2013

Any place, any time

Aluminium.

AMAG Annual Report 2013

AMAG
AUSTRIA METALL

Group financial highlights

Key figures for the Group in mEUR	2013	2012	Change in %	2011	2010 [1]
Shipments in tons	351,700	344,200	2.2%	340,900	338,400
External shipments in tons	329,600	327,800	0.5%	322,700	318,400
Revenue Group [2]	786.4	819.8	(4.1%)	813.1	728.0
thereof, Metal Division	188.6	204.4	(7.7%)	200.5	177.8
thereof, Casting Division	101.2	111.9	(9.6%)	125.9	109.6
thereof, Rolling Division	491.0	497.9	(1.4%)	486.8	440.5
thereof, Service Division	5.6	5.6	1.3%	0.0	0.0
EBITDA	122.8	133.8	(8.2%)	149.7	139.0
EBITDA margin	15.6%	16.3%	-	18.4%	19.1%
Operating result (EBIT)	72.4	83.2	(13.0%)	103.6	93.8
EBIT margin	9.2%	10.2%	-	12.7%	12.9%
Earnings before taxes (EBT)	65.0	77.4	(16.0%)	99.1	89.3
Net income after taxes	56.0	71.3	(21.4%)	88.1	75.7
Cashflow from operating activities	122.2	117.4	4.1%	104.5	75.4
Cashflow from investing acitivites	(125.2)	(75.9)	(65.0%)	(43.5)	(43.5)
Total assets	933.5	880.0	6.1%	875.6	828.8
Equity	584.4	544.1	7.4%	542.6	514.2
Equity ratio in %	62.6%	61.8%	-	62.0%	62.0%
Working Capital Employed	223.7	250.9	(10.8%)	248.3	228.4
Capital Employed	602.2	562.8	7.0%	524.6	466.6
ROCE in %	10.1%	13.4%	-	17.5%	16.9%
ROE in %	9.9%	13.1%	-	16.7%	14.9%
Net financial debt	50.0	25.8	94.2%	13.0	(4.7)
Gearing ratio in %	8.6%	4.7%	83.0%	2.4%	(0.9%)
Number of employees - full-time equivalent (annual average) [3]	1,564	1,490	5.0%	1,422	1,175
Stock market indicators in EUR [4]					
Highest price	25.10	23.49	6.9%	18.94	
Lowest price	19.60	15.28	28.3%	12.98	
Closing price	21.68	23.16	(6.4%)	15.75	
Earnings per share	1.59	2.02	(21.4%)	2.50	
Price/earnings ratio (P/E ratio)	13.65	11.47	19.0%	6.30	
Dividend per share [5]	0.60	0.60		0,75 +0,75 bonus	
Dividend yield (related to annual average price) in %	2.6%	3.1%	-	9.3%	
Number of shares	35,264,000	35,264,000	0.0%	35,264,000	

1) The comparative figures for 2010 relate to AMAG Holding GmbH and its subsidiaries
2) The Service Division's sales have been reported as revenue instead of other income since the start of 2013. The figures for the year 2012 have been adjusted accordingly.
3) Average number of employees (full-time equivalent) including agency workers and excluding apprentices. The figure for 2011 includes for the first time a 20% pro rata share of the labour force at the Alouette smelter (196 employees), in line with the equity holding.
4) Share performance indicators since the initial public offering (IPO) of 8 April 2011
5) In accordance with the recommendation of the annual general meeting

Contents

Aluminium is always worth its weight in gold – *around the clock. A million times over.*

Admittedly, some of our readers might be slightly confused by a primary aluminium producer and premium supplier of rolled products and recycling foundry alloys even mentioning the word "gold".

But that's not our intention. *The play on words just rings true for us. Aluminium is our gold.*

Aluminium is a comparatively new and an extremely versatile metal. It is a precious commodity, with significant properties derived from the basic raw material. So our aluminium is not just worth its weight in gold from a metaphorical point of view. More brainpower, innovative spirit and curiosity go into even the tiniest sliver of aluminium than into every single gold nugget ever unearthed. So with this in mind, and safe in the knowledge that aluminium enriches and improves the lives of millions of people every minute of every day, we can definitely look ahead to a bright or even a gilt-edged future.

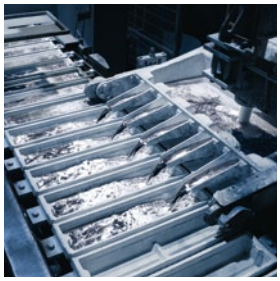
You might even say a golden age for aluminium.

Overview of the AMAG Group

Based in Ranshofen, Upper Austria, AMAG is a global supplier of primary aluminium and high-quality cast and rolled aluminium products for a wide variety of industries, including the aircraft, automotive, sports equipment, lighting, machinery, construction and packaging sectors.

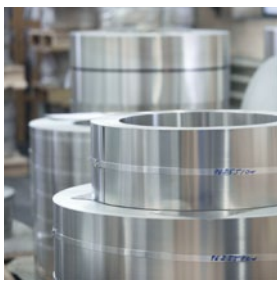
- Primary aluminium from North America's largest smelter
- Excellent position on the international cost curve thanks to high-efficiency production
- Electricity supply from environmentally friendly hydropower

Key figures for the Metal Division in mEUR	2013	2012	Change in %
Shipments (t)	115,000	114,500	0.4%
thereof, internal shipments (t)	1,700	1,100	54.5%
Revenue	547.3	562.5	(2.7%)
therof, internal revenue	358.7	358.1	0.2%
EBITDA	50.8	42.6	19.3%
EBIT	28.5	17.6	62.2%
Employees (FTE)	205	204	0.5%



- One of Europe's largest single-site aluminium recyclers
- Ecologically sound production processes backed up by state-of-the-art melting and casting furnaces, and filter technology

Key figures for the Casting Division in mEUR	2013	2012	Change in %
Shipments (t)	79,100	78,400	0.9%
thereof, internal shipments (t)	20,500	15,300	34.0%
Revenue	110.4	119.1	(7.3%)
therof, internal revenue	9.2	7.2	27.8%
EBITDA	4.6	6.1	(23.7%)
EBIT	2.0	3.7	(44.4%)
Employees (FTE)	121	120	0.8%



- Unique in the world, as all alloy families processed at a single location
- Large proportion of special products
- AMAG 2014 investment project at the Ranshofen site

Key figures for the Rolling Division in mEUR	2013	2012	Change in %
Shipments (t)	157,600	151,300	4.2%
Revenue	569.4	565.6	0.7%
therof, internal revenue	78.4	67.7	15.9%
EBITDA	63.5	79.9	(20.6%)
EBIT	46.0	64.0	(28.2%)
Employees (FTE)	1,117	1,049	6.5%

- Centralised services for AMAG's operating divisions at the Ranshofen site
- Optimising infrastructure with a view to continued growth at Ranshofen

Key figures for the Service Division in mEUR	2013	2012	Change in %
Revenue	58.8	53.8	9.3%
therof, internal revenue	53.2	48.2	10.3%
EBITDA	3.9	5.3	(25.3%)
EBIT	(4.1)	(2.0)	(104.2%)
Employees (FTE)	121	117	3.4%

Metal Division

The AMAG Group's Metal division is responsible for the management of metal flows and of the 20% stake in the Alouette smelter, as well as hedging aluminium price risk and related exchange risk. The Alouette smelter is one of the largest and most efficient worldwide, producing some 600,000 tonnes (t) of primary aluminium each year (of which AMAG's share is around 120,000 t). It has exemplary environmental performance and an excellent cost structure. An electricity supply contract signed in 2012 with a view to the planned expansion of the facility provides solid foundations for the strategic growth of this sector.

