.8            | 113.9       |
| Selling and distribution expenses                  | (45.3)       | (4.4)          | (42.0)       | (4.6)          | (8.0)       |
| Administrative expenses                            | (22.5)       | (2.2)          | (24.6)       | (2.7)          | 8.5         |
| Research and development expenses                  | (12.3)       | (1.2)          | (10.8)       | (1.2)          | (13.6)      |
| Other expenses                                     | (5.8)        | (0.6)          | (7.0)        | (0.8)          | 17.1        |
| Income (expense) from equity-accounted investments | 1.5          | 0.1            | 0.0          | 0.0            | 0.0         |
| <b>Earnings before interests and taxes (EBIT)</b>  | <b>86.8</b>  | <b>8.4</b>     | <b>73.0</b>  | <b>8.1</b>     | <b>19.0</b> |
| EBIT margin in %                                   | 8.4          | -              | 8.1          | -              | -           |
| Net financial income (expenses)                    | (5.1)        | (0.5)          | (10.0)       | (1.1)          | 48.6        |
| <b>Earnings before taxes (EBT)</b>                 | <b>81.7</b>  | <b>7.9</b>     | <b>63.0</b>  | <b>6.9</b>     | <b>29.7</b> |
| EBT margin in %                                    | 7.9          | -              | 6.9          | -              | -           |
| Income taxes                                       | (18.5)       | (1.8)          | (16.6)       | (1.8)          | (11.1)      |
| <b>Net income after taxes</b>                      | <b>63.2</b>  | <b>6.1</b>     | <b>46.3</b>  | <b>5.1</b>     | <b>36.4</b> |

The profit and loss statement, which is prepared applying the cost of sales method, reports a cost of sales of EUR 880.0 million for the 2017 financial year. The increase compared with the previous year (2016: EUR 755.9 million) chiefly reflects a higher average aluminium price and the greater shipment volume.

Other income stood at EUR 15.0 million in the 2017 financial year, and includes not only income passed on for maintenance and infrastructure services but also currency translation gains. The rise compared with the previous year (2016: EUR 7.0 million) is mainly attributable to a higher level of research & development grants.

Selling and distribution expenses were up by 8.0 %, from EUR 42.0 million to EUR 45.3 million. This increase mainly reflects the higher shipment volume.

Administrative expenses of EUR 22.5 million were recorded, slightly below the level of the previous year (2016: EUR 24.6 million).

Research & development expenses at the AMAG Group were up by 13.6 % year-on-year to reach EUR 12.3 million. The previous year's figure of EUR 10.8 million included a one-off effect that reduced expenses.

The first-time equity accounting of the interest in Speditionsservice Ranshofen Ges.m.b.H. generated a result from equity-accounted investments of EUR 1.5 million for 2017.

Depreciation and amortisation of EUR 77.7 million, included in the above-mentioned positions, was significantly above the level of the previous year (2016: EUR 70.0 million). This is especially attributable to the commissioning of new plants as part of the site expansion in Ranshofen.

The operating result (EBIT) of the AMAG Group also reported considerable growth. It amounted to EUR 86.8 million in 2017, compared with EUR 73.0 million in 2016. The corresponding EBIT margin came in at 8.4 %, compared with 8.1 % in the previous year.

The net financial result stood at EUR -5.1 million, after the previous year's EUR -10.0 million. The rise is attributable to positive earnings from held-for-trading-derivatives.

Thanks to the positive operating trend, earnings before tax (EBIT) improved by 29.7 %, from EUR 63.0 million in the previous year to EUR 81.7 million in 2017.

A current tax expense of EUR 11.1 million and a deferred tax expense of EUR 7.4 million in 2017 led to an expense from income taxes of EUR 18.5 million, which was above the previous year's level (2016: EUR 16.6 million) due to the higher pre-tax result.

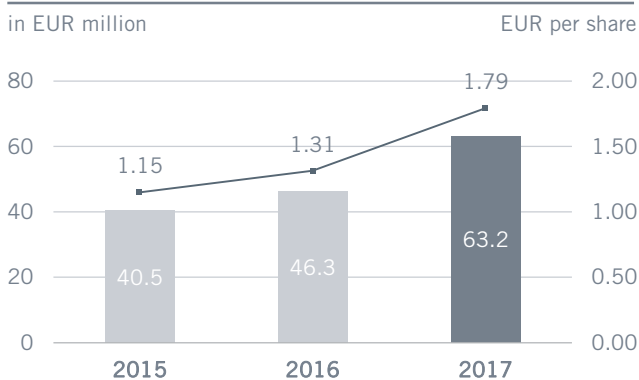
Net income after taxes reported a considerable year-on-year improvement. Standing at EUR 63.2 million, it exceeded the previous year's level of EUR 46.3 million by 36.4 %.

Taking into account a year-on-year unchanged number of AMAG shares, earnings per share amount to EUR 1.79 (2016: EUR 1.31).

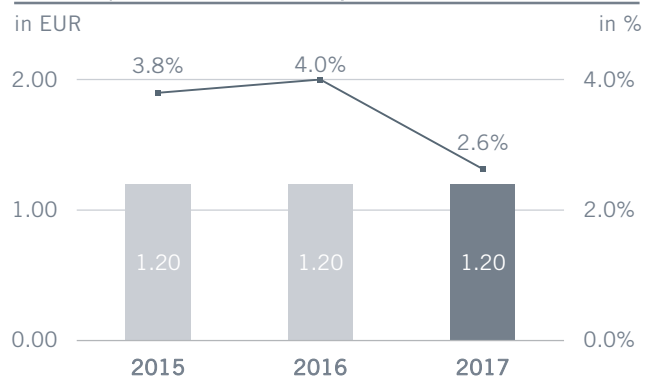
#### Dividend

The Management Board will propose to the Annual General Meeting on April 17, 2018, the payment of a dividend of EUR 1.20 per share, which corresponds to the dividend paid in the previous year. Based on the 2017 average share price in 2017 of EUR 45.65, this is equivalent to a 2.6 % dividend yield.

#### Net income after taxes



#### Dividend per share and dividend yield





## Structure of assets and capital

### Consolidated statement of financial position

The total assets of the AMAG Group of EUR 1,404.9 million as of the end of 2017 were above the previous year's level (previous year-end: EUR 1,389.7 million).

Non-current assets reduced from EUR 876.9 million to EUR 824.8 million, which is particularly attributable to the measurement of the electricity contract for the Alouette smelter, which has been valid since 2017. Other non-current assets and deferred taxes decreased in this connection from EUR 126.1 million to EUR 62.9 million.

Inventories of EUR 227.2 million as of the 2017 year-end were above the previous year's level, in line with the aluminium price (December 31, 2016: EUR 199.0 million). Trade receivables were up from EUR 102.6 million to EUR 120.4 million, mainly due to the greater sales volume and the higher aluminium price. Other current assets rose slightly from EUR 58.2 million in 2016 to EUR 61.4 million in the year elapsed.

The equity of the AMAG Group reduced from EUR 630.5 million as of the end of 2016 to EUR 607.9 million as of the end of 2017. In contrast to the positive effects from the earnings growth and the change in the hedging reserve, the reasons for this reduction included negative effects from currency translation as well as the dividend payment of EUR 42.3 million.

Non-current liabilities reduced from EUR 555.8 million to EUR 513.9 million, which is particularly attributable to the measurement of the electricity contract for the Alouette smelter.

Current liabilities rose from EUR 203.5 million in 2016 to EUR 283.1 million as of the end of 2017 especially due to the reclassification of non-current and current financial liabilities.

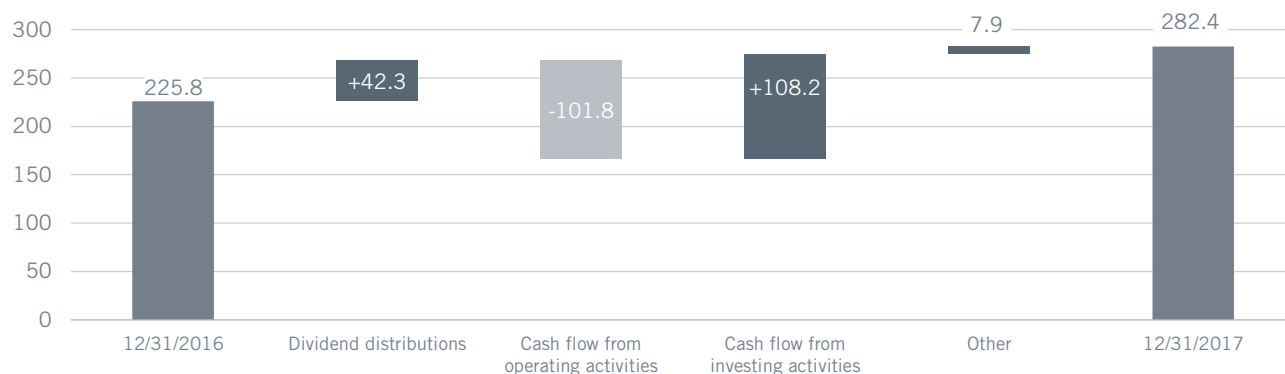
### Equity ratio

The equity ratio expresses the relationship between equity and the sum of equity and liabilities. The equity ratio stood at 43.3 % as of the end of 2017, slightly below the level as of the previous year's reporting date.

| Consolidated balance sheet, condensed in EUR million | Structure    |             | 2016         | Structure in % |
|--|--------------|-------------|--------------|----------------|
|  | 2017         | in %        |              |                |
| Intangible assets, property, plant and equipment     | 760.5        | 54.1        | 750.8        | 54.0           |
| Equity-Investments                                   | 1.4          | 0.1         | 0.0          | 0.0            |
| Other non-current assets and deferred taxes          | 62.9         | 4.5         | 126.1        | 9.1            |
| <b>Non-current assets</b>                            | <b>824.8</b> | <b>58.7</b> | <b>876.9</b> | <b>63.1</b>    |
| Inventories  | 227.2        | 16.2        | 199.0        | 14.3           |
| Trade receivables                                    | 120.4        | 8.6         | 102.6        | 7.4            |
| Current tax assets                                   | 1.3          | 0.1         | 3.2          | 0.2            |
| Other current assets                                 | 61.4         | 4.4         | 58.2         | 4.2            |
| Cash and cash equivalents                            | 169.8        | 12.1        | 149.8        | 10.8           |
| <b>Current assets</b>                                | <b>580.0</b> | <b>41.3</b> | <b>512.8</b> | <b>36.9</b>    |
| Assets   | 1,404.9      | 100.0       | 1,389.7      | 100.0          |
| <b>Equity</b>  | <b>607.9</b> | <b>43.3</b> | <b>630.5</b> | <b>45.4</b>    |
| <b>Non-current liabilities</b>                       | <b>513.9</b> | <b>36.6</b> | <b>555.8</b> | <b>40.0</b>    |
| <b>Current liabilities</b>                           | <b>283.1</b> | <b>20.2</b> | <b>203.5</b> | <b>14.6</b>    |
| Equity and liabilities                               | 1,404.9      | 100.0       | 1,389.7      | 100.0          |

**Net debt development**

in EUR million

**Net financial debt**

Net debt comprises cash and cash equivalents plus loans receivable, less borrowings. The net financial debt of EUR 282.4 million as at the end of 2017 was above the previous year's level (2016 year-end: EUR 225.8 million). This increase mainly reflects the cash flow from investing activities, a higher level of capital employed due to the increase in the aluminium price, the higher shipment volumes, as well as the dividend payments.

**Gearing ratio**

Gearing represents the ratio between net financial debt and equity. At 46.4 %, gearing at the end of December 2017 was recorded above its level a year ago (2016 year-end: 35.8 %), chiefly reflecting the rise in net financial debt.

**Cash flow**

Cash flow from operating activities of EUR 101.8 million in the 2017 financial year was below the previous year's EUR 114.9 million. The higher operating result offset most of the effects from the rise in the aluminium price and an increase in tax payments.

Cash flow from investing activities amounted to EUR -108.2 million (2016: EUR -185.4 million), and related mainly to the site expansion in Ranshofen.

Free cash flow improved from EUR -70.5 million in the previous year to EUR -6.3 million in the 2017 reporting year.

Cash flow from financing activities stood at EUR 34.3 million in 2017. Drawdowns of borrowings totalled EUR 107.8 million (previous year: EUR 140.4 million), while dividend payments amounted to EUR -42.3 million (previous year: EUR -42.3 million) and debt repayments totalled EUR -31.1 million (previous year: EUR -13.4 million).

**Consolidated cash flow statement, condensed in EUR million**

|                                     | 2017    | 2016    | Change in % |
|-------------------------------------|---------|---------|-------------|
| Cash flow from operating activities | 101.8   | 114.9   | (11.3)      |
| Cash flow from investing activities | (108.2) | (185.4) | 41.6        |
| Free cash flow                      | (6.3)   | (70.5)  | 91.0        |
| Cash flow from financing activities | 34.3    | 84.7    | (59.5)      |

## Investments

Investments (capital expenditure) amounted to EUR 107.2 million in the 2017 financial year, after the high in 2016 (2016: EUR 201.3 million). Overall, however, investments in 2017 continued to stand significantly above the level of depreciation and amortisation of EUR 77.7 million (2016 depreciation and amortisation: EUR 70.0 million), contributing to the rise in property, plant and equipment accordingly.

Of the investments realised in 2017, EUR 104.2 million were attributable to property, plant and equipment and EUR 2.9 million to intangible assets.

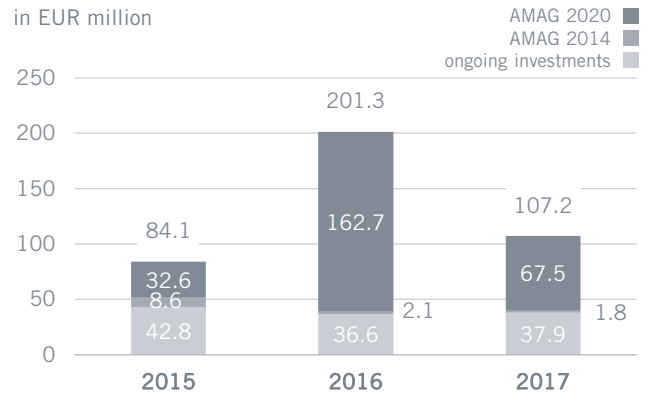
Most of the investments the AMAG Group realised related to the large-scale "AMAG 2020" project.

The total amount invested in this project, which extends over several years, amounts to slightly more than EUR 300 million. Of this amount, EUR 67.5 million were recognised as additions to non-current assets in 2017. This entailed the Rolling and Service divisions.

The "AMAG 2020" site expansion project comprises a new cold rolling mill, a continuous heat-treatment line and additional finishing plants. "AMAG 2020" also includes the expansion of the rolling slab cast-house. As planned, the commissioning of the new plants started in mid-2017 with the kick-off of the several-year ramp-up phase.

### Group investments

in EUR million



Adjusted for the site expansion investments, the investment volume of EUR 37.9 million was 3.7 % above the previous year's level. Investment activity in the Metal Division focused on new refractory linings for smelter pots. The investments in the Casting and Rolling divisions especially included modernisation of plant and machinery, as well as individual measures to enhance productivity and extend the vertical range of manufacture. The construction of the heat recovery plant for the Ranshofen site represented another focus of investments in the Service Division.

# Key financial performance indicators

## Return on Capital Employed

Return on capital employed (ROCE) is defined as the ratio between net operating profit after tax (NOPAT) and average capital employed, expressed as a percentage.

In other words, ROCE measures the profitability of a business based on average capital employed during the financial year.

Average capital employed comprises the total of average equity and average net debt (long-term and short-term interest-bearing financial liabilities, less liquid assets and short-term securities).

The return on capital employed of the AMAG Group in 2017 was increased from the previous year's 6.5 % to 7.8 %.

The improvement in the operating income after taxes, in particular, contributed to this change. The increase in NOPAT was correspondingly higher than the rise in capital employed, which rose especially as

a consequence of the investments in the "AMAG 2020" expansion project.

## Return on Equity

Return on equity is the ratio between net income after taxes and average equity, expressed as a percentage. It shows the profitability in relation to average equity employed during the financial year.

The return on equity increased from 7.3 % in the previous year to 10.2 % in the 2017 reporting year elapsed. On a slightly lower equity base year-on-year, the improved after-tax result was the key driver of higher ROE.

| Calculation of ROCE and ROE in EUR million                       | 2017         | 2016         |
|--|--------------|--------------|
| Net income after taxes   | 63.2         | 46.3         |
| Net interest income (expenses)                                   | (6.4)        | (8.3)        |
| Taxes on interest income   | 1.6          | 2.1          |
| NOPAT  | 68.0         | 52.5         |
| Equity <sup>1)</sup>   | 619.2        | 634.2        |
| Non-current interest-bearing financial liabilities <sup>1)</sup> | 341.1        | 287.6        |
| Current interest-bearing financial liabilities <sup>1)</sup>     | 73.3         | 23.5         |
| Cash and cash equivalents <sup>1,2)</sup>                        | (160.3)      | (141.3)      |
| <b>Capital employed <sup>1)</sup></b>                            | <b>873.3</b> | <b>804.1</b> |
| ROCE in %  | 7.8          | 6.5          |
| Net income after taxes   | 63.2         | 46.3         |
| Equity <sup>1)</sup>   | 619.2        | 634.2        |
| ROE in %   | 10.2         | 7.3          |

1) Year-average

2) Cash and cash equivalents

# Segment reporting

## Metal Division

### Economic environment

Global demand for primary aluminium was on a positive trend in 2017, reaching a new historic high of 63.6 million tonnes, according to the Commodity Research Unit (CRU)<sup>16</sup>. By comparison with the previous year, demand was up by 5.8 % worldwide (2016: to 60.1 million tonnes).

Demand growth was evident in almost all regions worldwide. In China, demand climbed by 7.8 % to reach 34.4 million tonnes. This corresponds to approximately 54 % of global demand. In Europe, demand in 2017 rose by 3.7 % to 9.2 million tonnes, while an increase of 3.2 % to 6.7 million tonnes was registered in North America.

Worldwide production also reached a new historic high of 63.3 million tonnes in 2017. Compared to demand of 63.6 million tonnes, the CRU thereby calculates a slight market deficit, which is especially pronounced in the rest of the world excluding China. A production surplus still prevails in China.

Primary aluminium stocks at LME-registered warehouses continued to reduce, amounting to 1.1 million tonnes at the end of 2017 (2016 year-end: 2.2 million tonnes). The CRU estimates total global primary aluminium stocks at around 12.2 million tonnes at the end of December 2017, compared with 12.5 million tonnes at the previous year-end.

The aluminium price (3-month LME) continued on the uptrend it started in early 2016, and at the end of 2017 reached its highest level for more than five years. The aluminium price marked its high for the year at 2,257 USD/t on December 28, 2017. The low for the year was recorded at 1,689 USD/t on January 4, 2017. The fluctuation range thereby amounted to 568 USD/t. On a year-average basis, the aluminium price (3-month LME) of 1,980 USD/t was registered at 22.9 % above the previous year's level of 1,610 USD/t.

The premiums that are added to aluminium prices are determined, in particular, by the location of delivery, and by supply and demand. These premiums have increased slightly compared to 2016.

Raw materials required to produce primary aluminium, especially alumina, petroleum coke and pitch, became considerably more expensive during 2017 and were significantly above the previous year's level.

### Aluminium price risk management

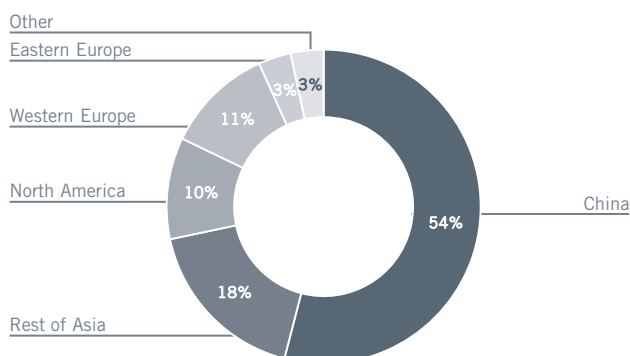
The Metal Division hedges the risk exposure of the Rolling and Casting divisions to the aluminium price, which arises from purchases, sales and stocks of aluminium. Derivatives deployed for hedging purposes are arranged with brokers on the LME (London Metal Exchange). A fee for these services is charged to each division at normal market rates. The Metal Division's earnings also depend on the term structure for aluminium. In 2017, the aluminium price on the LME reported a very flat term structure, leading to a result from inventory hedging of just EUR 0.6 million (2016: EUR 1.0 million).

To ensure stable earnings from the Group's interest in the Alouette smelter, the selling price for a portion of output is hedged on the metal exchange, in some cases for several years, with forwards and options. This limits the risk of losses on the Alouette investment due to low aluminium prices, while also securing the possibility to reap the benefits of rising prices. Besides the current market situation, projected aluminium price trends and resultant production cost changes comprise key decision-making criteria for such hedging transactions. Subsequent physical settlement of such transactions is not envisioned, and they are normally covered by other hedges.

The proportion of natural price hedging increased again in 2017 thanks to the new electricity contract for the Alouette smelter, which bases the electricity price on the trend in the market price for aluminium. Further hedging transactions were also realised during 2017.

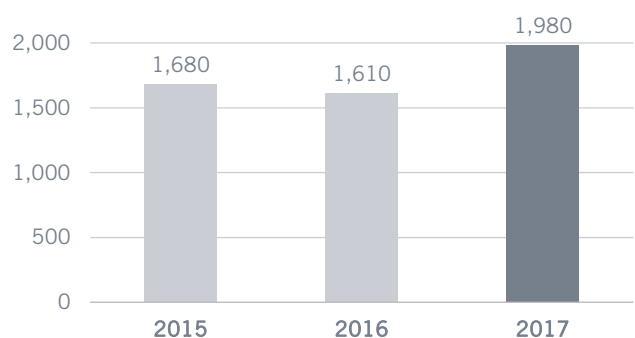
### Consumption of primary aluminium in 2017 by region

in %



### Average LME aluminium price

three-month settlement in USD/t



<sup>16</sup> See CRU, Aluminium Market Outlook, October 2017

**2017 financial year**

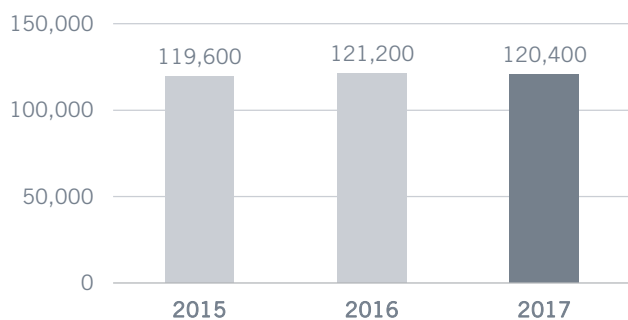
The proportionate procurement of alumina for the smelter forms one of the Metal Division's core tasks. Purchasing volumes amounted to around 220,000 tonnes in 2017 (2016: 240,000 tonnes). Most of the volume of this key raw material in 2017 was priced based on the Alumina Price Index (API).

The Alouette smelter has an annual capacity of about 600,000 tonnes of primary aluminium. The production volume attributable to the Metal Division amounted to 119,000 tonnes in 2017, consequently 2.2 % below the previous year's level of 121,700 tonnes. This reduction is chiefly attributable to a higher level of pot relining activities.

Total shipments in the Metal Division amounted to 120,400 tonnes in the 2017 financial year, compared with 121,200 tonnes in the previous year. No intragroup primary aluminium shipments from Canada to Ranshofen were made in the 2017 financial year (2016 6,000 tonnes).

**Metal Division shipments**

(in tonnes)

**2017 earnings trends**

Thanks to the higher aluminium price, revenue generated in the year increased from EUR 611.1 million in the previous year to EUR 730.9 million. Of this amount, EUR 522.9 million was attributable to intragroup revenue. This consisted mainly of deliveries of input materials – including primary aluminium, scrap and rolling slabs – to the cast-house and rolling mill.

EBITDA generated by the Metal Division improved year-on-year from EUR 37.9 million to EUR 41.3 million, an increase of 9.1 %. The main reason for this rise was the considerable appreciation of the aluminium price, which more than offset higher raw materials costs and the negative currency effects from the weaker US dollar. The EBITDA margin declined from 6.2 % to 5.7 %.

The operating result (EBIT) was also up markedly. At EUR 13.1 million, it was 42.4 % higher than in the previous year. The EBIT margin improved from 1.5 % in the previous year to 1.8 % in 2017.

**Investments**

Investments in property, plant and equipment and in intangible assets in the Metal Division amounted to EUR 12.3 million (previous year: EUR 7.0 million), and related mainly to new refractory linings for smelter pots.

**Employees**

The number of employees (full-time equivalents) decreased compared with the previous year (2016: 195 employees) to an average of 190 employees.

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

|                           | 2017       | 2016       | Change in % |
|---------------------------|------------|------------|-------------|
| Revenue                   | 730.9      | 611.1      | 19.6        |
| thereof, internal revenue | 522.9      | 425.2      | 23.0        |
| EBITDA                    | 41.3       | 37.9       | 9.1         |
| <b>EBITDA margin in %</b> | <b>5.7</b> | <b>6.2</b> | -           |
| EBIT                      | 13.1       | 9.2        | 42.4        |
| <b>EBIT margin in %</b>   | <b>1.8</b> | <b>1.5</b> | -           |
| Investments               | 12.3       | 7.0        | 75.7        |
| Employees <sup>1)</sup>   | 190        | 195        | (2.6)       |

1) The figure includes a 20 % pro rata share of the labour force at the Alouette smelter

## Casting Division

### Economic environment

The Casting Division's key geographical markets are mainly Germany and Austria, as well as other neighbouring countries. The automotive sector (including its respective supply industry) comprises the division's largest customer. European automotive industry trends consequently have a defining effect on the business environment for the Casting Division.

Demand for new cars in the European Union<sup>17</sup> rose in 2017. A total of 15.1 million units were newly registered in 2017, 3.4 % more than in the previous year. Increases were registered in almost all European Union countries. New registrations were up by 2.7 % in Germany. Italy and France reported growth rates of 7.9 % and 4.7 %, respectively.

Furthermore, production figures from the European automotive industry registered a positive trend. Automotive production was up by around 3 % year-on-year according to the latest IHS forecasts<sup>18</sup>. In Germany, the most important market for the Casting Segment, automotive production reduced by 2 % to 5.6 million units, by contrast<sup>19</sup>.

Demand for recycling foundry alloys was stable overall. Prices for recycling foundry alloys registered considerable year-on-year increases, in line with the aluminium price (3-month LME) and many other commodities. At the same time, however, the price level for aluminium scrap rose in this area, leaving the realised margin approximately at the previous year's level.

### 2017 financial year

Capacities in the Casting Division were fully utilised again in 2017. The total shipment volume, including internal deliveries to the Rolling Division, increased year-on-year from 86,700 tonnes to 87,400 tonnes.

Besides the external sales market, the Casting Division makes a valuable contribution to supplying the Rolling Division with input materials. Utilising various processing and melting technologies enabled around 25,800 tonnes to be delivered to the Rolling Division's rolling slab casthouse. Additional recycled aluminium was thereby successfully reintroduced into the value creation cycle to produce high-quality aluminium rolled products. As a consequence, the Casting Division made an important contribution to a further significant year-on-year increase in the volume of scrap utilised at the Ranshofen site.

### 2017 earnings trends

Thanks to the higher price level for recycling foundry alloys and the higher shipment volume, revenues grew from EUR 112.1 million to EUR 119.5 million.

EBITDA in the 2017 financial year of EUR 5.7 million was thereby slightly below the previous year's level (2016: EUR 6.1 million). This was mainly due to costs expensed in connection with the modernisation of plant and equipment.

The EBIT margin amounted to 4.7 %, compared with 5.5 % in the previous year. The operating result (EBIT) decreased to EUR 3.6 million (previous year: EUR 3.9 million). The EBIT margin amounted to 3.0 % (2016: 3.5 %).

### Investments

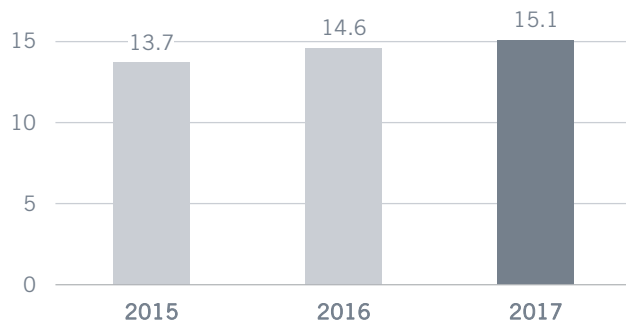
In the Casting Division, investments in property, plant and equipment in 2017 of EUR 3.5 million were above the previous year's level (2016: EUR 1.1 million), and especially related to measures to boost productivity and modernise operating plants.

### Employees

The average number of employees of 126 stood slightly above the previous year's level (125 employees).

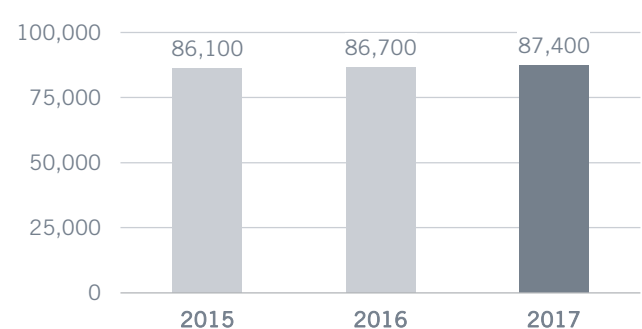
### European Union new car registrations

in million units



### Casting Division shipments

in tonnes



17) See ACEA (European Automobile Manufacturers Association), press release of January 17, 2018

18) See IHS Automotive, Global Light Vehicle Production Summary, October 2017

19) See VDA (German Association of the Automotive Industry), press release of January 4, 2018

## Key figures for the Casting Division in EUR million

|                           | 2017       | 2016       | Change in % |
|---------------------------|------------|------------|-------------|
| Revenue                   | 119.5      | 112.1      | 6.6         |
| thereof, internal revenue | 9.3        | 9.4        | (0.8)       |
| EBITDA                    | 5.7        | 6.1        | (7.7)       |
| <b>EBITDA margin in %</b> | <b>4.7</b> | <b>5.5</b> | -           |
| EBIT                      | 3.6        | 3.9        | (8.5)       |
| <b>EBIT margin in %</b>   | <b>3.0</b> | <b>3.5</b> | -           |
| Investments               | 3.5        | 1.1        | 215.6       |
| Employees                 | 126        | 125        | 0.8         |

## Rolling Division

### Economic environment

#### 2017 demand trends

Demand for aluminium rolled products reported further growth in 2017, according to the latest estimates from the CRU<sup>20</sup>. With global consumption of 26.4 million tonnes in 2017, the previous year's level of 25.1 million tonnes was exceeded and a new historic record was posted.

Almost all regions worldwide benefited from rising demand for aluminium rolled products in this context. Especially in the core markets of Western Europe and North America, growth dynamics improved considerably compared with the previous year. Demand in Western Europe was up by 3.1 %, from 4.1 to 4.3 million tonnes. In North America, a 5.0 % demand increase to 5.5 million tonnes was recorded. Attractive growth continues to be registered in Asian countries, too, where demand was up by 5.9 % to 13.9 million tonnes. China made an important contribution in this context, with demand trending upwards by 7.3 % year-on-year.

The demand growth is reflected in many different industries. Demand in the large-volume packaging industry grew by 4.4 % to 13.2 million tonnes in 2017. The construction and engineering sectors also registered attractive growth of 3.9 % and 6.8 %, respectively.

The transport industry again reported the largest percentage increase in 2017. Rising production figures in the aerospace industry and the trend to lightweight design in the automotive industry pushed demand for aluminium rolled products up by 7.6 % in 2017 to a new record level of 4.4 million tonnes.

#### Demand trends up to 2022

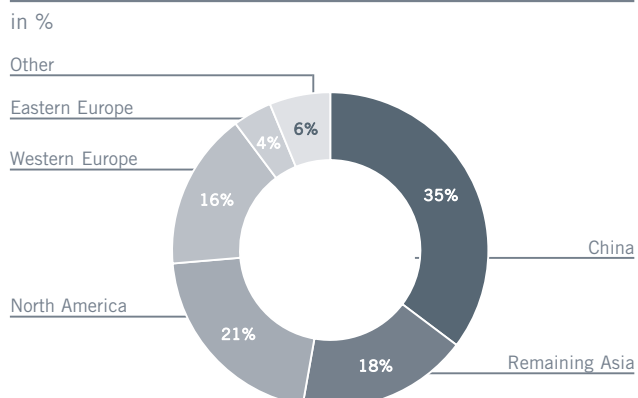
For the coming years, too, the CRU sees attractive growth rates of around 4 % per year for aluminium rolled products, providing a good basis for the growth path the Rolling Division has adopted.

Global demand is set to increase by a total of around 5.5 million tonnes over the coming five years to reach 31.9 million tonnes in 2022.

As far as regions are concerned, good growth prospects are given in many markets. For the core markets of Western Europe and North America, the CRU forecasts annual demand growth of around 3 % up to 2022. In China and the rest of the Asian region, demand is predicted to increase by approximately 4 % per year.

The transport industry is set to remain the strongest growth driver with forecast annual growth rates of 7.3 %, especially the automotive sector, which legislation is requiring to cut CO<sub>2</sub> emissions from its fleets. Weight reduction through lightweight design with aluminium represents an important measure in this context. Weight savings of up to 50 % can be achieved especially in the case of external bodywork, such as engine hoods, doors and fenders. The CRU also anticipates that other sectors, such as mechanical engineering, electronics, and the construction packaging industries, will report attractive annual growth rates of between 3 and 5 %, however.

#### Consumption of rolled products in 2017 by region



20) See CRU Aluminium Rolled Products Market Outlook, November 2017



### 2017 financial year

Business trends in 2017 reflected the profitable growth strategy in the Rolling Division.

Shipment volumes in the Rolling Division were raised to a new record level as part of the ramp-up of plants installed in previous years. With a total of 213,900 tonnes, the previous year's level of 198,000 tonnes was exceeded by 8.0 %.

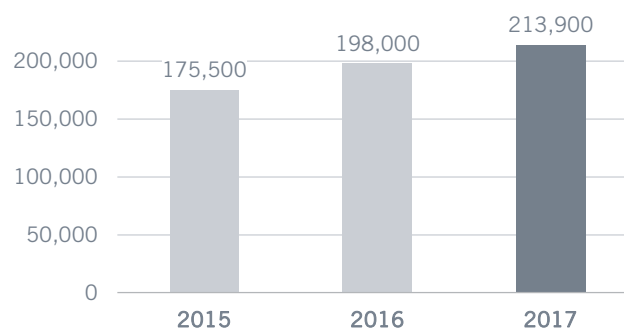
Firstly, the Rolling Division achieved a significant volume growth year-on-year in aerospace industry. Here, the division benefited from a new multi-year contract with Airbus. Shipment volumes also performed extremely well in the automotive area and in brazing products. In the packaging industry, too, volumes registered year-on-year growth. Shipment volumes remained at the previous year's level in the bright and façade products area.

The commissioning of the new cold rolling mill as well as other finishing plants formed a special highlight of the 2017 financial year. This expanded the product range to include cold rolled and heat-treated sheets more than two metres wide. The total capacity in the Rolling Division will rise to more than 300,000 tonnes in the coming years according to the planned ramp-up curve.

This site expansion program also included expanding the company's recycling and casting capacities to produce its own rolling slabs, which serve as the basic material to manufacture high-quality rolled products. Most of the rolling slabs are produced utilising aluminium scrap, predominantly deploying state-of-the-art casting technologies in our own wrought alloy casthouse at the Ranshofen site. Thanks to additional capacities and the higher shipment volume in the Rolling Division, the company's manufacturing of its own aluminium rolling slabs increased significantly compared with the previous year.

### Rolling Division shipments

in tonnes



### 2017 earnings trends

Revenue reported a marked rise compared with the previous year from EUR 702.2 million to EUR 809.6 million. The volume growth as well as the higher aluminium price exerted a positive effect here.

The division benefited from its adopted growth course and lifted its EBITDA from EUR 95.6 million in the previous year to EUR 105.9 million due to the higher shipment volume and an improved product mix. The EBIT margin amounted to 13.1 %, compared with 13.6 % in the previous year.

Due to the commissioning of the new plants as part of the site expansion, depreciation and amortisation rose from EUR 28.9 million in the previous year to EUR 35.4 million in 2017.

The operating result (EBIT) rose by 5.8 % year-on-year to EUR 70.5 million.

| Key figures for the Rolling Division in EUR million | 2017        | 2016        | Change in % |
|---|-------------|-------------|-------------|
| Revenue   | 809.6       | 702.2       | 15.3        |
| thereof, internal revenue                           | 97.4        | 90.3        | 7.9         |
| EBITDA  | 105.9       | 95.6        | 10.8        |
| <b>EBITDA margin in %</b>                           | <b>13.1</b> | <b>13.6</b> | -           |
| EBIT  | 70.5        | 66.6        | 5.8         |
| <b>EBIT margin in %</b>                             | <b>8.7</b>  | <b>9.5</b>  | -           |
| Investments   | 73.5        | 138.2       | (46.8)      |
| Employees   | 1,424       | 1,309       | 8.8         |

### Investments

Given that the year 2016 represented the high point of investment activity and the "AMAG 2020" project plants were commissioned in mid-2017, investments in property, plant and equipment and intangible assets reduced from EUR 138.2 million in the previous year to EUR 73.5 million.

The "AMAG 2020" project comprises a new cold rolling mill, a continuous heat-treatment furnace, further finishing plants and the expansion of the rolling slab casthouse. This will boost the capacity in the Rolling Division to more than 300,000 tonnes over the coming years.

Besides investing in the site expansion, the company realised various modernisation measures and investments to improve product quality and plant safety in 2017.

### Employees

The number of employees (full-time equivalents) amounted to 1,424 individuals on a year-average basis, 8.8 % above the previous year's 1,309 staff, reflecting the personnel requirements for the expansion project.

## Service Division

Through providing infrastructure and services, the Service Division makes an important contribution to the AMAG Group's sustainable corporate success, profitability and continued growth.

### Service Division areas

The facility management function is responsible for around 300 hectares of ground area, with buildings occupying approximately 100 hectares of this total space.

In 2017, the supplies function provided a procurement volume of 224 GWh (previous year: 196 GWh) of electric energy and approximately 46 million m<sup>3</sup> of natural gas (previous year: around 41 million m<sup>3</sup> of natural gas).

Besides managing the Group, the Service Division is also responsible for waste disposal, as well as steps aimed at preventing waste and boosting recycling. The works services function comprises site infrastructure services such as security guards and messengers.

### 2017 earnings trends

Revenue amounted to EUR 81.3 million in 2017 (previous year: EUR 71.7 million), and included services for the other divisions as well as for entities outside the Group.

The Service Division generated EUR 11.5 million of EBITDA (previous year: EUR 3.4 million). This increase reflects the first-time equity accounting of the interest held in Speditionsservice Ranshofen Ges.m.b.H., the higher level of site services rendered at Ranshofen, as well as year-on-year positive provisioning effects.

### Investments

Investments of EUR 18.0 million were considerably below the previous year's level (previous year: EUR 55.0 million). Focus areas in 2017 included the "AMAG 2020" expansion project as well as investing in heat recovery at the Ranshofen site.

### Employees

The average number of employees of 141 was above the previous year's level (133 employees).

| Key figures for the Service Division in EUR million | 2017         | 2016         | Change in % |
|---|--------------|--------------|-------------|
| Revenue   | 81.3         | 71.7         | 13.4        |
| thereof, internal revenue                           | 75.4         | 66.0         | 14.3        |
| EBITDA  | 11.5         | 3.4          | 238.3       |
| <b>EBITDA margin in %</b>                           | <b>14.2</b>  | <b>4.8</b>   | -           |
| EBIT  | (0.4)        | (6.8)        | 93.7        |
| <b>EBIT margin in %</b>                             | <b>(0.5)</b> | <b>(9.5)</b> | -           |
| Investments   | 18.0         | 55.0         | (67.3)      |
| Employees   | 141          | 133          | 6.0         |

# Risk and opportunity report

A formalised risk management system designed to identify, assess and manage all the AMAG Group's significant risk exposures and opportunities is integral to our business activities. Risks should be identified as early as possible and be countered proactively where possible, to limit them to the greatest possible extent. At the same time we seek to capitalise on the business opportunities on hand. A balanced approach to opportunity and risk management is one of the Group's key success factors.

## Risk management system

The risk management system of AMAG is aimed at a sustainably positive trend in the financial position and performance of the entire Group. The system relies primarily on:

- + Groupwide standards to regulate operational processes with a view to identifying, analysing, assessing and communicating risks, and actively managing risks and opportunities,
- + active hedging of specific risks (aluminium price and exchange rate volatility),
- + covering certain risks under a comprehensive insurance strategy.

Risks are managed at all levels in the management hierarchy based on these standards. Strategic and operating risks are reviewed on an annual basis, and any business policy adjustments required are made as part of an institutionalised process. The standards, and the scope and amount of insurance cover, are subject to ongoing review and updated whenever necessary.

In addition, external auditors conduct evaluations on a case-by-case basis in selected areas of the business to determine the effectiveness of the internal control system.

## Internal control system

The AMAG Group's internal control and risk management systems are based on the Internal Control and Enterprise Risk Managing Frameworks – internationally recognised standards established by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission – and on ISO 31000:2010. The objective is for the relevant managers to identify and manage potential risks.

## Main features of the internal control and risk management system relating to the accounting process

As a matter of principle, the establishment of an appropriate internal controlling and risk management system in relation to the financial accounting process and financial reporting is the responsibility of the respective management. The AMAG Group has established Groupwide mandatory standards for the management of the most important business risks, and for the accounting and financial reporting process. The standards are implemented by the management teams within the various entities, and augmented where necessary.

The integrated financial accounting and reporting system for the Ranshofen site is performed centrally. Appropriate organisational measures ensure compliance with statutory requirements, and that entry in the books of accounting and other records is complete, correct, timely and proper. The entire process from procurement to payment is governed by stringent regulations and guidelines, which are intended to ensure that all associated risks are avoided.

The regulations require functional separations, regulations relating to signing authorities, joint signatory powers for payments restricted to a limited number of persons, and system-supported checks for the deployed software (SAP). The financial accounting systems are by and large based on standard software, and protected against unauthorised access.

A standardised financial reporting system is available throughout the AMAG Group. The management is updated on all important matters, including additional company-specific information as required. The AMAG Austria Metall AG Supervisory Board is informed at the Supervisory Board meeting, which occurs at least every quarter, about current business progress, and also annually about the Group's operating planning and medium-term strategy. The Supervisory Board is also informed directly in special cases. The audit committee meetings also confer about the internal controlling system, the risk management system and corruption prevention measures.

## Personnel risks

As a result of their expertise and commitment, AMAG Group staff form a critical factor in the success of AMAG. To secure and strengthen this factor, investments in occupational safety ("consistently safe") and the promoting of health enjoy a very high priority. In the accident prevention area, extensive measures are in place, such as job evaluation and safe structuring, preventative measures and ongoing staff training. AMAG prides itself on its performance-related rewards system, its training and continuing education programs (such as the *alu\_akademie*), its early identification and promotion of talent, and its attractive incentive system for managers. The company takes the protection of its employees' data very seriously.

Based on analyses of future qualification requirements, especially in connection with the expansion investment, corresponding personnel measures have been realised and recruiting activities have been strengthened.

Moreover, further measures have been emphasised to strengthen the employer brand in order to position AMAG as an attractive employer.

## Operational risks

### Production-related risks

At various stages in the value chain, the operating companies of the AMAG Group are exposed to the risk of interruption of operations and risks with respect to quality and occupational safety. Such risks are largely avoided as the result of comprehensive established procedures in production, quality management and occupational safety, including as part of the continuous improvement process (CIP), which encourage employees to assume personal responsibility. The risks of plant breakdown and interruption of energy supply at AMAG are also countered with systematic preventative maintenance and regular risk-based maintenance (RBM), as well as a regular evaluation of technical plant risk and setting appropriate measures. In addition, modernisation and replacement investments are planned long-term. With the investments in the new hot rolling and cold rolling mills as well as casting capacities, the redundancy of the leading-edge plants at the Ranshofen site has risen. Emergency plans were prepared for important products that enable quick transitioning to a replacement manufacturing route in the case of a plant standstill. Additional security is provided by machine breakdown insurance.

### Technological development risks

In technologically advanced sectors such as aerospace, automotive engineering and sports, the risk exists of aluminium being displaced by the development of alternative lightweight materials with comparable properties, such as carbon fibre composites, plastics, magnesium and advanced steels. Equally, some disruptive manufacturing processes (e.g. 3D printing) or technical upheaval in individual customer sectors might affect markets of relevance to AMAG. The AMAG Group endeavours to offset this potential risk by carefully monitoring the market, by engaging in joint development work with its customers,

and by continuously improving the properties of the aluminium materials offered. At the same time, the company is working on tapping new application areas for aluminium alloys, and making recourse to partnerships to actively establish AMAG-relevant applications in potentially disruptive technologies.

AMAG conducts failure mode and effects analyses (FMEA) to identify potential error sources in product development, and to minimise risk accordingly.

### Natural hazard risks

Appropriate measures are taken to minimise natural hazard risks.

- + Fire prevention: structural, technical and organisational measures appropriate to the potential hazards are realised. Examples include works fire services, fire compartments, fire alarm systems, carbon dioxide fire protection systems, fire insurance policies, and the construction of sprinkler plants in the new hot and cold rolling mills, the new plate manufacturing facility, and in sensitive technical facilities of the rolling slab casthouse, conducting crisis tests.
- + Flood and other natural hazard risks: ongoing improvement of preventative measures (e.g. expanding the rainwater percolation).

### Information processing and security risks

The Group's primary focus in this sensitive area is on data security, systems compatibility and effectiveness, access protection, manipulation and malware protection, and operating reliability. The head of information technology is responsible for Groupwide control of IT activities on the basis of the Group's IT standard.

The standard is designed to ensure that IT services meet the requirements with respect to availability, reliability, disaster tolerance and response time, and that human and product resources are used effectively and efficiently in providing IT services.

Security and user authorisation systems are also in place. Back-up computer centres are available to reduce the risk of a system failure caused by defective hardware, data loss or data tampering.

IT security training sessions are also held regularly to raise employee awareness about such risks (e.g. cyber attacks). Regular external attack tests are also conducted to check the efficacy of the measures that have been implemented.

AMAG takes data protection very seriously. It has already implemented additional measures to avoid data misuse. ISO 27001 information security management certification is also planned.

### Risks arising from insufficient supervisory systems and fraudulent activities

An extensive internal controlling system has been set up to identify risks at an early stage, and to monitor and avoid them. The system provides all of the instruments and procedures required for the avoidance and timely identification of risks, and for appropriate responses to any risk incidents.

## Business risks

### Procurement risks

The prices and availability of electricity and alumina represent a significant risk to the Alouette smelter in which AMAG owns an interest. This risk is minimised by medium and long-term supply contracts, however.

The chief risk for the casthouses is a potential shortage of ample scrap metal of sufficient quality. This risk is minimised through long-term contracts with professional metals dealers (regular suppliers with business relationships established over many years) and major collection points, and by internationally diversified sourcing. The company is gradually expanding the deployment spectrum through continuous investments in new sorting technologies, to further secure scrap supplies. The additional primary metal required is a liquid commodity, available in the form of ingots or sows. AMAG purchases from recognised international suppliers with which the company maintains long-standing business relationships. The possibility also exists to purchase primary aluminium for the Ranshofen site directly from the Alouette smelter.

The rolling mill sources most of its rolling slabs, which use a high percentage of recycled materials, from its own casthouse in Ranshofen. To ensure proper and full supply of the primary metal requirements, recognised international suppliers were selected on the basis of a competitive tender.

Materials procurement risk for AMAG Group can be considered low accordingly.

Compliance rules for AMAG suppliers include descriptions of codes of conduct connected with particular responsibilities to society, shareholders, employees and business partners. Suppliers are obligated to comply with such rules accordingly.

### Sales risks

The broad product range of the AMAG Group ensures its independence from a handful of large customers, client sectors or sales regions. In 2017, its top 10 customers accounted for 31 % of sales. Long-term agreements with key customers help to keep sales risks to a minimum. At the same time, we are continuing to work on extending the product range and target markets into premium segments that require innovative solutions and top quality. The new hot and cold rolling mills, which expanded the product range towards larger dimensions, also made positive contributions in this context. Meeting the highest standards, particularly those of the automotive and aerospace industries, is of crucial importance to AMAG. The Rolling Division supplies to sectors entailing low-to-medium cyclical risk, such as the packaging and sports equipment industries, although it also has customers in cyclical industries such as construction, aerospace, automotive, and automotive suppliers.

Our focus on premium products and the wide range of customer sectors ensures a balanced portfolio. Relations with large customers are supported by joint development projects and high-quality customer

service. Liquid aluminium supplies and the development and improvement of new alloys together with customers make an important contribution to greater customer loyalty in the Casting Division. Customer satisfaction is tested with regular surveys. Aluminium price risks and currency risks are minimised by active hedging.

### Project risks

Risks emanating from large-scale projects are supervised at regular project supervisory meetings. A particular focus is on deadlines and costs, and on ensuring that the technical progress of the project is running to schedule. Commissioning and ramp-up planning, achieving the qualifications required for the new plants, and sales and purchasing risks connected with additional production volumes continue to be monitored. The ongoing search for ways to minimise risks and implement risk-reducing measures forms a key task for the project supervisors.

### Competitive and capital market risks

The AMAG Group is committed without reservation to fair competition, fair and legally compliant contracts with its business partners, and compliance with capital market regulations. This commitment takes the form of appropriate rules and regulations (anti-trust guidelines, issuer compliance guidelines, and anti-corruption guidelines), and the code of ethics of AMAG.

The compliance structure of AMAG is divided into separate compliance areas. The respective compliance officers support the organisation through ongoing training measures, and supervise compliance with internal regulations, for example. A compliance hotline also exists that can be used to report any compliance breaches.

### Research and development risks

The general increase in applications for intellectual property rights, encouraged in particular by the aluminium industry's continuing consolidation, poses a risk for development work.

When planning development activities, it is consequently essential to review the current protection law situation and to evaluate and document the present status of research in Austria and abroad, to thereby establish the extent of related risk, including implications for AMAG. Internal technical risks and the effects of a project on the Group's financial performance must be clarified when submitting a project proposal. An R&D steering group consisting of the Group's senior management and an external group of renowned experts regularly reviews (at least every two months) project proposals and the progress of existing projects, and the patent rights that can be derived from them for AMAG. Furthermore, joint research activities are always conducted with customers in all areas of relevance for AMAG. This is intended to minimise the risk of defective developments. Also in order to minimise risk, the company performs patent monitoring with external lawyers via all relevant databases and personal research conducted by AMAG staff, patent lawyers and members of the scientific advisory council.

### Environmental risks

Environmental risks are minimised by the certified environmental management system within the relevant Group companies. Conventional energy sources such as diesel and natural gas are only available to a limited extent. Their combustion releases air emissions that impact negatively on the environment. More intensive climate policies may increase the costs for fossil energy and electricity, or lead to the introduction of additional CO<sub>2</sub> fees. Measures to boost energy efficiency are implemented, and planned legislative changes are monitored to minimise such risk and the burden placed on the environment. Past pollution from earlier use of the Ranshofen site has been rectified by prompt implementation of remedial measures. The expected costs are otherwise covered by provisions. Input materials carrying pollution risks are exhaustively examined at the time of delivery, and rejected where required.

### Legal risks

The AMAG Group is exposed to a number of legal risks due to its international customer portfolio. It operates a specialised legal department that examines and appraises legal risks in-house or through recourse to external lawyers depending on requirement and jurisdiction. Risks in the structuring of contracts are mitigated through implementing liability limits.

Risks arising from potential losses due to product liability are minimised through quality assurance measures. Moreover, any residual risks are covered by liability insurance policies. The AMAG Group has standard terms and conditions of sale for customers and standard purchasing conditions for suppliers. As a general rule these are also used by the individual operating companies.