Casting Division

The Casting division supplies high-quality foundry alloys on the basis of recycled scrap. Its product portfolio includes recycling foundry alloys that are tailored to customer requirements in the form of ingots, sows and liquid aluminium. Die casting units turn these alloys into castings which are used in the automotive, engineering and electrical engineering industries. The division also specialises in refining contaminated scrap for the Rolling segment, which in turn supports raw material supplies and creates additional added value at the Ranshofen site. Around 79,100 t of recycling foundry alloys were produced in 2013, including 20,500 t in internal deliveries to the Rolling division.

Rolling Division

The Rolling division specialises in premium products for selected niche markets. Shipments increased by 4% in 2013, to 157,600 t. The division supplies high-quality rolled aluminium sheets, strips and plates which stand out for their flawless surfaces and outstanding strength and formability. Our in-house rolling slab casthouse enables the rolling mill to respond rapidly to changing customer requirements. The Rolling division is a market leader in the production of bright sheets, which are used in a number of industries including lighting. Other industries served by the division, such as the automotive and aircraft sectors, require high-quality, highly innovative products. The AMAG 2014 expansion project initiated in 2012 is proceeding according to schedule, and the run-up phase at the new rolling mill will begin in the second half of 2014.

Service Division

The Service division comprises Group management and various services including building and space management, energy supply, waste disposal and general site services. This set-up allows the operating divisions to concentrate on their respective core businesses. Thanks to its involvement in infrastructure development and optimisation, the Service division is also playing a significant part in implementing the AMAG 2014 investment project.

The members of AMAG´s Management Board

Helmut Kaufmann
Member of the Management Board
(Chief Operating Officer)

Gerhard Falch
Chairman of the Management Board
(Chief Executive Officer)

Gerald Mayer
Member of the Management Board
(Chief Finance Officer)

Foreword by the Management Board

Dear shareholder,

this year's annual report is designed to highlight the versatility of aluminium, under the motto "Aluminium around the clock". Thanks to its outstanding properties, aluminium is now part and parcel of everyday life. It is lightweight, easily workable, highly conductive and pleasing on the eye, meaning that the metal and its alloys are well suited to a wide range of applications. It comes as no surprise, then, that worldwide aluminium demand has doubled in the past 15 years. And the latest market forecasts point to annual growth of around 5% in the next few years. Demand will continue to increase in China, as well as in the industrialised countries of Europe and North America, where consumption of special products for use in lightweight solutions is set to rise particularly strongly.

AMAG's long-term growth strategy means the Group is well placed to benefit from this trend, with profitable expansion opening a new chapter in our success story. The AMAG 2014 investment project is now in its closing stages. As things stand, the new hot rolling mill will enter service on schedule, with the run-up phase set to begin in the fourth quarter of 2014. Construction work on the rolling slab casthouse extension started at the beginning of 2014. AMAG 2014 will boost capacity in the Rolling division by some 50%, and the option of producing larger formats will enable us to expand our product portfolio and break into new markets.

As a leading provider of innovative products based on outstanding materials and process expertise, our goal is to further strengthen our position as a premium supplier. A state-of-the-art surface passivation line commissioned in 2012 has opened up new opportunities for the Rolling division to capitalise on demand for outer skin applications in the automotive and aircraft sectors. Thanks to its high standards in terms of formability and surface quality, AMAG is currently participating in a number of stringent qualifying processes. In the reporting period the Group was given clearance to supply individual alloys to several well-known German and North American car manufacturers. AMAG also achieved the status of qualified supplier of outer skins to the automotive industry.

The integrated site at Ranshofen, comprising two casthouses and the rolling mill, permits flexible, customer-focused and custom manufacturing of aluminium products, a large proportion of which are produced from recyclable scrap. Due to the variety of smelting and processing technologies used in both cast houses, and our comprehensive expertise in scrap sampling, the Ranshofen site can process almost every type of scrap. By continuously developing the Ranshofen recycling centre, we aim to steadily enhance our core competence in aluminium scrap processing and create an even stronger basis for the sustainable and cost-effective supply of raw materials.

Sustainable management is the cornerstone of the Group's philosophy and vital to our long-term success. The supply of hydropower to the Alouette smelter and consumption of around 263,300 t of recyclable aluminium scrap at Ranshofen (2012: 266,900 t) are just two examples of the central role of corporate responsibility and sustainability in AMAG's strategy. Our first ever sustainability report, which will be published in the second quarter of this year, is designed to enhance the transparency of our efforts to promote sustainability.

In terms of the Group's ownership structure, the defining event of the 2013 financial year was the takeover offer submitted by B&C[1]. By the time the statutory grace period expired on 10 July 2013, B&C's offer had been accepted for 7.7% of the shares. At year-end 2013 B&C had a stake of 37.7%. Including the participation and shareholders agreements concluded in 2013 by Oberbank and the AMAG Employees' Private Foundation, B&C Industrieholding now holds 53.8% of the voting rights.

1 The takeover offer was submitted by B&C Alpha Holding GmbH, an indirect wholly-owned subsidiary of B&C Industrieholding GmbH

Although AMAG's share price was unable to keep pace with the increase in Austria's leading index, the ATX, the share has proved to be an attractive investment and has posted solid gains since the initial public offering (IPO) in April 2011. The issue price of 19.0 EUR has risen by a total of 14.1%. Taking into account dividend payments totalling 1.50 EUR in 2012 and 0.60 EUR in 2013, the total shareholder return since the IPO has risen by 25.2% – by way of comparison, the ATX has fallen by 11.6% over the same period.

Compared to 2012, the operating environment was significantly weaker in the period under review. The average aluminium price declined steadily during the year, slipping by 8% to 1,887 USD/t (2012: 2,050 USD/t). The pressure on margins in the Casting division rose in the opening six months of 2013 due to overcapacity in the foundry alloys market. The Rolling division also saw its margins narrow progressively in the course of the year, mainly as a result of higher prices for input materials and a fall in call-offs in the aircraft sector.

Thanks to our broad product portfolio and the variety of industries we supply, as well as our high degree of specialisation and our innovative capabilities, the Group posted solid results despite the downbeat mood on the market. The targeted use of hedging instruments also helped us to minimise the impact of the declining aluminium price. All in all the AMAG Group recorded very satisfactory operating performance. With all divisions working at full capacity, total shipments improved by 2% year on year to 351,700 t (2012: 344,200 t). Despite the challenging market environment, earnings before interest, tax, depreciation and amortisation (EBITDA) held strong at 122.8 mEUR, compared with 133.8 mEUR a year earlier. Owing to the fall in raw material costs and higher premiums, the Metal division posted a year-on-year increase in its earnings contribution. The Casting and Rolling divisions both saw a jump in shipments, but the pressure on margins was reflected in a fall in their earnings contributions compared to the same period a year earlier.

Consolidated operating cash flow was up year on year at 122.2 mEUR (2012: 117.4 mEUR), and almost fully covered investments, which climbed sharply on account of the AMAG 2014 project. Net debt remained low, at 50.0 mEUR (31 December 2012: 25.8 mEUR), as did the gearing ratio, which stood at 8.6% (31 December 2012: 4.7%), reflecting the Group's robust capital structure.

We expect the challenging market conditions to persist in 2014. As things stand, should the aluminium price and the margins in the Casting and Rolling divisions remain at their current low levels, we anticipate a fall in profit compared to 2013.

However, we are extremely optimistic about the Group's medium-to-long-term prospects, and growing demand for aluminium combined with our sustainable growth strategy point towards a golden future for AMAG.

Ranshofen, February 28, 2014

The Management Board

Gerhard Falch
Chairman and Chief Executive Officer

Helmut Kaufmann
Chief Operating Officer

Gerald Mayer
Chief Financial Officer

7:00 CET

Millions of sleepy heads *receive a gentle wake-up call.*

Aluminium alarm clock

Groundhog day... But really – the noise of the alarm clock first thing in the morning isn't as bad as in the film, is it? Not long to go until the school bell. So kiss goodbye to the land of nod and head out into the world of knowledge with a spring in your step. After all, the world needs explorers brimming with energy. Enjoy your day!

Report of the Supervisory Board

Dear shareholder,

in 2013 the Supervisory Board discharged the duties incumbent on it by virtue of the law and the Group's articles of association, in compliance with the Austrian Code of Corporate Governance. It received regular, timely and comprehensive reports from the Management Board, both written and oral, on all major developments at the Group, as well as operating policies, earnings, financing, investments and other key managerial and planning-related matters.

Between meetings, the Management Board provided the Supervisory Board with ongoing reports on significant events. Circular resolutions were adopted in urgent cases. The Management Board and the Chairman of the Supervisory Board held regular discussions of topical issues and projects.

Focus of meetings

During the reporting period, and in accordance with the legal requirements and its obligations under the Group's articles of association, the AMAG Austria Metall AG Supervisory Board met on 28 February, 27 June, 19 September and 21 November 2013. These meetings included discussions with the Management Board on the course of business, and the Group's current performance and strategic development.

In its first meeting of the year, held on 28 February 2013, the Supervisory Board adopted the AMAG Austria Metall AG annual financial statements for the year to 31 December 2012, as well as acknowledging the report of the Management Board, the auditors' report, the report of the Audit Committee pursuant to section 92(4a)(5) *Aktiengesetz* [Austrian Companies Act] on the auditors' opinion, the consolidated financial statements and the corporate governance report. The dividend recommendation based on the profit for the 2012 financial year was also approved. The annual report on the activities of the compliance officers was likewise acknowledged and an amendment made to the Group's articles of association. The Supervisory Board also addressed the takeover bid submitted by B&C. The Board adopted a statement on the bid in March 2013 by way of a circular resolution.

A number of new members were elected to the Audit, Nomination and Remuneration Committees during the meeting of 27 June 2013. In addition to identifying further strategic options as part of the presentation of the AMAG 2020 strategic project, the Supervisory Board handled matters relating to issuer compliance, combating corruption, technical risk management and the revision of the metal management guidelines. This was followed by a report on the audit projects carried out in 2012. The Board members gained an impression of the excellent progress made in implementing the AMAG 2014 expansion programme in the course of a site inspection.

On 19 September 2013 the Board approved the appointment of Helmut Wieser to the Management Board with effect from 1 March 2014 and his appointment as Management Board Chairman with effect from 1 April 2014. He succeeds Gerhard Falch, who is retiring. The Supervisory Board also adopted the metal management guidelines, as well as examining the strategic options related to the AMAG 2020 project. The extended Supervisory Board addressed matters brought up by the Audit Committee.

The final meeting of the reporting period, held on 21 November 2013, was concerned with future operating policies, as well as the development of assets, finances and earnings by way of a pro forma statement for 2014. The medium-term

plan for the period to 2018 was also approved. Additionally, the Supervisory Board dealt with the status of the pre-audit of the annual financial statements, progress made on the AMAG 2020 strategy project and the results of a self-assessment carried out by the Board.

Supervisory Board and committees

The composition of the AMAG Austria Metall AG Supervisory Board has remained unchanged since 16 May 2012. The members of the Board are Josef Krenner (Chairman), Michael Junghans (Deputy Chairman), Franz Gasselsberger, Otto Höfl, Patrick Prügger, Heinrich Schaller, Sabine Seidler and Peter Uggowitzer. The employee representatives on the Supervisory Board are Maximilian Angermeier, Robert Hofer, Herbert Schützeneder and Georg Schreiner.

The Audit Committee of the AMAG Austria Metall AG Supervisory Board met three times during the reporting period – on 7 February, 28 February and 19 September. Representatives of the auditor also attended these meetings in order to report on their activities and findings by way of a management letter. The Audit Committee obtained a declaration of impartiality from the auditor and following a vote the auditor was appointed for the 2013 financial year. Agreement was reached with the auditor on the focus for the audit and on the auditor's fees, and a number of accounting-related matters were discussed in the presence of the auditor. The functions and effectiveness of the internal control and risk management system were examined in detail.

The following matters were dealt with during the two meetings held in February 2013:

- The financial statements for the year ended 31 December 2012 in accordance with the *Unternehmensgesetzbuch* (Austrian Business Code), the consolidated financial statements for the year ended 31 December 2012 in accordance with the International Financial Reporting Standards (IFRS), and the report of the Management Board and the auditors' report on the AMAG Austria Metall AG annual financial statements for the year ended 31 December 2012
- The report of the Audit Committee to the Supervisory Board pursuant to section 92(4a)(5) Companies Act on the auditors' opinion, including the dividend recommendation
- The auditors' report on the assessment of the risk management system

The current Audit Committee was appointed in the course of the Supervisory Board meeting of 27 June 2013. The Committee comprises Josef Krenner (Chairman), Michael Junghans (Deputy Chairman), Patrick Prügger (finance expert), Franz Gasselsberger and Heinrich Schaller, as well as the employee representatives Maximilian Angermeier and Robert Hofer. The plans for the audit for the 2013 financial year were discussed at the Audit Committee meeting held on 19 September 2013. A detailed analysis of the internal control and risk management systems was also carried out. Furthermore, the implementation of measures specified in the management letter and the status of the 2013 internal audit were dealt with, as was the internal audit plan for 2014.