Compliance with legal obligations is subject to regular controls in the context of internal audits conducted as part of implemented management systems (e.g. environmental law, employee protection).

### Financial risks

As a producer and processor of aluminium, the AMAG Group is principally exposed to metal price risks and currency risks. Aluminium is traded in US dollars on the LME. Without appropriate hedging measures, the volatility of aluminium prices and the US dollar exchange rate would have a direct impact on the profitability of AMAG. The Group's mandatory guidelines – its metal management guidelines and financial management guidelines – set out procedures for recording and hedging these two main risks.

To stabilise results from the AMAG interest in the Alouette smelter, the selling price for a portion of output can be hedged on a rolling basis by forward sales and options. Besides the current market situation, estimates of future aluminium price trends and attendant production costs comprise key decision-making criteria in this context. As a general rule, aluminium price volatility risks in Ranshofen are hedged.

The AMAG Group's metal management function registers all LME-related aluminium purchases and inventories, and all of the operating

companies' LME-related sales, and constantly calculates the aluminium price risk exposure. The "metals book" – an SAP application developed at AMAG – comprises an important aid in managing the exposure. Open aluminium positions are hedged against metal price risk through contracts with brokers and investment banks. As a consequence, the underlying transactions' market price risk is fully offset by countervailing movements in the hedges. All underlying and hedge transactions in the metals book are marked to market daily. Since foundry alloys and LME prices are largely insufficiently price-correlated, foundry alloy sales are hedged by physical purchases of input materials. The position is monitored constantly.

Potential margin requirements associated with hedging (liquidity risks) are covered with liquid funds or bank guarantees. Counterparty risks on derivatives with a positive market value are limited by the careful selection of international banks and brokers, and a limit policy for risk diversification.

The AMAG Group operating companies utilise credit insurance and banking collateral such as guarantees and letters of credit to limit default risk on receivables.

Financing and investment activities, the hedging of such activities, and foreign currency management are managed centrally for the Group. Working capital financing is based on short-term liquidity planning. Centralised daily euro pooling serves the purpose of financial equalisation within the Group.

Medium and long-term corporate financing occurs on the basis of pre-view and budget data. Interest-rate risks pertaining to variable rate financing facilities can be hedged proportionally by way of swaps or caps.

Counterparty risks relating to bank balances are actively managed by setting deposit limits for each bank, and – where available – making recourse to credit ratings and the regular monitoring of CDS spreads.

To the extent that receipts and payments in the same foreign currency do not provide a natural protection against exchange rate risk, AMAG proportionally hedges major foreign currency exposures through forward currency transactions and, where required, options.

AMAG operates a payment process fully integrated into SAP. Manipulation risk in payment transactions is minimised through eliminating possibilities to intervene manually at interfaces. All billing and payment approvals occur according to a multiple scrutiny principle secured through technical systems.

## Risks from the interest in Aluminerie Alouette

The significant arrangements relating to the joint operation of Alouette smelter are set out in a consortium agreement. In the case of significant decisions regarding Alouette's business, resolutions with 90 % approval are required. With the present ownership structure, or even with a change in structure, the risk exists of conflicting interests among the shareholders.

Pursuant to the existing consortium agreement, obligations exist that are of essential importance for current production operations. A failure to satisfy such obligations could result in a loss of co-determination rights, implying liability on the part of AMAG for potential losses. This applies, for example, with respect to the procurement of the share of the alumina required for production.

The sales price for the primary aluminium produced at Alouette is mainly defined by the price on the London Metal Exchange and cannot be influenced by AMAG as a consequence. The long-term and sustainable success of this investment hinges on a beneficial cost position on an international comparison. The electricity contract valid since 2017, cost-optimised production, and logistical advantages through direct access to deep-sea harbours represent important cornerstones of this smelter's long-term competitiveness. Strategic hedging instruments can also be deployed to reduce the risk of loss and the volatility of results.

Due to IFRS accounting standards, the new electricity price formula for the new electricity contract generates an embedded derivative whose recognition might temporarily affect the reported equity of the AMAG Group.

As far as operating risks are concerned, a proprietary risk management system and an extensive insurance concept also exist for the smelter. The risk of damages from events such as the loss of production owing to electrical power outages caused by bad weather is largely covered. Operating risks such as occupational health & safety, the useful life of the refractory linings of smelter pots, electricity outages within the company's own operations, as well as personnel risks, are monitored constantly and minimised through corresponding measures. As far as electricity supplies are concerned, even greater supply security for electric power has existed since the end of 2015 thanks to the construction of a redundant power line.

## Business opportunities

The AMAG Group concentrates systematically on premium products in attractive market niches across a broad spread of industrial sectors. The business positioning with primary aluminium from Alouette and high-quality recycling foundry alloys and rolled products from Ranshofen offers a balanced mix of stability and growth.

The integrated site of AMAG with foundries and rolling mills, and its geographic proximity to strong industrial regions foster technological advancement and intensive customer service. The take back and recycling of aluminium fabrication waste (closed loop recycling) and liquid aluminium supplies additionally bolster customer loyalty. As a leading supplier of innovative products, the AMAG Group responds flexibly and rapidly to customers' requests on a customised basis. Due to the unique variety of alloys and products it produces at a single site, AMAG can offer its customers innovative and tailored products for very different application areas.

AMAG is distinguished by a very high proportion of speciality products on a sector comparison, and will further strengthen its innovative capability over the coming years through expanding its research and development activities. The high level of specialist and technical expertise of AMAG employees plays an important role in this context. AMAG also makes recourse to an extensive network of renowned universities and research institutions.

Our outstanding technological capabilities in casting and rolling, cladding, and the surface and heat treatment of rolled products, open up opportunities for further expansion in attractive growth sectors, such as automotive, aerospace, packaging, construction, bright products and engineering applications, and high-strength materials for sports industry applications, as well as braze clad materials and cathode sheets.

The site expansion at the Ranshofen site extends the aluminium rolled product portfolio towards larger dimensions (width, gauge), and significantly increases capacity in aluminium rolled products. New markets are tapped and existing customer relationships are expanded as a consequence. Productivity enhancement improves the cost position and competitiveness on the global market. Additional growth potentials are being tapped by investing in extending the vertical range of manufacture and investments in the foundry plant and equipment.

AMAG ascribes a high priority to the digitalisation of processes, and has already created a corresponding framework to integrate groundbreaking digital technologies. The company actively exploits the opportunities offered by digitalisation by deploying a digitalisation coordinator in order to closely coordinate strategy with the information processing and security area.

Considerable potential also exists for successful growth in marketing high-quality products worldwide. For this reason, the international sales and marketing network has been expanded consistently over the past years.

The two casthouses at Ranshofen offer the smelting technologies for almost all types of scrap, high-level skills and expertise in scrap sorting, and special plant for scrap processing. The Recycling Center Ranshofen has been expanded consistently over the past years.

A long-term trend to greater sustainability has been observable for several years now. The target of reducing CO<sub>2</sub> emissions plays an especially important role worldwide here. AMAG is very well positioned

in this context owing to its use of hydropower electricity for its Canadian smelter Alouette and the high recycling component on a sector comparison at its Ranshofen site. New sales opportunities arise thanks to this good net CO<sub>2</sub> impact. AMAG will also benefit from the growing trend to lightweight design in the automotive area. The deployment of aluminium rolled products in the automotive industry will increase significantly over the coming years to reduce weight and consequently car emissions.

The Alouette smelter in which AMAG owns a 20 % interest already commands an advantageous cost position on a sector comparison. As a result of the newly agreed electricity terms and the additionally agreed 70 MW electricity block, this cost position has improved even further on an international comparison. The electricity price during the coming years will be based on the market price for aluminium. This will also significantly improve the risk profile in terms of aluminium price and currency exchange rate fluctuations. (GRI 102-11)

## Corporate governance report

The corporate governance report of AMAG Austria Metall AG can be downloaded at [www.amag.at](http://www.amag.at) > Investor Relations > Corporate Governance.



# Disclosures pursuant to Section 243a (1) of the Austrian Commercial Code (UGB)

The following disclosures are made pursuant to Section 243a of the Austrian Commercial Code (UGB):

1. The share capital of AMAG Austria Metall AG amounts to EUR 35,264,000, and is divided into 35,264,000 nil par shares, each corresponding to EUR 1 of the share capital. All the shares confer the same rights and obligations. Every share carries a right to one vote at the Annual General Meeting (AGM). No differing classes of shares exist. (GRI 102-5)

2. The Management Board is aware of the following agreements between shareholders:

- + Participation agreement between B&C Industrieholding GmbH and Oberbank AG: Besides agreements concerning the exercising of the voting rights arising from shares in AMAG, which result in attribution of all shares to the B&C Group that are held by B&C Industrieholding GmbH and Oberbank AG, B&C Industrieholding GmbH and Oberbank AG have agreed that B&C Industrieholding GmbH shall be entitled to acquire ordinary shares in AMAG held by Oberbank Industrie- und Handelsbeteiligungsholding GmbH if: (i) Oberbank Industrie- und Handelsbeteiligungsholding GmbH decides to sell the ordinary shares that it holds (or any part thereof) to any entity not belonging to the Oberbank Group ("Oberbank AG and all the companies which are wholly owned by the latter and in which it holds all the voting rights"); or ii) the company that owns these ordinary shares in AMAG were no longer to be a member of the Oberbank Group. These rights of pre-emption and first refusal on the part of B&C Industrieholding GmbH shall expire two years after the termination of the participation agreement, or on December 31, 2019 at the earliest. According to an announcement made by Oberbank AG on October 17, 2014, Oberbank AG has sold the 1,729,737 ordinary shares to the B&C Group. The participation agreement remains in place for the remaining 36,264 ordinary shares (equivalent to 0.1 % of the share capital) held by Oberbank AG.
- + Participation agreement between B&C Industrieholding GmbH and Raiffeisenlandesbank Oberösterreich Aktiengesellschaft dated April 1, 2015: on the basis of this participation agreement with Raiffeisenlandesbank Oberösterreich Aktiengesellschaft and pursuant to Section 92 of the Austrian Stock Exchange Act (BörseG), a further 5,818,560 shares and an equal number of voting rights in AMAG that are held by RLB OÖ Alu Invest GmbH are to be attributed to B&C Industrieholding GmbH. Also pursuant to this participation agreement, a further 18,588,631 shares in AMAG that are held by the B&C Group and an equal number of voting rights are to be attributed to Raiffeisenlandesbank Oberösterreich Aktiengesellschaft in addition to the voting rights arising from the shares held by RLB OÖ Alu Invest GmbH on the basis of a participation agreement pursuant to Section 92 of the Austrian Stock Exchange Act (BörseG).

3. Direct or indirect holdings in the company representing ten percent or more of its capital are comprised as follows as of the end of 2017:

|   |        |
|---|--------|
| + B&C Industrieholding GmbH                           | 52.7 % |
| + Raiffeisenlandesbank Oberösterreich Alu Invest GmbH | 16.5 % |
| + AMAG Arbeitnehmer Privatstiftung                    | 11.1 % |

(GRI 102-5)

4. No shares exist that carry special control rights.

5. The voting rights attaching to the shares held in AMAG Austria Metall AG by the AMAG Employees' Private Foundation are exercised by the latter's management board, which has three members. The manner in which these voting rights are exercised requires the approval of the Foundation's advisory board, however. Decisions are taken at joint meetings of the Foundation's management board and advisory board. Approval is passed with a simple majority. The advisory board consists of three members who are nominated by the Group Works Council. The chairperson of the management board has a casting vote. The employees at the Austrian site are the Foundation's beneficiaries.

6. Amendments to the company's articles of association require a simple majority of the votes cast and the capital, unless the law prescribes a greater majority. Supervisory Board members can be recalled before the end of their term of office by a simple majority.

7. At the AGM of AMAG Austria Metall AG on April 16, 2015, the Management Board was authorised to exercise the following powers connected with the issuing and repurchase of shares:

- + With a resolution of the AGM of AMAG Austria Metall AG of April 16, 2015, the company's Management Board was authorised for a period of five years after the entry in the commercial register of the corresponding amendment to the articles of incorporation, to increase, with Supervisory Board approval, the company's share capital by up to EUR 17,500,000.00 (seventeen million five hundred thousand euros) through issuing 17,500,000 (seventeen million five hundred thousand) nil par value ordinary bearer shares (nil par value shares) in one or several tranches, including under full or partial exclusion of subscription rights, against cash or non-cash capital contributions, and to determine the issue amount, which cannot amount to less than the proportional amount of the ordinary shares in the share capital to date, as well as other issue terms by way of agreement with the Supervisory Board (Approved Capital 2015). Statutory subscription rights can be granted to the shareholders by transferring the new shares to a bank or a syndicate of banks with the obligation that they be offered to shareholders according to their subscription rights (indirect subscription rights).
- + With a resolution of the AGM of AMAG Austria Metall AG on April 16, 2015, the Management Board was authorised pursuant to

- Section 174 of the Austrian Stock Corporation Act (AktG) for a period of five years from the date of the passing of this resolution, consequently until April 16, 2020, to issue, with Supervisory Board approval, convertible bonds that also grant or comprise the conversion and/or subscription right to up to 17,500,000 nil par value ordinary bearer shares (nil par shares) of the company with a proportional amount in the share capital of up to EUR 17,500,000, including under full or partial exclusion of subscription rights, in one or more tranches (Convertible Bond 2015). The issue price and the conversion ratio must be calculated in a recognised pricing process (basis on which the issue amount is calculated) in accordance with the interests of the company, existing shareholders and convertible bond subscribers, as well as generally accepted finance-mathematical methods, and the company's quoted share price; including by making recourse to expert third parties. The Management Board, with Supervisory Board assent, is to determine the issue amount and all other issue terms, as well as the potential (including partial) exclusion of subscription rights for shareholders in relation to the convertible bonds. The issue amount of the convertible bonds cannot lie below the proportional amount in the share capital. The Management Board is additionally authorised to grant statutory subscription rights, with Supervisory Board approval, in such a manner that the convertible bonds are to be offered by a bank or a syndicate of banks with the obligation that they be offered to shareholders in accordance with their subscription rights. The servicing of the conversion and/or subscription rights can occur through conditional capital or treasury shares, or a combination of these.
- + The company's share capital is increased conditionally pursuant to Section 159 (2) Clause 1 of the Austrian Stock Corporation Act (AktG) by up to EUR 17,500,000.00 (seventeen million five hundred thousand euros) (Conditional Capital 2015) through issuing

up to 17,500,000 (seventeen million five hundred thousand) ordinary nil par value ordinary bearer shares (nil par value shares) for issuing to holders of convertible bonds that the Management Board issues in the future on the basis of the authorisation granted at the April 16, 2015 AGM, with Supervisory Board assent (Convertible Bond 2015). The conditional capital increase can be implemented only to the extent that holders of these convertible bonds utilise their exchange and/or subscription rights in relation to the company's shares. The issue price and conversion ratio must be calculated in a recognised pricing process (basis on which the issue amount is calculated) in accordance with the interests of the company, existing shareholders and convertible bond subscribers, as well as generally accepted finance-mathematical methods, and the company's quoted share price; including by making recourse to expert third parties; the issue amount of the new shares cannot lie below the proportional amount in the share capital. The newly issued shares from the conditional capital increase are to be dividend-entitled to the same extent as already existing shares in the company.

8. Loans as part of a promissory loan note, three committed credit lines, and twelve bilateral loan agreements contain change of control clauses that grant the lending banks a right of termination in the case of a change of control at AMAG Austria Metall AG. AMAG Austria Metall AG has entered into no other material agreements that would come into effect, be modified or terminate as a result of a change of control at AMAG Austria Metall AG due to a takeover bid.
9. The employment contracts of two members of the Management Board contain change of control clauses. A severance entitlement does not exist for the instance that a Management Board contract is dissolved for this reason.

# Outlook

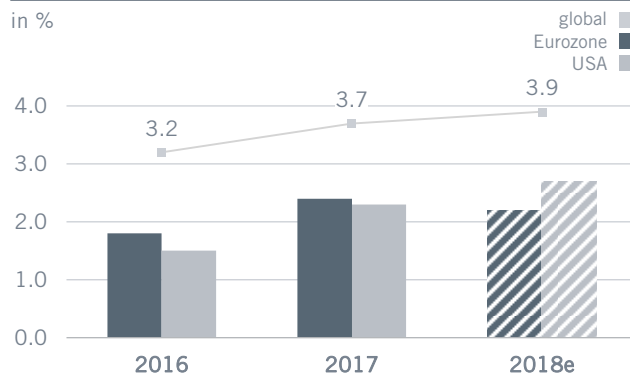
## Economic outlook

IMF economists<sup>21</sup> expect the global economic upswing to continue in 2018. Their 3.9 % growth forecast is slightly above the 3.7 % rise estimated for 2017.

With regard to industrialised nations, as in the previous year, 2.2 % growth is expected in 2018. While a slightly rising growth trend is expected for the USA (+2.7 % compared with 2.3 % in 2017), the IMF anticipates a somewhat lower rate of increase of 2.2 % for the Eurozone (2017: +2.4 %).

The economy of the group of emerging and developing countries is set to expand by total of 4.9 % in 2018, according to IMF forecasts, thereby reporting higher growth than in the previous year (2017: +4.7 %). For China, a slightly lower year-on-year growth rate is anticipated (+6.6 %, compared with +6.8 % in 2017).

### Real economic growth



## Aluminium market outlook

Recourse was made to CRU forecasts, among others, in gauging overall conditions for the medium-term growth and 2018 outlook of AMAG. Global demand for primary aluminium<sup>22</sup> is set to grow by 3.4 % per year to reach 75.3 million tonnes by 2022, according to recent forecasts. As far as aluminium rolled products are concerned, the CRU<sup>23</sup> foresees an increase within five years from 26.4 million tonnes in 2017 to 31.9 million tonnes in 2022. This corresponds to annual growth of 3.9 %.

For 2018, the CRU expects global demand for primary aluminium to grow by 4.5 % to 66.4 million tonnes. Almost all regions will report growing demand for primary aluminium on this basis. As far as China is concerned, demand growth of 5.3 % to 36.2 million tonnes is expected. A rise of 3.1 % to 6.9 million tonnes is forecast in North America. In Europe, the institute foresees 2.6 % demand growth to a total of 9.4 million tonnes.

European automotive industry trends are the main drivers for the Casting Division. IHS forecasts that European automobile production will grow by around 2 % in 2018<sup>24</sup>.

Demand for aluminium rolled products will continue to report attractive growth in 2018. According to the latest CRU estimates, worldwide demand is set to increase by 3.7 % in 2018 to reach 27.4 million tonnes. Rising demand is also forecast for the core markets of AMAG in this context. For Western Europe, demand growth of 3.8 % to 4.4 million tonnes is expected. In the USA, the CRU anticipates an expansion of 3.3 % to reach 5.7 million tonnes.

Growth prospects are also positive for 2018 as far as all relevant sectors are concerned. In the packaging, construction and engineering areas, worldwide demand is forecast to expand by between 2 and 4 % year-on-year.

The transport area is expected to continue to report the strongest growth in 2018. Thanks to high demand for aluminium sheets for the automotive industry, demand for aluminium rolled products in the transport area is anticipated to increase from 4.4 million tonnes to 4.7 million tonnes. This would be equivalent to a 7.5 % growth rate.

21) See International Monetary Fund, World Economic Outlook, January 2018

22) See CRU Aluminium Market Outlook, October 2017

23) See CRU Aluminium Rolled Products Market Outlook, November 2017

24) See IHS Automotive, Global Light Vehicle Production Summary, October 2017

## Business trend outlook for 2018

Over the coming years, the successful development and growth is to be continued, with sustainable value being created. A stable ownership structure, a solid balance sheet, attractive market prospects and investments in the site expansion have created a good starting base in this context. Thanks to the investments that have been realised in the site expansion, AMAG will benefit from a larger product portfolio, rising shipment volumes and productivity gains over the coming years. The ramp-up of the new plants is planned to proceed over several years. Additional growth potentials will be tapped in 2018 through individual targeted investments to extend the vertical range of manufacture in the Rolling Division and through modernising the plant and equipment in the Casting Division.

Business trends in the Metal Division in 2018 will depend primarily on the future trend in the market prices of aluminium and the related requisite raw materials, as well as the currency situation. During the second half of 2017, the market price for primary aluminium appreciated significantly, although prices of raw materials such as aluminium and petroleum coke have also become considerably more expensive. Moreover, the US dollar depreciated against the euro and the Canadian dollar.

With regard to the Casting Segment, the Management Board expects a solid earnings performance for 2018 at the level of the 2017 financial year. Modernisation of plant and equipment will negatively affect shipments temporarily during the first half of 2018. Once commissioning starts in the second half of 2018, the Casting Division will profit from productivity gains.

The Management Board assumes further growth for the Rolling Division, especially thanks to the investments that have been realised. The prerequisites for this include the successful continuation of the ramp-up of the new plants and the achievement of the requisite customer qualifications.

It is still too early to issue a revenue and earnings forecast for the 2018 financial year as experience shows that commodity and currency markets may prove to be very volatile. The Management Board is confident, however, of continuing to benefit in 2018 from the growth course that has been adopted in the Rolling Division.

Ranshofen, February 9, 2018

The Management Board



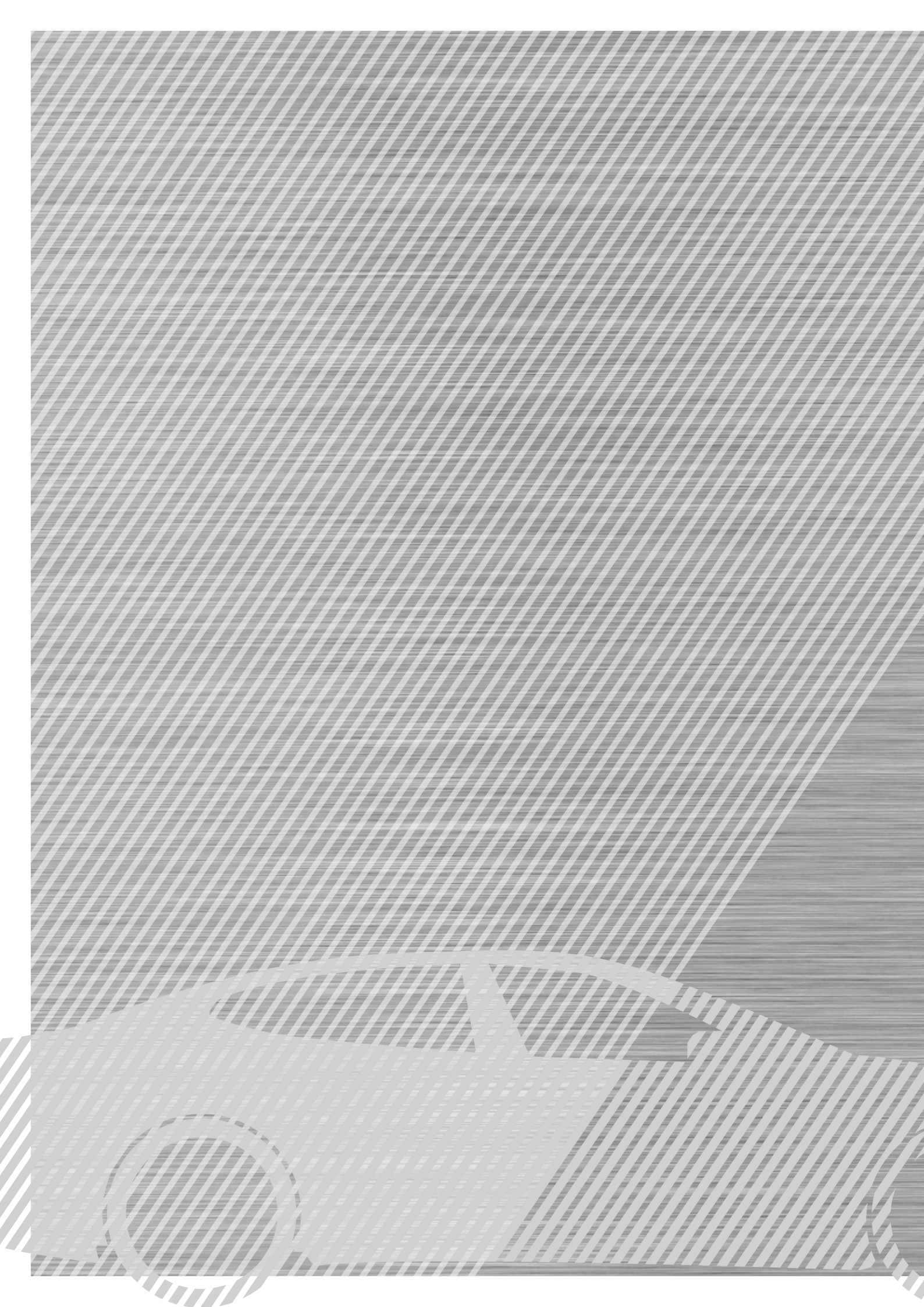
Helmut Wieser  
Management Board Chairman  
(Chief Executive Officer)



Helmut Kaufmann  
Management Board member  
(Chief Operating Officer)



Gerald Mayer  
Management Board member  
(Chief Financial Officer)






## Consolidated financial statements

---

### Solid balance sheet structure

Despite the high investments in organic growth, AMAG reports a solid and healthy balance sheet and financial structure. At the end of 2017, the equity ratio amounted to roughly 43 % and net debt corresponded to approximately 1.7 times operating income (EBITDA).



# Consolidated statement of financial position as of December 31, 2017

| Assets in EUR thousand                             | Chapter J        | December 31, 2017        | December 31, 2016        |
|--|------------------|--------------------------|--------------------------|
| Intangible assets                                  | 1                | 8,790                    | 7,420                    |
| Property, plant and equipment                      | 1                | 751,726                  | 743,381                  |
| Investments in associates                          | 2                | 1,395                    | 0                        |
| Other non-current assets and financial assets      | 3                | 49,319                   | 102,728                  |
| Deferred tax assets                                | 4, K9            | 13,611                   | 23,406                   |
| Non-current assets                                 |                  | 824,840                  | 876,935                  |
| Inventories  | 5                | 227,218                  | 198,989                  |
| Trade receivables                                  | 6                | 120,404                  | 102,641                  |
| Current tax assets                                 |                  | 1,283                    | 3,164                    |
| Other current assets                               | 7                | 61,372                   | 58,166                   |
| Cash and cash equivalents                          | 8                | 169,752                  | 149,833                  |
| Current assets                                     |                  | 580,029                  | 512,793                  |
| <b>TOTAL ASSETS</b>                                |                  | <b>1,404,869</b>         | <b>1,389,727</b>         |
| <b>Equity and liabilities in EUR thousand</b>      | <b>Chapter J</b> | <b>December 31, 2017</b> | <b>December 31, 2016</b> |
| Share capital                                      | 9                | 35,264                   | 35,264                   |
| Capital reserves                                   | 9                | 379,337                  | 379,337                  |
| Hedging reserve                                    | 9                | (28,115)                 | (18,457)                 |
| Fair value reserve                                 | 9                | (3,438)                  | 0                        |
| Revaluation reserve                                | 9                | 580                      | 0                        |
| Revaluation of defined benefit plans               | 9                | (27,232)                 | (18,519)                 |
| Share of other comprehensive income of associates  | 2                | (11)                     | 0                        |
| Exchange differences                               | 9                | 36,647                   | 59,833                   |
| Retained earnings                                  | 9                | 214,842                  | 193,003                  |
| Equity   |                  | 607,874                  | 630,460                  |
| Non-current provisions                             | 10, 11           | 91,762                   | 79,167                   |
| Interest-bearing non-current financial liabilities | 12               | 338,751                  | 343,451                  |
| Other non-current liabilities and grants           | 14               | 83,349                   | 120,113                  |
| Deferred tax liabilities                           | K9               | 0                        | 13,066                   |
| Non-current liabilities                            |                  | 513,861                  | 555,797                  |
| Current provisions                                 | 10, 11           | 16,977                   | 17,434                   |
| Interest-bearing current financial liabilities     | 12               | 113,841                  | 32,673                   |
| Trade payables                                     | 13               | 77,564                   | 73,322                   |
| Current tax liabilities                            |                  | 1,036                    | 6,732                    |
| Other current liabilities and grants               | 14               | 73,715                   | 73,309                   |
| Current liabilities                                |                  | 283,134                  | 203,470                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                |                  | <b>1,404,869</b>         | <b>1,389,727</b>         |

The following notes to the consolidated financial statements form an essential component of the consolidated statement of financial position.

# Consolidated statement of profit or loss for the 2017 financial year

| Acc. to the cost of sales method in EUR thousand   | Chapter K | 1-12/2017        | 1-12/2016      |
|--|-----------|------------------|----------------|
| <b>Revenue</b>                                     | <b>1</b>  | <b>1,036,238</b> | <b>906,246</b> |
| Cost of sales                                      | 2         | (880,022)        | (755,871)      |
| Gross profit                                       |           | 156,216          | 150,375        |
| Other income                                       | 3         | 15,025           | 7,026          |
| Selling and distribution expenses                  |           | (45,339)         | (41,992)       |
| Administrative expenses                            | 6         | (22,467)         | (24,552)       |
| Research and development expenses                  |           | (12,315)         | (10,842)       |
| Other expenses                                     |           | (5,835)          | (7,043)        |
| Share of profit of associates                      | 7         | 1,517            | 0              |
| <b>Earnings before interest and taxes (EBIT)</b>   |           | <b>86,802</b>    | <b>72,971</b>  |
| Net interest result                                |           | (6,446)          | (8,262)        |
| Other financial result                             |           | 1,300            | (1,756)        |
| Net financial income (expenses)                    | 8         | (5,146)          | (10,018)       |
| <b>Earnings before taxes (EBT)</b>                 |           | <b>81,657</b>    | <b>62,953</b>  |
| Current taxes                                      |           | (11,085)         | (8,078)        |
| Deferred taxes                                     |           | (7,412)          | (8,570)        |
| Income taxes                                       | 9         | (18,497)         | (16,648)       |
| <b>Net income after taxes</b>                      |           | <b>63,160</b>    | <b>46,305</b>  |
| Thereof  |           |                  |                |
| Attributable to the equity holders of the parent   |           | 63,160           | 46,305         |
| Total number of non-par-value shares               |           | 35,264,000       | 35,264,000     |
| Earnings per share                                 |           | 1.79             | 1.31           |
| Proposed dividend per non-par-value share (in EUR) | J9        | 1.20             | 1.20           |

The following notes to the consolidated financial statements form an essential component of the consolidated statement of profit or loss.



# Consolidated statement of comprehensive income for the 2017 financial year

| in EUR thousand   | 1-12/2017       | 1-12/2016       |
|---|-----------------|-----------------|
| Net income after taxes  | 63,160          | 46,305          |
| <b>Items that are or may be reclassified to profit or loss</b>                            |                 |                 |
| Currency translation differences  | (23,186)        | 7,200           |
| Changes in the hedging reserve  |                 |                 |
| Recognised (expenses) and income during the financial year                                | (29,322)        | (13,486)        |
| Reclassifications of amounts that have been recognised in the statement of profit or loss | 12,765          | (1,224)         |
| Deferred taxes relating thereto   | 4,990           | 3,727           |
| Currency translation differences  | 1,910           | (4)             |
| Changes in fair value reserve   | (4,633)         | 0               |
| Deferred taxes relating thereto   | 1,158           | 0               |
| <b>Items that will never be reclassified to profit or loss</b>                            |                 |                 |
| Changes in revaluation reserve  | (38)            | 0               |
| Deferred taxes relating thereto   | 9               | 0               |
| Remeasurement of defined benefit plans  | (13,461)        | (10,049)        |
| Deferred taxes relating thereto   | 3,489           | 2,521           |
| Currency translation differences  | 1,259           | (252)           |
| Share of other comprehensive income of associates   | (15)            | 0               |
| Deferred taxes relating thereto   | 4               | 0               |
| <b>Other comprehensive income for the year net of income tax</b>                          | <b>(45,071)</b> | <b>(11,567)</b> |
| Thereof   |                 |                 |
| Attributable to the equity holders of the parent  | (45,071)        | (11,567)        |
| <b>Total comprehensive income for the year</b>  | <b>18,089</b>   | <b>34,738</b>   |

# Consolidated statement of cash flows for the 2017 financial year

| in EUR thousand  | 1-12/2017      | 1-12/2016      |
|--|----------------|----------------|
| Earnings before taxes (EBT)  | 81,657         | 62,953         |
| Interest income (expenses)   | 6,446          | 8,262          |
| Share of profit of associates  | (1,517)        | 0              |
| Depreciation, amortisation and impairment losses/reversal of impairment losses on non-current assets | 77,651         | 70,026         |
| Losses/gains from the disposal of non-current assets   | 572            | 913            |
| Proceeds from dividends  | 126            | 0              |
| Other non-cash expenses/income   | 1,775          | 346            |
| Changes in inventories   | (31,170)       | (11,099)       |
| Changes in trade receivables   | (16,843)       | (9,389)        |
| Changes in trade payables  | 7,459          | 2,470          |
| Changes in provisions  | 713            | (8,004)        |
| Changes in derivatives   | 11,603         | (91,391)       |
| Changes in other receivables and liabilities   | (18,477)       | 100,640        |
|  | 119,993        | 125,727        |
| Tax payments   | (14,531)       | (5,735)        |
| Interest received  | 820            | 721            |
| Interest paid  | (4,441)        | (5,836)        |
| Cash flow from operating activities  | 101,841        | 114,877        |
| Proceeds from disposals of non-current assets  | 787            | 503            |
| Payments for investments in property, plant and equipment and intangible assets                      | (108,969)      | (186,834)      |
| Proceeds from grants for investments   | 0              | 941            |
| Cash flow from investing activities  | (108,182)      | (185,390)      |
| Repayments of borrowings   | (31,144)       | (13,371)       |
| Proceeds from borrowings   | 107,770        | 140,357        |
| Dividends paid   | (42,317)       | (42,317)       |
| Cash flow from financing activities  | 34,309         | 84,669         |
| Change in cash and cash equivalents  | 27,967         | 14,156         |
| Cash and cash equivalents at the beginning of the period   | 149,833        | 132,282        |
| Effect of exchange rate changes on cash and cash equivalents   | (8,049)        | 3,394          |
| <b>Cash and cash equivalents at the end of the period</b>  | <b>169,752</b> | <b>149,833</b> |

# Consolidated statement of changes in equity for the 2017 financial year

| in EUR thousand  | Share capital | Capital reserves | Hedging reserve | Fair value reserve | Revaluation reserve | Revaluation of defined benefit plans | Share of other comprehensive income from associates | Exchange differences | Retained earnings | Equity         |
|--|---------------|------------------|-----------------|--------------------|---------------------|--------------------------------------|---|----------------------|-------------------|----------------|
| Balance as of January 1, 2016                            | 35,264        | 379,337          | (7,471)         | 0                  | 0                   | (10,739)                             | 0   | 52,633               | 189,014           | 638,039        |
| Net income after taxes                                   |               |                  |                 |                    |                     |                                      |   |                      | 46,305            | 46,305         |
| Other comprehensive income for the year net of tax       |               |                  | (10,986)        | 0                  | 0                   | (7,780)                              | 0   | 7,200                |                   | (11,567)       |
| <b>Total comprehensive income for the year</b>           |               |                  | <b>(10,986)</b> | <b>0</b>           | <b>0</b>            | <b>(7,780)</b>                       | <b>0</b>  | <b>7,200</b>         | <b>46,305</b>     | <b>34,738</b>  |
| <b>Transactions with equity holders</b>                  |               |                  |                 |                    |                     |                                      |   |                      |                   |                |
| Dividend distributions                                   |               |                  |                 |                    |                     |                                      |   |                      | (42,317)          | (42,317)       |
| <b>Balance as of December 31, 2016 = January 1, 2017</b> | <b>35,264</b> | <b>379,337</b>   | <b>(18,457)</b> | <b>0</b>           | <b>0</b>            | <b>(18,519)</b>                      | <b>0</b>  | <b>59,833</b>        | <b>193,003</b>    | <b>630,460</b> |
| IFRS 9 adjustment January 1                              |               |                  |                 | 37                 | 608                 |                                      |   |                      | 996               | 1,641          |
| <b>Balance as of January 1, 2017 after adjustment</b>    | <b>35,264</b> | <b>379,337</b>   | <b>(18,457)</b> | <b>37</b>          | <b>608</b>          | <b>(18,519)</b>                      | <b>0</b>  | <b>59,833</b>        | <b>193,999</b>    | <b>632,101</b> |
| Net income after taxes                                   |               |                  |                 |                    |                     |                                      |   |                      | 63,160            | 63,160         |
| Other comprehensive income for the year net of tax       |               |                  | (9,657)         | (3,475)            | (28)                | (8,712)                              | (11)  | (23,186)             |                   | (45,071)       |
| <b>Total comprehensive income for the year</b>           |               |                  | <b>(9,657)</b>  | <b>(3,475)</b>     | <b>(28)</b>         | <b>(8,712)</b>                       | <b>(11)</b>   | <b>(23,186)</b>      | <b>63,160</b>     | <b>18,089</b>  |
| <b>Transactions with equity holders</b>                  |               |                  |                 |                    |                     |                                      |   |                      |                   |                |
| Dividend distributions                                   |               |                  |                 |                    |                     |                                      |   |                      | (42,317)          | (42,317)       |
| <b>Balance as of December 31, 2017</b>                   | <b>35,264</b> | <b>379,337</b>   | <b>(28,115)</b> | <b>(3,438)</b>     | <b>580</b>          | <b>(27,232)</b>                      | <b>(11)</b>   | <b>36,647</b>        | <b>214,842</b>    | <b>607,874</b> |

# Notes to the consolidated financial statements

## A The company

The corporate purpose of AMAG Austria Metall AG and its Group companies (referred to below as the "Group" or "AMAG") comprises the production, processing and distribution of aluminium, and of aluminium wrought and cast products.

As an Austrian holding company, AMAG Austria Metall AG is registered in the companies register at Ried im Innkreis District Court, and its headquarters are located in 5282 Ranshofen, Lamprechtshausener Strasse 61, Austria. The company prepares consolidated financial statements as the ultimate parent company of the AMAG Group. The shares of AMAG Austria Metall AG have been listed on the Prime Market of the Vienna Stock Exchange since April 8, 2011. The companies of the AMAG Group are included in the consolidated financial statements of B&C Holding Österreich GmbH. B&C Privatstiftung, based in Vienna, Austria, is the ultimate parent company of B&C Holding Österreich GmbH, and consequently of the company.

## B Basis of accounting

### Conformity with IFRS

The consolidated financial statements for the 2017 financial year were prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as formulated by the International Accounting Standards Board (IASB) and adopted by the European Union, which require mandatory application in 2017, as well as in accordance with Section 245a of the Austrian Commercial Code (UGB).

### Functional currency

The consolidated financial statements have been prepared in euros, the functional currency of the Group parent company. The amounts presented in the consolidated financial statements have been commercially rounded to the nearest thousand. The totals of the values and percentages presented may differ as the result of such rounding.

### Approval

The Management Board approved the consolidated financial statements on February 9, 2018 (previous year: February 10, 2017), and released them for examination by the Supervisory Board, for submission to the AGM, and for subsequent publication. The Supervisory Board can institute an amendment to the financial statements as part of the review incumbent upon it.

## C Currency translation

The consolidated financial statements of AMAG Austria Metall AG have been prepared in Euros, and the separate financial statements of the consolidated companies have been prepared in their respective functional currencies. When preparing the consolidated financial statements, the assets and liabilities of entities applying a functional currency other than the euro are translated at the European Central Bank reference rate as at the end of the reporting period, and their statements of profit or loss at the annual average of the reference rate. Any resultant differences are recognised under the exchange differences item in other comprehensive income. In the event of the disposal of a foreign operation, the related exchange differences recognised as other comprehensive income are reclassified to profit or loss.

Foreign currency transactions are recognised on the transaction date applying the exchange rate prevailing at that date. Monetary foreign currency positions are measured applying the rates as of the balance sheet date. Translation differences are recognised in profit or loss in the period in which they occur. Non-monetary items measured at historical cost in a foreign currency are translated applying the exchange rate at the transaction date. Non-monetary items measured at fair value in a foreign currency are translated applying the exchange rate at the date when the fair value was measured. In the year under review, translation differences of EUR -2,257 thousand were recognised in profit or loss (previous year: EUR -1,782 thousand).

The exchange rates of the currencies that are of significance for the AMAG Group have changed as follows:

| Exchange rates per EUR      | Closing rate at the end of the reporting period |                   | Annual average rate for the reporting period |           |
|-----------------------------|---|-------------------|--|-----------|
|                             | December 31, 2017                               | December 31, 2016 | 1-12/2017                                    | 1-12/2016 |
| U.S. Dollar (USD)           | 1.1993  | 1.0541            | 1.1293                                       | 1.1066    |
| Canadian Dollar (CAD)       | 1.5039  | 1.4188            | 1.4644                                       | 1.4664    |
| Pound Sterling (GBP)        | 0.8872  | 0.8562            | 0.8761                                       | 0.8189    |
| Swiss Franc (CHF)           | 1.1702  | 1.0739            | 1.1115                                       | 1.0902    |
| Japanese Yen (JPY)          | 135.0100  | 123.4000          | 126.6546                                     | 120.3138  |
| Taiwan Dollar (TWD)         | 35.5825   | 34.1031           | 34.3394                                      | 35.6642   |
| Chinese Yuan Renminbi (CNY) | 7.8044  | 7.3202            | 7.6264                                       | 7.2983    |
| Czech Koruna (CZK)          | 25.5350   | 27.0210           | 26.3272                                      | 27.0309   |
| Norwegian Krone (NOK)       | 9.8403  | 9.0863            | 9.3286                                       | 9.2927    |
| Danish Krone (DKK)          | 7.4449  | 7.4344            | 7.4433                                       | 7.4362    |

## D Consolidation principles

### Scope of consolidation and consolidation method

The scope of consolidation has changed as follows compared with the previous year's reporting date:

The 25.1 % interest in Speditionsservice Ranshofen GmbH was classified as material as of June 30. As a consequence, this company was accounted for using the equity method as of June 30, 2017. The proportional earnings of EUR 216 thousand were recognised through profit or loss as share of profit of associates (details see J 2 Notes to the consolidated statement of financial position and K 7 Notes to the consolidated statement of profit or loss).

The newly formed companies AMAG Rolling Eastern Europe s.r.o. and AMAG China Ltd. were included in the consolidation scope in June 2017.

As a consequence, as of December 31, 2017 the scope of consolidation of the AMAG Group, including AMAG Austria Metall AG as the parent company, includes 19 fully consolidated companies, one joint operation and one associated company (see next page for overview).

The consolidated financial statements include AMAG Austria Metall AG and the entities it controls. Control exists when AMAG Austria Metall AG has exposure, or rights, to variable returns from its involvement with an investee, and has the ability to use its power over the investee to affect the amount of the investor's returns.

Through AMAG Erste Beteiligungsverwaltungs GmbH, AMAG Austria Metall AG wholly owns Austria Metall GmbH, which, in turn, directly or indirectly wholly owns the other consolidated companies. A detailed presentation of the consolidated subsidiaries and the interests held in them is presented in the table on the next page.

The annual financial statements of the subsidiaries that are included in consolidation are based on uniform accounting policies. The reporting date of all these companies was December 31, 2017.

Intragroup transactions are eliminated on consolidation.

Intragroup trade receivables and other assets are offset against the corresponding intragroup liabilities as part of the consolidation of liabilities.

All intragroup expenses and income are eliminated as part of the consolidation of expenses and income, as well as intragroup profit or loss arising from intragroup delivery and service transactions.

## Group companies

| Corporate name   | Registered office                     | Shares in % |
|--|---------------------------------------|-------------|
| <b>Fully consolidated companies</b>  |                                       |             |
| AMAG Austria Metall AG (parent company)  | Ranshofen, A                          |             |
| AMAG Erste Beteiligungsverwaltungs GmbH  | Ranshofen, A                          | 100.0       |
| Austria Metall GmbH  | Ranshofen, A                          | 100.0       |
| Aluminium Austria Metall Québec Inc.   | Montréal, CAN                         | 100.0       |
| AMAG metal GmbH  | Ranshofen, A                          | 100.0       |
| AMAG casting GmbH  | Ranshofen, A                          | 100.0       |
| AMAG rolling GmbH  | Ranshofen, A                          | 100.0       |
| AMAG Asia Pacific Ltd.   | Taipei City, TW                       | 100.0       |
| AMAG Benelux B.V.  | Delft, NL                             | 100.0       |
| AMAG China Ltd.  | Shanghai, CN                          | 100.0       |
| AMAG Deutschland GmbH  | Bergisch Gladbach, D                  | 100.0       |
| AMAG Eastern Europe, s.r.o.  | Prague, CZ                            | 100.0       |
| AMAG France S.A.R.L.   | Suresnes, F                           | 100.0       |
| AMAG Rolling Iberia S.L.   | Barcelona, E                          | 100.0       |
| AMAG Italia S.R.L.   | Milan, IT                             | 100.0       |
| AMAG UK Ltd.   | Great Bookham, Surrey, GB             | 100.0       |
| AMAG USA Corp.   | Upper Saddle River<br>New Jersey, USA | 100.0       |
| AMAG service GmbH  | Ranshofen, A                          | 100.0       |
| Metallwerk Furth GmbH  | Furth im Wald, D                      | 100.0       |
| <b>Companies consolidated for its interest</b>   |                                       |             |
| Aluminerie Alouette Inc.<br>(direct shareholder is the fully consolidated<br>Aluminium Austria Metall Québec Inc.) | Sept-Îles, CAN                        | 20.0        |
| <b>Associated companies</b>  |                                       |             |
| Speditionsservice Ranshofen Ges.m.b.H.   | Ranshofen, A                          | 25.1        |
| <b>Non-consolidated companies</b>  |                                       |             |
| Ausbildungszentrum Braunau Ges.m.b.H.  | Braunau, A                            | 20.0        |
| APK Pensionskasse AG   | Vienna, A                             | 2.0         |
| unit-IT Dienstleistungs GmbH & Co KG   | Linz, A                               | 12.6        |
| unit-IT Dienstleistungs GmbH   | Linz, A                               | 12.6        |

The shareholdings are unchanged compared with the previous year.

### Business combinations

No corporate acquisitions or disposals occurred during the financial year under review.

### Jointly controlled arrangement

The Group operates the Alouette smelter in Canada as part of a joint arrangement with other companies under the terms of a contractual agreement that gives the parties joint control over Alouette's commercial operations (Aluminerie Alouette Inc. – hereinafter referred to as "Alouette"). Through the joint arrangement, the parties have joint control of the business operations of the aluminium smelter (see also F Accounting judgements and estimates). In accordance with the agreement, a 20 % share of the assets, obligations for liabilities, and expenses is attributable to the Group. As a consequence, pursuant to IFRS 11, the Group assumes the proportionate assets, obligations for liabilities and expenses in this jointly controlled operation. Each party itself is responsible for sales, as Alouette does not realise sales revenues with third parties.

The consolidated financial statements as of December 31, 2017 comprise the following amounts for the jointly controlled operation of Aluminerie Alouette Inc.:

| Amounts jointly controlled operations in EUR thousand | 2017    | 2016    |
|---|---------|---------|
| Non-current assets                                    | 157,315 | 259,426 |
| Current assets  | 27,597  | 30,747  |
| Non-current provisions and liabilities                | 115,709 | 134,648 |
| Current provisions and liabilities                    | 28,994  | 33,425  |
| Expenses  | 124,503 | 123,450 |

The significant arrangements relating to the joint operation of Alouette smelter are set out in a consortium agreement. In the case of significant decisions regarding Alouette's business, resolutions with a minimum 90 % approval are required. With the present ownership structure, or even with a change in structure, the risk exists of conflicting interests among the shareholders.

Pursuant to the existing consortium agreement, obligations exist that are of essential importance for current production operations. A failure to satisfy such obligations could result in a loss of co-determination rights, implying liability on the part of AMAG for potential losses. This applies, for example, with respect to the procurement of share of AMAG of the alumina required for production.

## E Accounting policies

### First-time or early adopted standards

In the 2017 financial year, the following amended standards were applied for the first time as required, or applied prematurely:

#### IFRS 9 "Financial Instruments"

First-time application of IFRS 9 "Financial Instruments": In November 2016, the final version of IFRS 9 Financial Instruments was adopted into European law. The new version of IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement" and all previous versions of IFRS 9. IFRS 9 does not replace rules for a portfolio fair value hedge against interest rate risks pursuant to IAS 39. IFRS 9 is to be applied for the first time in the first reporting period of a financial year beginning on or after January 1, 2018, although earlier application is permitted.

Voluntary early application occurred in the AMAG Group as of January 1, 2017. The accounting policies applied in these financial statements correspond to IFRS 9. The previous year's figures were not adjusted. The IAS 39 accounting policies valid in the previous year can be consulted in the previous year's consolidated financial statements.

IFRS 9 regulates the accounting treatment of financial assets and liabilities in terms of recognition, measurement and derecognition, as well as the accounting treatment of hedging instruments. The amendments to IFRS 9 relate to three areas: Classification and measurement of financial assets and liabilities, impairment of financial assets and the accounting treatment of hedges.

IFRS 9 includes a new classification model for assets: On initial recognition, classification occurs, firstly, based on the characteristics of cash flows generated from the financial asset (cash flow conditions) and, secondly, based on the company's business model to manage its financial assets (business model conditions). Depending on this, subsequent measurement is at either amortised cost or fair value (directly to equity or

through profit or loss). Assets were classified according to these categories as of January 1, 2017. As far as the company's participating interests are concerned, the option was exercised to carry their valuations directly to equity. No effects from IFRS 9 were generated by the financial liabilities, as no liabilities were designated at fair value.

Amendments to IFRS 9 generate a new impairment model for financial assets. The simplified approach is valid for trade receivables. For more information see M Financial instruments.

The regulations for hedge accounting continue to include the same types of hedge accounting. The hedges formed as of December 31, 2016 (cash flow hedges and fair value hedges) continue as of January 1, 2017 to be regarded as hedges pursuant to IFRS 9. The significant extent to which accounting reflects risk management can increase the possibilities for hedges for new business. Moreover, new regulations relating to effectiveness are applied (discontinuation of the 80/125% corridor). An adjustment was applied due to the recognition of the fair value component of options in other comprehensive income more specifically in the fair value reserve. This adjustment occurred retroactively as of January 1, 2017. For more information see M Financial instruments and J Notes to the consolidated statement of financial position.

For the effects of the adjustments, please see section H Adjustments from the first-time application of IFRS 9. The accounting policies are presented in this section under accounting policies. See also section M Financial instruments.

#### Miscellaneous amendments to standards

The amendments to IAS 7 "Statements of Cash Flows" aims to improve information published in IFRS financial statements about changes to a company's debt position. According to the amendments, disclosures about changes to financial liabilities are to be made where cash inflows and cash outflows from such financial liabilities are shown under cash flow from financing activities in the cash flow statement.

The amendments to IAS 12 "Income Taxes – Recognition of Deferred Tax Assets on Unrealised Losses" serve to clarify how some IAS 12 regulations are to be applied when recognising deferred tax assets deriving from the fair value measurement of acquired debt instruments.

No significant year-on-year changes arise due to the first-time application of the other aforementioned standards, and they have no significant effects on the accounting policies applied within the AMAG Group.



#### Standards adopted, but not yet applied

Application of the following new, revised or supplemented standards of the IASB and interpretations of the IFRIC is voluntary, and these will not be applied early.

| Standard/<br>interpretation  | Application mandatory    | Endorsement<br>status | Impact on the<br>consolidated financial<br>position of AMAG Group |
|--|--------------------------|-----------------------|---|
| IFRS 15<br>Revenue Recognition   | 01/01/2018               | 22/09/2016            | see below   |
| IFRS 16<br>Leasing   | 01/01/2019               | 31/10/2017            | see below   |
| IFRS 17<br>Insurance Contracts   | 01/01/2021               | -                     | currently<br>no impact  |
| Amendment to IFRS 2<br>Share-based Payments - Classification and Valuation       | 01/01/2018               | -                     | currently<br>no impact  |
| Amendment to IFRS 4<br>Insurance Contracts                                       | 01/01/2018               | 03/11/2017            | currently<br>no impact  |
| Amendment to IFRS 9<br>Prepayment Features with Negative Compensation            | 01/01/2019               | -                     | currently<br>no impact  |
| Amendment to IAS 28<br>Long-term Interests in Associates and Joint Ventures      | 01/01/2019               | -                     | will be<br>implemented  |
| Amendment to IAS 40<br>Classification of Investment property under construction  | 01/01/2018               | -                     | currently<br>no impact  |
| Amendment of IFRIC 22<br>Foreign Currency Transactions of Advance Considerations | 01/01/2018               | -                     | currently<br>no impact  |
| Amendment of IFRIC 23<br>Uncertainty over Income Tax Treatments                  | 01/01/2019               | -                     | currently<br>no impact  |
| Other<br>Annual Improvements to IFRS - Cycle 2014 - 2016                         | 01/01/2017<br>01/01/2018 | -                     | currently<br>no impact  |
| Other<br>Annual Improvements to IFRS - Cycle 2015 - 2017                         | 01/01/2019               | -                     | currently<br>no impact  |

#### Amendments to IFRS 15 "Revenue from Contracts with Customers"

In September 2016, the final version of IFRS 15 "Revenue from Contracts with Customers" was adopted into European law.

IFRS 15 aggregates within one standard the rules relating to revenue recognition. In future, the decisive factor for the recognition of revenue is no longer the transfer of significant opportunities and risks, but instead the date on which the customer gains control of the agreed goods and services and can draw benefit from them. In the future, IFRS 15 replaces IAS 11 "Construction Contracts" and IAS 18 "Revenue" and all related interpretations.

Effects within the AMAG Group:

IFRS 15 is applicable for the first time in the first reporting period of a financial year beginning on or after January 1, 2018, although earlier application is permitted. Premature application was not opted for.

The following revenue streams are in place at AMAG:

Sale of primary aluminium (Metal Division), sale of aluminium rolled products (Rolling Division), sale of aluminium foundry alloys (Casting Division) and services connected with buildings and space management, works services etc. at the Ranshofen site, whereby external sales of services play only a minor role (0.57% of total revenue, previous year: 0.63%). See also notes on the operating segments under I Segment reporting.

Contracts relating to the revenue streams from Metal, Rolling and Casting are evaluated in relation to their future recognition and measurement applying the five-step model (identification of the contract with the customer, identification of the separate performance obligations, determining the transaction price, allocation of the transaction price to the performance obligations, revenue recognition). The assessment showed that, in general, no customer contracts exist including more than one performance obligation. The analysis also showed that these represent date-related services. As a consequence, revenues are recognised when the customer gains control over the goods that are transferred. Gaining power of control is in accordance with agreed Incoterms. Customer contracts with supply terms CIF comprise the only exception. In this case, transport services/insurance are invoiced in addition to the delivery. The corresponding revenue is deferred in such cases if the transport has not yet occurred as of the reporting date.

Warranties that AMAG grants to its customers are granted exclusively in the context of statutory periods. For this reason, these comprise statutory warranties, rather than performance obligations in the meaning of IFRS 15.

For contractually agreed bonuses and graduated prices, provisions are currently formed pursuant to IAS 37. The bonuses comprise variable payments pursuant to IFRS 15, which reduce the transaction price. These are to be regarded as variable consideration pursuant to IFRS 15 and are to be recognised based on IFRS 15 accordingly. As of December 31, 2017, provisions of EUR 5,650 thousand have been recognised for this purpose (previous year: EUR 4,833 thousand). These amounts are offset with the related customer receivables pursuant to IFRS 15. Only given an excess of liabilities over assets are they disclosed as contract liabilities. There is no adjustment calculation required.

The modified retrospective approach was selected as a transition method, where all conversion effects as of January 1, 2018 are recognised in equity as an adjustment to retained earnings. The adjustments will be applied to all open contracts.

The amendments to IFRS 15 have no significant effects on equity as of December 31, 2017. Goods still being transported as of the reporting date generate deferred revenue of EUR 373 thousand and after deducting deferred tax an effect on equity of EUR 280 thousand. There will be an effect on the presentation (reporting) of current other provisions.

Furthermore, IFRS 15 requires more extensive disclosures in the notes to the financial statements relating to the Group's revenue from contracts with customers.

#### Amendments to IFRS 16 "Leases"

The new IFRS 16 standard replaces IAS 17 "Leases" and related interpretations. For the lessee, the introduction of IFRS 16 dispenses in future with the differentiation between finance and operating leases previously required by IAS 17. For leases, the lessee recognises on its balance sheet a lease liability for the obligation to make lease payments in the future. At the same time, the lessee capitalises a right to use the underlying asset. This corresponds, as a matter of principle, to the present value of the future lease payments plus directly attributable costs. During the duration of the lease contract, the lease liability is carried forward on the balance sheet similarly to IAS 17 regulations for finance leases. The right of use is amortised straight-line, resulting in higher expenses at the start of the duration of the lease contract, as a matter of principle. Accounting simplifications apply to short-term leases and low-value leased assets. For the lessor, the new standard's regulations are similar to existing IAS 17 regulations.

#### Effects within the AMAG Group:

As of December 31, 2017, the Group reports payment obligations based on uncancellable rental and lease contracts. For more information, see the disclosures concerning operating leases in section J 1 Notes to the consolidated statement of financial position. These contracts relate mainly to IT and telecoms hardware as well as the rental of silos. The analysis shows that such contracts mainly meet the definition of a lease pursuant to IFRS 16, and that a right-of-use asset is to be recognised as a consequence.

Existing finance leases (where the Group acts a lessor) have already been recognised as assets/liabilities. In such instances, no significant effects are assumed within the AMAG Group.

IFRS 16 is applicable for the first time in the first reporting period of a financial year beginning on or after January 1, 2019, although earlier application is permitted (only if IFRS 15 is also applied early). From today's perspective, the company is not considering early application.

As part of an initial assessment of potential effects, the fact that new assets and liabilities are to be recognised for operating leases already existing within the Group was identified as the most significant impact. Besides this, the type of expenses connected with these leases will now change, as IFRS 16 replaces straight-line expenses for operating leases with an amortisation cost for right-of-use assets and borrowing costs for liabilities arising from the lease. From today's perspective, it is still not yet possible to provide a reliable estimate of the amount. Based on the amended accounting treatment, however, a positive effect on EBITDA is expected, as instead of the rental expense, the depreciation of the right-of-use asset as well as the interest expense for the corresponding liability are recognised.

The modified retrospective approach is selected as a transition method, where all conversion effects as of January 1, 2019 are recognised in equity as an adjustment to retained earnings. The adjustments were applied to all open contracts.

The AMAG Group has not yet decided whether to utilise the exemption regulations (especially in relation to the valuation recognised on the transition date).

#### Miscellaneous relevant amendments to standards

The amendment to IAS 28 clarifies that IFRS 9 is to be applied to non-current interests in associates or joint ventures that are not equity accounted.

#### Significant accounting policies

The principal accounting policies applied in the presentation of the consolidated financial statements of AMAG Austria Metall AG are set out below.

#### Non-current and current assets and liabilities

Pursuant to IAS 1, the consolidated statement of financial position is structured on a term basis. Assets and liabilities with terms of up to one year are classified as current, and those with terms of over one year as non-current. The terms are always determined with reference to the date at the end of the reporting period.

#### Intangible assets and property, plant and equipment

Purchased intangible assets are measured at cost. Intangible assets of finite useful life are amortised over their economic useful life. Amortisation is applied straight-line over periods from 3-29 years. No intangible assets with indefinite useful lives exist at present.

Changes in the amortisation method or period necessitated by changes in the expected useful life or the expected consumption of the future economic benefits of an asset are treated as changes in estimates. The intangible assets comprise purchased industrial property rights, franchises, trademarks and other rights, licences, patents and software.

Property, plant and equipment is capitalised at cost, less any accumulated depreciation and impairment losses, if subject to wear and tear. The expected useful life and depreciation method applied are reviewed periodically to assess whether they reflect the economic benefits embodied by the assets.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is applied on a straight-line basis over the expected economic life of the asset:

|  |             |
|--|-------------|
| Office, factory and other buildings              | 10-50 years |
| Plant and machinery                              | 2-50 years  |
| Other fixtures and fittings, tools and equipment | 2-20 years  |

The costs of production for property, plant and equipment include direct costs and production-related production overheads. Administrative expenses are not capitalised.

Cost comprises the cost to replace a part of an asset if the related recognition criteria are met. Otherwise, replacement and maintenance equipment is recognised under inventories.

If large parts of items of property, plant and equipment must be replaced at regular intervals, such parts are recognised as separate assets with their own useful lives and depreciation methods. When performing major inspections, the cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement, provided that the recognition criteria are met. The present value of the expected cost of post-use disposal of an asset is included in the cost of the asset if the criteria for recognition of a provision are met.

Borrowing costs that are directly attributable to the cost of an asset that necessarily takes a substantial period to make ready for its intended use or sale are capitalised as part of the cost of the asset in accordance with IAS 23.

Items of property, plant and equipment that are not yet operational are recognised as assets under construction and measured at cost. Depreciation does not commence until the assets concerned are ready for operation.

Expenditure arising after the commissioning of non-current assets, such as repair, maintenance and reconditioning costs, is expensed, as a matter of principle.

If it is likely that the subsequent costs will lead to additional economic benefits from the use of the asset, such costs are capitalised.

On each reporting date, the carrying amounts of property, plant and equipment and intangible assets are examined to determine whether indications of impairment exist. If such indications are identifiable, the recoverable amount of the asset is estimated to determine the scope of any impairment loss to be applied. If the recoverable amount for the specific asset cannot be estimated, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

If the estimated recoverable amount of an asset (or cash-generating unit) exceeds its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The impairment loss is expensed immediately.

If the impairment loss is to be reversed subsequently, the carrying amount of the asset (or cash-generating unit) is increased to the level of the more recent estimate of the recoverable amount. In this context, the increase in the carrying amount is to be limited to the amount that would have been derived if no impairment loss had been reported for the asset (or cash-generating unit) in previous years.

#### Leases

Under IAS 17, the criterion for the attribution of a leased asset to the lessor or lessee is determined by assessing to which party all the significant risks and rewards inherent in ownership transfer. Leased items of property, plant and equipment that represent asset purchases financed by long-term borrowings (finance leases) are recognised at the lower of the fair value or the present value of the minimum lease payments at the commencement of the lease term, in accordance with IAS 17. Depreciation is applied over the economic life of the assets. The commitments arising from the future lease payments are recognised as liabilities. The other lease or hire contracts are treated as operating leases, and the assets are attributed to the lessor or owner, while the current lease payments are expensed. Current payments are offset as expenses.

#### Inventories

Raw materials and consumables that are fully interchangeable and destined for use are measured applying consumption tracking methods (weighted average cost, and first-in, first-out methods). Inventories that are not normally exchangeable are recognised at cost, including incidental purchase costs. Impairment losses are applied whenever the net realisable value is below the carrying amount.

Work in progress and finished goods are capitalised at the lower of cost of conversion or net realisable value. Costs of conversion include direct material and production costs, as well as appropriate material and production overheads, based on normal capacity utilisation. General administrative and selling costs are not taken into consideration. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The aluminium price component of the inventories that have been designated as a fair value hedge are carried at fair value. The unhedged component is measured at cost. If the net realisable value (average value of customer orders) is lower on the reporting date, this market value is recognised.

#### Primary financial assets and liabilities

Financial assets and liabilities comprise other non-current assets and financial assets, trade receivables and payables, other receivables and payables, cash and cash equivalents, and interest-bearing borrowings.

Financial assets in the meaning of IFRS 9 are classified either as financial assets at amortised cost, or as measured at fair value in other comprehensive income (with or without recycling), or as measured at fair value through profit or loss. This classification is made based on the company's business model for the management of financial assets and the characteristics of the contractual cash flows from the financial asset.

Assets are recognised at amortised cost that are held as part of a business model whose objective is to hold financial assets for the receipt of contractual cash flows exclusively comprising interest and principal payments. The "holding" business model is mainly applied at AMAG.

Financial assets are measured at fair value on initial recognition. Settlement date accounting is normally applied to standard market purchases and sales of financial instruments. Price offers by banks or similar pricing models are used to measure the fair value of financial instruments at the end of a reporting period. The fair values of financial assets generally correspond to their market prices on the balance sheet date. In the absence of quoted prices on active markets, they are calculated applying generally accepted valuation models and current market parameters (especially interest rates, exchange rates and counterparties' credit ratings). To this end, the cash flows generated by the financial instruments are discounted to the balance sheet date.

#### Derecognition of financial assets

Financial assets are derecognised if the contractual rights conferred by the assets expire, or the Group has transferred its contractual rights to receive cash flows from the assets, or assumed a contractual obligation to pay the cash flows to a third party immediately under an agreement that meets the conditions set out in IFRS 9 3.2 (a so-called "pass-through arrangement"), and has either (a) transferred substantially all the risks and rewards entailed in ownership of the financial asset or (b) neither transferred nor retained substantially all the risks and rewards entailed in ownership of the financial asset, but has transferred control of the asset.

If the Group transfers its contractual rights to receive cash flows from an asset, or enters into a pass-through arrangement, and neither transfers nor retains substantially all the risks and rewards entailed in ownership of the financial asset, but retains control of the transferred asset, then the Group continues to recognise the asset to the extent of its continuing involvement in the latter. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled, or expires.

#### Other non-current financial assets and financial investments

Other non-current financial assets and investments comprise securities measured at fair value and non-consolidated interests as well as the interest in unit-IT Dienstleistungs GmbH & Co KG. As part of first-time recognition due to the first-time application of IFRS 9, it was determined for which financial instruments the fair value changes would be recognised in other comprehensive income as part of subsequent measurement. For the measurement, the option on initial recognition was exercised of recognising the measurement in other comprehensive income. The option was exercised, as the financial instruments comprise a strategic investment and are not held for trading. The option to recognise in other comprehensive income exists only on initial recognition and can be exercised individually for each financial instrument. For more information about non-current derivatives with positive fair values that are included, please refer to the section on derivative financial instruments in section M Financial instruments.

The "hold" business model is applied to other non-current financial assets that are debt instruments and are recognised at amortised cost as a consequence.

Income from investments and miscellaneous other financial assets is shown under the other net financial result.

#### Receivables

Trade receivables without significant financing components are initially recognised at their transaction price in the meaning of IFRS 9, and subsequently at amortised cost, less any valuation adjustments for expected credit losses. Foreign currency receivables are measured at the average rate prevailing on the balance sheet date.

Trade receivables are measured applying the simplified model (expected loan losses due to all potential default events during the expected term). For this purpose, the requirement for impairment losses is calculated in an impairment matrix applying a past analysis and an estimate of future trends. This analysis showed no expected credit loss for Level 2 as of the reporting date.

Receivables are only derecognised in the event of insolvency or unsuccessful attempts to enforce claims by taking legal action. Impairment losses are reversed through profit or loss if the reason for the impairment no longer applies or an improvement has occurred. Interest-free or low-interest receivables with an expected residual maturity of over one year are discounted.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short-term investments. Measurement is at amortised cost. The exemption to waive an analysis of a deterioration of credit risk if the banks enjoy low credit risks on the reporting date is utilised for all bank deposits, as the corresponding banks carry an investment-grade category rating, and consequently exhibit low credit risk.

#### Liabilities

Liabilities are recognised at amortised cost in accordance with IFRS 9, applying the effective interest method. The effective interest method amortises the difference between the cost and the nominal value, applying the effective interest rate. The effective interest rate is the rate that discounts the estimated future cash flows until maturity, or the next market price-oriented interest rate adjustment date, to the current carrying amount of the financial asset or financial liability.

#### Derivative financial instruments

Derivative instruments that do not meet the criteria for hedge accounting as per IFRS 9 are classified as held for trading and recognised at fair value through profit and loss in accordance with IFRS 9. Where material, measurement takes counterparty credit risk as well as the company's own credit risk into consideration. For more information on the risk management strategy, please see the section M Financial instruments.

#### Cash flow hedges

In the case of a cash flow hedge, the effective portion of the change in fair value is recognised in other comprehensive income, under the hedging reserve item, whereas the ineffective portion is recognised immediately in profit or loss, under the other net financial result. However, if a hedge of a forecast transaction results in the recognition of a non-financial asset or liability, the amounts are recorded as part of the cost of that asset or liability at the time of recognition. In all other cases, amounts deferred in equity are recognised in profit or loss on the date, or dates, on which the hedged cash flows affect the result.

Interest rate swaps are used to hedge against interest rate risk. Fixed interest is paid on the notional value of the swap contract and, in return, the Group receives variable interest payments on the same principal amount. These interest rate swaps offset the impact of future changes in interest rates on the cash flows derived from the underlying variable-rate financial liabilities.

The Group partially uses forward contracts and options to hedge part of future sales of its share of production from Aluminerie Alouette Inc. The derivatives used for this purpose are classified as cash flow hedges.

#### Fair value hedges

In a fair value hedge, both the hedged item in relation to the hedged risk and the derivative hedging instrument are measured at fair value, and changes in the latter are recognised in profit or loss. Subsequent measurement is at market value, as a matter of principle.

Physical stocks are hedged against exchange rate and price movements (portfolio hedging of the aluminium price portion of inventories).

#### Firm commitment

When an off-balance-sheet firm commitment (customer order) is designated as a hedged item, the subsequent cumulative change in the fair value of the commitment attributable to the hedged risk is recognised as an asset or liability through profit or loss.

#### Embedded derivatives

Derivatives embedded in other financial instruments or host contracts are treated as separate derivatives if their risks and characteristics are not closely related to those of the host contracts, and they are in any case not measured at fair value.

#### Power supply contract concluded by Aluminerie Alouette Inc.

Alouette has a power contract with a state-owned utility that directly ties the rate to be paid by Alouette to the market price of aluminium under a contractual pricing formula.

As of October 11, 2016, a new electricity purchasing contract was concluded that regulates electricity supplies from January 1, 2017. The new contract contains an embedded derivative due to the dependency of the electricity price on the LME price. This derivative is designated as a hedging instrument as part of cash flow hedges. The fair value of the derivative is measured based on a model. Given the monopolistic electricity market in Canada, no liquid electricity market exists in the conventional sense (in other words, a mark-to-market price is not directly observable). A forward pricing model is consequently employed to value the derivative, applying an electricity reference price, related yield curves, and forward aluminium prices and foreign currency exchange rates.

In order to obtain a market-based valuation of the contract, the present value of future electricity payments is subsequently calculated applying forward aluminium prices plus a premium (Midwest Premium) based on the expected term of the electricity contract and compared with the present value of future electricity payments based on Alouette's reference electricity price taking into account USD to CAD forward structures. The difference calculated in this manner provides a model-based valuation of the embedded derivative.

The derivative's positive fair value on initial measurement was classified as a public subsidy (from the Government of Québec), and reported under other non-current and current liabilities accordingly. The subsidy is released through profit or loss in line with the expenses as expected according to the terms in the contract.

#### Share capital

The subscribed share capital exclusively comprises ordinary shares securitising the same rights and all which are issued.

#### Capital reserves

The capital reserves include shareholder contributions, payments made by shareholders in connection with the issuance of shares, and effects arising from reorganisations.

#### Provisions for severance payments, pensions, medical care benefits and service anniversary bonuses

Provisions for defined benefit pension plans and post-employment medical care plans, as well as severance payments and service anniversary bonuses obligations, are remeasured annually by independent actuaries.

The obligations and costs are measured applying the projected unit credit method, in accordance with IAS 19. The projected benefits are attributed to the entire period of employment. In the provisions for severance arrangements, the anticipated obligations are distributed over the period until the attainment of the individually maximum possible entitlement.

Provisions are measured based on the following financial and demographic assumptions:

Discounting rates are determined on a country-specific basis reflecting returns achieved on the market by top grade industrial bonds. The pension schemes of the Austrian companies are measured based on yield trends as determined by MERCER Deutschland, and in accordance with the obligations' residual durations. In Canada, Fiera Capital's "CIA Method Accounting Discount Rate Curve" is applied as a reference in an analogous manner.

Salary growth is derived from the beneficiaries' wage and salary trends over recent years, taking expectations about the future into account. The consumer price index serves as the basis for pension adjustments in Austria. In Canada, cost trends for medical care services reflect the circumstances prevailing there.

Staff turnover rates are calculated on a country-specific basis. Details see chapter J 10 Personnel provisions.

Actuarial gains and losses other than those related to service anniversary bonuses are stated under other comprehensive income.

For the Austrian companies, current data from the Austrian Actuaries Association (AVÖ), the 2008-P mortality tables with generational effect for salaried employees, are utilised (although not for invalidity and marriage probability). These are derived from Ettl-Pagler basic probability data that have been used to date, being further developed with new assumptions concerning further mortality trends in the form of generation tables deriving from existing period tables. At the Canadian company Aluminerie Alouette Inc., the "CPM2014Priv projected with scale CPMB (2 dimensions)" are applied as the basis for mortality, with a reduction in the mortality rate of 2.5 % and 5 % respectively.

Where a pension plan qualifies for offsetting of the plan assets against the provision required by IAS 19, such offsetting is performed.

Current service cost and any past service cost are reported among personnel expenses, with the net interest expense on the measurement of the aforementioned obligations being reported in the net financial result.

### Other provisions

Other provisions are formed if an obligation to third parties arises from a past event, utilisation is probable, and the prospective level of the provisioning amount can be estimated reliably on the balance sheet date.

### Research and development expenses

Research costs are expensed in the period in which they are incurred. Development costs are expensed if the criteria for capitalisation as per IAS 38 are not met. A total of EUR 12,315 thousand were recognised as research and development expenses in the year under review (previous year: EUR 10,842 thousand).

### Revenue recognition

Revenue from deliveries is not recognised until the significant risks and rewards of ownership of the goods delivered have transferred to the buyer. In the AMAG Group, satisfaction of this criterion is primarily based on contractually agreed Incoterms. Revenue from services is recognised if the service has been rendered, the level of revenue can be calculated reliably, and the economic benefit is likely to accrue to the Group.

As a matter of principle, expense-related government grants are recognised as revenue on a scheduled basis over the period that is required to offset the expenses that they subsidise. In the 2017 financial year, expense-related government grants of EUR 22,294 thousand were recognised in profit or loss (previous year: EUR 1,888 thousand).

The interest is accrued pro rata at the respective interest rate. Dividends are recognised when shareholders' rights to receive payment are substantiated.

### Borrowing costs

Borrowing costs comprise interest and other costs incurred in connection with borrowings. Borrowing costs that are directly attributable to the purchase, construction or manufacturing of an asset that necessarily takes a substantial period to make ready for its intended use or for sale are capitalised as part of the cost of the asset. All the other borrowing costs are expensed in the period in which they are incurred.

### Income taxes

Tax assets and tax liabilities are offset when they relate to income taxes levied by the same taxation authority, and a right exists to set off such tax assets against tax liabilities. The income tax liability is based on the annual profit, taking deferred tax into account. Deferred tax is calculated applying the balance sheet liability method. Deferred tax reflects the tax effects of the temporary differences between the reported carrying amounts of assets and liabilities on the one hand, and the corresponding amounts based on respective tax regulations on the other. Deferred tax assets and liabilities are measured applying the tax rates (and tax regulations) that are expected to apply to the period when the deferred tax assets are expected to be realised or the liabilities settled.

Deferred taxes are recognised for all taxable temporary differences that give rise to deferred tax liabilities. Deferred tax assets are recognised only if it is probable that sufficient future taxable profit will be available for the deferred tax asset to be utilised. For this purpose, the carrying amounts of the deferred tax assets are reviewed at the end of each reporting period. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of the asset to be utilised.

Deferred tax is recognised directly in equity if the tax relates to items that are recognised directly in equity, and this tax is offset against or credited to equity in the same or a different period.

In Austria, dividend payouts from the Group companies to the Group parent company are free of tax. Pursuant to double taxation treaties between Canada and Austria, dividend payments rendered by Aluminium Austria Metall (Québec) Inc. incur 5 % withholding tax. If the entire net profit of the Canadian subsidiary of USD 75.6 million (previous year: USD 77.5 million) were to be distributed as a dividend, USD 3.8 million (previous year: USD 3.9 million) of withholding tax would be incurred. No dividend payment from Canada is currently planned.



## F Accounting judgements and estimates

### Accounting judgements

In the case of the interest held in the Canadian smelter Aluminerie Alouette Inc., Sept-Îles, a discretionary assessment was made as to whether this is to be classified as a jointly controlled operation (IFRS 11.15). Within the AMAG Group, the classification was made mainly for the following reasons:

- + The agreement between the various partners regulates the joint control of Alouette's operations.
- + The partners own pro rata shares of all the company's assets.
- + Alouette does not generate any revenue from third parties, and the company's owners are obligated to purchase a pro rata share of total output. The partners are also obligated to meet cash calls on a pro rata basis to fulfil Alouette's financing and liquidity requirements.
- + For this reason, the partners are the primary source of cash flows, and consequently obligated to cover any debts that Alouette might incur.

### Assumptions and estimation uncertainties

When preparing the consolidated financial statements, it is to some extent necessary to make estimates and assumptions that influence the reported assets, provisions and liabilities, the disclosures of other commitments as at the end of the reporting period, and the presentation of income and expenses for the reporting period. Actual future results may differ from the estimates, and this may have a significant impact on the consolidated financial statements.

The Management Board of AMAG Austria Metall AG believes that it has made reasonable assumptions, such that the consolidated financial statements in all material respects give a true and fair view of the Group's financial position and performance.

The estimates and underlying assumptions are subject to considerable uncertainty, and their accuracy is consequently scrutinised constantly. Changes in the estimates are recognised in the periods in which they are made.

The following notes to the financial statements include information about assumptions and uncertainties relating to estimates which can generate a considerable risk that necessitates a significant adjustment during the following financial year:

### Asset impairment tests

Concerning the extent to which assets retain their value at the level of a cash-generating unit, an annual review is conducted as to whether indications of impairment exist that would necessitate an impairment test. In the year under review, no indications existed of impairment to assets.

### Financial asset impairment tests

When valuing financial assets, assumptions are to be made especially concerning the likelihood of default and the assessment of the impairment of receivables. This occurred based on analyses of the past, taking expected future developments into consideration. For more information see section M Financial instruments, in the section concerning credit risks.

### Cash flow hedges

For the accounting treatment of cash flow hedge relationships, assumptions are to be made especially concerning the likelihood of the occurrence of future revenues. Here, uncertainties exist particularly in relation to the expected scope of future revenues and the assumption that expected cash flows will be received (default probability).

For the accounting treatment of the embedded derivative deriving from the electricity contracts, estimates were also to be made (e.g. expected term). For more information, please see section E Accounting policies and section M Financial instruments.

### Personnel provisions

When measuring provisions for severance payments, pensions, medical care benefits and service anniversary bonuses, assumptions are to be made relating to financial parameters (discount rate, salary increases) and demographic parameters (staff turnover rate, calculation basis). The discount rate is determined based on market yields achieved by top grade fixed-interest corporate bonds on the balance sheet date. In Austria, the data tables produced by MERCER Germany serve as the basis, and in Canada, Fiera Capital's "CIA (Canadian Institute of Actuaries) Method Accounting Discount Rate Curve". Derived from past years' trends, salary growth comprises expected future increases that are estimated annually depending on inflation and career trends (except pensions), among other factors. As of December 31, 2017, provisions of EUR 82,140 thousand (previous year: EUR 68,504 thousand) were recognised for severance payments, pensions, medical care benefits and service anniversary bonuses. Further details can be found in section J Notes to the consolidated statement of financial position, subsection 10.

### Deferred tax

To measure deferred tax assets on tax loss carryforwards, assumptions relating to future taxable income and the timing of realisation are to be made. Such assets are recognised in relation to non-forfeitable tax loss carryforwards under the assumption that sufficient taxable income will be generated in the future to realise the tax loss carryforwards. For this, budgeted operating business results and earnings effects arising from the reversal of taxable temporary differences are taken into consideration. As the future trend of business is uncertain, and lies partially outside the Group's control, assumptions that are to be made in connection with the recognition of deferred tax assets are connected with uncertainties.

Within the AMAG Group, non-forfeitable loss carryforwards exist mainly at the Austria Metall AG tax group. Deferred tax assets relating to non-forfeitable loss carryforwards are measured based on medium-term planning for the coming five years, which is reconciled with the tax planning account. Based on the current tax planning account for the AMAG Austria Metall AG tax group as well as for AMAG Erste Beteiligungsverwaltungs GmbH, positive tax results are also expected for the corresponding period. Therefore deferred taxes were also formed for these loss carryforwards as a consequence. In the previous year deferred tax assets for the Austria Metall GmbH tax group were formed which were completely used in the financial period. For further details see J Notes to the consolidated statement of financial position.

### Non-current provisions

Non-current provisions for other risks are formed if an obligation to third parties exists, an outflow of resources is probable, and the prospective obligation can be estimated reliably. The amount recognised as a provision comprises the best possible estimate of the obligation on the balance sheet date. Provisions with an original term of more than one year are recognised with the satisfaction amount discounted to the reporting date. Provisions are reviewed regularly and adjusted to reflect new information or a change in circumstances.

### Contingent liabilities

Contingent liabilities according to IFRS 3 deriving from previous years for environmental cleanup costs for potential hazardous sites exist in an amount of EUR 5,700 thousand (previous year: EUR 5,700 thousand). The recognised values were retained pursuant to IFRS 3.56, as neither the conditions for derecognition nor the criteria for a provision pursuant to IAS 37 were met as of the balance sheet date.

The AMAG Group is obligated to clean leachate deriving from a closed and sealed waste site to comply with prescribed consensus levels. This obligation was measured with the present value of the estimated operating costs until 2029. The congruent maturity interest rate deriving from the European government yield curve was applied as the interest rate. The carrying amount of the non-current portion of the provision stands at EUR 4,040 thousand (previous year: EUR 4,574 thousand).

Further details can be found in section J "Notes to the consolidated statement of financial position", subsection 11.

## G Contingent liabilities and assets

Contingent liabilities are not shown on the statement of financial position, apart from those accounted for in accordance with IFRS 3. They are disclosed when the possibility of an outflow of resources embodying economic benefits cannot be excluded, although the criteria for the recognition of a provision are not met.

Contingent assets are disclosed in the consolidated financial statements only if an inflow of resources embodying economic benefits is probable.

## H Adjustments from the first-time application of IFRS 9

Based on the presented modifications to accounting policies due to the first-time application of IFRS 9, the following retroactive adjustments arise for the consolidated financial statements of AMAG, which were taken into consideration as of January 1, 2017 according to the transition regulations.

Overview of the effects of the IFRS 9 adjustment on the statement of financial position:

| in EUR thousand                     | 31/12/2016       | Adjustments<br>IFRS 9 | 01/01/2017       |
|-------------------------------------|------------------|-----------------------|------------------|
| Non-current assets                  | 876,935          | 902                   | 877,837          |
| Current assets                      | 512,793          | 942                   | 513,734          |
| <b>TOTAL ASSETS</b>                 | <b>1,389,727</b> | <b>1,844</b>          | <b>1,391,571</b> |
| Equity                              | 630,460          | 1,641                 | 632,101          |
| Non-current liabilities             | 555,797          | 203                   | 556,000          |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>1,389,727</b> | <b>1,844</b>          | <b>1,391,571</b> |

The increase in trade receivables derives from a release of impairment losses applied to trade receivables, which were no longer permissible based on the concept of lifetime expected credit losses introduced by IFRS 9, and consequently attributable to an amended measurement method. The increase in non-current participating interests and securities, which were measured at cost less impairment pursuant to IAS 39, derives from fair value measurement, and consequently from an amended measurement category. An adjustment also occurred due to the recognition of the fair value component of options in other comprehensive income and in the fair value reserve.

The following table shows the changes deriving from the first-time application of IFRS 9:

| Position   | Classification under IAS 39        | Classification under IFRS 9                   | Carrying amount under IAS 39 as of December 31, 2017 | Carrying amount under IFRS 9 as of December 31, 2017 |
|--|------------------------------------|---|--|--|
| Other non-current assets and financial assets              |                                    |   |  |  |
| thereof non-current derivatives with positive market value | Held for trading                   | Fair value through profit or loss             | 456  | 456  |
| thereof equity investments                                 | Available for sale                 | Fair value through other comprehensive income | 27   | 60   |
| thereof securities available for sale                      | Available for sale                 | Fair value through other comprehensive income | 354  | 1,223  |
| thereof other non-current assets                           | Loans, receivables and liabilities | At amortised cost                             | 2,406  | 2,406  |
| Trade receivables  | Loans, receivables and liabilities | At amortised cost                             | 102,641  | 103,583  |
| Other current assets and financial assets                  |                                    |   |  |  |
| thereof current derivatives with positive market value     | Held for trading                   | Fair value through profit or loss             | 11,216   | 11,216   |
| thereof other current assets                               | Loans, receivables and liabilities | At amortised cost                             | 9,209  | 9,209  |
| thereof funds in transit                                   | Cash and cash equivalents          | At amortised cost                             | 470  | 470  |
| Cash and cash equivalents                                  | Cash and cash equivalents          | At amortised cost                             | 149,833  | 149,833  |
| Interest-bearing non-current financial liabilities         | Loans, receivables and liabilities | At amortised cost                             | 376,124  | 376,124  |
| Other non-current liabilities and grants                   | Loans, receivables and liabilities | At amortised cost                             | 98,869   | 98,869   |
| Trade payables   | Loans, receivables and liabilities | At amortised cost                             | 73,322   | 73,322   |
| Other current liabilities and grants                       | Loans, receivables and liabilities | At amortised cost                             | 18,461   | 18,461   |

## I Segment reporting

### Business divisions

Reporting by business divisions (the Metal, Casting, Rolling and Service divisions) conforms to the Group's organisational and management structure, and this serves as the basis for segment information.

Production of primary aluminium, management of metal production streams, hedging the aluminium price risk exposure of the operating subsidiaries of AMAG, and marketing primary aluminium fall under the Metal Division's remit.

The Casting Division is responsible for the production of high-quality cast aluminium alloys from aluminium scrap for use by various sectors, including the automotive sector and supply industry, as well as the engineering and electrical engineering sectors.

The Rolling Division manufactures high-quality rolled aluminium products such as sheets, strips and plates for applications in the automotive sector and supply industry, and in sports, engineering, transportation and other industrial sectors. The Division also specialises in bright products, customised cathode elements for zinc electrolysis plants, brazing materials, tread plate and high strength alloys, as well as foil stock for the packaging industry. The portfolio is rounded off by foil stock materials for the packaging industry.

The Service Division provides all centralised services to the operating divisions of AMAG at the Ranshofen facility, and overall management functions for the AMAG Group. Its tasks especially also cover management of all buildings and areas at the Ranshofen site, whose land and building assets are allocated entirely to this area. Energy supply, waste disposal, general site services and materials management are also included in the Service Division. The revenue reported in the Service Division relates entirely to the provision of services.

No business divisions were combined to create the four reportable divisions described above. The accounting principles applied to prepare the segment information for AMAG Austria Metall AG are based on the IFRSs applied in the preparation of the consolidated financial statements.

AMAG Austria Metall AG evaluates divisional performance based on shipments and earnings before interest, tax, depreciation and amortisation (EBITDA), among other indicators.

Inter-divisional sales and purchases of materials and services are calculated based on market prices. Segment assets and liabilities comprise all assets and liabilities recognised based on the financial statements that are prepared by the operating divisions and included in the consolidated financial statements. Divisional investment comprises additions to intangible assets, and to property, plant and equipment.

### Inter-divisional transactions

The revenue, expenses and income of each division include elimination of intragroup balances between business divisions and geographical divisions. Interdivisional transfer pricing is based on comparable, standard market terms.

## Business divisions

| 2017 in EUR thousand  | Metal   | Casting | Rolling  | Service | Consolidation | Group     |
|---|---------|---------|----------|---------|---------------|-----------|
| Shipments in tons   | 120,383 | 87,359  | 213,937  |         | (25,778)      | 395,901   |
| thereof internal <sup>1)</sup>  | 0       | 25,778  | 0        |         | (25,778)      | 0         |
| Revenue   |         |         |          |         |               |           |
| External  | 207,998 | 110,163 | 712,160  | 5,918   | 0             | 1,036,238 |
| Internal  | 522,876 | 9,312   | 97,392   | 75,359  | (704,939)     | 0         |
|   | 730,873 | 119,475 | 809,552  | 81,277  | (704,939)     | 1,036,238 |
| Gross profit  | 21,048  | 8,344   | 111,788  | 16,870  | (1,834)       | 156,216   |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 41,330  | 5,657   | 105,933  | 11,533  | 0             | 164,453   |
| Depreciation and amortisation   | 28,185  | 2,056   | 35,443   | 11,967  | 0             | 77,651    |
| Earnings before interest and taxes (EBIT)                               | 13,145  | 3,601   | 70,490   | (434)   | 0             | 86,802    |
| Interest income   | 1,961   | 0       | 157      | 4,823   | (6,122)       | 820       |
| Interest expenses   | (2,262) | (102)   | (6,467)  | (4,556) | 6,122         | (7,266)   |
| Net interest income (expenses)  | (301)   | (102)   | (6,310)  | 267     | 0             | (6,446)   |
| Other financial income (expenses)                                       | 1,384   | 0       | (78)     | 43,994  | (44,000)      | 1,300     |
| Net financial income (expenses)   | 1,083   | (102)   | (6,388)  | 44,261  | (44,000)      | (5,146)   |
| Earnings before taxes (EBT)   | 14,228  | 3,500   | 64,102   | 43,827  | (44,000)      | 81,657    |
| Income taxes  | (3,746) | (786)   | (14,046) | 81      | 0             | (18,497)  |
| Net income after taxes  | 10,482  | 2,714   | 50,056   | 43,908  | (44,000)      | 63,160    |
| Balance sheet   |         |         |          |         |               |           |
| Division assets   | 414,946 | 29,750  | 612,179  | 884,509 | (536,515)     | 1,404,869 |
| Division liabilities  | 258,054 | 15,318  | 415,410  | 476,093 | (367,880)     | 796,995   |
| Other disclosures   |         |         |          |         |               |           |
| Investments (excluding financial investments)                           | 12,255  | 3,470   | 73,509   | 17,973  | 0             | 107,208   |
| Employees (FTE)   | 190     | 126     | 1,424    | 141     | 0             | 1,881     |

1) Internal volumes include material supplies from Alouette in the Metal Division, and reprocessing volumes in the Casting Division.

| 2016 in EUR thousand  | Metal   | Casting | Rolling  | Service | Consolidation | Group     |
|---|---------|---------|----------|---------|---------------|-----------|
| Shipments in tons   | 121,196 | 86,709  | 198,031  |         | (30,710)      | 375,226   |
| thereof internal <sup>1)</sup>  | 6,031   | 24,678  | 0        |         | (30,710)      | 0         |
| Revenue   |         |         |          |         |               |           |
| External  | 185,903 | 102,689 | 611,941  | 5,713   | 0             | 906,246   |
| Internal  | 425,246 | 9,391   | 90,282   | 65,956  | (590,876)     | 0         |
|   | 611,149 | 112,080 | 702,223  | 71,669  | (590,876)     | 906,246   |
| Gross profit  | 15,647  | 8,419   | 113,260  | 14,371  | (1,322)       | 150,375   |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 37,866  | 6,127   | 95,596   | 3,409   | 0             | 142,997   |
| Depreciation and amortisation   | 28,637  | 2,192   | 28,946   | 10,250  | 0             | 70,026    |
| Earnings before interest and taxes (EBIT)                               | 9,228   | 3,934   | 66,649   | (6,841) | 0             | 72,971    |
| Interest income   | 3,341   | 0       | 95       | 3,758   | (6,241)       | 952       |
| Interest expenses   | (4,474) | (77)    | (7,095)  | (3,810) | 6,241         | (9,215)   |
| Net interest income (expenses)  | (1,133) | (77)    | (7,000)  | (53)    | 0             | (8,262)   |
| Other financial income (expenses)                                       | (1,905) | 0       | 0        | 41,149  | (41,000)      | (1,756)   |
| Net financial income (expenses)   | (3,037) | (77)    | (7,000)  | 41,096  | (41,000)      | (10,018)  |
| Earnings before taxes (EBT)   | 6,191   | 3,858   | 59,649   | 34,255  | (41,000)      | 62,953    |
| Income taxes  | (2,019) | (1,003) | (14,715) | 1,090   | 0             | (16,648)  |
| Net income after taxes  | 4,172   | 2,854   | 44,934   | 35,345  | (41,000)      | 46,305    |
| Balance sheet   |         |         |          |         |               |           |
| Division assets   | 559,908 | 28,169  | 537,904  | 803,190 | (539,444)     | 1,389,727 |
| Division liabilities  | 278,869 | 14,266  | 389,438  | 414,172 | (337,477)     | 759,267   |
| Other disclosures   |         |         |          |         |               |           |
| Investments (excluding financial investments)                           | 6,977   | 1,100   | 138,209  | 55,048  | 0             | 201,334   |
| Employees (FTE)   | 195     | 125     | 1,309    | 133     | 0             | 1,762     |

1) Internal volumes include material supplies from Alouette in the Metal Division, and reprocessing volumes in the Casting Division.

## Geographical divisions

| 2017 in EUR thousand  | Production site Austria | Production site Canada | Total            | Consolidation    | Group            |
|---|-------------------------|------------------------|------------------|------------------|------------------|
| <b>Revenue</b>  |                         |                        |                  |                  |                  |
| Austria revenue <sup>1)</sup>   | 156,727                 | 194,054                | 350,782          | (202,133)        | 148,648          |
| Western Europe  | 594,674                 | 0                      | 594,674          | 0                | 594,674          |
| Other markets   | 292,916                 | 0                      | 292,916          | 0                | 292,916          |
|   | <b>1,044,317</b>        | <b>194,054</b>         | <b>1,238,372</b> | <b>(202,133)</b> | <b>1,036,238</b> |
| <b>Earnings</b>   |                         |                        |                  |                  |                  |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 125,946                 | 38,265                 | 164,211          | 242              | 164,453          |
| Earnings before interest and taxes (EBIT)                               | 76,465                  | 10,096                 | 86,560           | 242              | 86,802           |
| <b>Balance sheet</b>  |                         |                        |                  |                  |                  |
| Non-current division assets   | 634,777                 | 125,738                | 760,516          | 0                | 760,516          |
| <b>2016 in EUR thousand</b>   |                         |                        |                  |                  |                  |
| <b>Revenue</b>  |                         |                        |                  |                  |                  |
| Austria revenue <sup>1)</sup>   | 124,744                 | 189,618                | 314,362          | (178,576)        | 135,786          |
| Western Europe  | 484,594                 | 0                      | 484,594          | 0                | 484,594          |
| Other markets   | 285,866                 | 0                      | 285,866          | 0                | 285,866          |
|   | <b>895,204</b>          | <b>189,618</b>         | <b>1,084,822</b> | <b>(178,576)</b> | <b>906,246</b>   |
| <b>Earnings</b>   |                         |                        |                  |                  |                  |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 110,078                 | 33,162                 | 143,239          | (242)            | 142,997          |
| Earnings before interest and taxes (EBIT)                               | 68,675                  | 4,538                  | 73,213           | (242)            | 72,971           |
| <b>Balance sheet</b>  |                         |                        |                  |                  |                  |
| Non-current division assets   | 590,154                 | 160,647                | 750,801          | 0                | 750,801          |

1) Aluminium production at the Alouette smelter in Canada is sold on a pro rata basis to the Austrian metal management subsidiary, which in turn sells the aluminium on.

The revenues were allocated to the respective sales markets based on the customers' headquarter operations.



## J Notes to the consolidated statement of financial position

### 01 Consolidated statement of changes in non-current assets

#### Cost or valuation

| in EUR thousand                                     | As of Jan. 1,<br>2017 | Exchange<br>differences | Additions      | Disposals       | Reclassifi-<br>cations | As of Dec. 31,<br>2017 |
|---|-----------------------|-------------------------|----------------|-----------------|------------------------|------------------------|
| <b>Intangible assets</b>                            | <b>9,797</b>          | <b>(507)</b>            | <b>2,947</b>   | <b>(1)</b>      | <b>(134)</b>           | <b>12,102</b>          |
| Undeveloped land                                    | 17,450                | 0                       | 0              | (1)             | 0                      | 17,449                 |
| Land - developed land                               | 17,835                | (99)                    | 1              | 0               | 0                      | 17,737                 |
| Buildings - developed land                          | 181,242               | (5,517)                 | 12,339         | (474)           | 42,354                 | 229,944                |
| Plant and machinery                                 | 767,471               | (38,402)                | 65,652         | (13,070)        | 129,876                | 911,527                |
| Other fixtures and fittings, tools and equipment    | 42,602                | (334)                   | 6,282          | (1,609)         | 792                    | 47,733                 |
| Advance payments made and assets under construction | 175,632               | (316)                   | 19,986         | (47)            | (172,888)              | 22,368                 |
| <b>Property, plant and equipment</b>                | <b>1,202,232</b>      | <b>(44,668)</b>         | <b>104,260</b> | <b>(15,201)</b> | <b>134</b>             | <b>1,246,757</b>       |

| in EUR thousand                                     | As of Jan. 1,<br>2016 | Exchange<br>differences | Additions      | Disposals       | Reclassifi-<br>cations | As of Dec. 31,<br>2016 |
|---|-----------------------|-------------------------|----------------|-----------------|------------------------|------------------------|
| <b>Intangible assets</b>                            | <b>8,189</b>          | <b>111</b>              | <b>1,464</b>   | <b>(30)</b>     | <b>62</b>              | <b>9,797</b>           |
| Undeveloped land                                    | 17,450                | 0                       | 0              | 0               | 0                      | 17,450                 |
| Land - developed land                               | 17,808                | 26                      | 1              | 0               | 0                      | 17,835                 |
| Buildings - developed land                          | 177,507               | 1,460                   | 2,390          | (2,531)         | 2,417                  | 181,242                |
| Plant and machinery                                 | 703,806               | 10,161                  | 38,383         | (11,893)        | 27,014                 | 767,471                |
| Other fixtures and fittings, tools and equipment    | 36,969                | 73                      | 6,431          | (1,528)         | 657                    | 42,602                 |
| Advance payments made and assets under construction | 53,200                | (74)                    | 152,665        | (8)             | (30,150)               | 175,632                |
| <b>Property, plant and equipment</b>                | <b>1,006,739</b>      | <b>11,645</b>           | <b>199,870</b> | <b>(15,960)</b> | <b>(62)</b>            | <b>1,202,232</b>       |

## Amortisation, depreciation and impairment losses

| in EUR thousand                                  | As of Jan. 1,<br>2017 | Exchange<br>differences | Additions     | Disposals       | Reclassifi-<br>cations | As of Dec. 31,<br>2017 |
|--|-----------------------|-------------------------|---------------|-----------------|------------------------|------------------------|
| <b>Intangible assets</b>                         | <b>2,377</b>          | <b>(63)</b>             | <b>1,000</b>  | <b>(1)</b>      | <b>0</b>               | <b>3,312</b>           |
| Undeveloped land                                 | 0                     | 0                       | 0             | 0               | 0                      | 0                      |
| Land - developed land                            | 177                   | (31)                    | 164           | 0               | 0                      | 310                    |
| Buildings - developed land                       | 76,702                | (3,298)                 | 10,487        | (280)           | 0                      | 83,612                 |
| Plant and machinery                              | 356,936               | (23,042)                | 59,714        | (12,048)        | 0                      | 381,559                |
| Other fixtures and fittings, tools and equipment | 25,036                | (237)                   | 6,286         | (1,535)         | 0                      | 29,549                 |
| <b>Property, plant and equipment</b>             | <b>458,850</b>        | <b>(26,608)</b>         | <b>76,651</b> | <b>(13,862)</b> | <b>0</b>               | <b>495,031</b>         |

| in EUR thousand                                  | As of Jan. 1,<br>2016 | Exchange<br>differences | Additions     | Disposals       | Reclassifi-<br>cations | As of Dec. 31,<br>2016 |
|--|-----------------------|-------------------------|---------------|-----------------|------------------------|------------------------|
| <b>Intangible assets</b>                         | <b>1,562</b>          | <b>17</b>               | <b>827</b>    | <b>(30)</b>     | <b>0</b>               | <b>2,377</b>           |
| Undeveloped land                                 | 0                     | 0                       | 0             | 0               | 0                      | 0                      |
| Land - developed land                            | 0                     | 8                       | 169           | 0               | 0                      | 177                    |
| Buildings - developed land                       | 67,939                | 869                     | 9,457         | (1,562)         | 0                      | 76,702                 |
| Plant and machinery                              | 308,396               | 6,067                   | 54,080        | (11,607)        | 0                      | 356,936                |
| Other fixtures and fittings, tools and equipment | 20,858                | 49                      | 5,494         | (1,366)         | 0                      | 25,036                 |
| <b>Property, plant and equipment</b>             | <b>397,193</b>        | <b>6,994</b>            | <b>69,200</b> | <b>(14,535)</b> | <b>0</b>               | <b>458,850</b>         |

## Carrying amounts

| in EUR thousand                                     | Historical cost<br>Dec. 31, 2017 | Accumulated<br>amort./depr. Dec.<br>31, 2017 | Book values Dec.<br>31, 2017 | Book values Dec.<br>31, 2016 |
|---|----------------------------------|--|------------------------------|------------------------------|
| <b>Intangible assets</b>                            | <b>12,102</b>                    | <b>3,312</b>                                 | <b>8,790</b>                 | <b>7,420</b>                 |
| Undeveloped land                                    | 17,449                           | 0  | 17,449                       | 17,450                       |
| Land - developed land                               | 17,737                           | 310  | 17,427                       | 17,658                       |
| Buildings - developed land                          | 229,944                          | 83,612                                       | 146,332                      | 104,540                      |
| Plant and machinery                                 | 911,527                          | 381,559                                      | 529,968                      | 410,535                      |
| Other fixtures and fittings, tools and equipment    | 47,733                           | 29,549                                       | 18,183                       | 17,566                       |
| Advance payments made and assets under construction | 22,368                           | 0  | 22,368                       | 175,632                      |
| <b>Property, plant and equipment</b>                | <b>1,246,757</b>                 | <b>495,031</b>                               | <b>751,726</b>               | <b>743,381</b>               |

**Advance payments made and assets under construction**

During the course of the financial year, investments in the "AMAG 2020" expansion project were recognised as additions to assets under construction and will not be reclassified to the corresponding non-current asset categories until they are completed and commissioned.

**Impairment losses and reversals of impairment losses**

As in the previous year, in 2017 no impairment losses, or reversals of impairment losses, were applied to intangible assets or property, plant and equipment.

**Specialist spare parts**

In the year under review, specialist spare parts in an amount of EUR 1,236 thousand were recognised as assets (previous year: EUR 133 thousand).

**Borrowing costs**

In the 2017 financial year, borrowing costs in an amount of EUR 225 thousand were capitalised in relation to qualifying assets (previous year: EUR 226 thousand). The calculated effective interest rate for the ERP financing of 0.33 % was applied as the basis (previous year: 0.11 %).

**Finance leases**

Other fixtures and fittings, tools and equipment include IT hardware qualifying as a finance lease, with a carrying amount of EUR 804 thousand (previous year: EUR 1,200 thousand).

Other additions to fixtures and fittings, tools and equipment include non-cash additions of EUR 144 thousand (previous year: EUR 169 thousand).

| Payment obligations under finance leases in EUR thousand | 2017 | 2016  |
|--|------|-------|
| Minimum lease payments                                   |      |       |
| Up to one year   | 574  | 506   |
| More than one year up to five years                      | 239  | 716   |
| Over five years  | 0    | 0     |
| less:  |      |       |
| Future finance costs                                     | 9    | 22    |
| Present value of lease obligation                        |      |       |
| Up to one year   | 566  | 492   |
| More than one year up to five years                      | 238  | 709   |
| Over five years  | 0    | 0     |
|  | 804  | 1,200 |

Finance lease payment obligations are reported under interest-bearing financial liabilities in the consolidated statement of financial position.

#### Operating leases

The Group is the lessee under several operating leases relating to buildings, machinery, office space, silos and other items.

They do not contain either extension clauses or purchase options, nor do they place any restrictions on the Group's activities regarding dividends, additional borrowing or other leasing agreements.