At its meeting on 19 September 2013, the Nomination Committee advised the Supervisory Board and submitted corresponding proposals on the appointment of the new Management Board Chairman.

On 28 February 2013 the Remuneration Committee carried out a detailed examination of the results of discussions on the performance agreement. The Remuneration Committee meeting of 19 September 2013 dealt with the formulation of the contract for the new Management Board Chairman.

Corporate Governance

The AMAG Supervisory Board is committed to compliance with the Austrian Code of Corporate Governance, and consequently to management and control systems aimed at achieving responsible and sustainable growth in shareholder value. A detailed overview of our activities in this regard can be found in chapter on corporate governance below and in the corporate governance section of the AMAG website.

Audit and approval of the 2013 annual financial statements

The annual financial statements, operational and financial review, and corporate governance report prepared by the AMAG Management Board, and the consolidated annual financial statements, consolidated operational and financial review for the year ended 31 December 2013 prepared in accordance with IFRS, as well as the disclosures pursuant to section 245a Austrian Business Code were granted an unqualified audit certificate by Deloitte Audit Wirtschaftsprüfungs GmbH, the auditors appointed under section 270 Austrian Business Code. The Supervisory Board analysed the annual and consolidated annual financial statements, the operational and financial and the consolidated operational and financial report, the corporate governance report, the dividend recommendation and the management letter including the audit findings, examined them in the meaning of section 96 Companies Act, and approved them on 27 February 2014. The Supervisory Board concurs with the Management Board's dividend recommendation, and a dividend of 0.60 EUR per participating share, with the remaining amount carried forward to new account. The annual financial statements are thereby approved in accordance with section 96(4) Companies Act.

Thanks to Board members and employees

The Supervisory Board would like to express its gratitude and appreciation for the efforts of the Management Board and all AMAG employees. Without your dedication and support it would not have been possible to have achieved such gratifying results during the financial year, particularly in light of the often challenging economic climate. We also value the confidence placed in us by our customers, suppliers, creditors and shareholders, and look forward to extending our close relations with them.

Ranshofen, February 27, 2014

Josef Krenner
Chairman of the Supervisory Board

Composition of the Supervisory Board

Josef Krenner
Born: 1952
Chairman of the Supervisory Board
Chairman of the Audit, Nomination and Remuneration Committees
Date of initial appointment: 16 May 2012

Michael Junghans
Born: 1967
Deputy Chairman of the Supervisory Board
Deputy Chairman of the Audit, Nomination and Remuneration Committees
Date of initial appointment: 16 May 2012

Franz Gasselsberger
Born: 1959
Member of the Supervisory Board
Member of the Audit, Nomination and Remuneration Committees (since 27 June 2013)
Date of initial appointment: 16 May 2012

Otto Höfl
Born: 1946
Member of the Supervisory Board
Date of appointment: 21 March 2011
Date of re-appointment: 16 May 2012

Patrick F. Prügger
Born: 1975
Member of the Supervisory Board
Member of the audit committee
(financial expert)
first appointed: May 16, 2012

Heinrich Schaller
Born: 1959
Member of the Supervisory Board
Member of the Audit, Nomination and Remuneration Committees
Date of initial appointment: 16 May 2012

Sabine Seidler
Born: 1961
Member of the Supervisory Board
Member of the Nomination and Remuneration Committees (until 27 June 2013)
Date of initial appointment: 16 May 2012

Peter Uggowitzer
Born: 1950
Member of the Supervisory Board
Date of initial appointment: 21 March 2011
Date of re-appointment: 16 May 2012

Delegated by the works council:

Max Angermeier
Born: 1958
Member of the Supervisory Board
Member of the Audit and Nomination Committees
Date of delegation: 14 April 2011

Robert Hofer
Born: 1977
Member of the Supervisory Board
Member of the Audit and Nomination Committees
Date of delegation: 31 December 2011

Georg Schreiner
Born: 1954
Member of the Supervisory Board
Date of delegation: 14 April 2011

Herbert Schützeneder
Born: 1957
Member of the Supervisory Board
Date of delegation: 14 April 2011

8:00 CET

Aluminium make-up casings

Lipstick, powder and paint. Wonder creams in every colour imaginable. A cheeky kiss for your reflection. Dreams in a bottle and a new adventure every day – all expertly lined up in the bathroom cabinet.

Corporate Governance Report

Commitment to compliance with the Austrian Code of Corporate Governance

The Austrian Code of Corporate Governance is designed to provide the country's listed companies with a framework for the management and control of their enterprises. It is geared to the responsible and sustainable management and control of companies and groups of companies, with a view to supporting long-term value creation and ensuring a high degree of transparency for all stakeholders.

The code is available online in English and German at www.corporate-governance.at. It is based on the provisions of the Austrian Companies Act, *Börsegesetz* [Stock Exchange Act] and *Kapitalmarktgesetz* [Capital Markets Act], as well as the EU recommendations on the role of supervisory board members and remuneration of directorsmanagement board members, and the OECD Principles of Corporate Governance. This corporate governance report relates to the revised version of the code published in July 2012.

Compliance with the code is voluntary, and the AMAG Management Board and Supervisory Board recognised and implemented it in the 2013 financial year. AMAG Austria Metall AG has thereby declared its adherence to the Austrian Code of Corporate Governance as amended.

The Group complies with all L rules[2], and also satisfies all C rules, with the following exception:

Rule 27 (conclusion of management board contracts): in the case of one Management Board member, the variable components of remuneration are based solely on financial criteria

Composition of the Management Board and the Supervisory Board

Details of the composition of AMAG's governing bodies are provided below.

The composition of the Management Board remained unchanged from 2012. Gerhard Falch (65) will retire with effect from 31 March 2014. In the Supervisory Board meeting held on 19 September 2013 Helmut Wieser (60) was appointed to the Management Board with effect from 1 March 2014 and will take over as Management Board Chairman on 1 April 2014. In the 2013 financial year, no changes were made to the membership of the Supervisory Board as determined by resolution on 16 May 2012. The appointments of all Supervisory Board members representing the shareholders of AMAG Austria Metall AG will terminate upon conclusion of the annual general meeting, which will pass a resolution on the membership for the 2014 financial year.

All Supervisory Board members attended more than half of the Board meetings held in the reporting period.

Management Board and Supervisory Board remuneration

In relation to the extension of Management Board contracts effective from September 2013, agreements including a combination of financial and non-financial performance criteria were concluded with two members, effective from 2013 onwards. The financial criteria include the return on assets and consolidated profit after tax. The current contract of one Management Board member contains purely financial criteria for calculation of variable remuneration, based on operating results. Maximum limits on the amount of remuneration have been agreed with all Management Board members.

2 The code specifies the following types of rules: legal (L), which are mandatory legal requirements; comply or explain (C), for which any deviation must be explained; and recommendations (R), the majority of which have been adopted by AMAG Austria Metall AG.

The variable component is limited to 67% of fixed remuneration in the case of one Management Board member, and to 100% of fixed remuneration in the case of two other Management Board members. The ratio of fixed to variable components in the total remuneration of Management Board members in the 2013 financial year was approximately 63:37.