Lease payments of EUR 543 thousand were expensed in the year under review (previous year: EUR 691 thousand).

The Group's future obligations under operating leases are as follows:

| Payment obligations under operating leases in EUR thousand | 2017  | 2016  |
|--|-------|-------|
| Up to one year   | 645   | 631   |
| More than one year up to five years                        | 1,129 | 1,983 |
| Over five years  | 0     | 0     |
|  | 1,774 | 2,615 |

#### Obligations arising from investments in plant

Obligations arising from investments in plant amounted to EUR 21,640 thousand as of December 31, 2017 (previous year: EUR 56,984 thousand).

**02 Investments in associates**

| in EUR thousand                     | 2017  | 2016 |
|-------------------------------------|-------|------|
| Book value as of January 1          | 0     | 0    |
| Reclassification of book value      | 18    | 0    |
| Additions                           | 1,301 | 0    |
| Share of profit of the year         | 216   | 0    |
| Share of other comprehensive income | (15)  | 0    |
| Share of dividends received         | (126) | 0    |
| Book value as of December 31        | 1,395 | 0    |

The 25.1 % interest in Speditionsservice Ranshofen GmbH (SSR) was classified as material as of June 30. As a consequence, this company, which was previously recognised at amortised cost, was accounted for using the equity method as of June 30, 2017. SSR performs customs and dispatch processing for the AMAG Group. The company is based in Ranshofen and its financial reporting date is December 31. The following section presents the company's financial information in the summarised form:

| in EUR thousand            | 2017  | 2016 |
|----------------------------|-------|------|
| Current assets             | 5,584 | 0    |
| Non-current assets         | 6,391 | 0    |
| Equity                     | 4,827 | 0    |
| Current liabilities        | 6,323 | 0    |
| Non-current liabilities    | 825   | 0    |
| Revenue                    | 6,809 | 0    |
| Profit of the year         | 861   | 0    |
| Other comprehensive income | (60)  | 0    |
| Total comprehensive income | 801   | 0    |
| Dividends received         | 126   | 0    |

The deferred taxes incurred on the share of the profit were not recognised, as AMAG itself can manage the corresponding reversal, and from today's perspective this is not expected to occur.

**03 Other non-current assets and financial assets**

| in EUR thousand  | 2017   | 2016    |
|--|--------|---------|
| Derivatives recognised as non-current assets                           | 45,948 | 99,942  |
| Securities measured at fair value resulting in neither profit nor loss | 1,202  | 354     |
| Other non-current assets   | 2,169  | 2,432   |
|  | 49,319 | 102,728 |

This item includes binding commitments for government grants, and undertakings from customers subject to insolvency or bankruptcy proceedings to pay receivables.

Information on derivatives is presented in section M Financial instruments, within the section on derivative financial instruments.

Securities measured at fair value through profit or loss include non-controlling interests of less than 20 % in three companies. The change compared with the previous year derives from adjustments based on the first-time application of IFRS 9 (see section H Adjustments deriving from the first-time application of IFRS 9)

**04 Deferred tax assets**

| in EUR thousand                              | 2017    | 2016   |
|--|---------|--------|
| Deferred tax assets affecting net income     | (8,963) | 11,700 |
| Deferred tax assets not affecting net income | 22,574  | 11,705 |
|  | 13,611  | 23,406 |

This item includes deferred tax assets relating to loss carryforwards in an amount of EUR 7,639 thousand (previous year: EUR 16,418 thousand). These derive from loss carryforwards of AMAG Austria Metall AG tax group amounting to EUR 30,503 thousand (previous year: EUR 26,284 thousand) and from pre-tax group losses of AMAG Erste Beteiligungsverwaltungs GmbH amounting to EUR 55 thousand (previous year: EUR 243 thousand), where prospects exist of realising them based on tax planning. Tax assets relating to loss carryforwards of the Austria Metall GmbH tax group from last year (EUR 39,389 thousand) were utilised in 2017.

No deferred tax assets have been recognised for loss carryforwards in an amount of EUR 182 thousand, as it is unlikely that they can be realised (previous year: EUR 402 thousand). Furthermore, no deferred tax assets were recognised for the loss carryforwards of the Canadian company in an amount of EUR 11,090 thousand (previous year: EUR 23,185 thousand), as they cannot be utilised under the present circumstances.

An offsetting of EUR 4,370 thousand of deferred taxes was also applied at the level of the Austria Metall GmbH tax group in the year under review (previous year: EUR 2,239 thousand).

**05 Inventories**

| in EUR thousand               | 2017    | 2016    |
|-------------------------------|---------|---------|
| Raw materials and consumables | 110,713 | 98,948  |
| Work in progress              | 55,367  | 40,381  |
| Finished goods                | 60,543  | 58,804  |
| Merchandise                   | 594     | 856     |
|                               | 227,218 | 198,989 |

This item includes impairment losses of EUR 26,038 thousand (previous year: EUR 22,119 thousand). Of the change in the impairment loss, EUR 4,949 thousand is attributable to additions (previous year: EUR 1,520 thousand), EUR 657 thousand to consumption (previous year: EUR 692 thousand), and the remainder relates to currency translation differences.

Inventories of EUR 589,723 thousand were carried in profit or loss in the period under review (previous year: EUR 476,575 thousand), EUR 589,295 thousand of which were attributable to cost of sales (previous year: EUR 475,906 thousand).

**06 Trade receivables**

| in EUR thousand              | 2017    | 2016    |
|------------------------------|---------|---------|
| Trade receivables            | 120,382 | 104,306 |
| Other receivables            | 23      | 35      |
| Impairment trade receivables | 0       | (1,699) |
|                              | 120,404 | 102,641 |

The change in impairment losses was as follows:

| Impairment losses in EUR thousand | 2017  | 2016  |
|-----------------------------------|-------|-------|
| As of January 1                   | 1,699 | 1,693 |
| IFRS 9 adjustment January 1       | (942) | 0     |
| As of January 1 after adjustment  | 758   | 1,693 |
| Addition                          | 106   | 9     |
| Reclassification                  | (863) | 0     |
| Reversal                          | (1)   | (3)   |
| As of Dec. 31                     | (0)   | 1,699 |

The reclassification concerns cash to be paid for customer receivables.

**07 Other current assets**

| in EUR thousand                          | 2017   | 2016   |
|--|--------|--------|
| Other receivables and advanced payments  | 30,906 | 27,683 |
| Derivatives recognised as current assets | 29,982 | 30,012 |
| Financial receivables - funds in transit | 484    | 470    |
|  | 61,372 | 58,166 |

Other receivables and prepayments include social security receivables and taxes of EUR 14,986 thousand (previous year: EUR 17,158 thousand), receivables of EUR 10,239 thousand due from Alouette partners (previous year: EUR 6,365 thousand) and EUR 1,167 thousand of short-term receivables from state grants (previous year: EUR 134 thousand).

Information on derivatives is presented in section M Financial instruments, within the section on derivative financial instruments.

The following tables show the figures both before and after offsetting. For further details, please refer to the notes to the consolidated statement of financial position, section 13.

| Offsetting financial assets and liabilities<br>2017 in EUR thousand | Before<br>offsetting | Offsetting | After<br>offsetting |
|---|----------------------|------------|---------------------|
| Derivatives recognised as current assets                            | 48,735               | (18,753)   | 29,982              |
| Derivatives recognised as current liabilities                       | 52,373               | (18,753)   | 33,620              |

| Offsetting financial assets and liabilities<br>2016 in EUR thousand | Before<br>offsetting | Offsetting | After<br>offsetting |
|---|----------------------|------------|---------------------|
| Derivatives recognised as current assets                            | 33,033               | (3,020)    | 30,012              |
| Derivatives recognised as current liabilities                       | 36,936               | (3,020)    | 33,916              |

## 08 Cash and cash equivalents

| in EUR thousand         | 2017    | 2016    |
|-------------------------|---------|---------|
| Cash in hand            | 162     | 132     |
| Current account surplus | 109,462 | 65,252  |
| Assessments             | 60,128  | 84,449  |
|                         | 169,752 | 149,833 |

These items in the statement of financial position relate to the cash positions at the start and end of the reporting period that are contained in the consolidated statement of cash flows.

## 09 Equity

Changes in equity are presented in a separate table (consolidated statement of changes in equity).

### Share capital

The share capital comprises 35,264,000 no par shares, each corresponding to EUR 1.00 of the share capital. All shares are fully paid in, and in circulation.

### Capital reserves

The capital reserves consist of a year-on-year unchanged amount of EUR 379,337 thousand, of which EUR 94,752 thousand is attributable to tied capital reserves, and EUR 284,585 thousand is attributable to untied capital reserves.

### Hedging reserve

The hedging reserve comprises gains and losses from the effective portion of cash flow hedges. Cumulative gains or losses from hedging transactions that are recognised under the hedging reserve are transferred to the statement of profit or loss only when the hedged transaction affects results. The change in the reserve in the year under review is primarily due to the change in the US dollar exchange rate and the changes in fair value of the embedded derivative.

### Fair value reserve

Until December 31, 2016, fair value changes on options were recognised through profit or loss. Due to the early application of IFRS 9, such changes are since January 1, 2017 recognised directly in equity within the fair value reserve item, with a retroactive adjustment being made.

### Revaluation reserve

The fair value adjustments to participating interests are recognised in the revaluation reserve. Recognition has occurred under this item since January 1, 2017 due to the early application of IFRS 9. The disposal of the corresponding financial instrument also entails no recognition through profit or loss.

### Revaluation of defined benefit pension plans

Actuarial gains and losses from the provisions for severance payments, pensions and medical care benefits are fully recognised in the reserves in the period in which they are accrued.

### Exchange differences

The reserves for exchange differences recognise differences arising from the translation of the financial statements of subsidiaries that report in a foreign currency. The change in the reserve in the year under review is primarily due to the change in the US dollar exchange rate.



**Retained earnings**

Retained earnings consist of cumulative retained earnings from the period under review and from prior periods.

A dividend of EUR 42,317 thousand was paid in the financial year (EUR 1.20 per share).

The Management Board proposes that EUR 1.20 per share (a maximum of EUR 42,317 thousand in total) be distributed as a dividend to shareholders from the parent company's profits for the year.

**Authorised capital**

With a resolution by the AGM of AMAG Austria Metall AG on April 16, 2015, the company's Management Board was authorised, subject to Supervisory Board approval, to increase the company's share capital by up to EUR 17,500,000.00 by issuing 17,500,000 individual bearer share certificates in one or more tranches within five years of the entry of the resolution in the company register, in other words, by April 16, 2020, against cash or non-cash capital contributions, including under whole or partial exclusion of subscription rights, and to determine the issue price – which may not be lower than the proportion of the current share capital represented by each individual share certificate – and the other terms and conditions of the issue after consultation with the Supervisory Board (Authorised Capital established by section 4 (5) of the articles of incorporation).

A conditional increase in the company's share capital was implemented pursuant to Section 159 (2) (1) of the Austrian Stock Corporation Act (AktG) to satisfy conversion and/or subscription rights in respect of convertible bonds issued in accordance with the authorisation conferred by the AGM resolution of April 16, 2015. A conditional capital increase may be implemented only if convertible bond holders exercise their right to exchange the bonds for and/or subscribe to the company's shares (conditional capital as defined by Section 4 (6) of the articles of incorporation). The number of shares actually issued or potentially capable of being issued in accordance with the conditions of the convertible bonds and the number of shares specified by the authorised capital may not exceed 17,500,000.

**Restrictions**

Following an internal review, the Management Board is not aware of any restrictions in the meaning of Section 243a Z2 of the Austrian Commercial Code (UGB).

**Additional disclosures regarding capital management**

AMAG is not subject to any capital requirements under its articles of association. Due to the volatile nature of the aluminium business and the high fixed assets ratio, the sound capital structure provides an important basis for financial flexibility.

The main aim of capital management at AMAG is to secure the Group's growth and further development, and to optimise returns for shareholders. The management exclusively regards the consolidated equity as measured pursuant to IFRS as its equity capital. The capital structure is monitored constantly, and is as follows at the end of the reporting period:

| Capital structure in EUR thousand | 2017      | 2016      |
|-----------------------------------|-----------|-----------|
| Total equity                      | 607,874   | 630,460   |
| Equity ratio                      | 43.3 %    | 45.4 %    |
| Balance sheet total               | 1,404,869 | 1,389,727 |

**10 Personnel provisions**

| in EUR thousand                            | 2017   | 2016   |
|--|--------|--------|
| Provisions for severance payments          | 33,806 | 29,999 |
| Provisions for pensions                    | 32,978 | 24,331 |
| Provisions for medical care benefits       | 8,705  | 8,174  |
| Provisions for service anniversary bonuses | 6,651  | 6,000  |
| Total personnel provisions                 | 82,140 | 68,504 |
| Thereof non-current                        | 79,143 | 65,450 |

Payments anticipated in the subsequent financial year are shown under current provisions.

**Provisions for severance benefits**

Employees of Austrian Group companies who joined the Group before January 1, 2003 are entitled to severance payments upon reaching retirement age or if their employment contract is terminated. The entitlement is determined by years of service and final salary ("old severance"). These obligations are accounted for as defined benefit plans.

For employees who joined after January 1, 2003, contributions to employee benefit funds (MVKs) in an amount of EUR 847 thousand have been made for severance entitlements in defined contribution plans (previous year: EUR 741 thousand).

The provisions for severance benefits changed as follows:

| Provisions for severance benefits in EUR thousand             | 2017         | 2016         |
|---|--------------|--------------|
| Present value of the obligation as of January 1               | 29,999       | 21,766       |
| Current service cost  | 767          | 492          |
| Interest cost   | 456          | 452          |
| Payments  | (1,124)      | (1,366)      |
| Expected value of the obligation as of Dec. 31                | 30,099       | 21,344       |
| Present value of the obligation as of Dec. 31                 | 33,806       | 29,999       |
| <b>Revaluation of the period (Other comprehensive income)</b> | <b>3,707</b> | <b>8,655</b> |
| thereof from changes in demographic assumptions               | (443)        | 6,095        |
| thereof from changes in financial assumptions                 | 3,652        | 3,253        |
| thereof from changes in experience-based assumptions          | 497          | (693)        |

The calculations were based on the following parameters:

| Parameters                                | 2017 | 2016 |
|---|------|------|
| Increase in salary in %                   | 4.00 | 2.75 |
| Discount factor in %                      | 1.90 | 1.60 |
| Female retirement age/pension age (years) | 60   | 60   |
| Male retirement age/pension age (years)   | 65   | 65   |

Employee turnover is graduated by years of service and ranges, depending on period of service, between 0.00 and 4.40 % (previous year: between 0.30 and 4.00 %). Especially the higher assumptions relating to the salary increases have led to actuarial losses.

The average remaining duration of the obligations amounts to 13.6 years (previous year: 13.6 years).

| Effects on earnings in EUR thousand  | 2017           | 2016           |
|--|----------------|----------------|
| <b>Included in personnel expenses</b>  |                |                |
| Current service cost   | (767)          | (492)          |
| Expenses for severance payments  | (16)           | (278)          |
| Contributions to employee benefit funds  | (847)          | (741)          |
| <b>Expenses for severance payments and contributions to employee benefit funds</b> | <b>(1,630)</b> | <b>(1,511)</b> |
| <b>Included in net interest expenses</b>   |                |                |
| Interest cost  | (456)          | (452)          |

For the following financial year, severance benefits of EUR 628 thousand (previous year: EUR 455 thousand) are to be expected, which are reported under other current provisions.

| Sensitivity provisions for severance benefits (in %) | 2017     |          | 2016     |          |
|--|----------|----------|----------|----------|
|  | + 0.25 % | - 0.25 % | + 0.25 % | - 0.25 % |
| Effect of changes in salaries                        |          |          |          |          |
| on the current service cost and interest cost        | 4.9 %    | (4.6 %)  | 5.4 %    | (5.1 %)  |
| on the defined benefit obligation                    | 3.2 %    | (3.1 %)  | 3.2 %    | (3.1 %)  |
| Effect of changes to the discount factor             |          |          |          |          |
| on the current service cost and interest cost        | 1.9 %    | (2.1 %)  | 2.5 %    | (2.7 %)  |
| on the defined benefit obligation                    | (3.2 %)  | 3.4 %    | (3.2 %)  | 3.4 %    |

#### Provisions for pensions

Provisions for pensions relate mainly to provisions in Austria and Canada that are recognised as defined benefit plans in accordance with IAS 19, and are largely covered by plan assets. Calculations are made based on an actuarial report applying country-specific parameters and calculation methods.

The measurement of the Austrian subsidiaries' obligations to former managerial staff arising from individual contractual commitments is based on biometric information drawn from the 2008-P (Ettl-Pagler) tables for salaried employees prepared by the Austrian Actuaries Association (AVÖ). Entitlements are based on final salary and are index-linked. The group of beneficiaries largely comprises individuals who are already entitled to benefits, as well as former employees who are not yet entitled to benefits. A pensionable retirement age of 61.5 years is applicable to the latter within the scope of individual contractual arrangements, as a matter of principle. No staff turnover rate is taken into consideration, as the beneficiaries now hardly include any active employees, and because of the obligation's short remaining term.

In Canada, a defined benefit scheme is in place for all employees who joined the Group before June 2012. The benefits are determined by years of service and average salary. Since June 2012, only production staff have received contracts that include defined benefit plans. The pensionable age for both men and women lies between 55 and 65 years. The measurement comprises a distribution over this period, with an ascending weighting. Staff turnover is taken into consideration differentiated according to age and gender.

The provisions for pensions changed as follows:

| Provisions for pensions in EUR thousand                       | 2017          | 2016         |
|---|---------------|--------------|
| Present value of the obligation as of January 1               | 80,726        | 71,205       |
| Exchange differences  | (3,630)       | 3,197        |
| Current service cost  | 2,171         | 2,044        |
| Contributions to plan assets (employees)                      | 694           | 645          |
| Interest cost   | 2,534         | 2,550        |
| Payments from plan assets                                     | (2,828)       | (2,440)      |
| Past service cost   | 701           | 0            |
| Expected value of the obligation as of Dec. 31                | 80,369        | 77,201       |
| Present value of the obligation as of Dec. 31                 | 92,421        | 80,726       |
| <b>Revaluation of the period (Other comprehensive income)</b> | <b>12,052</b> | <b>3,525</b> |
| Fair value of plan assets as of January 1                     | 56,395        | 48,586       |
| Exchange differences  | (2,611)       | 2,380        |
| Expected return on plan assets                                | 1,822         | 1,774        |
| Contributions to plan assets (employer)                       | 2,951         | 2,896        |
| Contributions to plan assets (employees)                      | 694           | 645          |
| Payments from plan assets                                     | (2,828)       | (2,440)      |
| Expected value of plan assets as of Dec. 31                   | 56,423        | 53,842       |
| Fair value of plan assets as of Dec. 31                       | 59,443        | 56,395       |
| <b>Revaluation of the period (Other comprehensive income)</b> | <b>3,019</b>  | <b>2,554</b> |
| Provisions for pensions Dec. 31                               | 32,978        | 24,331       |
| <b>Revaluation of the period (Other comprehensive income)</b> | <b>9,033</b>  | <b>971</b>   |
| thereof from changes in demographic assumptions               | 0             | (230)        |
| thereof from changes in financial assumptions                 | 10,574        | 4,309        |
| thereof from changes in experience-based assumptions          | (1,541)       | (3,108)      |

The calculations were based on the following parameters:

| Parameters                | 2017 | 2016 |
|---------------------------|------|------|
| <b>Austria</b>            |      |      |
| Increase in salaries in % | 2.00 | 1.50 |
| Discount factor (%) in %  | 1.30 | 1.30 |
| <b>Canada</b>             |      |      |
| Increase in salary in %   | 3.00 | 3.00 |
| Discount factor (%) in %  | 3.25 | 4.00 |

The average residual duration of the obligations amounts to 8.5 years in Austria (previous year: 8.6 years), and to 20.1 years in Canada (previous year: 19.9 years).

Both the higher assumptions for salary increases in Austria as well as the reduction in the discount rate in Canada have led to actuarial losses.

| effects on earnings in EUR thousand      | 2017    | 2016    |
|--|---------|---------|
| <b>Included in personnel expenses</b>    |         |         |
| Current service cost (employer)          | (2,865) | (2,689) |
| Contributions to plan assets (employees) | 694     | 645     |
| <b>Included in net interest expenses</b> |         |         |
| Interest cost                            | (711)   | (776)   |

Pension expenses are included in the following statement of profit or loss items:

| in EUR thousand                   | 2017    | 2016    |
|-----------------------------------|---------|---------|
| Cost of sales                     | (3,251) | (2,372) |
| Selling and distribution expenses | (303)   | (277)   |
| Administrative expenses           | (428)   | (379)   |
| Other expenses                    | (81)    | (68)    |
|                                   | (4,065) | (3,096) |

Plan assets are invested in Austria with APK Pensionskasse AG, in different investment and risk classes (VRG) depending on the respective structure of the obligations. Assets relating to pensions drawn by retired employees are invested in VRG2, which has an investment and risk strategy based on significantly shorter maturities than those applied under VRG19, which manages assets related to projected benefit obligations. The Group is obligated to meet any funding shortfalls only if returns do not cover the funding requirements for ongoing pension payments from APK.

In the following financial year, supplementary payments of EUR 417 thousand (previous year: EUR 413 thousand) are anticipated and are reported under other current provisions.

In Canada, the individual pension schemes are invested in each case in their own pension funds that are all held under joint asset management (Fiducie Desjardins), for whose management Letko Brosseau & Associates and Aberdeen Asset Management Inc. are responsible.

Employer contributions to the plan assets of the Canadian company will amount prospectively to EUR 1,588 thousand in the following year (previous year: EUR 1,811 thousand); these expected payments are also reported under current provisions.

Changes in plan assets in the respective VRGs are as follows:

| Fair value of plan assets in EUR thousand | 2017    |       |         | 2016    |       |        |
|---|---------|-------|---------|---------|-------|--------|
|   | VRG2    | VRG19 | Canada  | VRG2    | VRG19 | Canada |
| Fair value of plan assets as of January 1 | 11,935  | 2,962 | 41,498  | 11,856  | 2,712 | 34,018 |
| Exchange differences                      | 0       | 0     | (2,611) | 0       | 0     | 2,380  |
| Expected return on plan assets            | 148     | 39    | 1,635   | 243     | 56    | 1,475  |
| Contributions to plan assets              | 527     | 0     | 3,118   | 1,185   | 0     | 2,356  |
| Payments from plan assets                 | (1,697) | 0     | (1,131) | (1,723) | 0     | (716)  |
| Actuarial (gains)/losses                  | 388     | 254   | 2,378   | 375     | 194   | 1,985  |
| Fair value of plan assets as of Dec. 31   | 11,301  | 3,256 | 44,886  | 11,935  | 2,962 | 41,498 |

The investment structure is outlined below:

| Investment to plan assets as of Dec. 31 (in %) | 2017  |       |        | 2016  |       |        |
|--|-------|-------|--------|-------|-------|--------|
|  | VRG2  | VRG19 | Canada | VRG2  | VRG19 | Canada |
| Classes of assets                              |       |       |        |       |       |        |
| Shares   | 28.6  | 44.2  | 66.0   | 29.9  | 43.1  | 67.1   |
| Bonds  | 54.2  | 42.0  | 27.4   | 55.1  | 39.5  | 25.4   |
| Real estate                                    | 4.0   | 4.7   | 0.0    | 3.7   | 3.6   | 0.0    |
| Cash   | 9.1   | 6.6   | 0.0    | 6.2   | 9.5   | 0.0    |
| Other  | 4.1   | 2.5   | 6.6    | 5.1   | 4.3   | 7.5    |
| Total  | 100.0 | 100.0 | 100.0  | 100.0 | 100.0 | 100.0  |

The plan assets predominantly comprise assets whose prices are quoted on active markets. Of the equity instruments, the VRG2 includes in each case approximately one third European equities, US equities and Asian equities. In VRG19, the European proportion is almost 30 %, the US proportion approximately 26 % and the proportion from the Asian region around 27 %. Approximately 55 % of the debt instruments in VRG2 are government bonds, including slightly more than half from the OECD area. Almost 60 % of the debt instruments of VRG19 are government bonds, of which around 45 % are from the OECD area. The rest are corporate bonds. The debt instruments in the Canadian plan assets comprise exclusively foreign currency securities (non-euro). Of the equity instruments, 22 % are denominated in euros and 76 % in foreign currencies, with 2 % deriving from emerging markets.

| Sensitivity for pensions (in %)               | 2017     |          | 2016     |          |
|---|----------|----------|----------|----------|
|   | + 0.25 % | - 0.25 % | + 0.25 % | - 0.25 % |
| Effect of changes in salaries                 |          |          |          |          |
| on the current service cost and interest cost | 3.1 %    | (3.0 %)  | 3.2 %    | (2.8 %)  |
| on the defined benefit obligation             | 2.2 %    | (2.2 %)  | 2.1 %    | (1.9 %)  |
| Effect of changes to the discount factor      |          |          |          |          |
| on the current service cost and interest cost | (5.0 %)  | 5.1 %    | (4.2 %)  | 5.0 %    |
| on the defined benefit obligation             | (4.4 %)  | 4.7 %    | (3.6 %)  | 4.6 %    |

#### Defined contribution plans

In Austria, managers and employees are also entitled to defined contribution plans after they have been employed by the company for a certain period. The Group companies make payments into a pension scheme depending on salary.

In Canada, payments are made into defined contribution plans for administrative staff, managers and senior employees of Aluminerie Alouette Inc.

The total amount of such payments in the year under review stood at EUR 1,066 thousand (previous year: EUR 947 thousand), which were expensed. No further obligations arising from this exist.

#### Provisions for medical care benefits

Defined benefit supplementary health insurance has been taken out for employees of Aluminerie Alouette Inc. who joined the company before April 1, 2009. The benefits are determined by years of service and average salary. The pensionable age for both men and women lies between 55 and 65 years. The measurement comprises a distribution over this period, with an ascending weighting. Staff turnover is taken into consideration differentiated according to age and gender.

The provisions for pensions changed as follows:

| Provisions for medical care in EUR thousand                   | 2017         | 2016         |
|---|--------------|--------------|
| Present value of the obligation as of January 1               | 8,174        | 6,931        |
| Exchange differences  | (511)        | 475          |
| Current service cost  | 141          | 139          |
| Interest cost   | 306          | 309          |
| Payments  | (126)        | (104)        |
| <b>Expected value of the obligation as of Dec. 31</b>         | <b>7,984</b> | <b>7,751</b> |
| <b>Present value of the obligation as of Dec. 31</b>          | <b>8,705</b> | <b>8,174</b> |
| <b>Revaluation of the period (Other comprehensive income)</b> | <b>721</b>   | <b>422</b>   |
| thereof from changes in demographic assumptions               | 0            | (19)         |
| thereof from changes in financial assumptions                 | 986          | 310          |
| thereof from changes in experience-based assumptions          | (265)        | 131          |

The calculations were based on the following parameters:

| Parameters             | 2017 | 2016 |
|------------------------|------|------|
| Salary increase in %   | 3.00 | 3.00 |
| Increase in costs in % | 4.60 | 4.60 |
| Discount rate in %     | 3.25 | 4.00 |

The average remaining duration of the obligations amounts to 16.4 years (previous year: 17.2 years).

| Effects on earnings in EUR thousand      | 2017  | 2016  |
|--|-------|-------|
| <b>Included in personnel expenses</b>    |       |       |
| Current service cost                     | (141) | (139) |
| <b>Included in net interest expenses</b> |       |       |
| Interest cost                            | (306) | (309) |

In the following year, employer contributions are expected to amount to EUR 117 thousand (previous year: EUR 123 thousand) and are reported under current provisions.

The effects of a change of 0.25 % percentage points in the projected movement of medical care benefits costs were as follows:

| Sensitivity provisions for medical care (in %)       | 2017     |          | 2016     |          |
|--|----------|----------|----------|----------|
|  | + 0.25 % | - 0.25 % | + 0.25 % | - 0.25 % |
| Effect on the current service cost and interest cost | 4.5 %    | (3.4 %)  | 4.7 %    | (3.8 %)  |
| Effect on the defined benefit obligation             | 3.9 %    | (3.7 %)  | 3.8 %    | (3.4 %)  |

**Provisions for service anniversary bonuses**

The provision for service anniversary bonuses relates to the provisions that Group companies in Austria form for payments under collective agreements and/or works agreements, depending on length of service.

The change in provisions for service anniversary bonuses was as follows:

| Provisions for service anniversary bonuses in EUR thousand       | 2017         | 2016         |
|--|--------------|--------------|
| Present value of the obligation as of January 1                  | 6,000        | 4,695        |
| Current service cost   | 414          | 300          |
| Interest cost  | 91           | 98           |
| Payments   | (256)        | (300)        |
| <b>Expected value of the obligation as of Dec. 31</b>            | <b>6,250</b> | <b>4,793</b> |
| <b>Present value of the obligation as of Dec. 31</b>             | <b>6,651</b> | <b>6,000</b> |
| <b>Revaluation of the period (recognised in profit and loss)</b> | <b>401</b>   | <b>1,207</b> |

Of the obligation, the service anniversary bonuses anticipated in the subsequent year amount to EUR 246 thousand (previous year: EUR 253 thousand), which are reported as current provisions.

The calculations were based on the following parameters:

| Parameters                                | 2017 | 2016 |
|---|------|------|
| Increase in salaries in %                 | 4.00 | 2.75 |
| Discount factor (%) in %                  | 1.90 | 1.60 |
| Female retirement age/pension age (years) | 60   | 60   |
| Male retirement age/pension age (years)   | 65   | 65   |

Employee turnover is graduated by years of service and ranges, depending on period of service, between 0.00 and 4.40 % (previous year: between 0.30 and 4.00 %). This also resulted in actuarial losses that are included in personnel expenses.

The average remaining duration amounts to 14.4 years (previous year: 14.1 years).

| Effects on earnings in EUR thousand      | 2017  | 2016    |
|--|-------|---------|
| <b>Included in personnel expenses</b>    |       |         |
| Current service cost                     | (414) | (300)   |
| Actuarial gains/(losses)                 | (401) | (1,207) |
| <b>Included in net interest expenses</b> |       |         |
| Interest cost                            | (91)  | (98)    |



## 11 Other provisions

| in EUR thousand              | 2017   | 2016   |
|------------------------------|--------|--------|
| Other non-current provisions | 12,619 | 13,717 |
| Other current provisions     | 13,980 | 14,380 |
|                              | 26,599 | 28,097 |

| Other provisions 2017 in EUR thousand        | Maintenance | Contract risks | Customer bonus | Customer complaints | Others  | Total   |
|--|-------------|----------------|----------------|---------------------|---------|---------|
| Book value as of January 1                   | 14,355      | 2,185          | 4,833          | 4,244               | 2,481   | 28,097  |
| Exchange differences                         | (440)       | (24)           | 0              | 0                   | (29)    | (493)   |
| Utilisation                                  | (740)       | (1,016)        | (2,914)        | (204)               | (1,428) | (6,302) |
| Reversal                                     | (263)       | (303)          | (252)          | (3,770)             | (317)   | (4,905) |
| Addition                                     | 1,004       | 419            | 3,983          | 2,341               | 2,234   | 9,982   |
| Addition/deduction of accrued interest       | 177         | 0              | 0              | 0                   | 0       | 177     |
| Reclassification from non-current provisions | 0           | 0              | 0              | 0                   | 43      | 43      |
| Book value as of Dec. 31, 2017               | 14,093      | 1,261          | 5,650          | 2,611               | 2,984   | 26,599  |
| Thereof current                              | 1,615       | 1,261          | 5,650          | 2,611               | 2,843   | 13,980  |

| Other provisions 2016 in EUR thousand  | Maintenance | Contract risks | Customer bonus | Customer complaints | Others  | Total    |
|--|-------------|----------------|----------------|---------------------|---------|----------|
| Book value as of January 1             | 14,973      | 4,097          | 4,713          | 3,452               | 9,009   | 36,244   |
| Exchange differences                   | 97          | (30)           | 0              | 0                   | 8       | 75       |
| Utilisation                            | (426)       | (1,832)        | (3,911)        | (253)               | (8,660) | (15,082) |
| Reversal                               | 0           | (1,851)        | 0              | (2,995)             | (7)     | (4,853)  |
| Addition                               | (142)       | 1,800          | 4,031          | 4,040               | 2,130   | 11,859   |
| Addition/deduction of accrued interest | (146)       | 0              | 0              | 0                   | 0       | (146)    |
| Book value as of Dec. 31, 2016         | 14,355      | 2,185          | 4,833          | 4,244               | 2,481   | 28,097   |
| Thereof current                        | 710         | 2,185          | 4,833          | 4,244               | 2,409   | 14,380   |

Provisions for post-closure care costs comprise the following items:

Aluminerie Alouette Inc. is required to dispose professionally of spent potlinings at the end of their expected operational lives. Provisions are formed for the estimated disposal costs at their present value as of the commissioning date. The discounting factor is calculated based on five-year maturity Canadian government bonds. The carrying amount of the non-current portion of the provision stands at EUR 2,345 thousand (previous year: EUR 2,960 thousand).

This item also includes a provision for leachate cleaning at a waste site, which is described in more detail in section F Accounting judgements and estimates.

Provisions for contract risk include the provision for pending losses on onerous contracts. All customer orders are investigated for losses. This entails comparing estimated costs, taking inflation into account, with agreed prices. If the costs exceed the expected revenues, the difference is discounted applying a congruent maturity interest rate (congruent maturity European government yield curve on euro-denominated government bonds), and a provision is formed.

Under reclaims, all open reclaim cases are measured in relation to their estimated expenses and recognised as provisions. As of the balance sheet date, bonus agreements with customers also exist that set out the terms and conditions of a rebate that is not to be paid until after the product is purchased. A provision has been formed for this obligation under customer bonuses.

**12 Interest-bearing financial liabilities**

| in EUR thousand                                    | 2017    | 2016    |
|--|---------|---------|
| Interest-bearing non-current financial liabilities | 338,751 | 343,451 |
| Interest-bearing current financial liabilities     | 113,841 | 32,673  |
|  | 452,591 | 376,124 |

Information on changes to financial liabilities is presented in section L Notes to the consolidated statement of cash flows.

**13 Trade payables**

| in EUR thousand | 2017   | 2016   |
|-----------------|--------|--------|
| Trade payables  | 77,564 | 73,322 |
|                 | 77,564 | 73,322 |

Of the trade payables, EUR 27,355 thousand are attributable to investment liabilities (previous year: EUR 28,156 thousand).

**14 Other liabilities and grants**

| in EUR thousand                          | 2017    | 2016    |
|--|---------|---------|
| Other non-current liabilities and grants | 83,349  | 120,113 |
| Other current liabilities and grants     | 73,715  | 73,309  |
|  | 157,064 | 193,422 |

Other non-current liabilities and grants include the non-current portion of the grant connected with arranging the new electricity contract of AAI in an amount of EUR 70,768 thousand (previous year: EUR 96,478 thousand).

Information on derivatives is presented in section M Financial instruments, within the section on derivative financial instruments.

| Other current liabilities and grants in EUR thousand | 2017   | 2016   |
|--|--------|--------|
| Derivatives recognised as current liabilities        | 33,620 | 33,916 |
| Liabilities due to employees                         | 15,356 | 14,745 |
| Other tax liabilities                                | 3,574  | 3,591  |
| Liabilities due to social security carriers          | 2,741  | 2,512  |
| Deferred income                                      | 21     | 84     |
| Grant power contract                                 | 14,029 | 15,856 |
| Sundry other liabilities                             | 4,373  | 2,605  |
|  | 73,715 | 73,309 |

Information on derivatives is summarised in the section M Financial instruments, within the section on derivative financial instruments. Information on offsetting derivatives is presented in in section J 7 Notes to the consolidated statement of financial position.

## K Notes to the consolidated statement of profit or loss

The AMAG Group prepares its statement of profit or loss applying the cost of sales method.

### 01 Revenue

As the AMAG Group operates in several business segments, this reduces the risk of dependency on a small number of customers. Its ten largest customers account for 31.5 % of sales revenue (previous year: 32.3 %), and the largest single customer, which is attributable to the Rolling Division, accounts for 8.6 % (previous year: 7.8 %).

Further information on divisional revenue can be found under segment information. Only the Service Division generates revenue from services.

Revenue includes EUR 15,627 thousand of expenses from derivatives that are designated as cash flow hedges pursuant to IFRS 9 (previous year: EUR 2,836 thousand of income).

### 02 Cost of materials and services

All cost of materials and purchased services are included in the following profit and loss statement items:

| in EUR thousand                   | 2017    | 2016    |
|-----------------------------------|---------|---------|
| Cost of sales                     | 686,510 | 577,787 |
| Selling and distribution expenses | 65      | 63      |
| Administrative expenses           | 383     | 337     |
| Research and development expenses | 586     | 403     |
| Other expenses                    | 588     | 1,327   |
|                                   | 688,131 | 579,917 |

Information on the derivatives' effects on the cost of materials is presented in the section M Financial instruments, within the section on derivative financial instruments.

### 03 Other income

| in EUR thousand                  | 2017   | 2016  |
|----------------------------------|--------|-------|
| Grants and government subsidies  | 7,494  | 1,881 |
| Income from currency translation | 1,663  | 0     |
| Other income                     | 5,868  | 5,145 |
|                                  | 15,025 | 7,026 |

Sundry other income mainly comprises income from maintenance services and services provided by the accredited testing station to third parties.

**04 Personnel expenses**

| in EUR thousand   | 2017    | 2016    |
|---|---------|---------|
| Wages   | 65,012  | 58,395  |
| Salaries  | 44,097  | 44,831  |
| Expenses for severance payments and contributions to employee benefit funds | 1,630   | 1,511   |
| Retirement benefit obligation   | 4,065   | 3,096   |
| Expenses for social security contributions                                  | 25,050  | 24,007  |
| Other expenses for social benefits  | 378     | 370     |
|   | 140,232 | 132,210 |

Personnel expenses are included in the following profit and loss statement items:

| Classification of personnel expenses in EUR thousand | 2017    | 2016    |
|--|---------|---------|
| Cost of sales  | 106,398 | 99,423  |
| Selling and distribution expenses                    | 10,904  | 10,540  |
| Administrative expenses                              | 12,155  | 14,138  |
| Research and development expenses                    | 8,694   | 6,071   |
| Other expenses                                       | 2,081   | 2,038   |
|  | 140,232 | 132,210 |

**Management Board members and senior employees**

The variable remuneration of the AMAG Management Board is based on several indicators including return on capital employed (ROCE) and consolidated net income after tax. The ratio of fixed to variable components in the total remuneration of Management Board members is approximately 68 % to 32 % (previous year: approximately 56 % to 44 %). Management Board compensation stood at EUR 2,234 thousand in the 2017 financial year (previous year: EUR 2,774 thousand). An amount of EUR 1,549 thousand was recognised through profit and loss for a long-term performance-based component (previous year: EUR 1,650 thousand). A defined benefit pension commitment also exists for one Management Board member due to previous activity for AMAG. An amount of EUR 268 thousand was recognised for this directly in equity in the financial year under review (previous year: EUR 103 thousand).

Executive staff within the Group received EUR 7,870 thousand of compensation (previous year: EUR 6,921 thousand).

Expenses for severance payments and contributions to employee benefit funds are comprised as follows:

| Expenses for severance payments and contributions to employee benefit funds acc. to function in EUR thousand | 2017  | 2016  |
|--|-------|-------|
| Board members  | 36    | 51    |
| Executive employees  | 59    | 48    |
| Other employees  | 1,535 | 1,412 |
|  | 1,630 | 1,511 |

Thereof an amount of EUR 847 thousand represents contributions to employee benefit funds (previous year: EUR 741 thousand).

Pension expenses are comprised as follows:

| Pension expenses according to function in EUR thousand | 2017  | 2016  |
|--|-------|-------|
| Board members  | 123   | 123   |
| Executive employees                                    | 232   | 211   |
| Other employees  | 3,710 | 2,762 |
|  | 4,065 | 3,096 |

Therein contained EUR 1,066 thousand contributions to pension funds (previous year: EUR 947 thousand).

A premium of EUR 38 thousand (previous year: EUR 38 thousand) was paid for D&O liability insurance.

The pension scheme for Management Board members and managing directors of consolidated companies is comprised entirely of defined contribution plans. The Group has no obligation to meet any funding shortfalls.

#### Supervisory Board

Compensation of EUR 602 thousand was paid to the Supervisory Board of AMAG Austria Metall AG in 2017 (previous year: EUR 474 thousand).

Remuneration for members of the Supervisory Board is determined by the Annual General Meeting, in consideration of responsibility borne, and activities undertaken, by the Supervisory Board. The company's size and organisational structure, and the scope of decisions made by the Supervisory Board, are taken into particular consideration. In contrast with Management Board compensation, the company's financial position is not relevant to the remuneration of the Supervisory Board. The activity of the Supervisory Board of the AMAG Group is not subject to performance-based measurement.

The distribution of remuneration between Supervisory Board members is decided by the Supervisory Board.

#### Headcount

| Average number of employees (full-time equivalents) | 2017  | 2016  |
|---|-------|-------|
| Industrial workers                                  | 1,268 | 1,196 |
| Salaried employees                                  | 613   | 566   |
|   | 1,881 | 1,762 |

In 2017, the headcount includes a 20 % share of the workforce at the Aluminerie Alouette joint operation, or 182 employees (132 industrial workers, 50 salaried employees) (previous year: 188 employees: 138 industrial workers, 50 salaried employees).

**05 Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses are allocated among the profit and loss statement items as follows:

| in EUR thousand                   | 2017   | 2016   |
|-----------------------------------|--------|--------|
| Cost of sales                     | 74,693 | 67,375 |
| Selling and distribution expenses | 301    | 280    |
| Administrative expenses           | 1,449  | 1,216  |
| Research and development expenses | 686    | 694    |
| Other expenses                    | 521    | 461    |
|                                   | 77,651 | 70,026 |

**06 Administrative expenses**

Other expenses include costs for the audit of the separate financial statements in accordance with local law, as well as of the individual Group companies' IFRS packages, and of the AMAG Austria Metall AG consolidated financial statements by the Group auditor Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (previous year: Deloitte Audit Wirtschaftsprüfung GmbH).

| in EUR thousand              | 2017 | 2016 |
|------------------------------|------|------|
| Audits                       | 260  | 199  |
| Other certification services | 56   | 88   |
| Other services               | 21   | 73   |

**07 Share of profit of associates**

| in EUR thousand                      | 2017  | 2016 |
|--------------------------------------|-------|------|
| Result from first-time consolidation | 1,301 | 0    |
| Attributable earnings                | 216   | 0    |
|                                      | 1,517 | 0    |

**08 Net financial result**

| in EUR thousand                   | 2017    | 2016     |
|-----------------------------------|---------|----------|
| Interest income                   | 820     | 952      |
| Interest expenses                 | (7,266) | (9,215)  |
| Other financial income (expenses) | 1,300   | (1,756)  |
|                                   | (5,146) | (10,018) |

| Interest expenses in EUR thousand                              | 2017    | 2016    |
|--|---------|---------|
| Interest expenses from financial liabilities at amortised cost | (4,337) | (4,629) |
| Interest expenses from provisions                              | (1,742) | (1,489) |
| Interest expenses from non-financial liabilities               | (1,187) | (3,097) |
|  | (7,266) | (9,215) |

Interest expenses from provisions include the net interest expense from provisions for employee benefits, as well as the unwinding of discounts applied to non-current provisions.

The other net financial result includes, among other items, income from non-consolidated participating interests and shares in an amount of EUR 184 thousand (previous year: EUR 272 thousand) and translation effects from financing in an amount of EUR -1,604 thousand (previous year: EUR -540 thousand). Information on the derivatives' effects on the net financial result is presented in the section M Financial instruments, within the section on derivative financial instruments.

## 09 Income taxes

Income taxes comprise income taxes paid and payable, as well as deferred tax. Parts of AMAG Group companies are assessed as tax groups.

### Tax reconciliation

| in EUR thousand  | 2017    | 2016   |
|--|---------|--------|
| Earnings before taxes (EBT)  | 81,657  | 62,953 |
| Tax expenses at 25 %   | 20,414  | 15,738 |
| Not deductible expenses  | 711     | 1,120  |
| Tax-free income  | (2,112) | (272)  |
| Other tax rates  | 1,057   | 248    |
| Minimum corporate tax  | 7       | 5      |
| Tax expenses previous years  | (1,591) | (96)   |
| Allocation and release of deferred taxes on losses carried forward | 47      | (309)  |
| Other  | (37)    | 213    |
| Current tax expenses   | 18,497  | 16,648 |
| Tax payments   | 14,531  | 5,735  |

### Deferred tax

| in EUR thousand                                | Deferred taxes 2017 |             | Deferred taxes 2016 |             |
|--|---------------------|-------------|---------------------|-------------|
|  | Assets              | Liabilities | Assets              | Liabilities |
| Property, plant and equipment                  | 3                   | 25,215      | 0                   | 29,259      |
| Other non-current assets and financial assets  | 7                   | 6,748       | 1,739               | 4,575       |
| Inventories                                    | 744                 | 1,713       | 965                 | 1,302       |
| Receivables                                    | 12,714              | 7,922       | 24                  | 8,724       |
| Losses carried forward                         | 7,696               | 0           | 16,418              | 0           |
| Provisions                                     | 19,864              | 31          | 16,644              | 1,075       |
| Liabilities                                    | 16,130              | 1,919       | 21,609              | 2,127       |
|  | 57,158              | 43,547      | 57,400              | 47,061      |
| Offsetting towards the same taxation authority | 43,547              | 43,547      | 33,995              | 33,995      |
| Net deferred tax assets and liabilities        | 13,611              | 0           | 23,406              | 13,066      |

Deferred tax at the level of the Austria Metall GmbH tax group was offset (see also section J 4 Deferred tax assets).

The following table shows the changes and distribution of changes in deferred tax among those components that are recognised in profit or loss, and those recognised directly in equity:

| Change of deferred taxes in EUR thousand     | Deferred tax assets | Deferred tax liabilities |
|--|---------------------|--------------------------|
| As of Jan. 1, 2016                           | 28,579              | 15,746                   |
| Profit and loss changes                      | (13,590)            | (4,752)                  |
| Cash flow hedges                             | 3,018               | (709)                    |
| Revaluation of defined benefit pension plans | 2,347               | (174)                    |
| Currency translation differences             | 0                   | (96)                     |
| Not recognised in profit or loss             | 5,365               | (979)                    |
| Offsetting on tax group level                | 3,051               | 3,051                    |
| As of Dec. 31, 2016                          | 23,406              | 13,066                   |
| IFRS 9 adjustment                            | 0                   | (203)                    |
| As of Jan. 1, 2017                           | 23,406              | 12,863                   |
| Profit and loss changes                      | (25,510)            | (20,528)                 |
| Cash flow hedges                             | 10,114              | 4,383                    |
| Revaluation of defined benefit pension plans | 2,227               | (1,262)                  |
| Currency translation differences             | (996)               | 173                      |
| Not recognised in profit or loss             | 11,346              | 3,295                    |
| Offsetting on tax group level                | 4,370               | 4,370                    |
| As of Dec. 31, 2017                          | 13,611              | 0                        |



## L Notes to the consolidated statement of cash flows

The consolidated statement of cash flows is presented according to the indirect method. A distinction is made in the statement between cash flows deriving from operating, investing and financing activities.

The other non-cash expenses and income included in cash flow from operating activities primarily comprise valuation effects from currency translation.

The item "Payments for investments in property, plant and equipment and intangible assets" includes the change in investment liabilities of EUR -765 thousand (previous year: EUR 14,529 thousand).

Cash and cash equivalents comprise cash on hand of EUR 162 thousand (previous year: EUR 132 thousand) and short-term investments amounting to EUR 169,590 thousand (previous year: EUR 149,701 thousand).

Cash flow from financing activities includes the following changes in financial liabilities:

| in EUR thousand       | As of Jan. 1,<br>2017 | Cash flows  |              | Exchange<br>differences | Non-cash changes |                      | As of Dec. 31,<br>2017 |
|-----------------------|-----------------------|-------------|--------------|-------------------------|------------------|----------------------|------------------------|
|                       |                       | Acquisition | Amortisation |                         | New leases       | Valuation<br>effects |                        |
| Borrowings            | 374,923               | 107,770     | (30,604)     | (1,272)                 |                  | 970                  | 451,787                |
| Finance lease         | 1,200                 |             | (541)        | 0                       | 144              | 0                    | 804                    |
| Financial liabilities | 376,124               | 107,770     | (31,144)     | (1,272)                 | 144              | 970                  | 452,591                |

| in EUR thousand       | As of Jan. 1,<br>2016 | Cash flows  |              | Exchange<br>differences | Non-cash changes |                      | As of Dec. 31,<br>2016 |
|-----------------------|-----------------------|-------------|--------------|-------------------------|------------------|----------------------|------------------------|
|                       |                       | Acquisition | Amortisation |                         | New leases       | Valuation<br>effects |                        |
| Borrowings            | 244,592               | 140,357     | (12,917)     | 1,232                   |                  | 1,658                | 374,923                |
| Finance lease         | 1,486                 |             | (455)        | 0                       | 169              | 0                    | 1,200                  |
| Financial liabilities | 246,078               | 140,357     | (13,371)     | 1,232                   | 169              | 1,658                | 376,124                |

## M Financial instruments

### Risk management strategies

AMAG Austria Metall AG is exposed to risks arising from changes in exchange rates, interest rates and quoted share prices, which can have an impact on assets, liabilities and planned transactions. The handling of such risks is regulated in Group-wide valid guidelines that are updated constantly and adjusted to reflect changes in circumstances. The aim of financial risk management is to limit market risk by means of the Group's ongoing operating and financial activities. Derivative instruments are deployed solely for hedging purposes.

### Liquidity risks

Liquidity risk refers to the risk that the company will not enjoy uninterrupted access to funding to settle its financial obligations. Accordingly, the Group takes steps to ensure that sufficient cash and cash equivalents are available, and that financing requirements can be met through credit facilities. Liquidity risks are determined by liquidity planning, which is conducted across the Group based on different currencies. Capital measures for the Group companies are planned based on these results.

To avert liquidity risk, the AMAG Group has at its disposal committed credit lines of EUR 130,000 thousand (previous year: EUR 120,000 thousand). The Group also has at its disposal credit guarantee lines of EUR 22,500 thousand (previous year: EUR 22,500 thousand).

AMAG Austria Metall AG has issued assurances to financing partners in connection with various facilities.

Committed lines undrawn as of December 31, 2017 with a total volume of EUR 80 million and a term ending between 2018 and 2021, arranged by means of bilateral contracts with several house banks, include assurances relating to the consolidated equity ratio not exceeding 30% and a net financial debt to EBITDA ratio of not more than 3.5 to 4.0.

A committed line, undrawn as of December 31, 2017, which can be used alternatively for cash advances and/or guarantees, with a total volume of EUR 50 million and with final maturity in 2019, arranged with a house bank, includes assurances relating to the consolidated equity ratio not exceeding 30% and a net financial debt to EBITDA ratio of not more than 4.0.

A refinancing framework from OeKB (KRR), undrawn as of December 31, 2017 with a total volume of EUR 30 million, arranged by means of bilateral contracts with two house banks, includes assurances relating to the consolidated equity ratio not exceeding 30% and a net financial debt to EBITDA ratio of not more than 4.0.

An OeKB facility refinanced in two financing rounds with a total volume of EUR 300 million (EUR 250 million drawn as of December 31, 2017) and terms ending in 2024 and 2026 respectively, arranged by means of bilateral contracts with several house banks, includes assurances relating to the consolidated equity ratio not exceeding 30 % and a net financial debt to EBITDA ratio of not more than 4.0.

A TLTRO facility refinancing two financing rounds with a total volume of EUR 150 million and terms ending in 2018 and 2020 respectively, arranged by means of bilateral contracts with several house banks, includes assurances relating to the consolidated equity ratio not exceeding 30% and a net financial debt to EBITDA ratio of not more than 4.0.

In the aforementioned financing lines, valuation effects from a long-term electricity contract of Alouette are excluded from the calculation of these financial covenants.

The last sub-tranche of a borrower's note loan issued in 2012 with a remaining volume of EUR 14 million and a term ending in 2013 includes assurances relating to the consolidated equity ratio not exceeding 30% and the net debt to EBITDA ratio not exceeding 3.5.

Failure to comply with a covenant entitles the lender to terminate the respective financing agreement. All commitments were complied with as of the reporting date and in the previous year.

The residual terms of the liabilities are as follows:

| Residual terms of liabilities 2017 in EUR thousand           | Book value | Undiscounted cash flow | With a residual term of more than 1 but less than 5 years |   |   |
|--|------------|------------------------|---|---|---|
|  |            |                        | With a residual term of less than 1 year                  | With a residual term of more than 1 but less than 5 years | With a residual term of more than 5 years |
| Financial liabilities  | 452,591    | 487,787                | 67,054  | 228,048   | 192,685                                   |
| Other non-current liabilities and grants without derivatives | 73,109     | 73,109                 | 0   | 58,969  | 14,140                                    |
| Derivatives recognised as non-current liabilities            | 7,472      | 7,472                  | 0   | 7,472   | 0   |
| Trade payables   | 77,564     | 77,564                 | 77,564  | 0   | 0   |
| Sundry other liabilities without derivatives                 | 18,403     | 18,403                 | 18,403  | 0   | 0   |
| Derivatives recognised as current liabilities                | 33,620     | 33,620                 | 33,620  | 0   | 0   |
|  | 662,759    | 697,955                | 196,640   | 294,489   | 206,825                                   |

| Residual terms of liabilities 2016 in EUR thousand           | Book value | Undiscounted cash flow | With a residual term of more than 1 but less than 5 years |   |   |
|--|------------|------------------------|---|---|---|
|  |            |                        | With a residual term of less than 1 year                  | With a residual term of more than 1 but less than 5 years | With a residual term of more than 5 years |
| Financial liabilities  | 376,124    | 404,257                | 33,857  | 257,736   | 112,664                                   |
| Other non-current liabilities and grants without derivatives | 98,869     | 98,869                 | 0   | 66,685  | 32,184                                    |
| Derivatives recognised as non-current liabilities            | 18,388     | 18,388                 | 0   | 14,887  | 3,500                                     |
| Trade payables   | 73,322     | 73,322                 | 73,322  | 0   | 0   |
| Sundry other liabilities without derivatives                 | 18,461     | 18,461                 | 18,461  | 0   | 0   |
| Derivatives recognised as current liabilities                | 33,916     | 33,916                 | 33,916  | 0   | 0   |
|  | 619,080    | 647,214                | 159,557   | 339,308   | 148,348                                   |

#### Credit risks

Credit risk and the risk of default by contractual partners is managed by way of credit assessments, credit limits and routine checks. Where appropriate, the Group obtains government export guarantees or guarantees from private credit insurers to minimise default risk.

The Group operates exclusively with financial partners with good credit ratings, which also serves to reduce credit risk.

The following risk categories exist at present:

| Risk category   | Description   | Expected loan default |
|-----------------|---|-----------------------|
| 1. Without risk | Low default risk and past counterparty payments on time.  | 12m ECL               |
| 2. Doubtful     | Amount is more than 30 days overdue or a significant increase in default risk has occurred since first recognition. | Lifetime ECL          |
| 3. In default   | Diminished credit standing due to bankruptcy or start of insolvency proceedings.                                    | Lifetime ECL          |
| 4. Adjustment   | No realistic prospect of recovery. Payment not expected to be collected.  | Will be written off   |

Regarding assets, the reported values of the relevant primary financial instruments represent the maximum credit or default risk. Provisions are formed for all identified risks. The management believes that no other credit risks above and beyond these will arise.

Trade receivables that are not yet due are owed mainly by long-term business partners. Creditworthiness is assessed based on internal guidelines. Defaults over the last five years were evaluated at AMAG to calculate the impairment requirement as part of the transition to IFRS 9. The analysis showed that no significant risk exists for receivables with a certain overdue status. Receivables due from companies in insolvency were written off (EUR 8 thousand, previous year: EUR 0 thousand). Credit insurance has been arranged with an insurance company for a significant proportion of the trade receivables (83.4 %, previous year: 82.5 %). An excess is payable in the event of a claim. A maximum of the excess is recognised as an impairment for an expected credit loss on such receivables. An elevated default risk on receivables more than 90 days overdue was not determined based on an analysis of the past. For this reason, overdue status beyond 90 days is not regarded as an indicator of a default event having occurred, which would require allocating the receivables to Level 3.

The following table shows the risk profile of trade receivables based on the impairment matrix:

| Maturities of receivables in EUR thousand        | 2017    | 2016    |
|--|---------|---------|
| Not yet due                                      | 102,895 | 85,982  |
| Overdue receivables                              | 17,510  | 18,359  |
| Less than 30 days overdue                        | 15,406  | 16,203  |
| More than 30 days, but less than 60 days overdue | 1,263   | 1,429   |
| More than 60 days, but less than 90 days overdue | 403     | 161     |
| More than 90 days overdue                        | 438     | 567     |
|  | 120,404 | 104,341 |

The 2016 comparable figures are without valuation adjustments. None of the other financial receivables are overdue.

## Market risks

### Currency risks

Currency risk refers to the risk that the value of a financial instrument may change due to exchange rate fluctuations. The Group concludes exchange futures and options transactions (cash flow hedges) to limit the currency risk arising from cash flows from operating activities. The fair value of assets and liabilities reported in the statement of financial position is hedged using exchange forward transactions and options.

The Group is exposed to currency risk because it operates, and generates revenue, in various countries around the world. Foreign currency receivables and liabilities related to transactions that require disclosure are recognised at the time when the respective contract is entered into, as are undisclosed items, especially recurring transactions required for operating activities (e.g. anticipated purchases of raw materials and consumables, and revenue).

Production costs at the Ranshofen site are incurred mainly in euros, although also in US dollars. Any imbalance between expenses and revenue is hedged. Costs at the Canadian plant are incurred in US dollars and Canadian dollars, although sales revenue is realised primarily in US dollars. Items not covered by natural hedges are hedged in accordance with the risk position and risk horizon.

Differences in the value-determining risk factors between the hedged item and the hedging instrument give rise to sources of ineffectiveness. Ineffectivenesses can arise in connection with expected premiums for the embedded derivative, which are to be taken into consideration accordingly. No sources of ineffectiveness exist above and beyond this. As the basis values of the hedged item and the hedging instrument always converge, the accounting hedge ratio always amounts to 1:1. In other words, the designated quantity or designated volume of the hedging instrument corresponds to the designated quantity or designated volume of the hedged item. The hedge ratio is adjusted if the hedge ratio exhibits a disequilibrium which would result in ineffectiveness, creating an accounting consequence irreconcilable with the purpose of hedge accounting. No ineffectivenesses exist as a consequence.

Both the propriety credit risk as well as the counterparty credit risk have no effect on the fair value of forward currency transactions and options. These are not reflected in the fair value of the hedged item and are consequently also not a source of ineffectiveness.

The table below shows the breakdown of non-derivative financial instruments – comprising trade receivables and payables, loans receivable, borrowings and financial assets – by currency at the end of the reporting period:

| Non-derivative financial instruments/assets      | Currency | 2017            |         | 2016            |         |
|--|----------|-----------------|---------|-----------------|---------|
|  |          | in EUR thousand | Share   | in EUR thousand | Share   |
|  | EUR      | 216,047         | 70.1 %  | 131,363         | 49.7 %  |
|  | USD      | 85,887          | 27.8 %  | 128,048         | 48.3 %  |
|  | CAD      | 3,229           | 1.0 %   | 1,968           | 0.7 %   |
|  | GBP      | 3,056           | 1.0 %   | 2,963           | 1.1 %   |
|  | DKK      | 78              | 0.0 %   | 160             | 0.1 %   |
|  | NOK      | 18              | 0.0 %   | 4               | 0.0 %   |
|  | Other    | 166             | 0.1 %   | 335             | 0.1 %   |
|  |          | 308,480         | 100.0 % | 264,842         | 100.0 % |
| Non-derivative financial instruments/liabilities | Currency | in EUR thousand | Share   | in EUR thousand | Share   |
|  | EUR      | 504,834         | 81.3 %  | 411,191         | 72.6 %  |
|  | USD      | 96,606          | 15.5 %  | 132,597         | 23.4 %  |
|  | CAD      | 20,167          | 3.2 %   | 22,948          | 4.0 %   |
|  | GBP      | 62              | 0.0 %   | 31              | 0.0 %   |
|  | Other    | 0               | 0.0 %   | 9               | 0.0 %   |
|  |          | 621,668         | 100.0 % | 566,776         | 100.0 % |

#### Interest rate risks

This refers to risks associated with changes in the net interest result or present value. Due to the interaction between these types of risks, interest rate risk cannot be eliminated entirely. The Group's exposure to risks related to present value affects interest-bearing financial instruments and assets, while net interest income-related risks have an impact on interest expense and income.

At the end of the reporting period the Group had entered into euro-denominated interest rate swaps that qualified as cash flow hedges. AMAG Austria Metall AG pays fixed interest on the notional value of the swap contract and, in return, receives variable interest payments on the same principal amount.

These interest rate swaps offset the impact of future changes in interest rates on the cash flows derived from the underlying variable-rate financial liabilities. The interest rate swaps are reported at fair value in the statement of financial position.

Changes in the fair value of interest rate swaps designated as cash flow hedges are recognised in equity under the hedging reserve item. Once interest payments are received in relation to the hedged item, the hedging reserve is reclassified and recognised in profit or loss under net interest income/expense.

The economic connection between hedged item and hedging instrument is established by comparing the value-determining risk factors. Given complete or approximate convergence of the main value-determining risk factors of the hedged item and the hedging instrument, evidence of the economic connection is rendered based on the critical terms match method. In all other cases, depending on the extent of the divergence of the value-determining risk factors in each case, either sensitivity analyses or the characteristics of the dollar offset methods are utilised to evidence the economic connection.

Differences in the value-determining risk factors between the hedged item and the hedging instrument give rise to sources of ineffectiveness. No sources of ineffectiveness exist above and beyond this. As the basis values of the hedged item and the hedging instrument always converge,

and the intrinsic value is always designated when deploying options as hedging instruments, the accounting hedge ratio always amounts to 1:1. In other words, the designated quantity or designated volume of the hedging instrument corresponds to the designated quantity or designated volume of the hedged item. The hedge ratio is adjusted if the hedge ratio exhibits a disequilibrium which would result in ineffectiveness, creating an accounting consequence irreconcilable with the purpose of hedge accounting. No ineffectivenesses exist for this reason.

Both propriety credit risk and counterparty credit risk have no effect on the fair value of interest-rate swaps, which is not reflected in the fair value of the hedged item and is consequently also not a source of ineffectiveness.

A detailed overview of the weighted interest rates applicable at the end of the reporting period is provided below:

#### Interest rate summary as of Dec. 31, 2017

| Position              | Rate type | Average | Bank accounts | Current | Non-current |
|-----------------------|-----------|---------|---------------|---------|-------------|
| Deposits              | Fixed     | -       | -             | -       | -           |
|                       | Variable  | 0.30 %  | 0.06 %        | 0.30 %  | -           |
|                       | Average   | 0.30 %  | 0.06 %        | 0.30 %  | -           |
| Financial liabilities | Fixed     | 1.03 %  | -             | 0.96 %  | 1.08 %      |
|                       | Variable  | 0.15 %  | -             | 0.92 %  | 0.15 %      |
|                       | Average   | 0.72 %  | -             | 0.96 %  | 0.63 %      |

#### Interest rate summary as of Dec. 31, 2016

| Position              | Rate type | Average | Bank accounts | Current | Non-current |
|-----------------------|-----------|---------|---------------|---------|-------------|
| Deposits              | Fixed     | -       | -             | -       | -           |
|                       | Variable  | 0.63 %  | 0.04 %        | 0.95 %  | -           |
|                       | Average   | 0.63 %  | 0.04 %        | 0.95 %  | -           |
| Financial liabilities | Fixed     | 1.11 %  | -             | 2.02 %  | 0.98 %      |
|                       | Variable  | 0.44 %  | -             | 0.94 %  | 0.44 %      |
|                       | Average   | 0.82 %  | -             | 2.02 %  | 0.73 %      |

#### Commodity price risks

In the commodities area, AMAG Austria Metall AG is particularly exposed to price risks arising from aluminium. These derive from the fact that the AMAG Group produces and processes aluminium.

Resultant purchasing and sales risks relating to price-change risks for future purchases and stocks of raw materials as well as sales of aluminium products (primary aluminium, foundry alloys, rolled products) of raw materials listed on the London Metal Exchange (LME) are hedged deploying marketable forward commodity transactions and commodity options as hedging instruments.

The aluminium price traded on the London Metal Exchange (LME) comprises a separately identifiable price component in the case of both products manufactured at AMAG (primary aluminium, foundry products, rolled products) as well as raw materials employed such as primary aluminium and aluminium scrap. This is contractually agreed as a separate component, plus any premiums (for transport, etc.), and markups for processing as well as grades and grade discounts (in the case of scrap). Such identifiability also remains for products in the production process (inventories). This component can be valued reliably thanks to the listing of the aluminium price on the LME. This is the most important component exposed to price risks. The share of value changes in the aluminium price as a proportion of changes to the fair value of inventories cannot be estimated, as the aluminium price can be subject to very sharp fluctuations (including on the relevant reporting date).

Hedges of future cash flows from the sale of aluminium products of AAI are classified as cash flow hedges.

All stocks of aluminium components are hedged against aluminium price risk by means of either derivative financial instruments or customer contracts. The price change risk resulting from such stocks is managed in a dynamic process, as aluminium stocks change constantly due to

new additions and disposals. AMAG reports the dynamic hedging of its stocks hedged by derivative financial instruments as fair value hedges in its financial statements, to reduce the P&L volatility resulting from the constant measurement of the derivative financial instruments deployed. Fair value hedges are designated with a one-month period and the designated hedges are re-designated after each month to reflect the month-on-month change in the aluminium stock as a hedged item together with the volume change in hedging instruments as part of hedge accounting.

Differences in the value-determining risk factors between the hedged item and the hedging instrument creates sources of ineffectiveness. Ineffectivenesses can arise in connection with expected premiums for the embedded derivative, which are to be taken into consideration accordingly. No sources of ineffectiveness exist above and beyond this. As the basis values of the hedged item and the hedging instrument always converge, and the intrinsic value is always designated when deploying options as hedging instruments, the accounting hedge ratio always amounts to 1:1. In other words, the designated quantity or designated volume of the hedging instrument corresponds to the designated quantity or designated volume of the hedged item. The hedge ratio is adjusted if the hedge ratio exhibits a disequilibrium which would result in ineffectiveness, creating an accounting consequence irreconcilable with the purpose of hedge accounting.

Both propriety credit risk as well as counterparty credit risk have no effect on the fair value of forward aluminium transactions and options, which is not reflected in the fair value of the hedged item and is consequently also not a source of ineffectiveness.

Derivatives recognised at fair value through profit or loss cannot be classified as cash flow or fair value hedges under current accounting standards, although they serve as hedges against the Group's operating risk exposures.

Due to the long risk horizon in some cases, such risks are hedged for periods of up to three years (up to six years in the case of derivatives not forming part of hedges). In the commodities price hedging area, too, derivatives are deployed only to hedge raw material price risk if they can be clearly accounted for and measured.

For commodity price risk connected with copper purchases, copper derivatives are arranged to hedge the future copper purchase where required. Such derivatives are recognised as cash flow hedges.

## Sensitivity analysis

**Sensitivity analyses as of Dec. 31, 2017 (in EUR thousand)**

| Foreign exchange rate risks  | Change | EUR      | USD   | Other   | Total    |
|--|--------|----------|-------|---------|----------|
| Change in net financial liabilities due to an exchange rate reduction by                                     | 10 %   | 0        | 3,362 | (1,017) | 2,345    |
| Effect to profit or loss from foreign currency transactions due to an exchange rate reduction by             | 10 %   | (402)    | 0     | 0       | (402)    |
| Effect to other comprehensive income from foreign currency transactions due to an exchange rate reduction by | 10 %   | (32,889) | 2,514 | 5,031   | (25,344) |
| Interest rate risks  | Change | EUR      | USD   | Other   | Total    |
| Change in net interest income (expenses) due to an interest rate increased by                                | 1 %    | (215)    | 336   | 24      | 145      |
| Effect to other comprehensive income from interest rate swap due to an interest rate increased by            | 1 %    | 600      | 0     | 0       | 600      |
| Commodity price risks  | Change |          |       | AL      | Total    |
| Change in inventory write-down due to an LME aluminium price reduction by                                    | 10 %   | 0        | 0     | (7,065) | (7,065)  |
| Effect to profit or loss from commodity price hedging due to an LME reduction by                             | 10 %   | 0        | 0     | 21      | 21       |
| Effect to other comprehensive income from commodity price hedging due to an LME reduction by                 | 10 %   | 0        | 0     | 22,694  | 22,694   |

**Sensitivity analyses as of Dec. 31, 2016 (in EUR thousand)**

| Foreign exchange rate risks  | Change | EUR      | USD   | Other   | Total    |
|--|--------|----------|-------|---------|----------|
| Change in net financial liabilities due to an exchange rate reduction by                                     | 10 %   | 0        | 9,006 | (1,884) | 7,122    |
| Effect to profit or loss from foreign currency transactions due to an exchange rate reduction by             | 10 %   | (1,894)  | 1,486 | 0       | (408)    |
| Effect to other comprehensive income from foreign currency transactions due to an exchange rate reduction by | 10 %   | (39,659) | 2,118 | 6,808   | (30,732) |
| Interest rate risks  | Change | EUR      | USD   | Other   | Total    |
| Change in net interest income (expenses) due to an interest rate increased by                                | 1 %    | (926)    | 901   | 20      | (5)      |
| Effect to other comprehensive income from interest rate swap due to an interest rate increased by            | 1 %    | 600      | 0     | 0       | 600      |
| Commodity price risks  | Change |          |       | AL      | Total    |
| Change in inventory write-down due to an LME aluminium price reduction by                                    | 10 %   | 0        | 0     | (5,429) | (5,429)  |
| Effect to profit or loss from commodity price hedging due to an LME reduction by                             | 10 %   | 0        | 0     | (33)    | (33)     |
| Effect to other comprehensive income from commodity price hedging due to an LME reduction by                 | 10 %   | 0        | 0     | 9,251   | 9,251    |

The table shows the effect of a generally possible exchange rate reduction of 10 % on periodic earnings, as well as the sensitivities of the hedges.

The table also shows sensitivity given a one percentage point increase in the interest rate, as well as the effect of the hedges.



Finally, the table also shows the effects of a 10% change in the aluminium price on inventory values, and the sensitivity of the commodities hedges.

#### Primary financial instruments

Details of primary financial instruments can be found in the statement of financial position and in the related notes.

#### Cash and cash equivalents

The carrying amounts correspond to market values.

#### Securities held as non-current and current assets

The securities are equity instruments (interests in other companies below 20%), which are measured at fair value through profit or loss.

#### Derivative financial instruments

Exclusively standard market instruments with sufficient market liquidity and from business partners with low default risk are utilised for hedging.

#### Cash flow hedges

Foreign exchange derivatives are employed to hedge cash flows from outstanding and anticipated foreign currency transactions. Additionally, raw material price risks (in relation to aluminium and, to a minor extent, copper) arising from expected and highly probable forecast transactions are hedged using commodity derivatives. Euro-denominated interest rate swaps serve as a hedge against interest rate risk. The fair value of interest rate derivatives reflects changes in the yield curve since the start of the instruments' terms.

In the case of options, only the intrinsic value of the derivative is designated as a hedging instrument. Changes in the fair value of this intrinsic value are recognised in the hedging reserve, and changes in the fair value of the derivative are carried directly to equity in the fair value reserve. When hedging transaction-related underlying transactions, on the date when the hedge transaction occurs the fair value reserve is either released against the purchase costs of the non-financial asset or in other cases reclassified in profit or loss through other comprehensive income. If periodic transactions are hedged, the fair value reserve is released systematically in profit or loss over the designation period, as a matter of principle. In accordance with IFRS 9B6.5.31, systematic release in profit or loss is waived if the amount of the fair value reserve is attributable to combinations of call and put options whose fair value amounted to zero on the designation date.

Derivative financial instruments qualifying as cash flow hedges and recognised in the hedging reserve are as follows:

| Currency or commodity            |      | 2017         |                              |                               | 2016         |                              |                               |
|----------------------------------|------|--------------|------------------------------|-------------------------------|--------------|------------------------------|-------------------------------|
|                                  |      | Longest term | Nominal values <sup>1)</sup> | Market values in EUR thousand | Longest term | Nominal values <sup>1)</sup> | Market values in EUR thousand |
| <b>Currency derivatives</b>      |      |              |                              |                               |              |                              |                               |
| Foreign exchange forwards        |      |              |                              |                               |              |                              |                               |
| USD                              | Sale | 02/2024      | 411,806                      | 14,911                        | 02/2024      | 438,705                      | (25,988)                      |
| GBP                              | Sale | 02/2019      | 850                          | (1)                           | 03/2017      | 324                          | 41                            |
| CAD                              | Buy  | 01/2021      | 68,000                       | 1,578                         | 03/2020      | 91,133                       | (1,718)                       |
| USD                              | Buy  | 12/2018      | 30,207                       | (349)                         | 07/2017      | 22,351                       | 48                            |
| <b>Commodity derivatives</b>     |      |              |                              |                               |              |                              |                               |
| Forward contracts                |      |              |                              |                               |              |                              |                               |
| AL                               | Sale | 12/2020      | 25,500                       | (4,849)                       | 12/2018      | 39,875                       | 869                           |
| CU                               | Buy  | 12/2018      | 450                          | 164                           |              |                              |                               |
| Options                          |      |              |                              |                               |              |                              |                               |
| AL                               | Sale | 12/2023      | 192,000                      | (8,923)                       | 12/2018      | 18,000                       | 0                             |
| <b>Interest rate derivatives</b> |      |              |                              |                               |              |                              |                               |
| Interest rate swaps              |      |              |                              |                               |              |                              |                               |
| EUR                              |      | 12/2024      | 60,000                       | (561)                         | 12/2024      | 60,000                       | (1,118)                       |
| <b>Embedded derivative</b>       |      |              |                              |                               |              |                              |                               |
| AL                               | Sale | 12/2023      | 136,206                      | 38,129                        | 12/2023      | 158,897                      | 115,236                       |

|                           | 2017          |                 |               | 2016           |                 |               |
|---------------------------|---------------|-----------------|---------------|----------------|-----------------|---------------|
|                           | Receivable    | Liability       | Total         | Receivable     | Liability       | Total         |
| Currency derivatives      | 18,426        | (2,288)         | 16,139        | 537            | (28,154)        | (27,618)      |
| Commodity derivatives     | 1,539         | (15,147)        | (13,608)      | 1,215          | (346)           | 869           |
| Interest rate derivatives |               | (561)           | (561)         |                | (1,118)         | (1,118)       |
| Embedded derivative       | 38,129        |                 | 38,129        | 115,236        |                 | 115,236       |
| <b>Total</b>              | <b>58,094</b> | <b>(17,995)</b> | <b>40,099</b> | <b>116,988</b> | <b>(29,618)</b> | <b>87,370</b> |

| Currency or commodity            |      | Term of 1 year        |                      | Term of 1 to 3 years  |                      | Term of more than 3 years |                      |
|----------------------------------|------|-----------------------|----------------------|-----------------------|----------------------|---------------------------|----------------------|
|                                  |      | Nominal <sup>1)</sup> | Average forward rate | Nominal <sup>1)</sup> | Average forward rate | Nominal <sup>1)</sup>     | Average forward rate |
| <b>Currency derivatives</b>      |      |                       |                      |                       |                      |                           |                      |
| Foreign exchange forwards        |      |                       |                      |                       |                      |                           |                      |
| USD                              | Sale | 168,011               | 1.1851               | 97,232                | 1.1766               | 146,563                   | 1.2367               |
| GBP                              | Sale | 630                   | 0.8895               | 220                   | 0.9048               |                           |                      |
| CAD                              | Buy  | 38,000                | 1.2982               | 29,000                | 1.3008               | 1,000                     | 1.2688               |
| USD                              | Buy  | 30,207                | 1.1853               | 0                     |                      | 0                         |                      |
| <b>Commodity derivatives</b>     |      |                       |                      |                       |                      |                           |                      |
| Forward contracts                |      |                       |                      |                       |                      |                           |                      |
| AL                               | Sale | 19,500                | 1,733                | 6,000                 | 1,722                |                           |                      |
| CU                               | Buy  | 450                   | 1,732                |                       |                      |                           |                      |
| Options                          |      |                       |                      |                       |                      |                           |                      |
| AL                               | Sale | 84,000                | 1,732                | 108,000               | 1,725                |                           |                      |
| <b>Interest rate derivatives</b> |      |                       |                      |                       |                      |                           |                      |
| Interest rate swaps              |      |                       |                      |                       |                      |                           |                      |
| EUR                              |      |                       |                      |                       |                      | 60,000                    | -0.29%               |
| <b>Embedded derivative</b>       |      |                       |                      |                       |                      |                           |                      |
| AL                               | Sale |                       |                      |                       |                      | 136,206                   | 2.366 USD/tonne      |

1) The nominal values of currencies are stated in '000s, and those of commodities in tonnes of aluminium (AL) or copper (CU).

The following items were hedged:

| Risk                                   | 2017                 |                   | 2016                 |                   |
|--|----------------------|-------------------|----------------------|-------------------|
|  | Valuation adjustment | Amount of reserve | Valuation adjustment | Amount of reserve |
| <b>Currency risks</b>                  |                      |                   |                      |                   |
| Future sale                            | 14,910               | (14,910)          | (25,990)             | 25,990            |
| Future purchase                        | 1,229                | (1,229)           | (1,628)              | 1,628             |
| <b>Commodity price risks</b>           |                      |                   |                      |                   |
| Future sale                            | 24,357               | 54,268            | 116,106              | (4,157)           |
| Future purchase                        | 164                  | (164)             | 0                    | 0                 |
| <b>Interest rate risks</b>             |                      |                   |                      |                   |
| Future interest paid                   | (561)                | 561               | (1,118)              | 1,118             |
| less deferred tax from hedging reserve |                      | (10,412)          |                      | (6,122)           |
| <b>Total</b>                           | <b>40,098</b>        | <b>28,115</b>     | <b>87,370</b>        | <b>18,457</b>     |

The cumulative valuation adjustment of the hedged item from the cash flow hedge accounting concurs with the value change of the derivative plus the ineffectiveness. The value change of the embedded derivative corresponds to the reserve less the ineffectiveness and the amount of first-time valuation.

The table below shows the changes in the hedging reserve (gross) in accordance with IFRS 9.

| Hedging reserve 2017 in<br>EUR thousand  | Commodity<br>derivatives | Currency derivatives | Interest rate<br>derivatives | Embedded<br>derivative | Total    |
|--|--------------------------|----------------------|------------------------------|------------------------|----------|
| Change in fair value<br>recognised directly in other<br>comprehensive income (OCI) | (18,167)                 | 43,756               | 557                          | (55,468)               | (29,321) |
| Reclassification from OCI<br>recognised through profit or<br>loss                  | 6,344                    | 1,414                | 0                            | 5,007                  | 12,765   |
| Revenue  | 6,344                    | (595)                | 0                            | 2,504                  | 8,253    |
| Materials  |                          | 2,109                | 0                            | 2,504                  | 4,613    |
| Other operating expenses   |                          | (100)                | 0                            | 0                      | (100)    |
| Hedging reserve 2016 in<br>EUR thousand  | Commodity<br>derivatives | Currency derivatives | Interest rate<br>derivatives | Embedded<br>derivative | Total    |
| Change in fair value<br>recognised directly in other<br>comprehensive income (OCI) | (686)                    | (14,381)             | (1,338)                      | 2,919                  | (13,486) |
| Reclassification from OCI<br>recognised through profit or<br>loss                  | 1,072                    | 9,813                | 0                            | (9,661)                | 1,224    |
| Revenue  | 1,072                    | 8,023                | 0                            | (5,275)                | 3,820    |
| Materials  | 0                        | (612)                | 0                            | (4,386)                | (4,998)  |
| Other operating expenses   | 0                        | 2,402                | 0                            | 0                      | 2,402    |

The ineffectivenesses are accounted for in net financial result and not in reserves.

#### Fair value hedges

Forward transactions designated as fair value hedges are used to hedge aluminium stocks. Changes in the market value of these instruments are recorded as raw materials and consumables used.

The following derivative financial instruments qualify as fair value hedges, and are recognised in profit or loss:

| Currency or<br>commodity   |      | Longest term | 2017                            |                                     | Longest term | 2016                            |                                     |
|----------------------------|------|--------------|---------------------------------|-------------------------------------|--------------|---------------------------------|-------------------------------------|
|                            |      |              | Nominal<br>values <sup>1)</sup> | Market values<br>in EUR<br>thousand |              | Nominal<br>values <sup>1)</sup> | Market values<br>in EUR<br>thousand |
| Commodity derivatives      |      |              |                                 |                                     |              |                                 |                                     |
| Forward contracts          |      |              |                                 |                                     |              |                                 |                                     |
| AL                         | Sale | 01/2018      | 55,000                          | (9,024)                             | 01/2017      | 60,970                          | 1,055                               |
| AL                         | Buy  | 03/2018      | 975                             | 188                                 | 03/2018      | 2,420                           | 214                                 |
| Hedged firm<br>commitments |      |              |                                 |                                     |              |                                 |                                     |
| AL                         | Sale | 03/2018      | 975                             | (188)                               | 03/2018      | 2,420                           | (214)                               |
| AL                         | Buy  | 01/2018      | 55,000                          | 9,024                               | 01/2017      | 970                             | (7)                                 |

1) Commodities' nominal value stated in tons of aluminium (AL)

|                       | 2017       |           |       | 2016       |           |       |
|-----------------------|------------|-----------|-------|------------|-----------|-------|
|                       | Receivable | Liability | Total | Receivable | Liability | Total |
| Commodity derivatives | 9,212      | (9,212)   | 0     | 1,318      | (270)     | 1,048 |

The following assets were hedged:

| Risk                  | 2017                           |                           | 2016                           |                           |
|-----------------------|--------------------------------|---------------------------|--------------------------------|---------------------------|
|                       | Change in value of hedged item | Book value of hedged item | Change in value of hedged item | Book value of hedged item |
| Commodity price risks |                                |                           |                                |                           |
| Inventories           | 7,414                          | 99,698                    | 4,618                          | 58,273                    |

The cumulative valuation adjustment of the hedged items from the fair value hedge accounting concurs with the value change of the hedged item.

#### Fair value reserve

|                                  | 2017    | 2016 |
|----------------------------------|---------|------|
| As of Dec. 31                    | 0       | 0    |
| First-time application of IFRS 9 | 37      | 0    |
| Changes in fair value            | (3,475) | 0    |
| As of Dec. 31                    | (3,438) | 0    |

**Derivative financial instruments**

Foreign exchange and commodity (aluminium) derivatives that meet the requirements for hedge accounting under IFRS 9 in terms of documentation and effectiveness are classified as measured at fair value. Fair value changes in these derivative financial instruments are recognised through profit or loss.

Derivative financial instruments qualifying as measured at fair value through profit or loss:

| Currency or commodity        |      | Longest term | Nominal values <sup>1)</sup> | 2017                          | Longest term | Nominal values <sup>1)</sup> | 2016                          |
|------------------------------|------|--------------|------------------------------|-------------------------------|--------------|------------------------------|-------------------------------|
|                              |      |              |                              | Market values in EUR thousand |              |                              | Market values in EUR thousand |
| <b>Currency derivatives</b>  |      |              |                              |                               |              |                              |                               |
| Foreign exchange forwards    |      |              |                              |                               |              |                              |                               |
| USD                          | Buy  |              |                              |                               | 08/2017      | 15,756                       | 847                           |
| GBP                          | Sale | 04/2018      | 3,100                        | (5)                           | 03/2017      | 3,008                        | (20)                          |
| JPY                          | Sale | 03/2018      | 59,000                       | 7                             | 04/2017      | 29,300                       | 14                            |
| USD                          | Sale |              |                              |                               | 08/2017      | 16,020                       | (821)                         |
| CHF                          | Sale |              |                              |                               | 03/2017      | 85                           | (1)                           |
| NOK                          | Sale | 01/2018      | 884                          | 2                             |              |                              |                               |
| <b>Commodity derivatives</b> |      |              |                              |                               |              |                              |                               |
| Forward contracts            |      |              |                              |                               |              |                              |                               |
| AL                           | Buy  | 12/2023      | 277,975                      | 34,327                        | 11/2023      | 231,030                      | 7,944                         |
| AL                           | Sale | 07/2018      | 277,975                      | (30,755)                      | 05/2017      | 231,030                      | (19,002)                      |
| Options                      |      |              |                              |                               |              |                              |                               |
| AL                           | Sale |              |                              |                               | 12/2018      | 18,000                       | 49                            |

1) The nominal values of currencies are stated in '000s, and those of commodities in tonnes of aluminium (AL).

The nominal values comprise the gross sum of the purchase and sale prices of the derivative financial transactions. The value of commodity derivatives is stated in tonnes in the transaction currency.

The market values are based on the values at which the respective transactions are traded as at the end of the reporting period. The market values of commodity derivatives reflect the official aluminium prices listed on the LME at the end of the reporting period. The fair value of forward derivatives is calculated based on the forward rate as at the end of the reporting period.

Recognised models are applied to determine option prices. The market valuation of interest rate swaps, interest rate caps and forward rate agreements is performed based on generally accepted mathematical measurement models.

A hedge's term is determined by the term of the hedged asset/liability.

## Additional disclosures about financial instruments pursuant to IFRS 7:

## 2017

## Financial instruments pursuant to IFRS 7 in EUR

| thousand   | Fair value hedge | Cash flow hedge | Held for trading |
|--|------------------|-----------------|------------------|
| <b>Assets</b>                                      |                  |                 |                  |
| Other non-current assets and financial assets      | 0                | 45,414          | 0                |
| Trade receivables                                  | 0                | 0               | 0                |
| Current tax assets                                 | 0                | 0               | 0                |
| Other current assets                               | 188              | 12,681          | 0                |
| Cash and cash equivalents                          | 0                | 0               | 0                |
| <b>Liabilities</b>                                 |                  |                 |                  |
| Interest-bearing non-current financial liabilities | 0                | 0               | 0                |
| Other non-current liabilities and grants           | 0                | 7,472           | 0                |
| Interest-bearing current financial liabilities     | 0                | 0               | 0                |
| Trade payables                                     | 0                | 0               | 0                |
| Current tax liabilities                            | 0                | 0               | 0                |
| Other current liabilities and grants               | 9,024            | 10,524          | 14,072           |

## 2016

## Financial instruments pursuant to IFRS 7 in EUR

| thousand   | Fair value hedge | Cash flow hedge | Held for trading |
|--|------------------|-----------------|------------------|
| <b>Assets</b>                                      |                  |                 |                  |
| Other non-current assets and financial assets      | 42               | 99,443          | 456              |
| Trade receivables                                  | 0                | 0               | 0                |
| Current tax assets                                 | 0                | 0               | 0                |
| Other current assets                               | 1,251            | 17,545          | 11,216           |
| Cash and cash equivalents                          | 0                | 0               | 0                |
| <b>Liabilities</b>                                 |                  |                 |                  |
| Interest-bearing non-current financial liabilities | 0                | 0               | 0                |
| Other non-current liabilities and grants           | 0                | 18,138          | 250              |
| Interest-bearing current financial liabilities     | 0                | 0               | 0                |
| Trade payables                                     | 0                | 0               | 0                |
| Current tax liabilities                            | 0                | 0               | 0                |
| Other current liabilities and grants               | 24               | 11,480          | 22,412           |

\*) Loans and receivables at amortised cost

|  | Mandatorily at fair value through profit or loss | Equity investments at fair value through OCI | At amortised cost         | Not a financial instrument | Book value as of Dec. 31, 2017 | Fair value as of Dec. 31, 2017 |
|--|--|--|---------------------------|----------------------------|--------------------------------|--------------------------------|
|  | 534  | 1,226  | 2,145                     | 0                          | 49,319                         | 49,319                         |
|  | 0  | 0  | 120,404                   | 0                          | 120,404                        | 120,404                        |
|  | 0  | 0  | 0                         | 1,283                      | 1,283                          | 1,283                          |
|  | 17,114   | 0  | 14,935                    | 16,455                     | 61,372                         | 61,372                         |
|  | 0  | 0  | 169,752                   | 0                          | 169,752                        | 169,752                        |
|  | 0  | 0  | 338,751                   | 0                          | 338,751                        | 333,500                        |
|  | 0  | 0  | 73,109                    | 2,768                      | 83,349                         | 83,349                         |
|  | 0  | 0  | 113,841                   | 0                          | 113,841                        | 114,249                        |
|  | 0  | 0  | 77,564                    | 0                          | 77,564                         | 77,564                         |
|  | 0  | 0  | 0                         | 1,036                      | 1,036                          | 1,036                          |
|  | 0  | 0  | 18,402                    | 21,693                     | 73,715                         | 73,715                         |
|  | Available for sale                               | Loans, receivables and liabilities           | Cash and cash equivalents | Not a financial instrument | Book value as of Dec. 31, 2016 | Fair value as of Dec. 31, 2016 |
|  | 380  | 2,406  | 0                         | 0                          | 102,728                        | 102,728                        |
|  | 0  | 102,641                                      | 0                         | 0                          | 102,641                        | 102,641                        |
|  | 0  | 0  | 0                         | 3,164                      | 3,164                          | 3,164                          |
|  | 0  | 9,209  | 470                       | 18,475                     | 58,166                         | 58,166                         |
|  | 0  | 0  | 149,833                   | 0                          | 149,833                        | 149,833                        |
|  | 0  | 343,451                                      | 0                         | 0                          | 343,451                        | 339,902                        |
|  | 0  | 98,869                                       | 0                         | 2,856                      | 120,113                        | 120,113                        |
|  | 0  | 32,673                                       | 0                         | 0                          | 32,673                         | 33,969                         |
|  | 0  | 73,322                                       | 0                         | 0                          | 73,322                         | 73,322                         |
|  | 0  | 0  | 0                         | 6,732                      | 6,732                          | 6,732                          |
|  | 0  | 18,461                                       | 0                         | 20,932                     | 73,309                         | 73,309                         |

Cash and cash equivalents, financial instruments, and trade receivables and other assets generally have short terms. As a result, the carrying amounts for these items are approximately the same as the respective fair value. Financial instruments not categorised in accordance with IFRS 7 include financial assets and liabilities measured at fair value as well as those recognised at amortised cost.



In general, trade payables and other current liabilities have terms of less than one year, and the recognised values are approximations of their respective fair value.

The fair values of bank borrowings and other financial liabilities are calculated as the present values of the related payments based on the respective yield curve, taking account of the Group's credit risk exposure.

The measurement categories are as follows:

| Measurement categories in EUR<br>thousand          | 2017    |         |         |         | 2016    |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
|  | Level 1 | Level 2 | Level 3 | Total   | Level 1 | Level 2 | Level 3 | Total   |
| <b>ASSETS</b>                                      |         |         |         |         |         |         |         |         |
| Other non-current assets and financial assets      | 0       | 14,367  | 32,807  | 47,174  | 0       | 1,156   | 98,785  | 99,942  |
| Other current assets                               | 0       | 23,434  | 6,548   | 29,982  | 0       | 13,561  | 16,451  | 30,012  |
| <b>LIABILITIES</b>                                 |         |         |         |         |         |         |         |         |
| Interest-bearing non-current financial liabilities | 0       | 333,500 | 0       | 333,500 | 0       | 339,902 | 0       | 339,902 |
| Other non-current liabilities and grants           | 0       | 7,472   | 0       | 7,472   | 0       | 18,388  | 0       | 18,388  |
| Interest-bearing current financial liabilities     | 0       | 114,249 | 0       | 114,249 | 0       | 33,969  | 0       | 33,969  |
| Other current liabilities and grants               | 0       | 33,620  | 0       | 33,620  | 0       | 33,916  | 0       | 33,916  |

The Group applies the following hierarchy to determine and report the fair value of financial instruments for each valuation:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: methods in which all inputs that have a material effect on the reported fair value are directly or indirectly observable. The transactions outlined below are recognised at this level:

Forward currency transactions:

In forward currency transactions, a specified amount of a certain currency is exchanged for an amount in another currency at an agreed exchange rate on a future date. Both cash flows arising at the maturity date are recognised at present value based on the yield curve for each transaction currency. The present value of the forward currency transaction comprises the difference between the two cash flows discounted to their present value and translated into the reporting currency applying the exchange rates. The exchange rates and the yield curve are applied as inputs.

Interest rate swap:

Interest rate swaps involve the exchange of a floating interest rate for a fixed rate. Measurement entails calculating the present value of the variable interest payments and the present value of the fixed interest payments. The present value of the interest rate swap is the difference of the two cash flows discounted to present value over the term of the transaction. The inputs comprise 3-month Euribor and the yield curve.

Commodity futures:

The value of these futures is the difference between the contract price and the aluminium price quoted on the London Metal Exchange (LME) at the maturity date of the transaction. The LME quoted aluminium price including the term structure, and the euro/US dollar futures curve comprise the inputs.

Commodity options:

The Black-Scholes model is applied in the valuation of commodity options. The key inputs are the LME quoted aluminium price including the term structure, the euro/US dollar futures curve, and aluminium price volatility data.

Level 3: methods based on input parameters that have a material effect on fair value and are not based on observable market data.

The measurement of the participating interests was not based on observable data, but instead on company estimates, and is consequently allocated to Level 3.

The fair value of the embedded derivative in the electricity purchasing contract of Aluminerie Alouette Inc. is based on Level 3 fair value measurement. For more details please refer to section E. The change in the value of the embedded derivative is shown below:

| Development of embedded derivative in EUR thousand               | Other non-current assets and financial assets |  | Other current assets |
|--|---|--|----------------------|
|  |   |  |                      |
| As of Jan. 1, 2016   | 0   |  | 9,331                |
| Currency translation differences                                 | 0   |  | 328                  |
| Additions  | 99,353  |  | 12,988               |
| Changes in fair value  | 2,230   |  | 689                  |
| Recycling  | (24)  |  | (9,637)              |
| Ineffectiveness  | 0   |  | (22)                 |
| Reclassification   | (2,774)                                       |  | 2,774                |
| As of Dec. 31, 2016  | 98,785  |  | 16,451               |
| As of Jan. 1, 2017   | 98,785  |  | 16,451               |
| Currency translation differences                                 | (4,736)                                       |  | (293)                |
| Changes in fair value  | (47,281)                                      |  | (8,187)              |
| Recycling  | 0   |  | (5,007)              |
| Acquisition of derivative in P&L (share of first-time valuation) |   |  | (11,151)             |
| Ineffectiveness  | (453)   |  | 0                    |
| Reclassification   | (14,734)                                      |  | 14,734               |
| As of Dec. 31, 2017  | 31,581  |  | 6,548                |

The impact of a change in the LME price on measurement is outlined below:

| Sensitivity in EUR thousand                   | 2017     |        | 2016     |        |
|---|----------|--------|----------|--------|
|   | +10 %    | -10 %  | +10 %    | -10 %  |
| Other non-current assets and financial assets | (20,905) | 20,905 | (21,894) | 21,894 |
| Other current assets                          | (3,904)  | 3,904  | (3,314)  | 3,314  |

The impact of a change in the derivative's term on measurement is outlined below:

| Sensitivity in EUR thousand                   | 2017          |                | 2016          |                |
|---|---------------|----------------|---------------|----------------|
|   | 1 year longer | 1 year shorter | 1 year longer | 1 year shorter |
| Other non-current assets and financial assets | 6,364         | (6,316)        | 15,572        | (15,920)       |
| Other current assets                          | 0             | 0              | 0             | 0              |

The derivatives are divided into the following categories in accordance with IFRS 9:

| Derivatives with positive fair value<br>in EUR thousand       | 2017      |            | 2016      |            |
|---|-----------|------------|-----------|------------|
|   | Long-term | Short-term | Long-term | Short-term |
| Derivatives, mandatorily at fair value through profit or loss | 534       | 17,114     | 456       | 11,216     |
| Fair value hedge derivatives                                  | 0         | 188        | 42        | 1,251      |
| Cash flow hedge derivatives                                   | 45,414    | 12,681     | 99,443    | 17,545     |
| Total   | 45,948    | 29,982     | 99,942    | 30,012     |

| Derivatives with negative fair value<br>in EUR thousand       | 2017      |            | 2016      |            |
|---|-----------|------------|-----------|------------|
|   | Long-term | Short-term | Long-term | Short-term |
| Derivatives, mandatorily at fair value through profit or loss | 0         | 14,072     | 250       | 22,412     |
| Fair value hedge derivatives                                  | 0         | 9,024      | 0         | 24         |
| Cash flow hedge derivatives                                   | 7,472     | 10,524     | 18,138    | 11,480     |
| Total   | 7,472     | 33,620     | 18,388    | 33,916     |

Derivatives with positive fair values are reported on the statement of financial position under the other assets item, and derivatives with negative fair values are reported under other liabilities and grants.

#### Net gains and losses by measurement categories

| Net gains (losses) on financial instruments in EUR thousand          | 2017    | 2016    |
|--|---------|---------|
| Hedging instruments mandatorily at fair value through profit or loss | 2,980   | (1,461) |
| Fair value through other comprehensive income                        | 184     | 196     |
| Financial assets at amortised costs                                  | 0       | 874     |
| Liabilities at amortised costs                                       | (2,257) | (1,782) |
|  | 908     | (2,173) |

The net profit/loss from financial instruments includes dividends received, but not profit attributable to non-controlling interests, or interest expense and interest received. Impairment losses and reversals of impairment losses, foreign exchange gains and losses, gains and losses on disposals, and other changes in the fair values of financial instruments recognised in profit or loss are included in the calculation of net profit/loss from financial instruments.

Gains and losses from derivative financial instruments used to hedge operating risk, which are offset by expenses under raw material and consumables and by revenue, are not included in net profit/loss from financial instruments.

## N Contingent liabilities and guarantees

### Legal proceedings

As at the end of the reporting period, no legal proceedings were pending that represented risks beyond those arising from normal business operations. In addition, the Group was unaware as of the reporting date of any legally relevant circumstances which could lead to the instigation of such proceedings.

### Supplementary information

| in EUR thousand         | 2017  | 2016   |
|-------------------------|-------|--------|
| Sureties and guarantees | 6,864 | 18,564 |
|                         | 6,864 | 18,564 |

The sureties and guarantees item relates mainly to bank guarantees for public amenities of EUR 4,635 thousand, compared with EUR 5,796 thousand in the previous reporting period. A provision of EUR 356 thousand (previous year: EUR 293 thousand) was recognised in relation to this arrangement.

## O Related party disclosures

All transactions under this item occur on an arm's length basis.

The composition of the Management Board has remained unchanged compared with the previous year.

A long-term compensation scheme was implemented in the Management Board contracts that enables the Management Board members to participate in the company's value appreciation, taking a predetermined minimum return on capital into account.

The following remuneration, including the change in provisions, was granted to Supervisory and Management board members, and to managing directors.

| Remuneration 2017 in EUR thousand       | Supervisory Board members | Management Board members | Directors | Total |
|---|---------------------------|--------------------------|-----------|-------|
| Short-term benefits                     | 602                       | 2,343                    | 2,193     | 5,138 |
| Long-term benefits                      | 0                         | -101                     | 0         | -101  |
| Benefits upon termination of employment | 0                         | 0                        | 0         | 0     |
| Post-employment benefits                | 0                         | 159                      | 155       | 314   |
|   | 602                       | 2,401                    | 2,347     | 5,350 |

| Remuneration 2016 in EUR thousand       | Supervisory Board members | Management Board members | Directors | Total |
|---|---------------------------|--------------------------|-----------|-------|
| Short-term benefits                     | 474                       | 2,601                    | 2,232     | 5,306 |
| Long-term benefits                      | 0                         | 1,650                    | 0         | 1,650 |
| Benefits upon termination of employment | 0                         | 0                        | 0         | 0     |
| Post-employment benefits                | 0                         | 277                      | 155       | 432   |
|   | 474                       | 4,527                    | 2,387     | 7,388 |

No loans have been extended to Management and Supervisory board members, and no guarantees have been given on their behalf. No other transactions – and especially no purchase contracts involving assets of significant value – have been entered into with related parties.

#### Supplier relationships

in EUR thousand

| Company               |                          |  |  |        | 2017   |
|-----------------------|--------------------------|--|--|--------|--------|
|                       | RLB<br>Oberösterreich AG | Speditionsservice<br>Ranshofen<br>Ges.m.b.H. | unit-IT<br>Dienstleistungs<br>GmbH & Co KG | Others | Total  |
| Received              | 477                      | 16,718                                       | 2,019                                      | 1,246  | 20,460 |
| Provided              | 0                        | 331  | 274  | 1      | 606    |
| Status of receivables | 16,042                   | 23   | 36   | 0      | 16,100 |
| Status of payables    | 27,931                   | 2,126  | 262  | 167    | 30,486 |

in EUR thousand

| Company               |                          |  |  |        | 2016   |
|-----------------------|--------------------------|--|--|--------|--------|
|                       | RLB<br>Oberösterreich AG | Speditionsservice<br>Ranshofen<br>Ges.m.b.H. | unit-IT<br>Dienstleistungs<br>GmbH & Co KG | Others | Total  |
| Received              | 341                      | 16,937                                       | 1,676                                      | 643    | 19,597 |
| Provided              | 0                        | 274  | 280  | 6      | 561    |
| Status of receivables | 161                      | 16   | 54   | 0      | 231    |
| Status of payables    | 24,253                   | 1,091  | 234  | 88     | 25,666 |

The services purchased from Speditionsservice Ranshofen Ges.m.b.H., relate to freight and dispatch services, and from unit-IT Dienstleistungs GmbH & Co KG to IT services. At both companies, the rendered services concern rentals of operating buildings. The services rendered by RLB Oberösterreich AG derive from interest payments and commissions for loans granted.

Furthermore, guarantees of RLB Oberösterreich AG exist in an amount of EUR 5,625 thousand (previous year: EUR 14,063 thousand) and committed credit lines of EUR 30,000 thousand (previous year: EUR 30,000 thousand).

## P Supplementary information

### Events after the balance sheet date

No significant events occurred after the balance sheet date.

Ranshofen, February 9, 2018

The Management Board



Dipl.-Ing.  
Helmut Wieser  
Management Board Chairman  
(Chief Executive Officer)



Priv. Doz. Dipl.-Ing.  
Dr. Helmut Kaufmann  
Management Board member  
(Chief Operating Officer)



Mag.  
Gerald Mayer  
Management Board member  
(Chief Financial Officer)

# Declaration of the Management Board under Section 124 (1) of the Austrian Stock Exchange Act (BörseG)

The Management Board hereby declares that to the best of its knowledge the consolidated annual financial statements of AMAG Austria Metall AG, prepared in accordance with the applicable accounting standards, give a true and fair view of the Group's financial position and performance. The Group operating and financial review likewise as far as possible gives a true and fair view of the financial position and performance of the AMAG Group, and provides information on the course of business, results and position of the Group, and describes the risks and uncertainties to which the Group is exposed.

Ranshofen, February 9, 2018

The Management Board



Dipl.-Ing.  
Helmut Wieser  
Management Board Chairman  
(Chief Executive Officer)



Priv. Doz. Dipl.-Ing.  
Dr. Helmut Kaufmann  
Management Board member  
(Chief Operating Officer)



Mag.  
Gerald Mayer  
Management Board member  
(Chief Financial Officer)

# Audit opinion

## Report on the consolidated financial statements

### Opinion

We have audited the consolidated financial statements of AMAG Austria Metall AG, Ranshofen, and its subsidiaries (the Group), consisting of the consolidated statement of financial position as of December 31, 2017, the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the financial year ending on this reporting date, as well as the notes to the consolidated financial statements.