In the period under review, the remuneration of the Chairman of the Management Board, Gerhard Falch, totalled 888,463 EUR (including variable remuneration of 312,037 EUR). Management Board member Helmut Kaufmann received a total of 536,106 EUR (including variable remuneration of 207,101 EUR) in 2013, as did his fellow Management Board member Gerald Mayer (also including variable remuneration of 207,101 EUR).

Defined contribution pension plans are in place for two members of the Management Board. The related expenses amounted to 57,810 EUR in 2013 (2012: 48,790 EUR); these are included in the figures for Management Board remuneration.

A change of control clause has been adopted in the case of two Management Board members. In the event of termination of contract on these grounds, a termination gratuity equivalent to the basic annual remuneration is payable.

Directors and officers liability insurance has been taken out, the cost of which is borne by the Group.

The principles for the remuneration of Supervisory Board members are set out in section 13 of the Group's articles of association, which are published on the AMAG website.

In accordance with the resolution adopted by the 2013 annual general meeting, a total of 179,167 EUR including attendance fees was paid to Supervisory Board members during the reporting period. This was broken down as follows: Josef Krenner 23,000; Michael Junghans 19,000; Franz Gasselsberger 12,167; Otto Höfl 19,000; Patrick F. Prügger 13,667; Heinrich Schaller 16,667; Sabine Seidler 16,167; and Peter Uggowitzer 19,000. An amount of 40,500 EUR was paid to former members of the Supervisory Board in 2013.

For further information on Management Board and Supervisory Board remuneration, readers are referred to the notes to the Group's annual financial statements.

Independence of Supervisory Board members

All of the Supervisory Board members appointed by the annual general meeting have declared their independence in the meaning of the criteria specified by the Board (Rule 53). These criteria largely correspond to Annex 1 of the Austrian Code of Corporate Governance.

In accordance with Rule 54, all Supervisory Board members elected by the annual general meeting declared that they did not meet the criteria for independence, meaning that as such they had held stakes of over 10% in the Group or had represented the interests of such shareholders.

Supervisory Board committees

Under the articles of association, the Supervisory Board is entitled to form committees from among its members, and to specify their rights and duties. Committees can also be given decision-making responsibility. The employee representatives delegated to the Supervisory Board are entitled to nominate members to Supervisory Board committees in accordance with the ratio specified in section 110(1) *Arbeitsverfassungsgesetz* [Austrian Labour Relations Act]. This does not apply to committees that deal with the relationships between the Group and the members of the Management Board.

Audit committee

The Audit Committee is responsible for preparing the approval process for and reviewing the annual financial statements, the dividend recommendation, the operational and financial review, and the audit of the risk management system. The Committee also reviews the consolidated financial statements and makes a proposal for the selection of the auditors.

Members of the audit committee:

- Josef Krenner (Chairman)
- Michael Junghans (Deputy Chairman)
- Patrick Prügger (finance expert)
- Franz Gasselsberger (since 27 June 2013)
- Heinrich Schaller
- Maximilian Angermeier
- Robert Hofer

Nomination committee

The responsibilities of the Nomination Committee include succession planning, the submission of proposals to the Supervisory Board for appointments to fill vacancies on the Management Board, and submission of proposals to the annual general meeting to fill vacancies on the Supervisory Board. The Committee must approve the appointment and dismissal of Group companies' CEOs.

Members of the nomination committee:

- Josef Krenner (Chairman)
- Michael Junghans (Deputy Chairman)
- Heinrich Schaller
- Sabine Seidler (until 27 June 2013)
- Franz Gasselsberger (since 27 June 2013)
- Maximilian Angermeier
- Robert Hofer

Remuneration committee

The duties of the Remuneration Committee cover the formulation, conclusion, amendment and termination of Management Board employment contracts. The Committee also carries out regular reviews of AMAG's remuneration policies, as well as assessing the performance and enforcement of Management Board contracts.

Members of the remuneration committee:

- Josef Krenner (Chairman)
- Michael Junghans (Deputy Chairman)
- Heinrich Schaller
- Sabine Seidler (until 27 June 2013)
- Franz Gasselsberger (since 27 June 2013)

Number and subject matter of meetings of the Supervisory Board and committees

In 2013 the Supervisory Board discharged the duties incumbent on it by virtue of the law and the Group's articles of association in the course of four Supervisory Board and three Audit Committee meetings. In addition to regular reports on the Group's operating performance and finances, the Board dealt with matters relating to the AMAG 2014 and AMAG 2020 strategic projects, the takeover bid by B&C Alpha Holding GmbH, technical risk management, the *Emittenten-Compliance-Verordnung* [Issuer Compliance Order], anti-corruption measures, the review of the metal management guidelines, the 2014 budget and medium-term plan, and the pre-audit of the 2013 annual financial statements.

The Audit Committee focused mainly on the preparation and audit of the Group's consolidated and separate financial statements, the results of the 2012 audit, the auditors' plan for the 2013 audit, the effectiveness and workings of the internal control system, as well as risk management and specific accounting-related matters.

At its meeting of 19 September 2013, the Nomination Committee advised the Supervisory Board and submitted corresponding proposals on the appointment of the new Management Board Chairman.

The Remuneration Committee met twice during the period under review.

Advancement of woman on the Management and Supervisory Boards and in executive positions

In May 2012 Sabine Seidler, Vice-Chancellor of Vienna University of Technology, became the first woman to be appointed to the AMAG Supervisory Board. The proportion of women employed at the Group remained unchanged in 2013, at around 12%, and females accounted for some 17% of all apprentices.

None of AMAG's divisions has specific quotas for the proportion of female employees. The proportion of women working at the Group is low compared to other sectors and this is mainly due to factors specific to the aluminium industry.

AMAG is committed to promoting equal opportunities in the workplace and opposes all forms of discrimination against female employees.

Issuer Compliance Order

Pursuant to the Stock Exchange Act, and the Issuer Compliance Order published by the Austrian Financial Market Authority (FMA), guidelines are now in effect on the principles for the disclosure of information within the Company, as are organisational measures designed to prevent the abuse of inside information. These guidelines are updated regularly.

The Group has appointed a compliance officer and two deputies who are responsible for monitoring adherence to the relevant provisions and report directly to the Management Board regarding compliance-related matters.

The duties of the compliance officer are covered in the internal control system and their performance is subject to frequent review. AMAG employees receive regular training on the topic of issuer compliance.

In line with the Stock Exchange Act and the Issuer Compliance Order, information on directors' dealings – trading in AMAG Austria Metall AG financial instruments for the own account of Management Board and Supervisory Board members – are published on the AMAG and FMA websites.

No violations of the compliance guidelines were identified in 2013.

Code of Ethics

The Group is dedicated to upholding the highest ethical standards, and as a leading Upper Austrian enterprise we are fully aware of our responsibilities to society, and to our business partners, employees and shareholders. Our Code of Ethics, which is published on our website, serves as an internal guideline and ensures that we live up to these standards and responsibilities.