Based on the results of our audit, in our opinion the attached consolidated financial statements conform to the greatest possible extent with legal regulations, and present a true and fair view of the Group's financial position as of December 31, 2017, as well as its financial performance and cash flows for the financial year ending as of this date, in accordance with the International Financial Reporting Standards as applicable in the EU (IFRS), and the additional requirements of Section 245a of the Austrian Commercial Code (UGB).

### Basis for the audit opinion

We conducted our audit in accordance with EU Regulation No. 537/2014 (hereinafter referred to as the "EU Regulation") and with Austrian generally accepted auditing principles. These principles require the application of the International Standards on Auditing (ISAs). Our responsibilities in accordance with such regulations and standards are described in greater detail in the section entitled "Auditor's responsibilities for the auditing of the consolidated financial statements". We are independent of the Group in accordance with Austrian corporation law and professional law regulations, and we have fulfilled our other professional duties in accordance with such requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a sound basis for our audit opinion.

### Note on other matters

The consolidated financial statements of AMAG Austria Metall AG, Ranshofen, for the financial year ending on December 31, 2016, were audited by another auditor of the consolidated financial statements, which issued an unqualified audit opinion in relation to these consolidated financial statements on February 13, 2017.

### Particularly important audit matters

Particularly important audit matters comprise such matters that in our judgement were the most important for our audit of the consolidated financial statements for the financial year under review. Such matters were taken into consideration in connection with our audit of the consolidated financial statements as a whole and when forming our audit opinion on these financial statements, and we do not issue a separate audit opinion on such matters.

Below, we present audit matters that we consider particularly important:

- + 1. Power supply contract concluded by Aluminerie Alouette Inc.
- + 2. First-time application of IFRS 9

#### 1. Power supply contract concluded by Aluminerie Alouette Inc.

Description:

In October 2016, Aluminerie Alouette Inc., Canada, ("AAI") – according to IFRS 11 a joint arrangement to be included proportionally in the consolidated financial statements of AMAG Austria Metall AG – arranged a power supply contract with the Canadian government, whereby the agreed electricity price is tied to the LME market price of aluminium. Based on this link, the power supply contract includes an embedded derivative, which is to be recognised separately. The embedded derivative was designated as a hedging instrument for future primary aluminium sales, representing the underlying transaction in a cash flow hedge. As of the date when the agreement was concluded, the derivative's fair value also constitutes a government grant.

The derivative, amounting to EUR 38.1 million, is included under other non-current and current assets in the consolidated statement of financial position of AMAG Austria Metall AG as of December 31, 2017. The amount recognised for the government grant stands at EUR 84.8 million and is reported under the other non-current and current liabilities and grants. Of the overall change in the derivative of EUR -77.1 million, EUR -60.5 million was recognised directly in equity and EUR -16.6 million was recognised in profit or loss.

The assessment of this matter requires significant assumptions and estimates by the management concerning the related valuation, as the embedded derivative reflects various value-determining risk factors and valuation parameters. The company values the derivative's fair value applying a forward price model utilising a reference electricity price, corresponding yield curves and the forward prices and rates for aluminium and foreign currencies. The estimate of the expected duration of the power supply contract is significant in this context.



The corresponding information from the company is explained in the notes to the consolidated financial statements of AMAG Austria Metall AG in sections "E Accounting policies", "J03 Other non-current assets and financial assets", "J07 Other current assets", "J14 Other liabilities and grants" and "M Financial instruments".

How we addressed this matter as part of the audit:

We critically scrutinised the management's assumptions and estimates, which included conducting the following audit actions:

- + Assessment of the extent to which the risk management objective of the hedge is consistent with the risk management strategy of AMAG;
- + Auditing the numerical correctness of the forward price model and appraisal of the valuation parameters applied;
- + Assessing the management's estimate of the expected duration of the power supply contract;
- + Auditing the correct presentation in the IFRS consolidated financial statements;
- + we made recourse to IFRS accounting and valuation specialists to perform the audit actions.

## 2. First-time application of IFRS 9

Description:

The company decided with effect as of January 1, 2017 to make early voluntary first-time application of IFRS Standard 9 (Financial Instruments), which the EU adopted in November 2016. The first-time application of the new accounting standard requires organisational measures to implement the new regulations as well as discretionary decisions and estimates by the management in the following areas: the classification and measurement of financial assets and liabilities, the impairment of financial assets and the accounting treatment of hedges.

Based on the amendments to the accounting policies following the first-time application of IFRS 9, retroactive restatements totalling EUR 1.8 million arise for the consolidated financial statements of AMAG. These adjustments arise from the reversal of valuation allowances applied to trade receivables, from the fair value measurement of non-current participating interests and securities, and from the fair value component of options.

The corresponding disclosures by the company are explained in the notes to the consolidated financial statements of AMAG Austria Metall AG in the sections "E Accounting policies" and "H Adjustments from the first-time application of IFRS 9".

How we addressed this matter as part of the audit:

We critically scrutinised the assumptions and estimates made by the management, which included conducting the following audit actions:

- + Assessing the processes implemented to classify and measure financial instruments and to determine and recognise impairments to financial assets, in each case in accordance with IFRS 9;
- + Assessing the adapted process to report hedges on the balance sheet and reviewing whether the requisite adjustments had been made to the documentation of hedges and the recognition of undesignated fair value components;
- + Reviewing the adjustment bookings as to their contents and amounts;
- + Reviewing the correct first-time application and complete and correct disclosure of the adjustments implemented as well as the appropriateness of the disclosures in the notes to the financial statements;
- + we made recourse to IFRS accounting specialists to perform the audit actions.

## Responsibilities of the legal representatives and Audit Committee for the consolidated financial statements

The legal representatives are responsible for the preparation of the consolidated financial statements, and for the fact that, in accordance with IFRS as applicable in the EU and the additional requirements of Section 245a of the Austrian Commercial Code (UGB), they convey to the greatest possible extent a true and fair view of the Group's financial position and performance. Moreover, the legal representatives are responsible for the internal controls they deem necessary to enable consolidated financial statements to be prepared free of misrepresentations, whether intended or unintended.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's capacity as a going concern, for stating matters connected with the Group as a going concern – where relevant – as well as for applying the going concern accounting principle, unless the legal representatives intend to either liquidate the Group or discontinue the company's operations or have no realistic alternative to such options.

The Audit Committee is responsible for monitoring the Group financial accounting process.

### Auditor's responsibilities for auditing the consolidated financial statements

Our objectives are to gain sufficient certainty as to whether the consolidated financial statements as a whole are free of significant misrepresentations, whether intended or unintended, and to issue an audit certificate containing our audit opinion. Sufficient certainty refers to a high degree of certainty, but provides no guarantee that an audit of financial statements conducted in accordance with the EU Regulation and Austrian proper auditing principles and requiring the application of ISA always exposes an important misrepresentation if such a misrepresentation exists. Misrepresentations can arise from fraudulent actions or errors, and are deemed significant if they could reasonably be expected, either individually or in their entirety, to affect business decisions made by users on the basis of these consolidated financial statements.

As part of the auditing of financial statements in accordance with the EU Regulation and Austrian proper auditing principles requiring the application of ISAs, we exercise due professional discretion during the entire audit and maintain a fundamentally critical stance.

The following also applies:

- + We identify and assess the risks of significant – intended or unintended – misrepresentations in the consolidated financial statements, plan audit activities as a response to such risks, implement them and obtain audit evidence that is sufficient and appropriate to serve as the basis for our audit opinion. The risk that significant misrepresentations arising from fraudulent actions remain undisclosed is greater than a risk arising from errors, as fraudulent actions can comprise fraudulent collaboration, falsifications, intentionally incomplete documentation, misleading presentations or the overriding of internal controls.
- + We gain an understanding of the internal control system of relevance for the audit in order to plan audit actions that are appropriate in the given circumstances, although not with the aim of issuing an audit opinion on the efficacy of the Group's internal control system.
- + We evaluate the appropriateness of the accounting policies the legal representatives apply, as well as the justifiability of the estimated figures the legal representatives present in the financial accounting and related disclosures.
- + We draw conclusions about the suitability of the legal representatives' application of the going concern principle, as well as – based on the audit evidence obtained – whether significant uncertainty exists in connection with events or circumstances that can raise considerable doubts about the Group's capability as a going concern. If we draw the conclusion that significant uncertainty exists, we are obligated to draw attention in our audit opinion to the related disclosures in the consolidated financial statements, or, if such disclosures are unsuitable, to amend our audit opinion. We draw our conclusions on the basis of audit evidence obtained up until the date of our audit opinion. Future events or circumstances, however, can result in the Group no longer comprising a going concern.
- + We appraise the overall presentation, the structure and content of the consolidated financial statements, including the disclosures, as well as whether the consolidated financial statements reproduce the underlying business transactions and events in a manner that as far as possible presents a true and fair view.
- + We obtain sufficient suitable audit evidence concerning the financial information of the units or operating activities within the Group to issue an audit opinion on the consolidated financial statements. We are responsible for directing, supervising and conducting the audit of the consolidated financial statements. We bear sole responsibility for our audit opinion.

We communicate with the Audit Committee, including concerning the planned scope and planned time-allocation for the audit of the financial statements, as well as about important audit findings, including any significant defects in the internal control system that we identify during our audit.

We also issue a statement to the Audit Committee that we have complied with the relevant professional conduct requirements relating to independence, and communicate with it about all relationships and other matters of which it could be reasonably assumed that they affect our independence and – where relevant – related protective measures.

Of those matters about which we communicated with the Audit Committee, we determine those that were most significant for the audit of the consolidated financial statements in the financial year under review, and consequently comprise particularly important audit matters. We describe such matters in our audit opinion, unless legislation and other legal regulations prevent the public disclosure of the matter, or we determine in extremely rare cases that a matter should not be communicated in our audit opinion because it is reasonably assumed that the negative consequences of such a communication would exceed its benefits for the public interest.

### Other statutory and other legal requirements

#### Report on the Group management report

Based on Austrian corporation law regulations, the Group management report is to be audited as to whether it is compatible with the consolidated financial statements and whether it was prepared in accordance with applicable legal requirements.

In relation to the consolidated non-financial declaration included in the Group management report, it is our responsibility to audit whether it was prepared, to read it and consider whether it significantly contradicts the consolidated financial statements in light of information gained from the audit, or otherwise appears to entail a significant misrepresentation.

The legal representatives are responsible for the preparation of the Group management report in accordance with Austrian corporation law regulations.

We conduct our audit in compliance with professional principles relating to the auditing of group management reports.

**Opinion:**

In our opinion, the Group management report has been prepared in accordance with the applicable legal requirements, includes appropriate disclosures pursuant to Section 243a of the Austrian Commercial Code (UGB), and is compatible with the consolidated financial statements.

**Statement:**

Given the findings from the audit of the consolidated financial statements and the understanding gained about the Group and its environment, no significant erroneous disclosures were found in the Group management report.

**Other information**

The legal representatives are responsible for the other information. Other information includes all information in the annual report apart from the consolidated financial statements, the Group management report and the audit opinion. The annual report will be made available to us prospectively after the date of the audit opinion. Our audit opinion on the consolidated financial statements does not cover such other information, and we will not issue any type of assurance in relation to it.

In combination with our audit of the consolidated financial statements, it is our responsibility to read such other information as soon as it is made available, and consider whether it significantly contradicts the consolidated financial statements in light of information gained from the audit, or otherwise appears to entail a significant misrepresentation.

**Additional disclosures pursuant to Article 10 of the EU Regulation**

The Annual General Meeting on April 19, 2017 elected us as the auditors of the financial statements. The Supervisory Board issued its mandate to us on May 2, 2017. We have been the auditor of the financial statements since 2017.

We declare that the audit opinion in the section "Report on the consolidated financial statements" is consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Regulation.

We declare that we have not rendered any prohibited non-auditing services (Article 5 (1) of the EU Regulation) and that we have maintained our independence from the audited company in performing our audit of the financial statements.

**Auditor responsible for the mandate**

Mr. Mag. Thomas Haerdtl is the certified public auditor responsible for the mandate to audit the financial statements.

Vienna, February 9, 2018

Ernst & Young  
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Gerhard Schwartz h.c.  
Certified Public Auditor

Mag. Thomas Haerdtl h.c.  
Certified Public Auditor

# Glossary

## Technikglossar

### "Alloy-to-alloy" recycling:

Specific separation and sophisticated metal analysis that allows scrap (input materials) to be recycled, usually for manufacturing finished product alloys of identical analysis

### Cast ingots:

Aluminium or aluminium alloy ingots cast in moulds for re-melting in aluminium foundries (die casting, mould casting, sand casting)

### Cathode sheet:

Metallic zinc deposits on pure aluminium sheets that are placed in an electrolysis tank containing zinc solvent in a sulphuric solution

### Clad brazing sheet:

Composite material consisting of a core aluminium alloy and a cladding layer of a brazing alloy with a lower melting point (for use in coolers and heat exchangers)

### Closed loop recycling

Fabrication scrap from customers is sorted and returned, and re-melted, thereby serving as starting material for AMAG's high-quality products

### Collection point:

Production site where scrap from cans, foils, wheel rims, window frames, chips and engine blocks etc, is collected, classified, sorted by type to the highest possible accuracy, and stored for recycling purposes

### Continuous solution annealing furnace for aluminium strip:

Continuous solution annealing furnace to adjust certain metallurgical properties of aluminium strip

### Heat-treatable plates:

Aluminium plates with increased hardness achieved through special thermal processing

### Homogenisation furnace:

Type of furnace used in the casthouse to produce a homogenised microstructure prior to subsequent hot rolling

### Horizontal heat-treatment furnace:

Non-continuous, multizone furnace in the rolling mill, utilised for solution annealing of heat-treatable plates

### Hot rolling simulation:

Computer simulation of hot rolling to make predictions about the final product prior to the actual rolling process

### Manufacturing of rolling ingots:

Manufacturing of ingots intended for rolling that are vertically cast in the ingot casthouse

### Passivation:

The oxide layer of the aluminium is replaced by an artificial barrier layer, providing a good surface for adhesively bonded joints

### Precision cast plates:

Aluminium precision plates cut from rolling slabs and precision-milled on both sides

### Primary aluminium:

Aluminium produced from alumina using electric power, petroleum coke, pitch and other raw materials

### Rolling:

A forming process. If materials are formed at temperatures above their recrystallisation temperature, the process is referred to as hot rolling, otherwise as cold rolling

### Rolling slab:

Vertically cast ingots for deployment in rolling mills

### Secondary aluminium:

Aluminium alloy obtained from recycled aluminium scrap

### Semi-finished aluminium:

Generic term used to describe aluminium products in the form of sheet, sections and strips, pipes etc

### Sows:

Ordinary cast form for aluminium, suited for re-melting

### Special rolled products:

Rolled products that are distinguished from standard products through a combination of specific properties (e.g. bright sheet)

### Stretcher:

Stretchers are used to remove unevenness from sheets, strips and plates, and to reduce the material's residual stress

### Two-piece ingots and horizontal direct chill cast ingots:

Ingots produced in two-part or horizontally continuous casting lines

## Financial glossary

### ATX Prime:

Benchmark index of the Vienna Stock Exchange that includes all stocks in the prime market segment

### Backwardation:

A situation on a futures market where the spot price is higher than the futures price

### Compliance:

Adherence to laws, guidelines and voluntary codes

### Contango:

A situation with a commodity futures transaction where the spot price is lower than the forward price

### Capital employed:

The total of average equity and average net debt (long-term and short-term interest-bearing financial liabilities less liquid assets and short-term securities)

### Corporate governance:

Rules of behaviour for responsible management and controlling of companies, as set out in the Austrian Corporate Governance Code; compliance with this code is voluntary

### Corporate Social Responsibility (CSR):

Term referring to voluntary initiatives implemented with a view to promoting sustainable corporate governance that extends above and beyond statutory requirements, and reflects all stakeholders' interests

### Cash flow:

Financial parameter indicating the net cash received over a period of time; an indicator of a company's solvency

### Coverage:

Regular reporting by analysts about a company's development

### D&O: Directors and officers:

legally liable members of company boards such as the management or supervisory board of a public limited company, or corporate officers and directors in a limited liability corporation

### Derivative financial instruments:

Financial instruments whose prices are based on other investments' actual or expected prices

### Dividend yield:

Ratio between a company's dividend and its share price, expressed in percent; shows the return on invested capital per share

### Earnings per share:

Derived by dividing consolidated net profit or loss by the weighted average number of shares in issue

### EBIT (Earnings before Interest and Tax):

A measure of operating income after taking depreciation and amortisation into account

### EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation):

A measure of cash operating income

### EBT (Earnings before Tax):

A measure of profit before the application of tax

### Equity ratio:

Ratio between equity and total assets

### Gearing:

Ratio of net debt (long-term and short-term interest-bearing borrowings less cash and cash equivalents, and long-term and short-term securities) to equity

### Hedging:

Financial risk management measures to limit or avoid the negative impact of market price changes in the areas of interest rates, currencies, asset values or commodities

### ISIN (International Security Identification Number):

A reference number for securities

### London Metal Exchange (LME):

One of the world's largest metals trading exchanges for spot and forward transactions

### Management letter:

A document addressed to a management board with recommendations for potential improvements at the company, published by an independent auditor as part of a legally prescribed auditors' report and opinion

### Market capitalisation:

Calculated by multiplying the number of a company's shares in issue by their current share price on the stock market

### NOPAT (Net Operating Profit after Tax):

Earnings after tax adjusted to reflect the net interest result and related tax (tax effect deriving from the net financial result)

### Price/earnings ratio (PER):

Ratio to value a share on the stock market; ratio between the current share price and earnings per share

### Profit attributable to non-controlling interests:

Portion of net income attributable to non-controlling interests. If the amount is positive, a pro rata share of the consolidated subsidiary's net loss is added to consolidated profit.

**ROCE (Return on Capital Employed):**

NOPAT in relationship to average capital employed = profitability of capital employed

**ROE (Return on Equity):**

Ratio between earnings after taxes and average equity, expressed as a percentage. It shows the profitability in relation to average equity employed in the course of the financial year

**Small and mid caps:**

Listed companies with small or medium market capitalisations

**Stakeholder:**

Person with a vested interest in the conduct of a company (e.g. a shareholder, employee, customer or supplier); the stakeholder value approach assesses the company in its overall socio-economic context with a view to reconciling the needs of the various stakeholder groups

**Total shareholder return:**

Derived by adding together the dividend paid for a financial year and the share price appreciation realised during the year

**Treasury:**

Company department responsible for finance, market risk management and cash management

**Working capital:**

Inventories and trade receivables less trade payables


**Treasury:**

Bereich/Abteilung im Unternehmen mit Finanzierungs-, Marktrisikomanagement- und Cashmanagement-Aufgaben

**Working Capital:**

Setzt sich aus den Bilanzposten „Vorräte“ sowie „Forderungen aus Lieferungen und Leistungen“ abzüglich „Verbindlichkeiten aus Lieferungen und Leistungen“ zusammen





**Jahresabschluss per 31. Dezember 2017**  
**(in German)**



# Bilanz

**AMAG Austria Metall AG, Ranshofen**  
**Bilanz zum 31. Dezember 2017**

|   | EUR                     | Tsd. EUR         |
|---|-------------------------|------------------|
|   | 31.12.2017              | 31.12.2016       |
| <b>AKTIVA</b>   |                         |                  |
| <b>A. Anlagevermögen</b>  |                         |                  |
| I. Immaterielle Vermögensgegenstände  |                         |                  |
| 1. Konzessionen, Schutzrechte, Lizenzen                                       | 130.224,00              | 77               |
| 2. Geleistete Anzahlungen und immaterielle Vermögensgegenstände in Erstellung | 29.900,00               | 0                |
|   | 160.124,00              | 77               |
| II. Sachanlagen   |                         |                  |
| Betriebs- und Geschäftsausstattung  | 366.637,37              | 550              |
| III. Finanzanlagen  |                         |                  |
| Anteile an verbundenen Unternehmen  | 540.551.270,00          | 540.551          |
|   | 541.078.031,37          | 541.178          |
| <b>B. Umlaufvermögen</b>  |                         |                  |
| I. Forderungen und sonstige Vermögensgegenstände                              |                         |                  |
| 1. Forderungen aus Lieferungen und Leistungen                                 | 3.639,87                | 0                |
| davon mit einer Laufzeit von mehr als einem Jahr                              | 0,00                    | 0                |
| 2. Forderungen gegenüber verbundenen Unternehmen                              | 513.193.405,55          | 499.836          |
| davon mit einer Laufzeit von mehr als einem Jahr                              | 0,00                    | 0                |
| 3. Sonstige Forderungen und Vermögensgegenstände                              | 2.941.806,34            | 8.159            |
| davon mit einer Laufzeit von mehr als einem Jahr                              | 0,00                    | 0                |
|   | 516.138.851,76          | 507.995          |
| II. Guthaben bei Kreditinstituten   | 133.005.890,26          | 57.088           |
|   | 649.144.742,02          | 565.084          |
| <b>C. Rechnungsabgrenzungsposten</b>  | 22.500,00               | 47               |
| <b>D. Aktive latente Steuern</b>  | 7.821.564,72            | 6.623            |
| <b>Summe AKTIVA</b>   | <b>1.198.066.838,11</b> | <b>1.112.932</b> |

AMAG Austria Metall AG, Ranshofen  
Bilanz zum 31. Dezember 2017

## PASSIVA

|   | EUR              | Tsd. EUR   |
|---|------------------|------------|
|   | 31.12.2017       | 31.12.2016 |
| <b>A. Eigenkapital</b>  |                  |            |
| I. Eingefordertes, einbezahltes und gezeichnetes Grundkapital | 35.264.000,00    | 35.264     |
| II. Kapitalrücklagen  |                  |            |
| 1. Gebundene Kapitalrücklage                                  | 94.752.000,00    | 94.752     |
| 2. Nicht gebundene Kapitalrücklage                            | 540.511.618,00   | 540.512    |
|   | 635.263.618,00   | 635.264    |
| III. Gewinnrücklagen  |                  |            |
| 1. Gesetzliche Rücklage                                       | 3.526.400,00     | 3.526      |
| 2. Andere Rücklagen (Freie Rücklagen)                         | 10.439.718,41    | 9.171      |
|   | 13.966.118,41    | 12.698     |
| IV. Bilanzgewinn  | 42.316.800,00    | 42.317     |
| davon Gewinnvortrag   | 0,00             | 592        |
|   | 726.810.536,41   | 725.542    |
| <b>B. Rückstellungen</b>                                      |                  |            |
| 1. Rückstellungen für Abfertigungen                           | 488.820,78       | 252        |
| 2. Steuerrückstellungen                                       | 0,00             | 0          |
| 3. Sonstige Rückstellungen                                    | 3.657.751,00     | 3.635      |
|   | 4.146.571,78     | 3.888      |
| <b>C. Verbindlichkeiten</b>                                   |                  |            |
| 1. Verbindlichkeiten gegenüber Kreditinstituten               | 413.999.999,99   | 325.009    |
| davon mit einer Restlaufzeit von bis zu einem Jahr            | 100.000.000,00   | 11.009     |
| davon mit einer Restlaufzeit von mehr als einem Jahr          | 313.999.999,99   | 314.000    |
| 2. Verbindlichkeiten aus Lieferungen und Leistungen           | 322.797,36       | 709        |
| davon mit einer Restlaufzeit von bis zu einem Jahr            | 322.797,36       | 709        |
| 3. Verbindlichkeiten gegenüber verbundenen Unternehmen        | 52.297.798,08    | 57.659     |
| davon mit einer Restlaufzeit von bis zu einem Jahr            | 52.297.798,08    | 57.659     |
| 4. Sonstige Verbindlichkeiten                                 | 489.134,49       | 125        |
| davon mit einer Restlaufzeit von bis zu einem Jahr            | 489.134,49       | 125        |
| davon aus Steuern   | 11.103,08        | 14         |
| davon mit einer Restlaufzeit von bis zu einem Jahr            | 11.103,08        | 14         |
| davon im Rahmen der sozialen Sicherheit                       | 50.327,18        | 45         |
| davon mit einer Restlaufzeit von bis zu einem Jahr            | 50.327,18        | 45         |
| Summe Verbindlichkeiten                                       | 467.109.729,92   | 383.502    |
| davon mit einer Restlaufzeit von bis zu einem Jahr            | 153.109.729,93   | 69.502     |
| davon mit einer Restlaufzeit von mehr als einem Jahr          | 313.999.999,99   | 314.000    |
| Summe PASSIVA   | 1.198.066.838,11 | 1.112.932  |
| Haftungsverhältnisse  | 4.966.000,00     | 20.000     |

# Gewinn- und Verlustrechnung

AMAG Austria Metall AG, Ranshofen  
für das Geschäftsjahr vom

01. Jänner 2017 bis 31. Dezember 2017

|  | EUR           | Tsd. EUR  |
|--|---------------|-----------|
|  | 1-12/2017     | 1-12/2016 |
| 1. Umsatzerlöse  | 4.219.738,14  | 3.930     |
| 2. sonstige betriebliche Erträge:  |               |           |
| a) Erträge aus dem Abgang vom Anlagevermögen mit Ausnahme der Finanzanlagen  | 0,00          | 19        |
| b) Erträge aus der Auflösung von Rückstellungen  | 46.000,00     | 0         |
| c) übrige  | 78.643,84     | 103       |
|  | 124.643,84    | 122       |
| 3. Aufwendungen für bezogene Leistungen  | -1.993.338,06 | -1.918    |
| 4. Personalaufwand   |               |           |
| a) Gehälter  | -3.916.039,41 | -5.715    |
| b) soziale Aufwendungen  |               |           |
| aa) Aufwendungen für Altersversorgung  | -153.661,39   | -148      |
| bb) Aufwendungen für Abfertigungen und Leistungen<br>an betriebliche Mitarbeiterversorgungskassen                        | -58.292,94    | -154      |
| cc) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben<br>sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge | -528.674,83   | -630      |
| dd) Sonstige Sozialaufwendungen  | -9.759,53     | -9        |
|  | -4.666.428,10 | -6.656    |
| 5. Abschreibungen  |               |           |
| auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen   | -237.681,66   | -193      |
| 6. sonstige betriebliche Aufwendungen  |               |           |
| a) Steuern, soweit sie nicht unter Z 13 fallen   | -8.281,08     | -9        |
| b) übrige  | -5.046.413,75 | -3.918    |
|  | -5.054.694,83 | -3.927    |
| 7. Zwischensumme aus Z 1 bis 6 (Betriebserfolg)  | -7.607.760,67 | -8.642    |
| 8. Erträge aus Beteiligungen   | 48.000.000,00 | 48.000    |
| davon aus verbundenen Unternehmen 48.000.000,00 EUR (VJ 48.000 Tsd. EUR)   |               |           |
| 9. sonstige Zinsen und ähnliche Erträge  | 6.808.104,56  | 5.869     |
| davon aus verbundenen Unternehmen 6.781.362,32 EUR (VJ 5.764 Tsd. EUR)   |               |           |
| 10. Zinsen und ähnliche Aufwendungen   | -4.810.583,78 | -2.942    |
| davon betreffend verbundene Unternehmen 3.767,73 EUR (VJ 68 Tsd. EUR)  |               |           |
| 11. Zwischensumme aus Z 8 bis 10 (Finanzerfolg)  | 49.997.520,78 | 50.927    |
| 12. Ergebnis vor Steuern (Zwischensumme aus Z 7 und 11)  | 42.389.760,11 | 42.285    |
| 13. Steuern vom Einkommen und vom Ertrag   |               |           |
| a) Laufende Steuern  | -3.187,08     | -4        |
| davon Verrechnung an Gruppenmitglieder 1.750,00 EUR (VJ 2 Tsd. EUR)  |               |           |
| b) Latente Steuern   | 1.198.522,62  | 6.623     |
|  | 1.195.335,54  | 6.620     |
| 14. Ergebnis nach Steuern = Jahresüberschuss   | 43.585.095,65 | 48.905    |

# Anhang zum Jahresabschluss

## 1. ALLGEMEINE ANGABEN ZU DEN BILANZIERUNGS- UND BEWERTUNGSMETHODEN

Der Jahresabschluss per 31. Dezember 2017 wurde nach den Vorschriften des UGB in der geltenden Fassung unter Anwendung der Grundsätze ordnungsmäßiger Buchführung und Bilanzierung, sowie der Beachtung der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft zu vermitteln, erstellt. Dabei wurde von der Fortführung der Gesellschaft (Going Concern-Prinzip) ausgegangen.

Die Gliederungen im Jahresabschluss erfolgten gemäß § 224 und § 231 Abs. 2 UGB in der Fassung nach dem RÄG 2014.

Die Bewertung der Fremdwährungsforderungen und -verbindlichkeiten erfolgt mit dem Referenzkurs der Europäischen Zentralbank zum 29. Dezember 2017.

## 2. BILANZIERUNGSMETHODEN

In den Methoden der Bilanzierung traten gegenüber 2016 keine Änderungen ein.

## 3. BEWERTUNGSMETHODEN

Die Gegenstände des abnutzbaren Anlagevermögens werden mit den Anschaffungskosten, vermindert um die Abschreibung, angesetzt. Die Abschreibungen erfolgen linear unter Berücksichtigung der wirtschaftlichen Nutzungsdauer.

|                                    | Nutzungsdauer  |
|------------------------------------|----------------|
| Immaterielle Vermögenswerte        | 5 Jahre        |
| Betriebs- und Geschäftsausstattung | 2 bis 10 Jahre |

Es wurden im Geschäftsjahr keine Zinsen gemäß § 203 Abs. 4 UGB aktiviert.

Finanzanlagen werden zu Anschaffungswerten oder, falls ihnen am Bilanzstichtag ein niedrigerer Wert beizumessen ist, mit diesem angesetzt.

Forderungen werden mit den Anschaffungskosten, gegebenenfalls vermindert um Abschreibungen, angesetzt.

Rückstellungen werden entsprechend dem Grundsatz der Vorsicht gebildet und mit dem Erfüllungsbetrag angesetzt, welcher bestmöglich geschätzt wird.

Verbindlichkeiten werden zum Erfüllungsbetrag angesetzt.

## 4. ERLÄUTERUNGEN ZUR BILANZ

### ANLAGEVERMÖGEN

Der Wert der Beteiligung an der AMAG Erste Beteiligungsverwaltungs GmbH, in Höhe von 540.551 Tsd. EUR, resultiert aus dem Jahr 2011 aus Anschaffungskosten und einer Kapitaleinzahlung von insgesamt 40 Tsd. EUR sowie aus durchgebuchten Einbringungsvorgängen in die AMAG Erste Beteiligungsverwaltungs GmbH.

### FORDERUNGEN

Es bestehen keine wechselfähig verbrieften Forderungen und es wurden keine Pauschalwertberichtigungen (§ 226 Abs. 5 UGB) vorgenommen.

Die Forderungen gegenüber verbundenen Unternehmen resultieren mit 465.193 Tsd. EUR (Vorjahr: 451.836 Tsd. EUR) aus Finanzierung und mit 48.000 Tsd. EUR (Vorjahr: 48.000 Tsd. EUR) aus phasengleicher Gewinnausschüttung.

### LATENTE STEUERN

Bei der Berechnung der latenten Steuern wird ein Steuersatz von 25 % verwendet.

| in EUR         | Latente Steuern 2017 |           | Latente Steuern 2016 |           |
|----------------|----------------------|-----------|----------------------|-----------|
|                | Aktiva               | Passiva   | Aktiva               | Passiva   |
| Sachanlagen    | 2.863,25             | -3.015,50 | 0,00                 | -7.833,75 |
| Forderungen    | 88.556,87            | 0,00      | 0,00                 | 0,00      |
| Verlustvortrag | 7.656.240,97         | 0,00      | 6.570.918,42         | 0,00      |
| Rückstellungen | 76.919,13            | 0,00      | 59.957,43            | 0,00      |
| Summe          | 7.824.580,22         | -3.015,50 | 6.630.875,85         | -7.833,75 |
| Saldierung     | -3.015,50            | 3.015,50  | -7.833,75            | 7.833,75  |
|                | 7.821.564,72         |           | 6.623.042,10         |           |

Aktive latente Steuern werden gemäß § 198 Abs. 9 und 10 UGB i.d.F. des RÄG 2014 angesetzt.

Seit Gründung der Gesellschaft werden steuerliche Verluste erzielt. Vom Vorstand wurde beschlossen, in den nächsten Jahren die bestehende Steuergruppe gemäß § 9 KStG 1988 zu erweitern, wodurch auf Basis einer Steuerplanung für die nächsten 3 Jahre die bestehenden Verlustvorträge vollständig verbraucht werden.

**EIGENKAPITAL**

| in EUR  | Stand<br>01.01.2017   | Ergebnis<br>nach Steuern | Zuführung     | Ausschüttung         | Stand<br>31.12.2017   |
|---|-----------------------|--------------------------|---------------|----------------------|-----------------------|
| <b>EIGENKAPITAL</b>   |                       |                          |               |                      |                       |
| I. Eingefordertes, einbezahltes und gezeichnetes Grundkapital | 35.264.000,00         | 0,00                     | 0,00          | 0,00                 | 35.264.000,00         |
| II. Kapitalrücklagen  |                       |                          |               |                      |                       |
| 1. Gebundene Kapitalrücklage                                  | 94.752.000,00         | 0,00                     | 0,00          | 0,00                 | 94.752.000,00         |
| 2. Nicht gebundene Kapitalrücklage                            | 540.511.618,00        | 0,00                     | 0,00          | 0,00                 | 540.511.618,00        |
| Summe Kapitalrücklagen  | 635.263.618,00        | 0,00                     | 0,00          | 0,00                 | 635.263.618,00        |
| III. Gewinnrücklagen  |                       |                          |               |                      |                       |
| 1. Gesetzliche Rücklage                                       | 3.526.400,00          | 0,00                     | 0,00          | 0,00                 | 3.526.400,00          |
| 2. Andere Rücklagen<br>(Freie Rücklagen)                      | 9.171.422,76          | 0,00                     | 1.268.295,65  | 0,00                 | 10.439.718,41         |
| Summe Gewinnrücklagen   | 12.697.822,76         | 0,00                     | 1.268.295,65  | 0,00                 | 13.966.118,41         |
| IV. Bilanzgewinn  | 42.316.800,00         | 43.585.095,65            | -1.268.295,65 | 42.316.800,00        | 42.316.800,00         |
| <b>Summe EIGENKAPITAL</b>                                     | <b>725.542.240,76</b> | <b>43.585.095,65</b>     | <b>0,00</b>   | <b>42.316.800,00</b> | <b>726.810.536,41</b> |

Das Grundkapital der Gesellschaft beträgt 35.264.000,00 EUR und ist auf 35.264.000 auf Inhaber lautende Stückaktien zu jeweils 1,00 EUR unterteilt.

Mit Beschluss der Hauptversammlung der AMAG Austria Metall AG vom 16. April 2015 wurde der Vorstand der Gesellschaft gemäß § 169 AktG ermächtigt, innerhalb von fünf Jahren ab Eintragung des Beschlusses in das Firmenbuch, sohin bis zum 16. April 2020, mit Zustimmung des Aufsichtsrates das Grundkapital der Gesellschaft um bis zu 17.500.000,00 EUR durch Ausgabe von bis zu 17.500.000 auf Inhaber lautende Stückaktien in einer oder mehreren Tranchen, auch unter gänzlichem oder teilweisem Ausschluss des Bezugsrechts, gegen Bar- oder Sacheinlage zu erhöhen und den Ausgabebetrag, der nicht unter dem anteiligen Betrag der Stückaktien am bisherigen Grundkapital liegen darf, sowie die sonstigen Ausgabebedingungen im Einvernehmen mit dem Aufsichtsrat festzulegen (genehmigtes Kapital gemäß § 4 Abs. 5 der Satzung).

Zur Bedienung von Umtausch- und/oder Bezugsrechten aus Wandelschuldverschreibungen, die auf Basis der Ermächtigung des Hauptversammlungsbeschlusses vom 16. April 2015 begeben werden, wurde das Kapital der Gesellschaft gemäß § 159 Abs. 2 Z 1 AktG bedingt erhöht. Die bedingte Kapitalerhöhung darf dabei nur soweit durchgeführt werden, als die Gläubiger der Wandelschuldverschreibung von ihrem Umtausch- und/oder Bezugsrecht auf Aktien der Gesellschaft Gebrauch machen (bedingtes Kapital gemäß § 4 Abs. 6 der Satzung). Schließlich darf die Summe der Anzahl der nach den Bedingungen der Wandelschuldverschreibungen aktuell oder potentiell auszugebenden Bezugsaktien und der Anzahl der aus dem genehmigten Kapital auszugebenden Aktien 17.500.000 Stück nicht überschreiten.

Die gebundene Kapitalrücklage gem. § 229 Abs. 2 Z 1 UGB über 94.752 Tsd. EUR resultiert aus dem Mehrbetrag des Ausgabebetrages über dem Nennbetrag, der bei der in 2011 erfolgten Ausgabe von 5.264.000 neuen Stückaktien erzielt wurde.

Die nicht gebundenen Kapitalrücklagen von 540.512 Tsd. EUR resultieren mit 1 Tsd. EUR aus einem Gesellschafterzuschuss und mit 540.510 Tsd. EUR aus der Durchbuchung von Einbringungsvorgängen (Großmutterzuschüssen) in 2011. Von den nicht gebundenen Kapitalrücklagen unterliegt ein Betrag von 171.678 Tsd. EUR einer Ausschüttungssperre.

Für die aktivierten latenten Steuern in Höhe von 7.821.564,72 EUR (Vorjahr 6.623 Tsd. EUR) besteht gem. § 235 Abs. 2 UGB eine Ausschüttungssperre.

Vom Vorstand wird vorgeschlagen, aus dem Bilanzgewinn 1,20 EUR je Aktie, somit einen Maximalbetrag von 42.317 Tsd. EUR, als Dividende auszuschütten.

**RÜCKSTELLUNGEN**

| Posten (in EUR)           | Vortrag      | Umgliederung | Verbrauch inkl. | Auflösung   | Dotierung    | Stand        |
|---------------------------|--------------|--------------|-----------------|-------------|--------------|--------------|
|                           | 01.01.2017   |              | Überrechnung    |             |              | 31.12.2017   |
| Abfertigungen             | 252.349,62   | 0,00         | 227.063,40      | 0,00        | 9.407,76     | 488.820,78   |
| Steuern                   | 103,92       | 0,00         | -103,92         | 0,00        | 0,00         | 0,00         |
| Sonstige                  | 3.635.129,45 | 0,00         | -1.715.742,31   | -190.534,56 | 1.928.898,42 | 3.657.751,00 |
| Jubiläumsgelder           | 57.327,17    | 0,00         | 7.025,41        | 0,00        | 6.225,71     | 70.578,29    |
| Nicht konsumierte Urlaube | 269.295,31   | 0,00         | -269.295,31     | 0,00        | 260.640,63   | 260.640,63   |
| Personal sonstige         | 2.608.506,97 | 0,00         | -799.472,41     | -144.534,56 | 960.032,08   | 2.624.532,08 |
| Übrige                    | 700.000,00   | 0,00         | -654.000,00     | -46.000,00  | 702.000,00   | 702.000,00   |
| Summe Rückstellungen      | 3.887.582,99 | 0,00         | -1.488.782,83   | -190.534,56 | 1.938.306,18 | 4.146.571,78 |

Die Rückstellung für Abfertigungen wurde, ebenso wie die Rückstellung für Jubiläumsgelder, versicherungsmathematisch auf Basis der „Projected Unit Credit Method“ ermittelt, wobei unterstellt wird, dass dem Arbeitnehmer sein Anspruch jährlich gleichmäßig verteilt bis zur maximalen Abfertigungsdauer, die bis zum Pensionsalter erreicht werden kann, zuwächst. Die Verteilung der Jubiläumsgeldansprüche erfolgt vom Eintritt bis zum jeweiligen Jubiläum. Als Lohnnebenkosten wurde für Jubiläumsgelder ein Zuschlag von 7,26 % hinzugerechnet sowie 1,53 % für BVK-Beiträge (für Eintritte ab dem Jahr 2003) und 20,98 % für ASVG-Beiträge im Rahmen der Höchstbemessungsgrundlage für Sonderzahlungen. Der Bewertung werden die biometrischen Rechnungsgrundlagen AVÖ 2008-P ANG zugrunde gelegt. Gemäß den geltenden Regeln für die gesetzliche Pensionsversicherung wurde das Standard-Pensionsalter als gesetzliches Pensionsalter laut Pensionsreform Herbst 2014, ohne Einrechnung der Korridorpension berücksichtigt.

Bei der Bewertung werden folgende Parameter verwendet:

|                        | 31.12.2017    |                 | 31.12.2016    |                 |
|------------------------|---------------|-----------------|---------------|-----------------|
|                        | Abfertigungen | Jubiläumsgelder | Abfertigungen | Jubiläumsgelder |
| Rechenzinssatz         | 1,90 %        | 1,90 %          | 1,60 %        | 1,60 %          |
| Lohn- und Gehaltstrend | 4,00 %        | 4,00 %          | 2,75 %        | 2,75 %          |

Der Fluktuationsabschlag für Abfertigungen und Jubiläumsgelder wird nach Dienstjahren berechnet und beträgt von 0,0 % bis 4,4 % (Vorjahr: von 0,3 % bis 4,0 %).

Die Überrechnung resultiert aus Übertragungen von Mitarbeitern im Geschäftsjahr innerhalb des Konzernverbunds.

**VERBINDLICHKEITEN**

Am Bilanzstichtag bestanden weder Verbindlichkeiten aus der Annahme gezogener und der Ausstellung eigener Wechsel. Verbindlichkeiten gegenüber Kreditinstitute haben Restlaufzeiten bis 2026. Die Verbindlichkeiten mit einer Restlaufzeit von mehr als 5 Jahren betragen 116.667 Tsd. EUR (Vorjahr: 75.000 Tsd. EUR).

Die Verbindlichkeiten gegenüber verbundenen Unternehmen bestehen wie im Vorjahr aus Verbindlichkeiten aus Finanzierung und Clearing.

Die unter den sonstigen Verbindlichkeiten enthaltenen Aufwendungen, die erst 2018 zahlungswirksam werden betreffen im Wesentlichen Zinsaufwand in Höhe von 425 Tsd. EUR (Vorjahr: 65 Tsd. EUR).

**FINANZINSTRUMENTE**

Variable Zinszahlungen für eine Nominale von 60,0 Mio. EUR von aufgenommenen Darlehen, mit Laufzeiten bis 2024, werden durch Zins-Swaps in fixe Zinszahlungen gedreht. Die Swaps zur Zinssicherung sowie das Grundgeschäft bilden eine Bewertungseinheit. Der nicht bilanzierte negative Marktwert der Zins-Swaps beträgt -561 Tsd. EUR (Vorjahr: negativer Marktwert von -1.118 Tsd. EUR). Es liegt eine effektive Sicherungsbeziehung vor.

Prospektiv wurde die Effektivität durch Vergleich der entscheidenden Konditionen gemessen. Da alle Parameter des Grund- und des Absicherungsgeschäftes, die das Ausmaß der Wertänderung bestimmen, identisch aber gegenläufig sind, ist eine vollständige Effektivität gegeben. Retrospektiv wurde für das Darlehen ein hypothetisches Derivat erzeugt und dessen kumulierter Marktwert mit jenem des Sicherungsderivats verglichen.

**HAFTUNGSVERHÄLTNISSE UND SONSTIGE FINANZIELLE VERPFLICHTUNGEN**

Die Haftungen und Garantien in Höhe von 20.000 Tsd. EUR (Vorjahr: 20.000 Tsd. EUR) wurden gegenüber Dritten für Kredite und Haftungen für verbundene Unternehmen abgegeben. Zum Bilanzstichtag waren diese zugrunde liegenden Kredite und Haftungen bei verbundenen Unternehmen in Höhe von 4.966 Tsd. EUR (Vorjahr: 6.064 Tsd. EUR) ausgenutzt. Es wurden wie in den Vorjahren weder Pfandrechte noch dingliche Sicherheiten eingeräumt.

Die sonstigen finanziellen Verpflichtungen betragen:

| in Tsd. EUR   | 31.12.2017                       |                                      | 31.12.2016                       |                                      |
|---|----------------------------------|--------------------------------------|----------------------------------|--------------------------------------|
|   | für das nächste<br>Geschäftsjahr | für die nächsten<br>5 Geschäftsjahre | für das nächste<br>Geschäftsjahr | für die nächsten<br>5 Geschäftsjahre |
| Sonstige finanzielle Verpflichtungen  | 138                              | 498                                  | 186                              | 612                                  |
| davon gegenüber verbundenen Unternehmen   | 73                               | 374                                  | 90                               | 438                                  |
| davon Verpflichtungen aus der Nutzung von nicht in der Bilanz ausgewiesenen Sachanlagen | 90                               | 391                                  | 121                              | 506                                  |
| davon gegenüber verbundenen Unternehmen   | 73                               | 374                                  | 90                               | 438                                  |

**5. ERLÄUTERUNGEN ZUR GEWINN- UND VERLUSTRECHNUNG****UMSATZERLÖSE**

Die Umsatzerlöse resultieren im Wesentlichen aus verrechneten Dienstleistungen an Tochtergesellschaften am Standort Ranshofen.

**PERSONALAUFWAND**

Die Aufwendungen für Altersversorgung betreffen Pensionskassenbeiträge für Pensionsvorsorgen in Höhe von 154 Tsd. EUR (Vorjahr: 148 Tsd. EUR).

Der Posten Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen beinhaltet Beträge an betriebliche Mitarbeitervorsorgekassen mit 57 Tsd. EUR (Vorjahr: 68 Tsd. EUR).

Aufgrund von Veränderungen des Rechnungszinssatzes und von Wahrscheinlichkeiten (versicherungsmathematisches Ergebnis) ist der Personalaufwand mit -3 Tsd. EUR entlastet (Vorjahr: 95 Tsd. EUR belastet).

In den Gehältern sind Erträge aus der Veränderung der Jubiläumsgeldrückstellung in Höhe von 3 Tsd. EUR (Vorjahr: Aufwendungen 17 Tsd. EUR) enthalten.

Von der Veränderung der Personalrückstellungen werden 9 Tsd. EUR (Vorjahr: 4 Tsd. EUR) im Zinsaufwand ausgewiesen.

**ERTÄGE AUS BETEILIGUNGEN**

Die Erträge aus Beteiligungen beinhalten mit 48.000 Tsd. EUR (Vorjahr: 48.000 Tsd. EUR) eine phasengleiche Gewinnausschüttung der Tochtergesellschaft.

**AUFWENDUNGEN FÜR DIE ABSCHLUSSPRÜFER**

Eine Aufschlüsselung der Aufwendungen für die Abschlussprüfer unterbleibt, und ist dem Konzernabschluss zu entnehmen, der beim Landesgericht Ried im Innkreis veröffentlicht wird.



## 6. BETEILIGUNGSUNTERNEHMEN

Der Konzernabschluss der Gesellschaft wird beim Landesgericht Ried im Innkreis hinterlegt. Mutterunternehmen mit dem Konzernabschluss für den größten Kreis von Unternehmen ist die B & C Holding Österreich GmbH, die ihren Sitz in Wien hat. Der Konzernabschluss wird in der Wiener Zeitung veröffentlicht.

Angaben gemäß § 238 Abs. 1 Z 4 UGB

| Beteiligungen  | Sitz                                   | Beteiligungsanteil |            |         | Eigenkapital<br>in Tsd. | Ergebnis des<br>letzten<br>Geschäftsjahres<br>in Tsd. |
|--|--|--------------------|------------|---------|-------------------------|---|
|  |  | in %               | über       | Währung |                         |   |
| <b>Direkte Beteiligung:</b>                          |  |                    |            |         |                         |   |
| AMAG Erste Beteiligungsverwaltungs GmbH              | Ranshofen, A                           | 100                | -          | EUR     | 777.439                 | 48.052  |
| <b>Indirekte Beteiligungen:</b>                      |  |                    |            |         |                         |   |
| Austria Metall GmbH                                  | Ranshofen, A                           | 100                | AMAG Erste | EUR     | 306.553                 | 47.731  |
| AMAG casting GmbH                                    | Ranshofen, A                           | 100                | AMAG GmbH  | EUR     | 49.050                  | 12.934  |
| AMAG metal GmbH                                      | Ranshofen, A                           | 100                | AMAG GmbH  | EUR     | 56.721                  | 3.143   |
| AMAG rolling GmbH                                    | Ranshofen, A                           | 100                | AMAG GmbH  | EUR     | 146.605                 | 36.790  |
| AMAG service GmbH                                    | Ranshofen, A                           | 100                | AMAG GmbH  | EUR     | 22.658                  | 5.076   |
| Aluminium Austria Metall (Québec) Inc.               | Montréal, CAN                          | 100                | AMAG GmbH  | USD     | 131.421                 | -1.968  |
|  |  |                    |            | EUR     | 109.581                 | -1.935  |
| Metallwerk Furth GmbH                                | Furth im Wald, D                       | 100                | AMAG GmbH  | EUR     | 146                     | -23   |
| AMAG Asia Pacific Ltd.                               | Taipei City, TW                        | 100                | ROL        | TWD     | 6.544                   | 1.086   |
|  |  |                    |            | EUR     | 184                     | 32  |
| AMAG Benelux B.V.                                    | Delft, NL                              | 100                | ROL        | EUR     | 104                     | 14  |
| AMAG China Ltd.                                      | Shanghai, CN                           | 100                | ROL        | CNY     | 167                     | 50  |
|  |  |                    |            | EUR     | 21                      | 7   |
| AMAG Deutschland GmbH                                | Duisburg, D                            | 100                | ROL        | EUR     | 98                      | 53  |
| AMAG Eastern Europe, s.r.o.                          | Prag, CZ                               | 100                | ROL        | CZK     | 603                     | 203   |
|  |  |                    |            | EUR     | 24                      | 8   |
| AMAG France S.A.R.L.                                 | Suresnes, F                            | 100                | ROL        | EUR     | 75                      | 31  |
| AMAG Rolling Iberia S.L.                             | Barcelona, ES                          | 100                | ROL        | EUR     | 27                      | 17  |
| AMAG Italia S.r.l.                                   | Milano, IT                             | 100                | ROL        | EUR     | 55                      | 25  |
| AMAG U.K. Ltd.                                       | Great Bookham,<br>Surrey, GB           | 100                | ROL        | GBP     | 69                      | 24  |
|  |  |                    |            | EUR     | 78                      | 27  |
| AMAG USA Corp.                                       | Upper Saddle River,<br>New Jersey, USA | 100                | ROL        | USD     | 231                     | 79  |
|  |  |                    |            | EUR     | 193                     | 70  |
| Ausbildungszentrum Braunau Ges.m.b.H. <sup>1)</sup>  | Braunau, A                             | 20                 | AMAG GmbH  | EUR     | 116                     | -85   |
| Aluminerie Alouette Inc. <sup>2)</sup>               | Sept-Iles, CAN                         | 20                 | AAM        | USD     | 2.291.641               |   |
|  |  |                    |            | EUR     | 2.174.026               |   |
| Speditionsservice Ranshofen Ges.m.b.H. <sup>1)</sup> | Ranshofen, A                           | 25                 | SER        | EUR     | 5.365                   | 678   |

<sup>1)</sup> Werte per 31.12.2016

<sup>2)</sup> Das anteilige Ergebnis der Aluminerie Alouette Inc. wird in der Aluminium Austria Metall (Québec) Inc. erfasst

Dienstleistungen der Finanzabteilung, des Rechnungswesens, der IT-Abteilung, der Personalabteilung, der Rechtsabteilung, des Einkaufs und der Logistik, der Forschung und Entwicklung einschließlich Werkstoffprüfung, der Werksdienste, der Medienversorgung und Abfallentsorgung, der Instandhaltung und der Liegenschaftsvermietung werden am Standort Ranshofen zentral erbracht und aufgrund von Dienstleistungsverträgen durch die AMAG Austria Metall AG erbracht bzw. bezogen.

AMAG Austria Metall AG fungiert seit 1. Juli 2011 als Organträger einer Umsatzsteuerorganschaft gem. § 2 Abs. 2 UStG 1994 für die Organmitglieder Austria Metall GmbH, AMAG casting GmbH, AMAG metal GmbH, AMAG rolling GmbH und AMAG service GmbH. Die Umsatzsteuerorganschaft wurde im Dezember 2017 um das Organmitglied AMAG Erste Beteiligungsverwaltungs GmbH erweitert.

Weiters ist AMAG Austria Metall AG seit 1. Jänner 2012 Gruppenträger einer Unternehmensgruppe mit der AMAG Erste Beteiligungsverwaltungs GmbH gem. § 9 Abs. 8 KStG 1988. An den Gruppenträger ist eine Umlage in jener Höhe zu entrichten, die einer Steuer entspricht, die ohne eine Unternehmensgruppe anfallen würde.

## 7. ORGANE, ARBEITNEHMER

Durchschnittliche Zahl der Arbeitnehmer:

Angestellte: 25 (Vorjahr: 24)

Im Berichtsjahr wurden wie im Vorjahr keine Vorschüsse, Kredite oder Haftungen zugunsten des Vorstands und des Aufsichtsrats gewährt.

Aufwendungen für Pensionen und Abfertigungen (in Tsd. EUR):

|                                    |     |                |
|------------------------------------|-----|----------------|
| Vorstand und leitende Angestellte: | 182 | (Vorjahr: 202) |
| Andere Arbeitnehmer:               | 38  | (Vorjahr: 106) |

Die Gesamtbezüge des Vorstands einschließlich der Aufwendungen für Pensionen und Abfertigungen betragen im Geschäftsjahr 2.502 Tsd. EUR (Vorjahr: 2.774 Tsd. EUR). Für eine langfristige erfolgsabhängige Komponente besteht eine Rückstellung von insgesamt 1.549 Tsd. EUR (Vorjahr: 1.650 Tsd. EUR). Von einem anderen verbundenen Unternehmen wurden 268 Tsd. EUR (Vorjahr: 103 Tsd. EUR) für eine leistungsorientierte Pensionsverpflichtung aufgewendet.

An die Aufsichtsratsmitglieder wurden im Geschäftsjahr Vergütungen von 602 Tsd. EUR (Vorjahr: 474 Tsd. EUR) geleistet.

Organmitglieder:

Aufsichtsrat:

- Dr. Josef Krenner  
Vorsitzender des Aufsichtsrates  
Vorsitzender des Nominierungs-, Vergütungsausschusses und des Ausschusses für dringende Fälle  
Stellvertretender Vorsitzender des Prüfungs- und des Strategieausschusses
- Dr. Hanno M. Bästlein  
Erster Stellvertretender Vorsitzender des Aufsichtsrates  
Vorsitzender des Strategieausschusses  
Stellvertretender Vorsitzender des Nominierungs-, Vergütungsausschusses und des Ausschusses für dringende Fälle  
Mitglied des Prüfungsausschusses
- Dipl.-Ing. Gerhard Falch  
Stellvertretender Vorsitzender des Aufsichtsrates  
Mitglied des Ausschusses für dringende Fälle
- Dr. Heinrich Schaller  
Stellvertretender Vorsitzender des Aufsichtsrates  
Mitglied des Prüfungs-, Nominierungs- Strategieausschuss und des Ausschusses für dringende Fälle
- Dr. Franz Gasselsberger, MBA
- Otto Höfl

Mag. Patrick F. Prügger  
Vorsitzender des Prüfungsausschusses und Finanzexperte  
Mitglied des Nominierungsausschusses

Prof. Dr. Sabine Seidler

Dipl.-Ing. Franz Viehböck  
Mitglied des Strategiesausschusses

Martin Aigner (vom Betriebsrat entsandt)  
(ab 01. Jänner 2017)

Max Angermeier (vom Betriebsrat entsandt)  
Mitglied des Prüfungs-, Nominierungs-, Strategiesausschusses und des Ausschusses für dringende Fälle

Robert Hofer (vom Betriebsrat entsandt)  
Mitglied des Prüfungs-, Nominierungs-, Strategiesausschusses und des Ausschusses für dringende Fälle

Günter Mikula (vom Betriebsrat entsandt)

Vorstand: Dipl.-Ing. Helmut Wieser  
Vorsitzender des Vorstandes

Priv. Doz. Dipl.-Ing. Dr. Helmut Kaufmann  
Mitglied des Vorstandes (Technikvorstand)

Mag. Gerald Mayer  
Mitglied des Vorstandes (Finanzvorstand)

## 8. EREIGNISSE NACH DEM ABSCHLUSSSTICHTAG

Nach dem Abschlussstichtag sind keine berichtspflichtigen Ereignisse eingetreten.

Ranshofen, 09. Februar 2018

Der Vorstand



Dipl.-Ing. Helmut Wieser



Priv. Doz. Dipl.-Ing. Dr. Helmut Kaufmann



Mag. Gerald Mayer

# Anlagenspiegel

## AMAG Austria Metall AG, Ranshofen

| Werte in EUR  | Stand          | Anschaffungswerte |           |             | Stand          |
|---|----------------|-------------------|-----------|-------------|----------------|
|   | 01.01.2017     | Zugänge           | Abgänge   | Umbuchungen | 31.12.2017     |
| <b>ANLAGEVERMÖGEN</b>   |                |                   |           |             |                |
| I. Immaterielle Vermögensgegenstände  |                |                   |           |             |                |
| 1. Konzessionen, Schutzrechte, Lizenzen                                       | 157.454,00     | 92.470,00         | 0,00      | 0,00        | 249.924,00     |
| 2. Geleistete Anzahlungen und immaterielle Vermögensgegenstände in Erstellung | 0,00           | 29.900,00         | 0,00      | 0,00        | 29.900,00      |
| Summe Immaterielle Vermögensgegenstände                                       | 157.454,00     | 122.370,00        | 0,00      | 0,00        | 279.824,00     |
| II. Sachanlagen   |                |                   |           |             |                |
| Betriebs- und Geschäftsausstattung  | 913.587,78     | 16.019,66         | 10.530,99 | 0,00        | 919.076,45     |
| III. Finanzanlagen  |                |                   |           |             |                |
| Anteile an verbundenen Unternehmen  | 540.551.270,00 | 0,00              | 0,00      | 0,00        | 540.551.270,00 |
| Summe Anlagevermögen  | 541.622.311,78 | 138.389,66        | 10.530,99 | 0,00        | 541.750.170,45 |

## AMAG Austria Metall AG, Ranshofen

| Werte in EUR  | Stand      | Abschreibungen |          |             | Stand      |
|---|------------|----------------|----------|-------------|------------|
|   | 01.01.2017 | Zugänge        | Abgänge  | Umbuchungen | 31.12.2017 |
| <b>ANLAGEVERMÖGEN</b>   |            |                |          |             |            |
| I. Immaterielle Vermögensgegenstände  |            |                |          |             |            |
| 1. Konzessionen, Schutzrechte, Lizenzen                                       | 80.079,00  | 39.621,00      | 0,00     | 0,00        | 119.700,00 |
| 2. Geleistete Anzahlungen und immaterielle Vermögensgegenstände in Erstellung | 0,00       | 0,00           | 0,00     | 0,00        | 0,00       |
| Summe Immaterielle Vermögensgegenstände                                       | 80.079,00  | 39.621,00      | 0,00     | 0,00        | 119.700,00 |
| II. Sachanlagen   |            |                |          |             |            |
| Betriebs- und Geschäftsausstattung  | 363.746,41 | 198.060,66     | 9.367,99 | 0,00        | 552.439,08 |
| III. Finanzanlagen  |            |                |          |             |            |
| Anteile an verbundenen Unternehmen  | 0,00       | 0,00           | 0,00     | 0,00        | 0,00       |
| Summe Anlagevermögen  | 443.825,41 | 237.681,66     | 9.367,99 | 0,00        | 672.139,08 |

**AMAG Austria Metall AG, Ranshofen**

| Werte in EUR   | Anschaffungswerte<br>31.12.2017 | Kumulierte<br>Abschreibungen<br>31.12.2017 | Buchwert<br>31.12.2017 | Buchwert<br>31.12.2016 |
|--|---------------------------------|--|------------------------|------------------------|
| ANLAGEVERMÖGEN   |                                 |  |                        |                        |
| I. Immaterielle Vermögensgegenstände   |                                 |  |                        |                        |
| 1. Konzessionen, Schutzrechte, Lizenzen  | 249.924,00                      | 119.700,00                                 | 130.224,00             | 77.375,00              |
| 2. Geleistete Anzahlungen und immaterielle<br>Vermögensgegenstände in Erstellung | 29.900,00                       | 0,00                                       | 29.900,00              | 0,00                   |
| Summe Immaterielle Vermögensgegenstände  | 279.824,00                      | 119.700,00                                 | 160.124,00             | 77.375,00              |
| II. Sachanlagen  |                                 |  |                        |                        |
| Betriebs- und Geschäftsausstattung   | 919.076,45                      | 552.439,08                                 | 366.637,37             | 549.841,37             |
| III. Finanzanlagen   |                                 |  |                        |                        |
| Anteile an verbundenen Unternehmen   | 540.551.270,00                  | 0,00                                       | 540.551.270,00         | 540.551.270,00         |
| Summe Anlagevermögen   | 541.750.170,45                  | 672.139,08                                 | 541.078.031,37         | 541.178.486,37         |

# Erklärung des Vorstandes gem. § 124 (1) BörseG

Der Vorstand der AMAG Austria Metall AG bestätigt nach bestem Wissen, dass der im Einklang mit den maßgebenden Rechnungslegungsstandards aufgestellte Jahresabschluss des Mutterunternehmens ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens vermittelt, dass der Lagebericht den Geschäftsverlauf, das Geschäftsergebnis und die Lage des Unternehmens so darstellt, dass ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage entsteht, und dass der Lagebericht die wesentlichen Risiken und Ungewissheiten beschreibt, denen das Unternehmen ausgesetzt ist.

Ranshofen, am 9. Februar 2018



Dipl.-Ing.  
Helmut Wieser  
Vorsitzender des Vorstandes



Priv. Doz. Dipl.-Ing.  
Dr. Helmut Kaufmann  
Technikvorstand



Mag.  
Gerald Mayer  
Finanzvorstand

## **BESTÄTIGUNGSVERMERK**

### **Bericht zum Jahresabschluss**

#### **Prüfungsurteil**

Wir haben den Jahresabschluss der

#### **AMAG Austria Metall AG, Ranshofen,**

bestehend aus der Bilanz zum 31. Dezember 2017, der Gewinn- und Verlustrechnung für das an diesem Stichtag endende Geschäftsjahr und dem Anhang, geprüft.

Nach unserer Beurteilung entspricht der beigefügte Jahresabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage zum 31. Dezember 2017 sowie der Ertragslage der Gesellschaft für das an diesem Stichtag endende Geschäftsjahr in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

#### **Grundlage für das Prüfungsurteil**

Wir haben unsere Abschlussprüfung in Übereinstimmung mit der EU-Verordnung Nr. 537/2014 (im Folgenden EU-VO) und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung durchgeführt. Diese Grundsätze erfordern die Anwendung der International Standards on Auditing (ISA). Unsere Verantwortlichkeiten nach diesen Vorschriften und Standards sind im Abschnitt "Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses" unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von der Gesellschaft unabhängig in Übereinstimmung mit den österreichischen unternehmensrechtlichen und berufsrechtlichen Vorschriften, und wir haben unsere sonstigen beruflichen Pflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen.

#### **Hinweis auf sonstige Sachverhalte**

Der Abschluss der AMAG Austria Metall AG für das am 31. Dezember 2016 endende Geschäftsjahr wurde von einem anderen Abschlussprüfer geprüft, der einen uneingeschränkten Bestätigungsvermerk zu diesem Abschluss am 13. Februar 2017 abgegeben hat.

#### **Besonders wichtige Prüfungssachverhalte**

Besonders wichtige Prüfungssachverhalte sind solche Sachverhalte, die nach unserem pflichtgemäßen Ermessen am bedeutendsten für unsere Prüfung des Jahresabschlusses des Geschäftsjahres waren. Diese Sachverhalte wurden im Zusammenhang mit unserer Prüfung des Jahresabschlusses als Ganzem und bei der Bildung unseres Prüfungsurteils hierzu berücksichtigt, und wir geben kein gesondertes Prüfungsurteil zu diesen Sachverhalten ab.

Nachfolgend stellen wir den aus unserer Sicht besonders wichtigen Prüfungssachverhalt dar:

*Bewertung von Anteilen an verbundenen Unternehmen sowie Forderungen gegenüber verbundenen Unternehmen*

Beschreibung

Im Jahresabschluss der AMAG Austria Metall AG zum 31. Dezember 2017 sind in wesentlichem Umfang Anteile an verbundenen Unternehmen (540,6 Mio €) sowie Forderungen gegenüber verbundenen Unternehmen (513,2 Mio €) ausgewiesen.

Die Beurteilung der Werthaltigkeit von Anteilen an verbundenen Unternehmen sowie von Forderungen gegenüber verbundenen Unternehmen erfordert wesentliche Annahmen und Schätzungen der gesetzlichen Vertreter zur Beurteilung, ob eine Wertminderung zum Geschäftsjahresende vorliegt sowie gegebenenfalls zur Quantifizierung solcher Wertminderungen.

Das wesentliche Risiko besteht dabei in der Schätzung der zukünftigen Cash-Flows der (mittelbaren) Tochterunternehmen, welche zur Feststellung der Werthaltigkeit dieser Bilanzpositionen herangezogen werden. Diese Cash-Flow Schätzungen beinhalten Annahmen, die von zukünftigen Markt- und Wirtschaftsentwicklungen beeinflusst werden.

Die Angaben der Gesellschaft zu Anteilen sowie Forderungen gegenüber verbundenen Unternehmen sind im Jahresabschluss der AMAG Austria Metall AG im Anhang in den Abschnitten "3. Bewertungsmethoden", "4. Erläuterungen zur Bilanz", "6. Beteiligungsunternehmen" sowie im Anlagenspiegel zum 31. Dezember 2017 erläutert.

Wie wir den Sachverhalt im Rahmen der Prüfung adressiert haben:

Um dieses Risiko zu adressieren, haben wir die Annahmen und Schätzungen des Managements kritisch hinterfragt und dabei unter anderem die folgenden Prüfungshandlungen durchgeführt:

Beurteilung von Konzeption und Ausgestaltung des Prozesses und Prüfung der angewandten Methodik zur Bewertung von Anteilen an verbundenen Unternehmen sowie von Forderungen gegenüber verbundenen Unternehmen;

Überprüfung der Anteile an verbundenen Unternehmen anhand aktueller Jahresabschlüsse sowie sämtlicher Forderungen gegenüber verbundenen Unternehmen auf Indikationen zur Wertminderung;

Durchsicht der vom Aufsichtsrat genehmigten Planungsunterlagen sowie Plausibilisierung ausgewählter Werttreiber (Ergebnisplanung unter Berücksichtigung der Umsatzerlöse und Aufwendungen).



### **Verantwortlichkeiten der gesetzlichen Vertreter und des Prüfungsausschusses für den Jahresabschluss**

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses und dafür, dass dieser in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie als notwendig erachten, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen - beabsichtigten oder unbeabsichtigten - falschen Darstellungen ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen, Sachverhalte im Zusammenhang mit der Fortführung der Unternehmenstätigkeit - sofern einschlägig - anzugeben, sowie dafür, den Rechnungslegungsgrundsatz der Fortführung der Unternehmenstätigkeit anzuwenden, es sei denn, die gesetzlichen Vertreter beabsichtigen, entweder die Gesellschaft zu liquidieren oder die Unternehmenstätigkeit einzustellen oder haben keine realistische Alternative dazu.

Der Prüfungsausschuss ist verantwortlich für die Überwachung des Rechnungslegungsprozesses der Gesellschaft.

### **Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses**

Unsere Ziele sind, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen - beabsichtigten oder unbeabsichtigten - falschen Darstellungen ist, und einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil beinhaltet. Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, durchgeführte Abschlussprüfung eine wesentliche falsche Darstellung, falls eine solche vorliegt, stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn von ihnen einzeln oder insgesamt vernünftigerweise erwartet werden könnte, dass sie die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Nutzern beeinflussen.

Als Teil einer Abschlussprüfung in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, üben wir während der gesamten Abschlussprüfung pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung.

Darüber hinaus gilt:

- Wir identifizieren und beurteilen die Risiken wesentlicher – beabsichtigter oder unbeabsichtigter – falscher Darstellungen im Abschluss, planen Prüfungshandlungen als Reaktion auf diese Risiken, führen sie durch und erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass aus dolo- sen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als ein aus Irrtümern resultierendes, da dolose Handlungen betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen oder das Außerkraftsetzen interner Kontrollen beinhalten können.
- Wir gewinnen ein Verständnis von dem für die Abschlussprüfung relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit des internen Kontrollsystems der Gesellschaft abzugeben.
- Wir beurteilen die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte in der Rechnungslegung und damit zusammenhängende Angaben.
- Wir ziehen Schlussfolgerungen über die Angemessenheit der Anwendung des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit durch die gesetzlichen Vertreter sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die erhebliche Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen kann. Falls wir die Schlussfolgerung ziehen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, in unserem Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch die Abkehr der Gesellschaft von der Fortführung der Unternehmenstätigkeit zur Folge haben.
- Wir beurteilen die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse in einer Weise wiedergibt, dass ein möglichst getreues Bild erreicht wird.

Wir tauschen uns mit dem Prüfungsausschuss unter anderem über den geplanten Umfang und die geplante zeitliche Einteilung der Abschlussprüfung sowie über bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Abschlussprüfung erkennen, aus.

Wir geben dem Prüfungsausschuss auch eine Erklärung ab, dass wir die relevanten beruflichen Verhaltensanforderungen zur Unabhängigkeit eingehalten haben, und tauschen uns mit ihm über alle Beziehungen und sonstigen Sachverhalte aus, von denen vernünftigerweise angenommen werden kann, dass sie sich auf unsere Unabhängigkeit und - sofern einschlägig - damit zusammenhängende Schutzmaßnahmen auswirken.

Wir bestimmen von den Sachverhalten, über die wir uns mit dem Prüfungsausschuss ausgetauscht haben, diejenigen Sachverhalte, die am bedeutsamsten für die Prüfung des Jahresabschlusses des Geschäftsjahres waren und daher die besonders wichtigen Prüfungssachverhalte sind. Wir beschreiben diese Sachverhalte in unserem Bestätigungsvermerk, es sei denn, Gesetze oder andere Rechtsvorschriften schließen die öffentliche Angabe des Sachverhalts aus oder wir bestimmen in äußerst seltenen Fällen, dass ein Sachverhalt nicht in unserem Bestätigungsvermerk mitgeteilt werden sollte, weil vernünftigerweise erwartet wird, dass die negativen Folgen einer solchen Mitteilung deren Vorteile für das öffentliche Interesse übersteigen würden.

### **Sonstige gesetzliche und andere rechtliche Anforderungen**

#### **Bericht zum Lagebericht**

Der Lagebericht ist auf Grund der österreichischen unternehmensrechtlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob er nach den geltenden rechtlichen Anforderungen aufgestellt wurde.

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Lageberichts in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Wir haben unsere Prüfung in Übereinstimmung mit den Berufsgrundsätzen zur Prüfung des Lageberichts durchgeführt.

#### *Urteil*

Nach unserer Beurteilung ist der Lagebericht nach den geltenden rechtlichen Anforderungen aufgestellt worden, enthält zutreffende Angaben nach § 243a UGB, und steht in Einklang mit dem Jahresabschluss.

#### *Erklärung*

Angesichts der bei der Prüfung des Jahresabschlusses gewonnenen Erkenntnisse und des gewonnenen Verständnisses über die Gesellschaft und ihr Umfeld wurden wesentliche fehlerhafte Angaben im Lagebericht nicht festgestellt.

### **Sonstige Informationen**

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen beinhalten alle Informationen im Geschäftsbericht, ausgenommen den Jahresabschluss den Lagebericht und den Bestätigungsvermerk. Der Geschäftsbericht wird uns voraussichtlich nach dem Datum des Bestätigungsvermerks zur Verfügung gestellt. Unser Prüfungsurteil zum Jahresabschluss deckt diese sonstigen Informationen nicht ab und wir werden keine Art der Zusicherung darauf geben.

In Verbindung mit unserer Prüfung des Jahresabschlusses ist es unsere Verantwortung diese sonstigen Informationen zu lesen, sobald diese vorhanden sind und abzuwägen, ob sie angesichts des bei der Prüfung gewonnenen Verständnisses wesentlich in Widerspruch zum Jahresabschluss stehen, oder sonst wesentlich falsch dargestellt erscheinen.

#### **Zusätzliche Angaben nach Artikel 10 der EU-VO**

Wir wurden von der Hauptversammlung am 19. April 2017 als Abschlussprüfer gewählt. Wir wurden am 2. Mai 2017 vom Aufsichtsrat beauftragt. Wir sind seit 2017 Abschlussprüfer.

Wir erklären, dass das Prüfungsurteil im Abschnitt "Bericht zum Jahresabschluss" mit dem zusätzlichen Bericht an den Prüfungsausschuss nach Artikel 11 der EU-VO in Einklang steht.

Wir erklären, dass wir keine verbotenen Nichtprüfungsleistungen (Artikel 5 Abs 1 der EU-VO) erbracht haben und dass wir bei der Durchführung der Abschlussprüfung unsere Unabhängigkeit von der geprüften Gesellschaft gewahrt haben.

#### **Auftragsverantwortlicher Wirtschaftsprüfer**

Der für die Abschlussprüfung auftragsverantwortliche Wirtschaftsprüfer ist Herr Mag. Thomas Haerdtl.

Wien, am 9. Februar 2018

Ernst & Young  
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Gerhard Schwartz eh  
Wirtschaftsprüfer

Mag. Thoma Haerdtl eh  
Wirtschaftsprüfer

# Lagebericht zum Jahresabschluss

## 1. Geschäftsverlauf

### 1.1 Überblick über das Unternehmen

Die AMAG Austria Metall AG fungiert als Holdinggesellschaft der AMAG-Gruppe. Ihr Geschäftsverlauf ist im Wesentlichen von der Entwicklung ihrer Tochtergesellschaften abhängig.

Die Tätigkeitsfelder der AMAG-Gruppe sind:

- + Erzeugung von Primärmetall
- + Erzeugung von hoch qualitativen Walzprodukten
- + Erzeugung von Gusslegierungen in Form von Masseln, Sows und Flüssigmetall sowie von Walzbarren

### 1.2 Wirtschaftliches Umfeld

#### Primäraluminium

Die weltweite Nachfrage nach Primäraluminium entwickelte sich im Jahr 2017 positiv und erreichte laut Commodity Research Unit (CRU)<sup>1</sup> mit 63,6 Mio. Tonnen einen neuen historischen Höchststand. Im Vergleich zum Vorjahr (2016: 60,1 Mio. Tonnen) erhöhte sich die weltweite Nachfrage damit um 5,8 %.

Nachfragewachstum war hierbei in nahezu allen Regionen weltweit zu erkennen. In China stieg die Nachfrage um 7,8 % auf 34,4 Mio. Tonnen. Dies entspricht rund 54 % des globalen Bedarfs. In Europa stieg die Nachfrage im Jahr 2017 um 3,7 % auf 9,2 Mio. Tonnen, in Nordamerika wurde ein Plus von 3,2 % auf 6,7 Mio. Tonnen registriert.

Die weltweite Produktion erreichte in 2017 mit 63,3 Mio. Tonnen ebenfalls einen neuen historischen Spitzenwert. Im Vergleich zur Nachfrage in Höhe von 63,6 Mio. Tonnen errechnet sich laut CRU damit ein leichtes Marktdefizit, welches insbesondere in der restlichen Welt ohne China ausgeprägt ist. In China besteht weiterhin ein Produktionsüberschuss.

Die Bestände an Primäraluminium in den LME-registrierten Lagerhäusern verringerten sich weiter und lagen am Ende des Jahres 2017 bei 1,1 Mio. Tonnen (Jahresresultimo 2016: 2,2 Mio. Tonnen). Die gesamten weltweiten Bestände an Primäraluminium werden von CRU auf rund 12,2 Mio. Tonnen per Ende Dezember 2017 geschätzt, nach 12,5 Mio. Tonnen zum Vorjahresresultimo.

Der Aluminiumpreis (3-Monats-LME) konnte den seit Anfang 2016 begonnenen Aufwärtstrend fortsetzen und erreichte in der zweiten Jahreshälfte 2017 den höchsten Stand seit mehr als fünf Jahren. Das Jahreshoch markierte der Aluminiumpreis am 28. Dezember 2017 mit 2.257 USD/t. Das Jahrestief lag am 4. Jänner 2017 bei 1.689 USD/t. Die Schwankungsbreite betrug damit 568 USD/t. Im Jahresdurchschnitt lag der Aluminiumpreis (3-Monats-LME) mit 1.980 USD/t um 22,9 % über dem Vorjahresmittel von 1.610 USD/t.

Die zusätzlich zum Aluminiumpreis verrechneten Prämien werden insbesondere durch Lieferort sowie Angebot und Nachfrage bestimmt. Diese Prämien haben sich im Vergleich zum Jahr 2016 etwas erhöht.

#### Walzprodukte

##### Nachfrageentwicklung 2017

Die Nachfrage nach Aluminiumwalzprodukten konnte nach den jüngsten Schätzungen der CRU<sup>2</sup> auch im Jahr 2017 erneut zulegen. Mit einem weltweiten Verbrauch von 26,4 Mio. Tonnen wurde in 2017 der Vorjahreswert von 25,1 Mio. Tonnen übertroffen und ein neuer historischer Rekord aufgestellt.

Dabei profitierten nahezu alle Regionen weltweit von einer steigenden Nachfrage nach Aluminiumwalzprodukten. Insbesondere auch in den Kernmärkten Westeuropa und Nordamerika verbesserte sich die Wachstumsdynamik im Vergleich zum Vorjahr deutlich. In Westeuropa stieg die Nachfrage um 3,1 % von 4,1 auf 4,3 Mio. Tonnen. In Nordamerika konnte ein Anstieg der Nachfrage um 5,0 % auf 5,5 Mio. Tonnen verzeichnet werden. Auch in den Ländern Asiens ist weiterhin attraktives Wachstum erkennbar, die Nachfrage stieg um 5,9 % auf 13,9 Mio. Tonnen. Einen wesentlichen Beitrag hierzu lieferte China, wo die Nachfrage um 7,3 % im Vergleich zum Vorjahr zulegen konnte.

1) Vgl. CRU, Aluminium Market Outlook, Oktober 2017

2) Vgl. CRU, Aluminium Rolled Products Market Outlook, November 2017

Das Nachfragewachstum spiegelt sich in einer Vielzahl unterschiedlicher Industrien wider. Der Bedarf in der großvolumigen Verpackungsindustrie stieg im Jahr 2017 um 4,4 % auf 13,2 Mio. Tonnen. Auch die Bau- und Maschinenbauindustrie verzeichneten mit 3,9 % bzw. 6,8 % attraktives Wachstum.

Den größten prozentuellen Anstieg konnte im Jahr 2017 wiederum die Transportindustrie aufweisen. Die steigenden Produktionszahlen der Luftfahrtindustrie und der Trend zum Leichtbau in der Automobilindustrie ließen den Bedarf an Aluminiumwalzprodukten im Jahr 2017 um 7,6 % auf einen neuen Rekordwert von 4,4 Mio. Tonnen steigen.

#### Nachfrageentwicklung bis 2022

Und auch für die kommenden Jahre erwartet CRU für Aluminiumwalzprodukte attraktive Wachstumsraten von jährlich rund 4 %, welche eine gute Grundlage für den eingeschlagenen Wachstumskurs in der AMAG rolling bieten.

In den kommenden fünf Jahren soll die globale Nachfrage um insgesamt rund 5,5 Mio. Tonnen auf 31,9 Mio. Tonnen in 2022 steigen.

Aufgeteilt nach Regionen ergeben sich in vielen Märkten gute Wachstumsaussichten. Für die Kernmärkte Westeuropa und Nordamerika erwartet CRU bis 2022 ein jährliches Nachfragewachstum von rund 3 %. In China und auch im gesamten asiatischen Raum soll die Nachfrage um rund 4 % p.a. zulegen.

Stärkster Wachstumstreiber wird die Transportindustrie mit prognostizierten jährlichen Wachstumsraten von 7,3 % bleiben. Und hier insbesondere die Automobilindustrie, welche durch legislative Bestimmungen gezwungen ist, die CO<sub>2</sub>-Emissionen der jeweiligen Flotte zu reduzieren. Eine wichtige Maßnahme hierzu ist die Gewichtsreduktion durch Leichtbau mit Aluminium. Insbesondere bei der Außenkarosserie, wie zum Beispiel der Motorhaube, den Türen und den Kotflügeln, lassen sich Gewichtseinsparungen von bis zu 50 % erzielen. CRU rechnet aber auch in den anderen Sektoren, wie beispielsweise dem Maschinenbau sowie der Elektronik-, Bau- und Verpackungsindustrie mit attraktiven Wachstumsraten von jährlich 3 bis 5 %.

#### Gussprodukte

Der für die AMAG casting relevante Markt bezieht sich im Wesentlichen auf die Länder Deutschland und Österreich sowie weitere Nachbarländer. Der Automobilbereich, einschließlich dessen Zulieferindustrie, stellt die größte Kundenbranche dar. Folglich wird das wirtschaftliche Umfeld vor allem durch die Entwicklung der europäischen Automobilindustrie geprägt.

Die Nachfrage nach neuen PKW in der Europäischen Union konnte auch im Jahr 2017 zulegen. Insgesamt wurden im Jahr 2017 14,3 Mio. Einheiten zugelassen, 2,5 % mehr als im Vorjahr. Steigerungen konnten dabei, mit Ausnahme von Großbritannien und Irland, in allen Ländern der Europäischen Union registriert werden. In Deutschland stiegen die Neuzulassungen um 2,6 %. Italien und Frankreich vermeldeten ebenso attraktive Zuwächse von 7,9 % bzw. 4,7 %.

Einen positiven Trend konnten auch die Produktionszahlen der europäischen Automobilindustrie aufweisen. Nach den jüngsten Prognosen des IHS<sup>3</sup> stieg die Automobilproduktion um rund 3 % im Vergleich zum Vorjahr. In Deutschland, dem wichtigsten Markt der AMAG casting, ging die Automobilproduktion hingegen um 2 % auf 5,6 Mio. Einheiten zurück.<sup>4</sup>

Die Nachfrage nach Recycling-Gusslegierungen war insgesamt stabil. Die Preise für Recycling-Gusslegierungen konnten, analog zum Aluminiumpreis (3-Monats-LME) und vielen anderen Rohstoffen im Vergleich zum Vorjahr deutlich anziehen. Gleichzeitig erhöhte sich jedoch auch das Preisniveau für Aluminiumschrotte in diesem Bereich.

### 1.3 Ertragslage

Die Umsatzerlöse resultieren aus Verrechnungen erbrachter Leistungen an die Tochtergesellschaften am Standort Ranshofen und lagen im Geschäftsjahr bei 4.220 Tsd. EUR (Vorjahr: 3.930 Tsd. EUR).

Der Betriebserfolg (EBIT) beträgt -7.608 Tsd. EUR (Vorjahr: -8.641 Tsd. EUR). Der Betriebserfolg vor Abschreibungen (EBITDA) beläuft sich auf -7.370 Tsd. EUR (Vorjahr: -8.448 Tsd. EUR). Die Veränderung resultiert vor allem aus einem geringeren Personalaufwand.

Der Finanzerfolg von 49.998 Tsd. EUR (Vorjahr: 50.927 Tsd. EUR) setzt sich aus Beteiligungserträgen in Höhe von 48.000 Tsd. EUR (Vorjahr: 48.000 Tsd. EUR), aus Zinsen und ähnlichen Erträgen mit 6.808 Tsd. EUR (Vorjahr: 5.869 Tsd. EUR) und aus Zinsen und ähnlichen Aufwendungen in Höhe von -4.811 Tsd. EUR (Vorjahr: -2.942 Tsd. EUR) zusammen.

Das Ergebnis vor Steuern lag mit 42.390 Tsd. EUR auf dem Niveau des Vorjahres von 42.285 Tsd. EUR.

3) Vgl. IHS Automotive, Global Light Vehicle Production Summary, Oktober 2017

4) Vgl. VDA (Verband der Automobilindustrie), Presseausendung vom 4. Jänner 2018

| Werte in Tsd. EUR    | 2017   | 2016   |
|----------------------|--------|--------|
| Umsatzerlöse         | 4.220  | 3.930  |
| EBITDA               | -7.370 | -8.448 |
| Finanzerfolg         | 49.998 | 50.927 |
| Ergebnis vor Steuern | 42.390 | 42.285 |

Die Kennzahl EBITDA berechnet sich aus dem Betriebserfolg zuzüglich Abschreibung laut Gewinn- und Verlustrechnung.

#### 1.4 Vermögenslage

Das Gesamtvermögen der Gesellschaft beträgt zum Bilanzstichtag 1.198.067 Tsd. EUR und setzt sich wie folgt zusammen:

| Werte in Tsd. EUR  | 2017             | 2016             |
|--|------------------|------------------|
| Immaterielles- und Sachanlagevermögen  | 527              | 627              |
| Finanzanlagen  | 540.551          | 540.551          |
| Forderungen und sonstige Vermögensgegenstände,<br>Rechnungsabgrenzungsposten | 516.161          | 508.042          |
| Zahlungsmittel und Zahlungsmitteläquivalente                                 | 133.006          | 57.088           |
| Aktive latente Steuer  | 7.822            | 6.623            |
| <b>Summe Aktiva</b>  | <b>1.198.067</b> | <b>1.112.932</b> |

Der Beteiligungsbuchwert betrifft die Anteile an der AMAG Erste Beteiligungsverwaltungs GmbH.

In den Forderungen und sonstigen Vermögensgegenständen sind Forderungen aus Finanzierung und Clearing in Höhe von 465.193 Tsd. EUR (Vorjahr: 451.836 Tsd. EUR) enthalten. Weiters sind phasengleiche Dividendenerträge in Höhe von 48.000 Tsd. EUR (Vorjahr: 48.000 Tsd. EUR), sonstige Forderungen und Vermögensgegenstände in Höhe von 2.942 Tsd. EUR (Vorjahr: 8.159 Tsd. EUR) sowie Rechnungsabgrenzungsposten in Höhe von 23 Tsd. EUR (Vorjahr: 47 Tsd. EUR) enthalten.

Finanziert werden die Vermögenswerte durch:

| Werte in Tsd. EUR    | 2017             | 2016             |
|----------------------|------------------|------------------|
| Eigenkapital         | 726.811          | 725.542          |
| Fremdkapital         | 471.256          | 387.390          |
| <b>Summe Passiva</b> | <b>1.198.067</b> | <b>1.112.932</b> |

Die Eigenkapitalquote zum 31. Dezember 2017 beträgt 60,7 % (Vorjahr: 65,2 %).

#### 1.5 Finanzlage

| Werte in Tsd. EUR                                      | 2017    | 2016     |
|--|---------|----------|
| Netto-Geldfluss aus laufender Geschäftstätigkeit (OCF) | 35.037  | -124.318 |
| Netto-Geldfluss aus Investitionstätigkeit (ICF)        | -432    | -76      |
| Netto-Geldfluss aus Finanzierungstätigkeit (FCF)       | 41.313  | 104.874  |
| Zahlungswirksame Veränderung des Finanzmittelbestandes | 75.918  | -19.520  |
| Finanzmittelbestand am Ende der Periode                | 133.006 | 57.088   |

Der Geldfluss aus der laufenden Geschäftstätigkeit betrifft vor allem die Dividendenzahlungen für das jeweilige Vorjahr. Der Geldfluss aus Finanzierungstätigkeit hängt insbesondere mit der Aufnahme von Krediten und Darlehen in der Höhe von 100.000 Tsd. EUR, der Tilgung von Krediten und Darlehen in der Höhe von 11.000 Tsd. EUR und der Dividendenzahlung an die Eigentümer zusammen. Der Finanzmittelbestand zeigt die Guthaben bei Kreditinstituten.

## 1.6 Prognosebericht

### Wirtschaftlicher Ausblick

Ökonomen des IWF<sup>5</sup> erwarten auch für das Jahr 2018 eine Fortsetzung des globalen konjunkturellen Aufschwungs. Mit einer Wachstumsprognose von 3,9 % liegt die Schätzung knapp über dem für 2017 erwarteten Anstieg von 3,7 %.

In der Gruppe der Industriestaaten soll das Plus 2018 wie im Vorjahr 2,2 % betragen. Während für die USA mit einer leicht steigenden Wachstumsdynamik (+2,7 % nach 2,3 % im Jahr 2017) gerechnet wird, erwartet der IWF für die Eurozone eine etwas niedrigere Steigerungsrate von 2,2 % (2017: +2,4 %).

Die Konjunktur in der Gruppe der Schwellen- und Entwicklungsländer soll nach Angaben des IWF im Jahr 2018 um insgesamt 4,9 % zulegen und damit ein höheres Wachstum aufweisen als im Vorjahr (2017: +4,7 %). Für China wird mit einer im Vergleich zum Vorjahr etwas niedrigeren Wachstumsdynamik gerechnet (+6,6 % nach +6,8 % im Jahr 2017).

### Ausblick Aluminiummarkt

Als Rahmenbedingung für das mittelfristige Wachstum und den Ausblick der AMAG auf das Jahr 2018 wurden unter anderem CRU-Prognosen herangezogen. Laut den aktuellen Prognosen soll der weltweite Bedarf an Primäraluminium<sup>6</sup> bis 2022 um jährlich 3,4 % auf 75,3 Mio. Tonnen wachsen. Für Aluminiumwalzprodukte erwartet CRU<sup>7</sup> einen Anstieg innerhalb von fünf Jahren von 26,4 Mio. Tonnen in 2017 auf 31,9 Mio. Tonnen in 2022. Dies entspricht einer jährlichen Steigerung von 3,9 %.

Für das Jahr 2018 erwartet CRU bei Primäraluminium ein globales Nachfragewachstum von 4,5 % auf 66,4 Mio. Tonnen. Dabei werden nahezu alle Regionen eine steigende Nachfrage nach Primäraluminium aufweisen. Für China wird ein Nachfragezuwachs um 5,3 % auf 36,2 Mio. Tonnen erwartet. In Nordamerika soll der Verbrauch um 3,1 % auf 6,9 Mio. Tonnen steigen. In Europa erwartet das Institut ein Nachfragewachstum von 2,6 % auf insgesamt 9,4 Mio. Tonnen.

Für die AMAG casting ist vor allem die Entwicklung der europäischen Automobilindustrie maßgeblich. IHS erwartet für 2018 eine Steigerung der europäischen Automobilproduktion um rund 2 %.<sup>8</sup>

Die Nachfrage nach Aluminiumwalzprodukten wird auch in 2018 ein attraktives Wachstum aufweisen. Nach den jüngsten Schätzungen der CRU soll der weltweite Bedarf in 2018 um 3,7 % auf 27,4 Mio. Tonnen ansteigen. Auch für die Kernmärkte der AMAG werden hierbei steigende Bedarfe prognostiziert. Für Westeuropa wird mit einem Bedarfsanstieg um 3,8 % auf 4,4 Mio. Tonnen gerechnet. In den USA erwartet CRU ein Plus von 3,3 % auf 5,7 Mio. Tonnen.

Die Wachstumsaussichten sind auch im Jahr 2018 für alle relevanten Branchen positiv. In den Bereichen Verpackung, Bau- und Maschinenbau soll die weltweite Nachfrage um 2 bis 4 % im Vergleich zum Vorjahr steigen.

Das größte Wachstum wird auch im Jahr 2018 im Transportbereich erwartet. Aufgrund der hohen Nachfrage nach Aluminiumblechen für die Automobilindustrie soll die Nachfrage nach Aluminiumwalzprodukten im Transportbereich von 4,4 Mio. Tonnen auf 4,7 Mio. Tonnen steigen. Dies entspräche einer Wachstumsrate von 7,5 %.

### Ausblick Geschäftsentwicklung

In den kommenden Jahren sollen die erfolgreiche Entwicklung weiter fortgesetzt und nachhaltig Werte geschaffen werden. Eine stabile Eigentümerstruktur, eine solide Bilanz, attraktive Marktaussichten und die Investitionen in die Standorterweiterung bilden hierfür eine gute Ausgangslage. Durch die erfolgten Investitionen in die Standorterweiterung wird die AMAG in den kommenden Jahren von einem größeren Produktportfolio, steigenden Absatzmengen und Produktivitätsgewinnen profitieren. Der Hochlauf der neuen Anlagen ist über mehrere Jahre geplant. Zusätzliche Wachstumspotenziale werden in 2018 durch einzelne gezielte Investitionen zur Verlängerung der Wertschöpfungstiefe in der AMAG rolling und durch die Modernisierung des Anlagenparks in der AMAG casting erschlossen.

Die Geschäftsentwicklung in der AMAG metal im Jahr 2018 wird vor allem von der zukünftigen Marktpreisentwicklung von Aluminium und den notwendigen Rohstoffen sowie der Währungssituation abhängen. In der zweiten Jahreshälfte 2017 konnte der Marktpreis für Primäraluminium deutlich zulegen, jedoch haben sich auch die Rohstoffpreise (z.B. Tonerde, Petrolkoks) erheblich verteuert. Zudem hat sich der US-Dollar

5) Vgl. Internationaler Währungsfonds, World Economic Outlook, Jänner 2018

6) Vgl. CRU, Aluminium Market Outlook, Oktober 2017

7) Vgl. CRU, Aluminium Rolled Products Market Outlook, November 2017

8) Vgl. IHS Automotive, Global Light Vehicle Production Summary, Oktober 2017



gegenüber dem Euro und dem kanadischen Dollar abgeschwächt. Im Wesentlichen wird das Ergebnis aber von der weiteren Entwicklung des Aluminiumpreises beeinflusst.

Für die AMAG casting erwartet der Vorstand eine stabile Ergebnisentwicklung auf dem Niveau des Geschäftsjahres 2017. Die Investitionen in die Modernisierung des Anlagenparks werden den Absatz in der ersten Jahreshälfte 2018 negativ beeinflussen. Ab Inbetriebnahme in der zweiten Jahreshälfte 2018 wird die AMAG casting von einer Produktivitätssteigerung profitieren können.

Vor allem durch die getätigten Investitionen geht der Vorstand für die AMAG rolling von weiterem Wachstum aus. Voraussetzungen dafür sind die erfolgreiche Fortsetzung des Hochlaufs der neuen Anlagen sowie die Erreichung der erforderlichen Kundenqualifikationen.

Eine Umsatz- oder Ergebnisprognose für das Geschäftsjahr 2018 ist aufgrund der erfahrungsgemäß hohen Volatilitäten an den Rohstoff- und Devisenmärkten derzeit noch verfrüht. Der Vorstand ist aber zuversichtlich, von dem eingeschlagenen Wachstumskurs in der AMAG rolling auch im Jahr 2018 profitieren zu können.

Die Ergebnisentwicklung der AMAG Austria Metall AG ist von der positiven Entwicklung der Gesellschaften der AMAG-Gruppe abhängig.

## 2. Risikobericht

Integraler Bestandteil der Geschäftstätigkeit der AMAG-Gruppe ist ein systematisches Risikomanagementsystem, welches auf die Identifizierung, Beurteilung und Kontrolle aller wesentlichen Risiken und Chancen abzielt. Risiken sollen frühzeitig erkannt und ihnen nach Möglichkeit proaktiv begegnet werden, um sie weitestgehend begrenzen zu können. Andererseits sollen auch unternehmerische Chancen gezielt genutzt werden. In diesem Sinn stellt ein ausgewogenes Chancen- und Risikomanagement einen wesentlichen Erfolgsfaktor für die Unternehmensgruppe dar.

### Risikomanagementsystem

Das Risikomanagement der AMAG ist auf die Sicherstellung einer nachhaltig positiven Entwicklung der Vermögens-, Finanz- und Ertragslage sowie eine nachhaltige Wertsteigerung der gesamten Gruppe ausgerichtet.

Das System fußt im Wesentlichen auf

- + der Regelung betrieblicher Abläufe mittels Konzernrichtlinien, um die Erkennung, Analyse, Bewertung und Kommunikation von Risiken und damit eine aktive Steuerung des Umgangs mit Risiken und Chancen sicherzustellen,
- + dem aktiven Hedging der spezifischen Risiken (Volatilität des Aluminiumpreises, Währungen),
- + der Abdeckung bestimmter Risiken durch Versicherungen im Rahmen eines umfassenden Versicherungskonzeptes.

Die Steuerung der Risiken erfolgt auf Basis dieser Richtlinien auf allen Hierarchieebenen. Bezüglich der strategischen und operativen Risiken erfolgt eine jährliche Überprüfung und allfällige Neuausrichtung im Rahmen eines institutionalisierten Prozesses. Darüber hinaus werden sowohl die Richtlinien als auch das Versicherungskonzept (vor allem hinsichtlich Umfang und Deckung) laufend überprüft und gegebenenfalls aktualisiert.

Zusätzlich erfolgen anlassbezogene Evaluierungen der Funktionsfähigkeit des internen Kontrollsystems für ausgewählte Unternehmensbereiche durch einen externen Wirtschaftsprüfer.

### Internes Kontrollsystem

Das interne Kontrollsystem sowie das Risikomanagement der AMAG-Gruppe orientieren sich an den Maßstäben des international bewährten Regelwerks für interne Kontrollsysteme (COSO – Internal Control and Enterprise Risk Managing Frameworks des Committee of Sponsoring Organizations of the Treadway Commission) und an ISO 31000:2010. Ziel ist das bewusste Erkennen und Steuern von latenten Risiken durch das jeweils verantwortliche Management.

### Wesentliche Merkmale des internen Kontroll- und Risikomanagementsystems in Hinblick auf den Rechnungslegungsprozess

Die Einrichtung eines angemessenen internen Kontroll- und Risikomanagementsystems in Hinblick auf den Rechnungslegungsprozess bzw. die Finanzberichterstattung liegt grundsätzlich in der Verantwortung der jeweiligen Geschäftsführung. In der AMAG-Gruppe wurden hinsichtlich Risikomanagement sowohl für die wesentlichen Geschäftsrisiken als auch für den Finanzberichterstattungsprozess gruppenweit verbindlich anzuwendende Standards verabschiedet. Diese werden von der Geschäftsführung der Gesellschaften angewandt und - soweit erforderlich - ergänzt.

Das Rechnungswesen mit der darin integrierten Finanzbuchhaltung wird für den Standort Ranshofen zentral durchgeführt. Durch entsprechende organisatorische Maßnahmen wird sichergestellt, dass die gesetzlichen Vorgaben – die vollständige, richtige, zeitgerechte und geordnete Eintragung in die Bücher und sonstige Aufzeichnungen – erfüllt werden. Der gesamte Prozess von der Beschaffung bis zur Zahlung unterliegt strengen Regeln und Richtlinien, welche jegliches damit in Zusammenhang stehende Risiko vermeiden sollen.

Zu diesen Maßnahmen und Regeln zählen unter anderem Funktionstrennungen, Unterschriftenordnungen, ausschließlich kollektive und auf wenige Personen eingeschränkte Zeichnungsermächtigungen für Zahlungen sowie systemunterstützte Prüfungen durch die verwendete Software (SAP). Die verwendeten Finanzbuchhaltungssysteme sind überwiegend Standard-Software, die gegenüber unbefugten Zugriffen geschützt sind.

In der AMAG-Gruppe wird ein standardisiertes Finanzberichtswesen zur Verfügung gestellt. Ergänzt um gesellschaftsspezifische Themen wird die Geschäftsführung laufend über alle relevanten Sachverhalte informiert. Der Aufsichtsrat der AMAG Austria Metall AG wird in zumindest einer pro Quartal stattfindenden Aufsichtsratssitzung über den laufenden Geschäftsgang und zusätzlich jährlich über die operative Planung und mittelfristige Strategie des Konzerns unterrichtet. In besonderen Fällen wird der Aufsichtsrat auch unmittelbar informiert. In den Prüfungsausschusssitzungen werden unter anderem auch das interne Kontrollsystem, das Risikomanagementsystem sowie die Maßnahmen zur Korruptionsprävention behandelt.

#### Personalrisiken

Die Mitarbeiter der AMAG-Gruppe sind durch ihre Kompetenz und ihr Engagement ein maßgeblicher Faktor für den Erfolg der AMAG. Zur Sicherung und Stärkung dieses Faktors haben Investitionen in die Arbeitssicherheit („konsequent sicher“) und die Förderung der Gesundheit einen sehr hohen Stellenwert. Im Bereich Unfallschutz werden umfangreiche Maßnahmen wie die Arbeitsplatzevaluierung und sichere Gestaltung, Präventivmaßnahmen und laufende Schulung der Mitarbeiter gesetzt. Darüber hinaus bietet die AMAG ein leistungsgerechtes Entlohnungssystem, Aus- und Weiterbildungsprogramme (z.B. alu\_akademie), die frühzeitige Identifikation und Förderung von Potenzialträgern und ein attraktives Anreizsystem für Führungskräfte. Der Schutz der persönlichen Daten der Mitarbeiter wird sehr ernst genommen.

Basierend auf Analysen des zukünftigen Qualifikationsbedarfs, insbesondere in Zusammenhang mit der Erweiterungsinvestition, wurden entsprechende Personalmaßnahmen getätigt und Rekrutierungsaktivitäten verstärkt.

Darüber hinaus wurden im Bereich „Employer Branding“ weitere Akzente zur Stärkung der Arbeitgebermarke gesetzt, um die AMAG als attraktiven Arbeitgeber zu positionieren.

#### Operative Risiken

##### Risiken aus der Produktion

Innerhalb des Wertschöpfungsprozesses sind die operativen Gesellschaften der AMAG-Gruppe der Gefahr von Betriebsunterbrechung sowie Risiken in Bezug auf Qualität oder Arbeitssicherheit ausgesetzt. Durch umfassende Verfahrensanweisungen in den Bereichen Produktion, Qualität und Arbeitssicherheit sowie durch die im Wege des KVP-Prozesses begünstigte hohe Eigenverantwortlichkeit der Mitarbeiter werden diese Risiken weitgehend vermieden. Dem Ausfallrisiko der Anlagen und der Energieversorgung im Einflussbereich der AMAG wird auch durch systematische vorbeugende Instandhaltung und laufende RBM-Überwachung (Risk Based Maintenance) sowie eine regelmäßige Evaluierung des technischen Anlagenrisikos und dem Setzen geeigneter Maßnahmen begegnet. Modernisierungs- und Ersatzinvestitionen werden zudem langfristig geplant. Mit den Investitionen in das neue Warm- und Kaltwalzwerk sowie in den Gießkapazitäten erhöht sich die Redundanz der Anlagen mit modernster Technik am Standort Ranshofen. Für wichtige Produkte wurden Notfallpläne erstellt, die im Falle eines Anlagenstillstands ein rasches Umstellen auf eine Ersatz-Herstellroute ermöglichen. Eine zusätzliche Absicherung ist durch die Maschinenbruch-Versicherung gegeben.

##### Risiken aus technologischen Entwicklungen

Der Werkstoff Aluminium ist gerade in den technisch anspruchsvollen Bereichen wie Luftfahrt, Automobilbau und Sport möglicher Substitution durch alternative „Leicht“-Werkstoffe mit vergleichbaren Materialeigenschaften wie Carbonfaser-Composites, Kunststoffen, Magnesium und weiterentwickelten Stahlqualitäten ausgesetzt. Ebenso könnten neue, teils disruptive Herstellungsprozesse (z.B. 3D-Druck) oder technologische Umbrüche in einzelnen Abnehmerbranchen Einfluss auf die für die AMAG relevanten Märkte haben. Durch laufende Marktbeobachtung und Entwicklungsarbeiten gemeinsam mit Kunden sowie die kontinuierliche Verbesserung der Eigenschaften der angebotenen Aluminiumwerkstoffe wirkt die AMAG-Gruppe diesem Gefährdungspotenzial entgegen. Gleichzeitig wird daran gearbeitet, neue Anwendungsgebiete für Aluminiumlegierungen zu erschließen und in Kooperationen aktiv AMAG-relevante Anwendungen in potentiell disruptiven Technologien zu etablieren.

Zur Erkennung von potenziellen Fehlerquellen bei der Produktentwicklung und zur entsprechenden Risikominimierung werden in der AMAG Fehlermöglichkeits- und -einflussanalysen (FMEA) durchgeführt.