As part of the ongoing adaptation of the code, a number of guidelines aimed at combating corruption were implemented in 2013. Clear rules of conduct have been set out with a view to preventing acts of corruption and helping employees to perform their duties in line with the strictest moral, legal and ethical standards.

AMAG has clear internal structures and an open corporate culture, both of which are intended to promote compliance with the relevant statutory provisions and prevent breaches of the Company's internal policies. Staff participation in Company decision-making processes, through the Employees' Private Foundation, not only enhances loyalty, but also increases adherence to this code of conduct.

The AMAG compliance hotline provides staff and business partners with a channel for reporting actual and potential ethics violations. As in 2012, no breaches were reported to the compliance hotline in 2013.

Composition of the Management Board

Gerhard Falch
Chairman of the Management Board; born: 1948; date of appointment: 18 February 2011; initially appointed to AMAG's forerunner, Austria Metall AG, in September 2007; expiry date of current contract: March 2014; responsibilities: strategy and Group communications, investor relations, human resources, key account sales, purchasing, services and infrastructure; Chairman of the Supervisory Board of Energie AG OÖ (Linz) and member of the Supervisory Board of VA Intertrading AG (Linz)

Helmut Kaufmann
Chief Operating Officer; born: 1963; date of appointment: 18 February 2011; initially appointed to Austria Metall AG in September 2007; expiry date of current contract: August 2016; responsibilities: AMAG casting GmbH, AMAG rolling GmbH, business technology, business development, sales, investment planning, workplace safety, general manager under trade law, and management systems

Gerald Mayer
Chief Financial Officer; born: 1971; date of appointment: 18 February 2011; initially appointed to Austria Metall AG in November 2007; expiry date of current contract: August 2016; responsibilities: finance, controlling and reporting, accounting, information technology, legal affairs, AMAG metal GmbH (Managing Director) and AMAG service GmbH (Managing Director)

Composition of the Supervisory Board as at December 31, 2013

Josef Krenner
Born: 1952; Chairman of the Supervisory Board; Chairman of the Audit, Nomination and Remuneration Committees; date of initial appointment: 16 May 2012; Finance Director of the Province of Upper Austria since 2000; member of the supervisory boards of B&C Industrieholding GmbH, voestalpine AG and Lenzing AG

Michael Junghans
Born: 1967; Deputy Chairman of the Supervisory Board; Deputy Chairman of the Audit, Nomination and Remuneration Committees; date of initial appointment: 16 May 2012; Chairman of the Supervisory Board of Lenzing AG and Deputy Chairman of the Supervisory Board of Semperit AG; Chairman of the Management Board of B&C Industrieholding GmbH since 2009

Franz Gasselsberger
Born: 1959; member of the Supervisory Board; Member of the Audit, Nomination and Remuneration Committees since 27 June 2013; date of initial appointment: 16 May 2012; Chairman of the Supervisory Board of Bank für Tirol und Vorarlberg AG, member of the supervisory boards of BKS Bank AG, voestalpine AG and Lenzing AG, and Chairman and CEO of Oberbank AG

Otto Höfl
Born: 1946; member of the Supervisory Board; date of appointment: 21 March 2011; date of re-appointment: 16 May 2012; representative of the AMAG Employees' Private Foundation

Patrick F. Prügger
Born: 1975; member of the Supervisory Board; member of the Audit committee (finance expert); date of initial appointment: 16 May 2012; member of the supervisory boards of Lenzing AG, Semperit AG and VA Intertrading AG; member of the Management Board of B&C Industrieholding GmbH since 2011

Heinrich Schaller

Born: 1959; member of the Supervisory Board; member of the Audit, Nomination and Remuneration Committees; date of initial appointment: 16 May 2012; Chairman of the Management Board of Raiffeisenlandesbank Oberösterreich AG since 2012; Deputy Chairman of the supervisory boards of voestalpine AG (Linz) and Raiffeisen Bank International AG (Vienna)

Sabine Seidler

Born: 1961; member of the Supervisory Board; member of the Nomination and Remuneration Committees until 27 June 2013; date of initial appointment: 16 May 2012; Vice-Chancellor of Vienna University of Technology since 2011

Peter Uggowitzer

Born: 1950; member of the Supervisory Board; date of appointment: 21 March 2011; date of re-appointment: 16 May 2012; professor at ETH Zurich

Delegated by the Works Council

Max Angermeier

Born: 1958; member of the Supervisory Board; member of the Audit and Nomination Committees; date of delegation: 14 April 2011; Chairman of the Group works council

Robert Hofer

Born: 1977; member of the Supervisory Board; member of the Audit and Nomination Committees; date of delegation: 31 December 2011

Georg Schreiner

Born: 1954; member of the Supervisory Board; date of delegation: 14 April 2011

Herbert Schützeneder

Born: 1957; member of the Supervisory Board; date of delegation: 14 April 2011

8:15 CET

Aluminium bike parts

You see them all – from trusty boneshakers to perfectly designed high-tech machines. And thanks to premium lightweight aluminium components – or an electric motor – you don't even need to be a muscle-bound pro to reach your office at the other end of town.

Investor Relations

Stock markets on the rise

By and large, stock markets around the world posted strong gains in 2013. In spite of the weaker global economy and persistent debt crises in some European countries, the leading indexes in the USA, Europe and USA all recorded gains, mainly as a result of expansionary monetary policies in America and Europe. In the US, the Dow Jones Industrial Average soared by 26.5%, reaching a record high of 16,588 points on 31 December 2013. European markets also performed strongly – the Eurostoxx 50 index of Europe's highest market cap companies put on 17.9% in the course of the year, while Germany's leading DAX index gained 25.5% to finish the year at an all-time high of 9,594 points. Asia's key indexes also recorded growth, with the Nikkei 225 rising by 56.7%, outstripping the 2.9% increase on the Hang Seng by some distance.

On the whole, the Vienna Stock Exchange performed in line with the broader European and global economic trends and benchmarks. The ATX index improved by 6.1% year on year.