#### Elementarrisiken

Entsprechend den Erfordernissen werden ausgewählte Maßnahmen zur Minimierung von Elementarrisiken getroffen.

- + Brandschutz: Bauliche, technische und organisatorische Brandschutz-Maßnahmen werden je nach Gefahrenpotenzial realisiert: z.B. Betriebsfeuerwehr, Brandabschnitte, Brandmeldeanlage, CO<sub>2</sub>-Schutzanlagen, Abschluss von Feuerversicherungen sowie Bau von Sprinkleranlagen im neuen Warm- und Kaltwalzwerk, der neuen Plattenfertigung und in sensiblen Technikräumen der Walzbarrengeißerei, Durchführung von Krisenübungen
- + Hochwasser sowie andere Elementarrisiken: laufende Anpassung der Präventivmaßnahmen (z.B. Ausbau der Regenwasserversickerung)

### Risiken der Informationsverarbeitung

In diesem sensiblen Bereich liegt das Hauptaugenmerk auf der Datensicherheit, Kompatibilität sowie Effizienz der Systeme, Zugriffssicherheit, Manipulations- und Schadsoftwareschutz sowie Betriebssicherheit. Die konzernweite Steuerung der IT-Aktivitäten erfolgt durch den Chief Information Officer auf Basis der IT-Richtlinie.

Die in dieser Richtlinie festgelegten Vorgaben sind so gestaltet, dass die IT-Leistungen die gestellten Anforderungen an Verfügbarkeit, Zuverlässigkeit, Disaster-Toleranz und Service-Zeit erfüllen und die Personal- und Produktressourcen beim Erbringen der IT-Leistungen wirkungsvoll, effizient und effektiv genutzt werden.

Weiters sind Sicherheits- und Berechtigungskonzepte implementiert und es stehen örtlich getrennte Ausweichrechenzentren zur Verfügung, um das Risiko eines Systemausfalls durch Hardwaredefekt, Datenverlust oder Manipulation zu reduzieren.

Darüber hinaus finden regelmäßige IT-Sicherheitsschulungen statt, um die Mitarbeiter in Hinblick auf solche Risiken (z.B. Cyberattacken) zu sensibilisieren. Ebenso werden regelmäßige externe Angriffstests durchgeführt, um die Wirksamkeit der getroffenen Maßnahmen zu überprüfen.

Datenschutz wird in der AMAG sehr ernst genommen. Zusätzliche Maßnahmen zur Vermeidung der missbräuchlichen Datenverwendung wurden bereits implementiert. Des Weiteren ist die Zertifizierung nach „ISO 27001 - IT Sicherheitsmanagement“ geplant.

### Risiken aus unzulänglichen Überwachungssystemen und betrügerischen Handlungen

Zur Früherkennung, Überwachung und Vermeidung von Risiken ist ein umfassendes internes Kontrollsystem institutionalisiert. Dieses umfasst adäquate Instrumente und Abläufe zur Vermeidung, Früherkennung und zur sinnvollen Reaktion auf eintretende Risikofälle.

### Geschäftsrisiken

#### Beschaffungsrisiken

Für die Elektrolyse Alouette sind Preis und Verfügbarkeit von elektrischer Energie und Tonerde ein wesentliches Risiko, das jedoch durch mittel- und langfristige Lieferverträge begrenzt wird.

Bei den Gießereien liegt das Hauptrisiko in einer hinreichenden quantitativen und qualitativen Schrottversorgung. Durch Rahmenverträge mit professionellen Metallhändlern (Stammlieferanten mit langjähriger Geschäftsbeziehung) und größeren Entfallstellen sowie durch internationale Streuung der Bezugsquellen wird das Risiko minimiert. Durch kontinuierliche Investitionen in neue Sortiertechnologien wird das Einsatzspektrum sukzessive erweitert, um die Schrottversorgung weiter abzusichern. Das zusätzlich benötigte Primärmetall in Form von Masseln oder Sows ist ein liquides Commodity und wird von renommierten Lieferanten, mit denen langjährige Geschäftsbeziehungen bestehen, bezogen. Zudem besteht die Möglichkeit, Primäraluminium für den Standort Ranshofen direkt von der Elektrolyse Alouette zu beziehen.

Das Walzwerk erhält die Walzbarren mit hohem Recyclinganteil zum Großteil aus der eigenen Gießerei in Ranshofen. Zur Sicherstellung der restlichen benötigten elektrolysebasierten Mengen wurden nach einem Qualifikationsprozess Verträge mit renommierten internationalen Partnern abgeschlossen.

Das Risiko aus der Vormaterialbeschaffung kann für die AMAG-Gruppe somit grundsätzlich als gering eingeschätzt werden.

In den Compliance-Regeln für AMAG-Lieferanten sind Verhaltensgrundsätze in Zusammenhang mit der besonderen Verantwortung gegenüber der Gesellschaft, Aktionären, Mitarbeitern und Geschäftspartnern beschrieben. Lieferanten sind verpflichtet, diese Regeln entsprechend einzuhalten.

#### Absatzrisiken

Die breit gefächerte Produktpalette der AMAG-Gruppe gewährleistet die Unabhängigkeit von einigen wenigen Großabnehmern, Abnehmerbranchen oder Absatzregionen. Im Jahr 2017 betrug der Umsatzanteil der Top-10-Kunden 31,48 %. Langfristige Rahmenverträge mit Schlüsselkunden unterstützen das Streben nach Minimierung von Absatzrisiken. Gleichzeitig erfolgt die Erweiterung der Produktpalette und der Absatzmärkte in attraktiven Premiumsegmenten, in denen innovative Lösungen und höchste Qualität gefragt sind. Positiv tragen hierzu auch das neue Warm- und Kaltwalzwerk bei, wodurch die Produktpalette hin zu größeren Dimensionen erweitert wurde. Das Erreichen der insbesondere im Automobil- und Luftfahrtbereich erforderlichen Kundenqualifikationen ist für die AMAG von wesentlicher Bedeutung. Die AMAG rolling liefert an Kundenbranchen mit geringer bis mittlerer Zyklizität, wie etwa an die Verpackungs- und Sportgeräteindustrie, aber auch an zyklische Branchen wie die Bau-, Luftfahrt-, Automobil- und deren Zulieferindustrie.

Durch eine konsequente Ausrichtung auf Premium-Produkte sowie durch die breite Palette von Kundenbranchen wird ein Ausgleich geschaffen. Die Beziehung zu Großkunden wird auch durch gemeinsame Entwicklungsprojekte und intensive Kundenbetreuung abgesichert. Auch die Lieferung von Flüssigaluminium und die Entwicklung und Verbesserung von neuen Legierungen gemeinsam mit Kunden tragen in der AMAG casting wesentlich zu einer verstärkten Kundenbindung bei. Die Kundenzufriedenheit wird mit regelmäßigen Befragungen untersucht. Aluminiumpreis- und Währungsrisiken werden durch aktives Hedging minimiert.

### Projektrisiken

Die Risiken von Großprojekten werden in regelmäßigen Projektaufichtssitzungen überwacht. Dabei wird besonderes Augenmerk auf Termine und Kosten sowie den technischen Projektfortschritt gelegt. Weiters werden die Inbetriebnahme- und Hochlaufplanung, die Erreichung der für die neuen Anlagen notwendigen Qualifikationen sowie die Absatz- und Beschaffungsrisiken verbunden mit den zusätzlichen Produktionsmengen verfolgt. Eine wesentliche Aufgabe der Projektauficht ist die laufende Definition und Überwachung der Umsetzung von risikominimierenden Maßnahmen.

### Wettbewerbsrechtliche Risiken und Kapitalmarktrisiken

Die AMAG-Gruppe bekennt sich ohne jede Einschränkung zum fairen Wettbewerb und zur fairen Vertragsgestaltung mit ihren Geschäftspartnern im Rahmen der rechtlichen Bestimmungen sowie zu den Kapitalmarktregeln. Dieses Bekenntnis ist durch die Einführung entsprechender Richtlinien (z.B. Kartellrecht-Richtlinie, Emittenten-Compliance-Richtlinie und Richtlinie zur Korruptionsprävention) sowie durch den Verhaltenskodex (Code of Ethics) institutionalisiert.

Die Compliance-Struktur der AMAG ist in einzelne Compliance-Felder gegliedert. Die jeweiligen Compliance-Verantwortlichen unterstützen die Organisation zum Beispiel durch laufende Schulungen und überwachen die Einhaltung der internen Regelungen. Zusätzlich besteht eine Compliance Line, über die etwaige Verstöße gemeldet werden können.

### Risiken aus der Forschung und Entwicklung

Ein Risiko für die Entwicklungsarbeiten besteht in der generellen Zunahme an Anmeldungen für „Intellectual Properties“, insbesondere vorangetrieben durch die fortschreitende Konsolidierung der Aluminiumkonzerne.

Zur Abklärung dieses Risikopotenzials ist daher verpflichtend bei der Planung von Entwicklungsarbeiten die aktuelle Schutzrechtssituation zu ermitteln und den Stand der nationalen und internationalen Forschung zu erheben und zu dokumentieren, inklusive der Auswirkungen auf die AMAG. Interne technische Risiken sowie die Auswirkungen des Projektes auf die wirtschaftliche Entwicklung des Unternehmens sind bei Beantragung in einem Projektantrag zu erläutern. Ein F&E-Steuerkreis aus dem Top-Management des Unternehmens und einem renommierten externen Expertengremium beurteilt regelmäßig (mindestens zweimonatlich) die Projektanträge und Projektfortschritte und daraus ableitbare Schutzrechte für die AMAG. Darüber hinaus werden stets gemeinsame Forschungsaktivitäten mit Kunden in allen AMAG relevanten Bereichen durchgeführt. Dadurch soll das Risiko von Fehlentwicklungen minimiert werden. Zur Risikominimierung erfolgen zudem eine Patentüberwachung mit externen Anwälten über alle gängigen Datenbanken sowie persönliche Recherche von AMAG Mitarbeitern, Patentanwälten und den Mitgliedern des wissenschaftlichen Beirats.

### Umweltrisiken

Die Gefahr des Eintritts von Umweltrisiken wird durch das zertifizierte Umweltmanagementsystem in den Konzerngesellschaften mit Gefährdungspotenzial gemindert. Konventionelle Energieträger wie Diesel und Erdgas stehen nur in begrenztem Maß zur Verfügung und setzen bei der Verbrennung Luftemissionen frei, die sich negativ auf die Umwelt auswirken. Eine intensivere Klimapolitik kann die Kosten für fossile Energie und Strom erhöhen oder zu einer Einführung von zusätzlichen CO<sub>2</sub>-Abgaben führen. Um dieses Risiko und die Umweltbelastung zu minimieren, werden Maßnahmen zur Steigerung der Energieeffizienz getroffen und geplante Gesetzesänderungen verfolgt. Altlasten aus der früheren Nutzung des Betriebsgeländes in Ranshofen wurden durch rasche Umsetzung der Sanierungspflichten behoben oder sind durch Rückstellungen abgedeckt. Vormaterialien mit einem Kontaminationsrisiko werden bereits bei Anlieferung umfangreich untersucht und gegebenenfalls abgewiesen.

### Rechtliche Risiken

Die AMAG-Gruppe ist aufgrund ihres internationalen Kundenportfolios einer Reihe von rechtlichen Risiken ausgesetzt. Sie verfügt über eine spezialisierte Rechtsabteilung, die je nach Anforderung und Jurisdiktion die rechtlichen Risiken intern oder unter Einbeziehung von externen Anwälten prüft und bewertet. In der Vertragsgestaltung werden Risiken durch die Implementierung von Haftungslimits mitigiert.

Risiken durch mögliche Schäden aufgrund von Produkthaftung werden durch Qualitätssicherungsmaßnahmen minimiert. Verbleibende Restrisiken sind überdies durch Betriebshaftpflichtversicherungen gedeckt. In der AMAG-Gruppe stehen einheitliche Liefer- und Verkaufsbedingungen für Kunden und einheitliche Einkaufsbedingungen für Lieferanten zur Verfügung. In der Regel werden diese auch in den einzelnen operativen Gesellschaften angewandt.

Die Einhaltung der rechtlichen Verpflichtungen wird im Zuge von internen Audits, welche im Rahmen der implementierten Managementsysteme durchgeführt werden, und durch externe Prüfungen regelmäßig Kontrollen unterzogen (z.B. Umweltschutz, Arbeitnehmerschutz).

### Finanzwirtschaftliche Risiken

Als Produzent und Verarbeiter von Aluminium unterliegt die AMAG-Gruppe vor allem dem Metallpreis- und Währungsrisiko. Aluminium wird an der LME in US-Dollar gehandelt und die volatilen Verläufe sowohl der Aluminiumnotierung als auch des Dollarkurses hätten ohne entsprechende Sicherungsmaßnahmen direkte Auswirkungen auf die Ertragslage der AMAG-Gruppe. In den verbindlichen Konzernrichtlinien „Metallmanagementrichtlinie“ und „Finanzmanagementrichtlinie“ sind die Vorgangsweisen zur Erfassung dieser beiden Hauptrisiken und deren Absicherung geregelt.

Zur Stabilisierung der Ergebnisse der Elektrolysebeteiligung können Verkaufspreise von Teilen der Produktion rollierend nach vorne durch Terminverkäufe und Optionen abgesichert werden. Ausschlaggebende Entscheidungskriterien sind neben der aktuellen Marktsituation die Einschätzung der zukünftigen Aluminiumpreisentwicklung und der damit einhergehenden Produktionskosten. Am Standort Ranshofen werden Aluminiumpreisschwankungsrisiken grundsätzlich abgesichert.

Das Metallmanagement in der AMAG-Gruppe erfasst zentral alle LME-korrelierten Aluminiumeinkäufe und -bestände sowie die LME-korrelierten Aluminiumverkäufe der operativen Gesellschaften und ermittelt laufend die dem Kursrisiko ausgesetzte Aluminiumposition. Diese Aluminium-Positionsführung erfolgt mit dem „Metallbuch“, eine in SAP abgebildete Software-Eigenentwicklung. Die offenen Aluminiumpositionen werden durch Kontrakte mit Brokern und Investmentbanken gegen das Metallpreisrisiko abgesichert. Das Marktpreisrisiko der Grundgeschäfte wird in der Folge vollständig durch gegenläufige Bewegungen der Sicherungsgeschäfte ausgeglichen. Alle im Metallbuch enthaltenen Grund- und Sicherungsgeschäfte werden täglich gegen den Markt bewertet. Da bei Gusslegierungen größtenteils keine ausreichende Preiskorrelation mit der LME-Notierung gegeben ist, werden die Verkäufe der Gusslegierungsgießerei durch physische Einkäufe des Einsatzmaterials abgesichert. Die Position wird kontinuierlich überwacht.

Für die mit den derivativen Sicherungsaktivitäten potenziell verbundenen Einschussverpflichtungen (Liquiditätsrisiko) wird durch vorhandene Liquiditätsreserven und Bankgarantien vorgesorgt. Das Kreditrisiko, das durch die Nichterfüllung durch Kontrahenten von Derivaten mit positivem Marktwert besteht, wird durch die sorgfältige Auswahl internationaler Banken und Broker sowie einer Limitpolitik zur Risikostreuung begrenzt.

Bei den Forderungen begrenzen die operativen Gesellschaften der AMAG-Gruppe das Ausfallsrisiko durch den Abschluss von Kreditversicherungen und bankmäßigen Sicherheiten, wie Garantien und Akkreditiven.

Die Finanzierungs- und Veranlagungsaktivitäten, deren Absicherung sowie das Fremdwährungsmanagement werden für die gesamte Unternehmensgruppe zentral gesteuert. Die Betriebsmittelfinanzierung basiert auf einer kurzfristigen Liquiditätsplanung. Durch ein zentrales Euro-Pooling erfolgt auf täglicher Basis ein konzerninterner Finanzausgleich zwischen den Gesellschaften.

Die mittel- und langfristige Unternehmensfinanzierung erfolgt auf Basis von Vorschau- und Budgetdaten. Zinsänderungsrisiken variabler Finanzierungen können quotenmäßig mittels Swaps oder Caps abgesichert werden.

Das Kontrahentenrisiko aus Guthaben bei Kreditinstituten wird durch Vergabe interner Veranlagungslimits und, sofern vorhanden, unter Beachtung externer Ratings und regelmäßiger Kontrolle der CDS Spreads gemanagt.

Soweit nicht durch Zahlungseingänge und -ausgänge in gleicher Fremdwährung ein natürlicher Risikoausgleich bei Kursschwankungen gegeben ist, werden Wechselkursrisiken der wesentlichen Fremdwährungspositionen durch Devisentermingeschäfte und gegebenenfalls Optionen quotenmäßig gesichert.

Die AMAG verfügt über einen vollständig in SAP integrierten Zahlungsprozess. Durch die Eliminierung von manuellen Eingriffsmöglichkeiten an den Schnittstellen wurde das Manipulationsrisiko im Zahlungsverkehr auf ein Minimum reduziert. Alle Rechnungs- und Zahlungsfreigaben erfolgen nach einem systemtechnisch abgesicherten Mehraugenprinzip.

#### **Risiken aus dem Anteil an der Elektrolyse Alouette**

Die wesentlichen Vereinbarungen zur gemeinschaftlichen Tätigkeit an der Elektrolyse Alouette sind in einem Eigentümervertrag geregelt. Für die wesentlichen Entscheidungen hinsichtlich der Geschäftstätigkeit der Alouette sind Beschlüsse mit 90 % Zustimmung erforderlich. Bei der derzeitigen und auch im Falle einer sich ändernden Eigentümerstruktur besteht das Risiko von divergierenden Interessen und damit möglichen Konflikten zwischen den Anteilseignern der Alouette.

Gemäß dem bestehenden Eigentümervertrag gibt es Verpflichtungen, die für den laufenden Produktionsbetrieb von essenzieller Bedeutung sind. Eine Nichterfüllung dieser Verpflichtungen könnte zu einem Verlust der Mitbestimmungsrechte führen und eine Haftung der AMAG für mögliche Schäden implizieren. Dies betrifft unter anderem die für die Produktion notwendige anteilige Beschaffung der Tonerde.

Der Verkaufspreis für das in der Alouette hergestellte Primäraluminium wird im Wesentlichen durch den Preis an der London Metal Exchange definiert und kann daher seitens AMAG nicht beeinflusst werden. Für den langfristigen und nachhaltigen Erfolg dieser Beteiligung ist eine vorteilhafte Kostenposition im internationalen Vergleich notwendig. Der seit 2017 gültige Stromvertrag, eine kostenoptimierte Produktion und die logistischen Vorteile durch die direkte Anbindung an den Hochseehafen sind wesentliche Eckpfeiler für die langfristige Konkurrenzfähigkeit dieser Elektrolyse. Darüber hinaus können strategische Hedginginstrumente eingesetzt werden, um das Verlustrisiko und die Ergebnisvolatilität zu reduzieren.

Aufgrund der Bilanzierungsvorschriften nach IFRS ergibt sich aus der neuen Strompreisformel des neuen Stromvertrags ein eingebettetes Derivat, dessen Bilanzierung temporär Einfluss auf das ausgewiesene Eigenkapital der AMAG-Gruppe haben könnte.

Hinsichtlich der operativen Risiken bestehen auch für die Elektrolyse ein eigenes Risikomanagement und ein umfangreiches Versicherungskonzept. Hierin sind beispielsweise auch Schäden aus Produktionsausfällen infolge witterungsbedingter Stromausfälle in hohem Umfang abgedeckt.

Die operativen Risiken, wie zum Beispiel Arbeitssicherheit, die Nutzungsdauer der Ausmauerung der Elektrolysezellen, innerbetriebliche Stromausfälle sowie Personalrisiken werden laufend überwacht und durch entsprechende Maßnahmen minimiert. In Zusammenhang mit der Stromversorgung besteht seit Ende 2015 aufgrund der Errichtung einer redundanten Stromleitung eine noch höhere Versorgungssicherheit für elektrische Energie.

### 3. Umweltschutz

Die umweltschonende Herstellung der Produkte, die Vermeidung bzw. Verringerung von Umweltbelastungen und die Einhaltung aller gesetzlichen Vorschriften und behördlichen Auflagen wird als Aufgabe aller Mitarbeiter gesehen.

Das Umwelt- und Energiemanagementsystem ist in einem Managementhandbuch abgebildet, in dem die Aufbau- und Ablauforganisation sowie Zuständigkeiten und detaillierte Verfahrensanweisungen festgelegt sind. Die Zertifizierungen nach EN ISO 14001 und EN ISO 50001 für die Berichtsjahre 2016 und 2017 bestätigen die Funktionsfähigkeit des Umwelt- und Energiemanagementsystems. Die Verantwortung dafür liegt in der Abteilung Managementsysteme, deren Leiter an den Technikvorstand berichtet.

Das Umweltmanagementsystem beinhaltet:

- + Einhaltung aller gesetzlichen Vorschriften und behördlichen Auflagen
- + Kontinuierliche Verbesserung des betrieblichen Umweltschutzes durch Vermeidung bzw. Verringerung von Umweltbelastungen
- + Jährliche Festlegung und Überprüfung von Umwelt- und Energiezielen
- + Periodische interne Audits definierter Bereiche zur Sicherstellung der Wirksamkeit des Managementsystems
- + Systematische Bewertung relevanter Umweltaspekte und -auswirkungen
- + Schulung und nachfolgende Eigenverantwortung der Mitarbeiter

Die Mitarbeiter leisten darüber hinaus im Rahmen des kontinuierlichen Verbesserungsprozesses (KVP) wertvolle Beiträge zum Umweltschutz und zur effizienten Nutzung von Energie.

### 4. Sozialbericht

Die AMAG steht als Dienstgeber für attraktive, moderne Arbeitsplätze, integriert in ein betriebliches Umfeld, das geprägt ist von gegenseitiger Wertschätzung und einer ausgewogenen Mitarbeiterbeziehung zwischen Fördern und Fordern. Kompetente und motivierte Mitarbeiter sind für die AMAG ein wesentlicher Schlüssel des Erfolges. Im Rahmen der Kapazitätserweiterungen ist neben der Weiterentwicklung der bestehenden Belegschaft, die Aufnahme von qualifizierten Mitarbeitern besonders wichtig.

#### Beschäftigte

Der Gesamtpersonalstand (inklusive Lehrlinge) der AMAG Austria Metall AG betrug am Ende des Jahres 21 Mitarbeiter/-innen. Die Fluktuationsrate in der AMAG-Gruppe ist seit Jahren auf einem sehr niedrigen Niveau und betrug 2017 4,8 %. Darin inkludiert sind sämtliche Abgänge (exklusive Pensionierungen und Lösungen des Dienstverhältnisses in der Probezeit).

#### Betriebszugehörigkeit der Mitarbeiter

Die erwähnten Maßnahmen für die Mitarbeiterentwicklung und Gesundheitsförderung, eine leistungsorientierte Gehaltsstruktur und ein positives soziales Klima sind Grundsteine einer hohen Zufriedenheit und Kontinuität bei den Mitarbeitern. In der AMAG Austria Metall AG sind 81,0 % der Mitarbeiter bis 10 Jahre, 4,7 % zwischen 10 und 20 Jahren und 14,3 % über 20 Jahre im Unternehmen tätig. Das Durchschnittsalter der Mitarbeiter in der AMAG Austria Metall AG beträgt 49 Jahre.

#### Personalrekrutierung

Die AMAG stellt frühzeitig die Weichen, um den zukünftigen Bedarf an Mitarbeitern langfristig zu decken und richten unsere Nachwuchs- und Weiterbildungsprogramme entsprechend aus. Eine durchschnittliche Verweildauer von 11,1 Jahren garantiert, dass aufgebautes Wissen und Know-how dem Unternehmen erhalten bleiben. Offene Positionen werden unter Berücksichtigung von langfristigen Perspektiven besetzt.

Durch die Implementierung einer neuen Bewerberdatenbank im Berichtsjahr 2017 wurde die Qualität und Geschwindigkeit der internen Personalprozesse erhöht, sie trägt zudem zur Modernisierung des Online-Bewerbungsportals und zur erhöhten Datensicherheit bei.

Eine Maßnahme zur Rekrutierung von Produktionsmitarbeitern war im Berichtsjahr 2017 die Abhaltung von fünf Bewerbungsgesprächen in Form eines „Job-Speed-Datings“ vor Ort in Ranshofen. Diese innovative Form des Personal-Recruitings ermöglicht es, in kurzer Zeit Bewerber das Unternehmen und die Karrieremöglichkeiten im Zuge eines 10-minütigen Vorstellungsgesprächs vorzustellen. Hintergrund des neuen Bewerbungsformates ist der Werksausbau, durch den in Summe 450 Arbeitsplätze entstehen.

Durch die verstärkte Präsenz auf Online-Jobportalen wie karriere.at, Stepstone oder LinkedIn und Social Media-Plattformen wie Facebook wird die Arbeitgebermarke gestärkt. Zudem ist die AMAG auf Karrieremessen präsent, um junge Talente zu gewinnen. Die Veranstaltung von Informationsabenden fördert den Kontakt zu den Studenten. Die AMAG setzt zudem auf strategische Hochschulkooperationen, um die Lehre und Forschung in AMAG-relevanten Fachgebieten praxisnah zu ergänzen.

#### **Chancengleichheit & Diversität**

AMAG engagiert sich für Chancengleichheit und lehnt jegliche Benachteiligung insbesondere auf Grund von Alter, Geschlecht, Hautfarbe, sexueller Orientierung, Herkunft, Religion oder Behinderung ab. Wir orientieren uns dabei an der UN-Charta sowie an der Europäischen Konvention für Menschenrechte. Alle Mitarbeiter haben die Möglichkeit, einen Verdacht auf Ungleichbehandlung dem Compliance Verantwortlichen oder über eine Compliance-Hotline zu melden. Im Berichtsjahr 2017 wurden keine Diskriminierungsfälle gemeldet.

#### **Aus- und Weiterbildung**

Bestens ausgebildete Mitarbeiter sind für den Geschäftserfolg essenziell, sie tragen erheblich zur Kundenzufriedenheit bei. Die gezielte Förderung von Mitarbeitern erhöht die Motivation und Leistungsbereitschaft und schafft zudem Zukunftsperspektiven für den Mitarbeiter selbst, um im Berufsleben konkurrenzfähig zu bleiben.

Die Personalstrategie der AMAG ist darauf ausgerichtet, den zukünftigen Personalbedarf sowohl qualitativ als auch quantitativ abzudecken. Sie orientiert sich an den Unternehmenszielen, die vom Vorstand verabschiedet werden. Im Personalbereich sind Richtlinien und Instrumente implementiert. Diese umfassen bewährte Prozesse für die Rekrutierung, die Einführungsphase, die Karriereplanung, die Personalentwicklung und die Nachfolgeplanung von Mitarbeitern. Der Leiter der Personalabteilung berichtet an den Vorstandsvorsitzenden. Die Vertretung der Arbeitnehmereragenden obliegt dem Betriebsrat, der mit vier Vertretern im Aufsichtsrat der AMAG Austria Metall AG vertreten ist.

Ein wichtiges Instrument der Personalentwicklung ist das jährliche Mitarbeiterzielsetzungs- und Entwicklungsgespräch (MAZEG) zwischen Mitarbeitern und Vorgesetzten, das auf das vergangene Jahr zurückblickt, Ziele für die Zusammenarbeit sowie Aus- und Weiterbildung im neuen Jahr steckt und zur Beurteilung der fachlichen Leistung dient. Anerkennung und Wertschätzung für gute Arbeit spielen dabei eine wichtige Rolle.

Die Ausbildung der Lehrlinge genießt einen hohen Stellenwert im Unternehmen. Mit Stand Ende Dezember 2017 befanden sich 72 AMAG Lehrlinge in neun Lehrberufen in Ausbildung, davon waren 63 gewerbliche Lehrlinge und 9 kaufmännische Lehrlinge.

Die AMAG bildet die Lehrlinge in Zusammenarbeit mit dem Ausbildungszentrum Braunau (ABZ) in modernsten Werkstätten anwendungsorientiert aus. Neben den theoretischen und praktischen Ausbildungsabschnitten in den Werkstätten des ABZ und der AMAG wird besonderer Wert auf die Förderung der sozialen Kompetenz gelegt. Lehrlingen wird zudem die Möglichkeit zum Abschluss der Lehre mit Matura gegeben.

Um über die Ausbildungsmöglichkeiten im Zuge einer Lehre zu informieren, wurde 2017 bereits zum dritten Mal ein Lehrlingsinfotag abgehalten. Rund 150 interessierte Schüler und deren Eltern besuchten die AMAG und kamen mit Ausbildnern und Lehrlingen ins Gespräch. Die anschließende Werkstour gab vor Ort Einblicke in das Unternehmen.

#### **Der Kontinuierliche Verbesserungsprozess (KVP)**

Die besondere Stärke der AMAG steckt im kreativen Potenzial und im Engagement der Mitarbeiter. Mit dem kontinuierlichen Verbesserungsprozess (KVP) wird Mitarbeitern die Möglichkeit gegeben, aktiv Arbeitsabläufe mitzugestalten. Im Falle der erfolgreichen Umsetzung ihrer Verbesserungsvorschläge erhalten sie Prämien, die sich am Nettonutzen des Vorschlags orientieren. Damit wird aktiv die Kultur zur Veränderung und stetigen Verbesserung gefördert. Im Jahr 2017 wurden insgesamt 13.590 Vorschläge eingereicht und rund 78% davon umgesetzt.

In der AMAG Austria Metall AG wurden in 2017 3 Vorschlägen eingereicht.

#### **Arbeitssicherheit und Gesundheitsschutz**

Arbeitssicherheit und Gesundheitsschutz haben erhebliche Auswirkungen, denn Ausfallzeiten gehen mit Gesundheitseinbußen der Mitarbeiter und Kosten für das Unternehmen und das Sozialsystem sowie Reputationsverlusten einher. Unternehmen und Arbeitnehmer profitieren daher gleichermaßen von einem sicheren Arbeitsumfeld.

Die AMAG unterstützt die Gesundheitspotenziale der eigenen Mitarbeiter und gewährleistet höchste Sicherheitsstandards in der Produktion. Neben gesetzlichen Vorgaben sind konkrete Inhalte dazu etwa in Betriebsvereinbarungen, Richtlinien und Sicherheitsanweisungen vorgegeben. Das Thema Arbeitssicherheit ist fixer Bestandteil im integrierten Managementsystem und nach dem „Occupational Health and Safety Assessment System“ (OHSAS) 18001 zertifiziert. Das OHSAS-System bewertet das Betriebliche Gesundheits- und Arbeitsschutzsystem über die gesetzlichen Auflagen hinaus.

Mit der Initiative „Konsequent sicher“ verfolgt die AMAG das Ziel von null Unfällen. Umfangreiche Sicherheitsanweisungen und Schulungsmaßnahmen, Sicherheitsaudits sowie Workshops im Rahmen des kontinuierlichen Verbesserungsprozesses (KVP) dienen der Zielerreichung. Die wesentliche Sicherheitskennzahl ist der sogenannte TRIFR (Total Recordable Injury Frequency Rate). Die international vergleichbare Kennzahl gibt die Unfälle mit Ausfall (LT1) plus der Zwischenfälle mit ärztlicher Behandlung pro 200.000 Arbeitsstunden an.

Betriebliche Gesundheitsförderung zielt darauf ab, Krankheiten am Arbeitsplatz vorzubeugen und Gesundheitspotentiale zu heben. Mitarbeiter können im KVP-System gesundheitsförderliche Ideen einbringen. Seit 2009 ist die AMAG Träger des „Gütesiegels für Betriebliche Gesundheitsförderung“ vom Österreichischen Netzwerk Betriebliche Gesundheitsförderung (ÖNBGF), Wiederverleihungen erfolgten 2012 und 2015.

Die AMAG-Arbeitsmedizin, als Teil der Personalabteilung, ist zentraler Ansprechpartner bei allen gesundheitsrelevanten Themen wie Erste Hilfe, ärztliche Untersuchung, Gesundheitsförderung und Beratung.

In 2017 gab es keinen Arbeitsunfall in der AMAG Austria Metall AG.

## 5. Forschungsbericht

Die Forschungsstrategie der AMAG zielt auf die Steigerung der Wettbewerbsfähigkeit ab und leistet somit einen wesentlichen Beitrag zur Wachstumsstrategie der AMAG.

Innovation ist eine wesentliche Säule, um Produkte für eine nachhaltige Zukunft voranzutreiben und technologische Herausforderungen entlang der Aluminiumwertschöpfungskette zu meistern. Viele der Produktinnovationen der AMAG adressieren direkt oder indirekt aktuelle und globale gesellschaftliche und ökologische Themen wie die Verknappung fossiler Ressourcen, Kreislaufwirtschaft, Klimawandel und Mobilität. Besonders Augenmerk gilt dabei Lösungen, die Closed-Loop-Konzepte mit Kunden ermöglichen, Umweltauswirkungen reduzieren (z.B. Leichtbauteile) oder neue sowie verbesserte Anwendungsmöglichkeiten bieten.

Die Verantwortung für Forschung und Entwicklung liegt im Fachbereich Corporate Technology, der für die Erarbeitung und Umsetzung der F&E-Strategie, die Neu- und Weiterentwicklung von Produkten und Prozessen sowie die anwendungsorientierte Werkstoffentwicklung zuständig ist und dessen Leiter an den Technikvorstand berichtet. In den operativen Gesellschaften sind Technologiebereiche installiert. In der Gießerei liegen die Schwerpunkte auf Metallurgie und Metallanalytik. Im Walzwerk liegen Schwerpunkte auf branchenspezifischer Materialentwicklung, Prozessoptimierung und Materialprüfung.

Die akkreditierte Prüfstelle mit den Abteilungen Metallografie/Physik, Oberflächentechnologie, Chemische Analyse/Umwelt und Materialprüfung liefert sowohl die für die Zertifizierungen erforderlichen Prüfzeugnisse als auch die zur Beurteilung der F&E-Versuchsergebnisse erforderlichen Kenngrößen.

Zur Steigerung der Effizienz der F&E-Aktivitäten hat die AMAG einen wissenschaftlich-technologischen Beirat eingerichtet. Der Beirat setzt sich aus sechs Universitätsprofessoren zusammen, die mit ihren Expertisen alle Produktionsbereiche der AMAG abdecken. Die F&E-Strategie der AMAG wird laufend in Abstimmung mit dem Beirat überprüft und aktualisiert. Die Zusammenarbeit mit Universitäten und außeruniversitären Forschungseinrichtungen trägt in bedeutendem Umfang zur Innovationskraft der AMAG bei. Als Beispiele sind vor allem laufende Kooperationen mit der Montanuniversität Leoben, den Technischen Universitäten Wien und Graz, der ETH Zürich, der Friedrich-Alexander-Universität Erlangen-Nürnberg, dem LKR Leichtmetallkompetenzzentrum Ranshofen oder dem Max-Planck-Institut für Eisenforschung in Düsseldorf zu nennen. Auch weltweite Kooperationen im Bereich der Prüftechnik sind etabliert und werden konsequent genutzt. Eine wichtige Aktivität stellt die Mitarbeit in Komitees und Arbeitsgruppen dar, z.B. bei European Aluminium (EA) und in verschiedensten Normungsgremien, wie z.B. im Austrian Standards Institut, im Deutschen Institut für Normung, im ÖGFZP (Österreichische Gesellschaft für zerstörungsfreie Prüfung) sowie in der Aluminium Stewardship Initiative. Auch an der Initiative „A2LT-Austrian Advanced Lightweight Technology“, mit führenden Firmenvertretern der österreichischen Wirtschaft, ist die AMAG als Gründungsmitglied maßgeblich beteiligt. Diese Initiative hat sich die Stärkung und Weiterentwicklung des Leichtbaus zum Ziel gesetzt.

Oberstes Ziel der F&E-Tätigkeiten ist die Steigerung der Wettbewerbsfähigkeit im Zuge der Strategie des profitablen Wachstums. Folgende Maßnahmen werden dazu umgesetzt:

- + Entwicklung von Spezialprodukten und effizienten Produktionsprozessen
- + Erschließung neuer Anwendungen für AMAG-Produkte
- + Vorantreiben der Digitalisierung (Automation, Simulation, Datenverarbeitung)
- + Steigerung der Materialeffizienz, Legierungsoptimierung

Die Aluminiumindustrie befindet sich global in einem Aufwärtstrend, der sich insbesondere auch in einer gesteigerten Investitionstätigkeit in China sowie im Bereich der Automobilkapazitäten in Europa und in den USA äußert. Damit nehmen der Wettbewerbsdruck und damit die Forderung nach Unterscheidungsmerkmalen im Wettbewerb zu. Ein hoher Grad an Spezialisierung, modernste Produktionstechnologien sowie eine weitreichende Digitalisierung spielen dabei eine maßgebliche Rolle. Auch die Optimierung von Materialeigenschaften sowie der effiziente Materialeinsatz gehören zu den F&E-Aktivitäten der AMAG. Dabei setzt die AMAG insbesondere auf die Zusammenarbeit mit Schlüsselkunden aus technologisch herausfordernden Branchen mit hohem Innovationspotenzial (z.B. Automobil, Luftfahrt). Der integrierte Standort Ranshofen mit Gießerei und Walzwerk sowie die zentrale Lage und räumliche Nähe zu den starken Industrieregionen und Entwicklungszentren erleichtern die technologische Weiterentwicklung und intensive Kundenbetreuung.



Im Geschäftsjahr 2017 betragen in der AMAG die Aufwendungen für Forschung und Entwicklung 12,3 Mio. EUR und nahmen damit gegenüber dem Vorjahr um 13,6 % zu (2016: 10,8 Mio. EUR). Insgesamt waren im Jahr 2017 rund 110 Personen (Vollzeitäquivalent) mit F&E- sowie Innovationsaufgaben beschäftigt. Dies entspricht einem Zuwachs von 17 % im Vergleich zum Vorjahr.

Im Jahr 2017 betragen die Aufwendungen für Forschung und Entwicklung in der AMAG Austria Metall AG 70 Tsd. EUR (Vorjahr: 0 Tsd. EUR). Zum Stichtag 31.12.2017 waren 2 Personen (Vollzeitäquivalent) beschäftigt, deren Aufgabe es ist, alle F&E Arbeiten der AMAG-Gruppe zu koordinieren. Die tatsächlichen F&E-Aufwendungen für praktische Forschungs- und Entwicklungstätigkeiten fallen in der AMAG rolling GmbH und der AMAG casting GmbH an.

## 6. Zweigstellenbericht

Die Gesellschaft hat weder im Inland noch im Ausland Zweigniederlassungen.

## 7. Angaben zu § 243a Abs. 1 UGB

Gemäß § 243a Unternehmensgesetzbuch (UGB) sind folgende Informationen anzugeben:

1. Das Grundkapital der AMAG Austria Metall AG beträgt EUR 35.264.000 und setzt sich aus 35.264.000 nennbetragslosen Stückaktien mit einem anteiligen Wert am Grundkapital von 1 EUR pro Aktie zusammen. Alle Aktien haben die gleichen Rechte und Pflichten. Jede Aktie gewährt in der Hauptversammlung eine Stimme. Es gibt keine unterschiedlichen Aktiegattungen.

2. Dem Vorstand sind folgende Vereinbarungen zwischen Gesellschaftern bekannt:

- + **Beteiligungsvereinbarung zwischen B&C Industrieholding GmbH und Oberbank AG:** In der Beteiligungsvereinbarung haben die B&C Industrieholding GmbH und die Oberbank AG, neben Vereinbarungen über die Ausübung der Stimmrechte aus Aktien an der AMAG, die zu einer Zurechnung aller im Eigentum der Oberbank Industrie- und Handelsbeteiligungsholding GmbH stehenden Aktien zur B&C-Gruppe führen, vereinbart, dass die B&C Industrieholding GmbH ein Recht auf Erwerb von im Eigentum der Oberbank Industrie- und Handelsbeteiligungsholding GmbH stehenden Stammaktien an der AMAG hat, wenn (i) die Oberbank Industrie- und Handelsbeteiligungsholding GmbH beabsichtigt, die in ihrem Eigentum stehenden Stammaktien (oder Teile hiervon) an einen Rechtsträger, der nicht zur Oberbank-Gruppe („Oberbank AG und alle Gesellschaften, an denen die Oberbank AG 100 % am Kapital und an den Stimmrechten hält“) gehört, zu veräußern oder (ii) jene Gesellschaft, die Eigentümer dieser Stammaktien an der AMAG ist, nicht mehr Teil der Oberbank Gruppe sein sollte. Dieses Vorkaufs- und Aufgriffsrecht der B&C Industrieholding GmbH endet zwei Jahre nach Beendigung der Beteiligungsvereinbarung, frühestens jedoch am 31. Dezember 2019. Gemäß der Mitteilung durch die Oberbank AG am 17. Oktober 2014 hat die Oberbank AG 1.729.737 Stammaktien an die B&C-Gruppe verkauft. Für die im Eigentum der Oberbank AG verbleibenden 36.264 Stammaktien (entspricht 0,1 % am Aktienkapital) bleibt die Beteiligungsvereinbarung weiterhin aufrecht.
- + **Beteiligungsvertrag zwischen B&C Industrieholding GmbH und Raiffeisenlandesbank Oberösterreich Aktiengesellschaft vom 1. April 2015:** aufgrund dieses Beteiligungsvertrags mit der Raiffeisenlandesbank Oberösterreich Aktiengesellschaft gemäß § 92 BörseG sind der B&C Industrieholding GmbH weitere 5.818.560 Stück Aktien der AMAG, die im Eigentum der RLB OÖ Alu Invest GmbH stehen, und ebenso viele Stimmrechte zuzurechnen. Ebenso sind gemäß dieses Beteiligungsvertrags der Raiffeisenlandesbank Oberösterreich Aktiengesellschaft zusätzlich zu den Stimmrechten aus den im Eigentum der RLB OÖ Alu Invest GmbH befindlichen Aktien außerdem aufgrund eines Beteiligungsvertrages gemäß § 92 BörseG weitere 18.588.631 Stück Aktien der AMAG, die im Eigentum der B&C-Gruppe stehen, und ebenso viele Stimmrechte zuzurechnen.

3. Die direkten oder indirekten Beteiligungen am Kapital, die zumindest zehn Prozent betragen, setzten sich wie folgt zusammen:

|   |        |
|---|--------|
| B&C Industrieholding GmbH                           | 52,7 % |
| Raiffeisenlandesbank Oberösterreich Alu Invest GmbH | 16,5 % |
| AMAG Arbeitnehmer Privatstiftung                    | 11,1 % |

4. Es gibt keine Aktien mit besonderen Kontrollrechten.

5. Die Stimmrechte der von der AMAG Arbeitnehmer Privatstiftung an der AMAG Austria Metall AG gehaltenen Aktien, werden durch den aus drei Mitgliedern bestehenden Vorstand der AMAG Arbeitnehmer Privatstiftung ausgeübt. Die Art der Ausübung des Stimmrechtes bedarf jedoch der Zustimmung des Beirates der AMAG Arbeitnehmer Privatstiftung. Entscheidungen werden in gemeinsamen Sitzungen des Vor-

standes und des Beirates getroffen. Über die Zustimmung wird mit einfacher Mehrheit beschlossen. Der Beirat setzt sich aus drei Mitgliedern, die vom Konzernbetriebsrat nominiert werden, zusammen. Dem Vorsitzenden des Vorstandes steht ein Dirimierungsrecht zu. Die Mitarbeiter am Standort Österreich sind die Begünstigten der Privatstiftung.

6. Eine Änderung der Satzung der Gesellschaft kann mit einfacher Mehrheit der Stimmen und des Kapitals beschlossen werden, soweit gesetzlich nicht zwingend eine höhere Mehrheit vorgeschrieben ist. Mitglieder des Aufsichtsrates können mit einfacher Stimmenmehrheit vorzeitig abberufen werden.

7. In der Hauptversammlung der AMAG Austria Metall AG vom 16. April 2015 wurde der Vorstand zu folgenden Befugnissen in Zusammenhang mit der Ausgabe und des Rückkaufs von Aktien ermächtigt:

- + Mit Beschluss der Hauptversammlung der AMAG Austria Metall AG vom 16. April 2015, wurde der Vorstand der Gesellschaft ermächtigt, innerhalb von fünf Jahren nach Eintragung der entsprechenden Satzungsänderung im Firmenbuch, mit Zustimmung des Aufsichtsrats das Grundkapital der Gesellschaft um bis zu EUR 17.500.000,-- (Euro siebzehn Millionen fünfhunderttausend) durch Ausgabe von bis zu 17.500.000 (siebzehn Millionen fünfhunderttausend) auf Inhaber lautende Stammaktien ohne Nennwert (Stückaktien) in einer oder mehreren Tranchen, auch unter gänzlichem oder teilweise Ausschluss des Bezugsrechts, gegen Bar- oder Sacheinlage zu erhöhen und den Ausgabebetrag, der nicht unter dem anteiligen Betrag der Stückaktien am bisherigen Grundkapital liegen darf, sowie die sonstigen Ausgabebedingungen im Einvernehmen mit dem Aufsichtsrat festzulegen (Genehmigtes Kapital 2015). Das gesetzliche Bezugsrecht kann den Aktionären in der Weise eingeräumt werden, dass die neuen Aktien von einem Kreditinstitut oder einem Konsortium von Kreditinstituten mit der Verpflichtung übernommen werden, sie den Aktionären entsprechend ihrem Bezugsrecht anzubieten (mittelbares Bezugsrecht).
- + Mit Beschluss der Hauptversammlung der AMAG Austria Metall AG vom 16. April 2015, wurde der Vorstand gemäß § 174 AktG ermächtigt, binnen fünf Jahren ab Datum der Fassung dieses Beschlusses, sohin bis zum 16. April 2020, mit Zustimmung des Aufsichtsrats Wandelschuldverschreibungen, die auch das Umtausch- und/oder Bezugsrecht auf bis zu 17.500.000 auf Inhaber lautende Stammaktien ohne Nennwert (Stückaktien) der Gesellschaft mit einem anteiligen Betrag am Grundkapital von bis zu 17.500.000 EUR gewähren beziehungsweise vorsehen, auch unter gänzlichem oder teilweise Ausschluss des Bezugsrechts, in einer oder mehreren Tranchen auszugeben (Wandelschuldverschreibung 2015). Der Ausgabebetrag und das Umtauschverhältnis sind unter Wahrung der Interessen der Gesellschaft, der bestehenden Aktionäre sowie der Zeichner der Wandelschuldverschreibungen nach Maßgabe anerkannter finanzmathematischer Methoden und eines allfälligen Börsenkurses der Aktien der Gesellschaft – auch unter Einbindung sachverständiger Dritter – in einem anerkannten Preisfindungsverfahren zu ermitteln (Grundlagen der Berechnung des Ausgabebetrags). Der Ausgabebetrag und alle sonstigen Ausgabebedingungen sowie der etwaige (auch teilweise) Ausschluss des Bezugsrechts der Aktionäre auf die Wandelschuldverschreibungen sind vom Vorstand mit Zustimmung des Aufsichtsrats festzusetzen. Der Ausgabebetrag der Wandelschuldverschreibungen darf nicht unter dem anteiligen Betrag am Grundkapital liegen. Der Vorstand ist ferner ermächtigt, das gesetzliche Bezugsrecht mit Zustimmung des Aufsichtsrats in der Weise zu gewähren, dass die Wandelschuldverschreibungen von einem Kreditinstitut oder einem Konsortium von Kreditinstituten mit der Verpflichtung übernommen werden, sie den Aktionären entsprechend ihrem Bezugsrecht anzubieten. Die Bedienung der Umtausch- und/oder Bezugsrechte kann durch bedingtes Kapital oder durch eigene Aktien oder durch eine Kombination daraus erfolgen.
- + Das Grundkapital der Gesellschaft wird gemäß § 159 Abs 2 Z 1 AktG um bis zu EUR 17.500.000,-- (Euro siebzehn Millionen fünfhunderttausend) durch Ausgabe von bis zu 17.500.000 (siebzehn Millionen fünfhunderttausend) auf Inhaber lautende Stammaktien ohne Nennwert (Stückaktien) zur Ausgabe an Gläubiger der Wandelschuldverschreibungen, die der Vorstand auf Grundlage der in der Hauptversammlung vom 16. April 2015 erteilten Ermächtigung mit Zustimmung des Aufsichtsrats zukünftig begibt (Wandelschuldverschreibung 2015), bedingt erhöht (Bedingtes Kapital 2015). Die bedingte Kapitalerhöhung darf nur soweit durchgeführt werden, als die Gläubiger dieser Wandelschuldverschreibungen von ihrem Umtausch- und/oder Bezugsrecht auf Aktien der Gesellschaft Gebrauch machen. Der Ausgabebetrag und das Umtauschverhältnis sind unter Wahrung der Interessen der Gesellschaft, der bestehenden Aktionäre sowie der Zeichner der Wandelschuldverschreibungen nach Maßgabe anerkannter finanzmathematischer Methoden und eines allfälligen Börsenkurses der Aktien der Gesellschaft – auch unter Einbindung sachverständiger Dritter – in einem anerkannten Preisfindungsverfahren zu ermitteln (Grundlagen der Berechnung des Ausgabebetrags); der Ausgabebetrag der neuen Aktien darf nicht unter dem anteiligen Betrag am Grundkapital liegen. Die neu ausgegebenen Aktien der bedingten Kapitalerhöhung sind in gleichem Maße wie die bereits bestehenden Aktien der Gesellschaft dividendenberechtigt.

8. Kredite im Rahmen eines Schuldscheindarlelehens, drei kommittierte Kreditlinien sowie zwölf bilaterale Darlehensvereinbarungen enthalten „Change of Control“-Klauseln, die im Falle eines Kontrollwechsels in der AMAG Austria Metall AG den kreditgewährenden Banken ein Kündigungsrecht einräumen. Mit Ausnahme der angeführten Verträge bestehen keine bedeutenden Finanzierungsvereinbarungen, an welchen die AMAG Austria Metall AG beteiligt ist und die bei einem Kontrollwechsel in der AMAG Austria Metall AG infolge eines Übernahmeangebotes wirksam werden, sich ändern oder enden.

9. Für alle Vorstandsmitglieder besteht eine „Change of Control“-Klausel. Einen Abfindungsanspruch im Falle einer Auflösung eines Vorstandsvertrags aus diesem Grund gibt es nicht.

Ranshofen, 09. Februar 2018

Der Vorstand



Dipl.-Ing. Helmut Wieser  
Vorsitzender des Vorstandes



Priv. Doz. Dipl.-Ing.  
Dr. Helmut Kaufmann  
Technikvorstand



Mag. Gerald Mayer  
Finanzvorstand

# Imprint

## Publisher

**AMAG Austria Metall AG**  
Lamprechtshausener Straße 61  
P.O. Box 3  
A-5282 Ranshofen  
Phone: +43 7722 801 0  
Fax: +43 7722 809 498  
E-Mail: md-amag@amag.at  
www.amag.at

## Contact

**Head of Investor Relations**  
Dipl.-Kfm. Felix Demmelhuber  
Phone: + 43 7722 801 2203  
E-Mail: investorrelations@amag.at

**Head of Strategy, Communication, Marketing**  
Dipl.-Ing. Leopold Pöcksteiner  
Phone: +43 7722 801 2205  
E-Mail: publicrelations@amag.at

## Concept, layout, design and production

**innpuls Werbeagentur GmbH**  
Volksfeststrasse 16/1 I  
A-4910 Ried im Innkreis  
Phone.: +43 7752 87999 0  
www.innpuls.at

## Typesetting and production

**Produced in-house using firesys**  
firesys GmbH  
Kasseler Straße 1a  
60486 Frankfurt am Main, Germany  
Phone: +49 69 79 40 94 0

## Print

**Estermann GmbH**  
Weierfing 80  
A-4971 Auroldmuenster  
Phone: +43 7752 85911  
www.ester mann-druck.at

## DISCLAIMER

The forecasts, plans and forward-looking assessments and statements contained in this annual 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 have exercised the utmost diligence in preparing this annual report and have checked the data contained therein. However, rounding, transmission and printing errors cannot be ruled out. This annual report is also available in German. In case of doubt, the German version prevails.