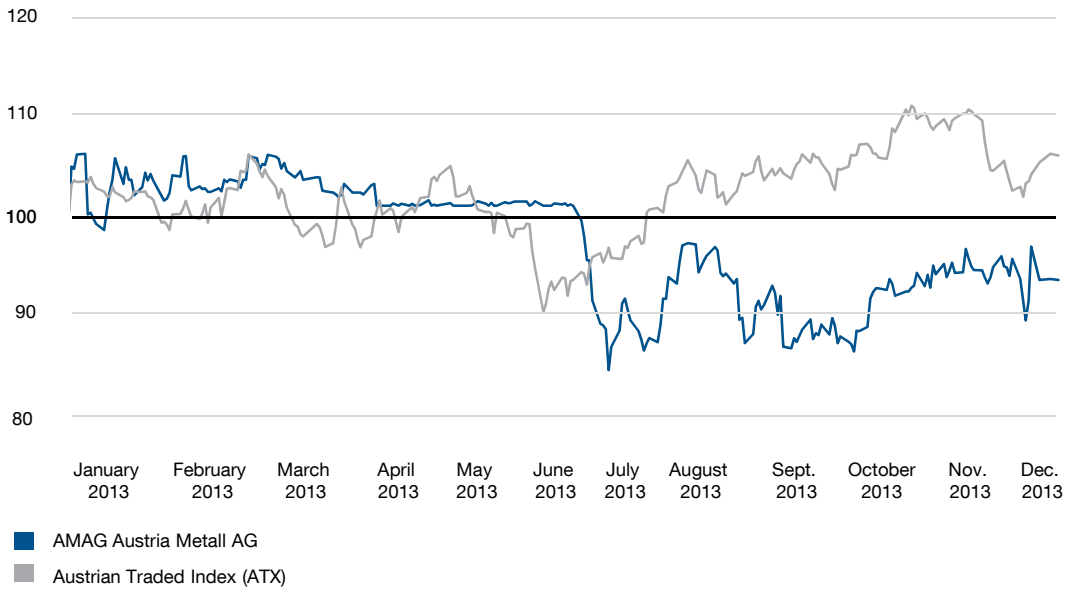
Share price performance

After rising steadily in the first six months of 2013, the AMAG share price slipped back in the second half, finishing the year at 21.68 EUR, a year-on-year fall of -6.4%. The total shareholder return plus dividends dropped by -3.8%. Overall, the issue price of 19.0 EUR has risen by 14.1% and the total shareholder return plus dividends by 25.2%. Due to its low trading volume and the reduced free float following the submission of a takeover bid by B&C Alpha Holding GmbH, the AMAG share was removed from the ATX at the end of September 2013.

The average trading volume of the share (double counting excluding over-the-counter [OTC] trading) fell by 57.1% year on year, to 29,776 (2012: 69,332). The Group's market capitalisation as at year-end 2013 amounted to 764.5 mEUR (31 December 2012: 816.7 mEUR).

OTC trading (double counting) totalled 91.2 mEUR in the reporting period (2012: 274.3 mEUR). This represented 35.1% of the total traded volume of 259.7 mEUR (2012: 600.7 mEUR), down from 45.7% a year earlier.

Share price performance (%)
2 Jan.–30 Dec. 2013



Stable core shareholder structure

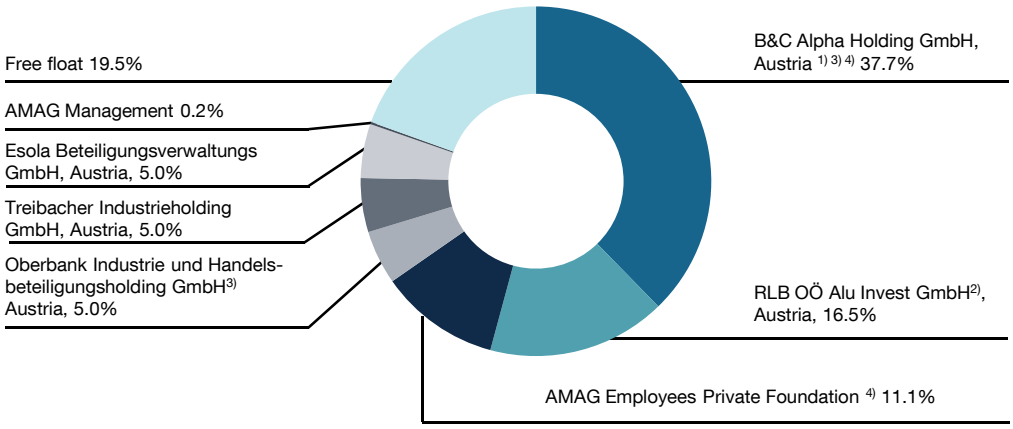
The following changes in the core ownership structure took place in the period under review.

On 7 January 2013 B&C Industrieholding GmbH and Oberbank AG concluded a participation agreement including rights of pre-emption and first refusal under which the companies' AMAG shares and voting rights are mutually attributable. This triggered a mandatory offer for the remainder of AMAG's shares. B&C Alpha Holding's offer had been accepted for 7.7% of the shares by the time the statutory grace period expired on 10 July 2013. B&C Industrieholding GmbH and the AMAG Employees' Private Foundation concluded a shareholders agreement on 1 March 2013. Under this agreement B&C Industrieholding's rights of pre-emption and first refusal will expire two years after the termination of the shareholders agreement, or on 31 December 2019 at the earliest.

B&C Industrieholding GmbH and RLB OÖ Alu Invest GmbH concluded an agreement on rights of pre-emption and first refusal relating to 6.50% of the AMAG voting rights on 1 March 2013. The agreement expires on 31 December 2016.

The stakes held by the AMAG Employees' Private Foundation (11.1%), RLB OÖ Alu Invest GmbH (16.5%) and Oberbank (5.0%) remained unchanged. AMAG's Management Board and senior executives hold a total of 0.2% of Group equity.

Ownership structure as at 31 December 2013



1) B&C Alpha Holding GmbH is a direct wholly-owned subsidiary of B&C Industrieholding GmbH
2) RLB OÖ Alu Invest GmbH is a direct wholly-owned subsidiary of Raiffeisenlandesbank Oberösterreich AG
3) B&C Industrieholding GmbH and Oberbank AG concluded a participation agreement on January 7, 2013
4) B&C Industrieholding GmbH and AMAG Employees Private Foundation concluded a shareholders´agreement on March 1, 2013

Investor relations (IR) activities

AMAG's IR activities are designed to ensure the equal treatment of all shareholders by providing up-to-date, transparent information on capital market-related developments at the Group to all shareholders and stakeholders simultaneously.

In 2013 AMAG was again represented at several roadshows and investor conferences with a view to raising market awareness of the Group and communicating face-to-face with investors.

The Group's representatives took the opportunity to cultivate relationships with analysts and private and institutional investors at a total of four roadshows, five investor conferences, two investor fairs, as well as numerous teleconferences and presentations at retail events.

Broader analyst coverage

In 2013 seven financial institutions published regular analyses of the AMAG share: Baader Bank (hold), Berenberg Bank (hold), Erste Group (hold), Exane BNP (neutral), JP Morgan (neutral), Kepler Research (hold) and Raiffeisen Centrobank (hold). Landesbank Baden-Württemberg commenced its coverage in December 2013 with a hold recommendation and a price target of 22 EUR.

Consistent dividend policy

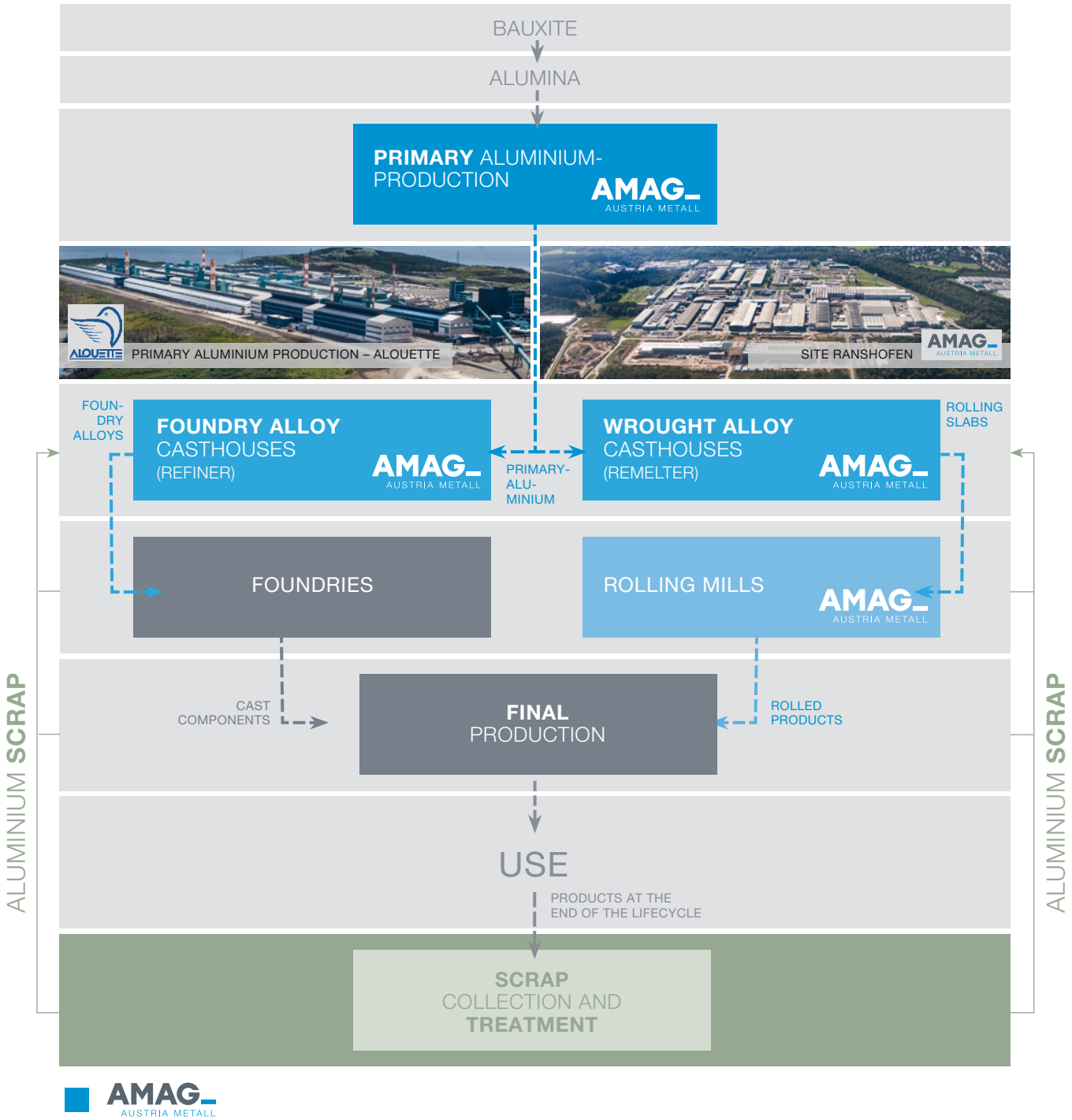
At the third annual general meeting, to be held in Linz on 10 April 2014, the Management Board will propose a dividend of 0.60 EUR per participating share, meaning that in spite of its current investments in expansion, AMAG will distribute a healthy dividend that satisfies shareholder expectations. The dividend yield was 2.6%. The ex-day and payment day for the dividends is 24 April 2014.

Stock market indicators in EUR	**2013**	**2012**
Highest price	25.10	23.49
Lowest price	19.60	15.28
Average price (volume-weighted)	22.82	19.08
Closing price	21.68	23.16
Earnings per share	1.59	2.02
Cash flow from operating activities per share	3.47	3.32
Proposed dividend per share	0.60	0.60
Dividend yield (annual average price)	2.6%	3.1%
Market capitalization on the last trading day of the year in mEUR	764.5	816.7

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, WBI
Reuters	AMAG.VI
Bloomberg	AMAG AV
Trading segment	Official Market
Market segment	Prime Market
First day of trading	8 April 2014
Offer price per share in EUR	19.00
Number of shares outstanding	35,264,000

Financial calendar 2014	
28 February 2014	Full year results 2013, press conference
10 April 2014	Annual General Meeting, venue: Linz
24 April 2014	Ex-dividend and payment date
6 May 2014	Report on the 1st quarter 2014
31 July 2014	Half-year financial report 2014
4 November 2014	Report for the first three quarters of 2014

Business model and strategy



AMAG produces high-quality aluminium products for further processing in a variety of growth industries. The initial link in the value chain is the electrolytic production of primary aluminium in Sept-Îles, Quebec, Canada. This is followed by the manufacture of foundry alloys and rolling slabs, and the rolling, and thermal and mechanical processing of strips, sheets and plates made from a range of alloys.

AMAG's role in the aluminium supply chain

AMAG's operations cover all aspects of raw material production to the highest environmental standards.

The production of primary aluminium, for which alumina is the raw material, takes place at the Alouette smelter in Canada. Hydropower satisfies all of the plant's electricity needs.

Foundry alloys for shipment to external customers and wrought alloys in the form of rolling slabs for AMAG's rolling mill are produced at the fully integrated Ranshofen site. The use of state-of-the-art production facilities reflects the Group's commitment to maximising energy and environmental efficiency. Depending on the product portfolio, aluminium scrap from the internal materials cycle, from final processing industry production, and from products that have reached the end of their life cycle accounts for an average of 75-80% of the input stock for the casthouses.

As aluminium can be recycled again and again, provided that the processes used do not lead to a deterioration in quality, aluminium scrap can be repeatedly reintroduced to the value chain and used to manufacture high-quality aluminium products. The recycling of scrap at AMAG's two casthouses means that the Group's operations extend to all stages of the industrial materials cycle for aluminium.

"Our successful IPO and the expansion of the Ranshofen site have paved the way for a bright future for AMAG."

Gerhard Falch
Chairman and Chief Executive Officer

Growth and markets

Growth demands the courage to do things differently, flexible responses to changing conditions, and skilful implementation – prerequisites which AMAG lives up to, and defining characteristics of the Group.

AMAG's growth strategy is based on the countless positive properties of aluminium and its increasing importance for applications where weight, mechanical and technological characteristics, reliability and above all sustainability are vital. Consumption of primary aluminium and rolled products are the criteria used by AMAG to evaluate the

Business model and strategy

markets in which it has a presence. According to CRU, primary aluminium consumption jumped by some 5.1% to 50.0 mt in 2013. The latest CRU forecasts suggest annual growth in primary aluminium demand of around 5.3% in the next few years, with consumption reaching 64.8 mt in 2018. The main driver of this trend is China, although consumption is also set to rise by over one million tonnes in both of AMAG's core markets – Europe and North America.

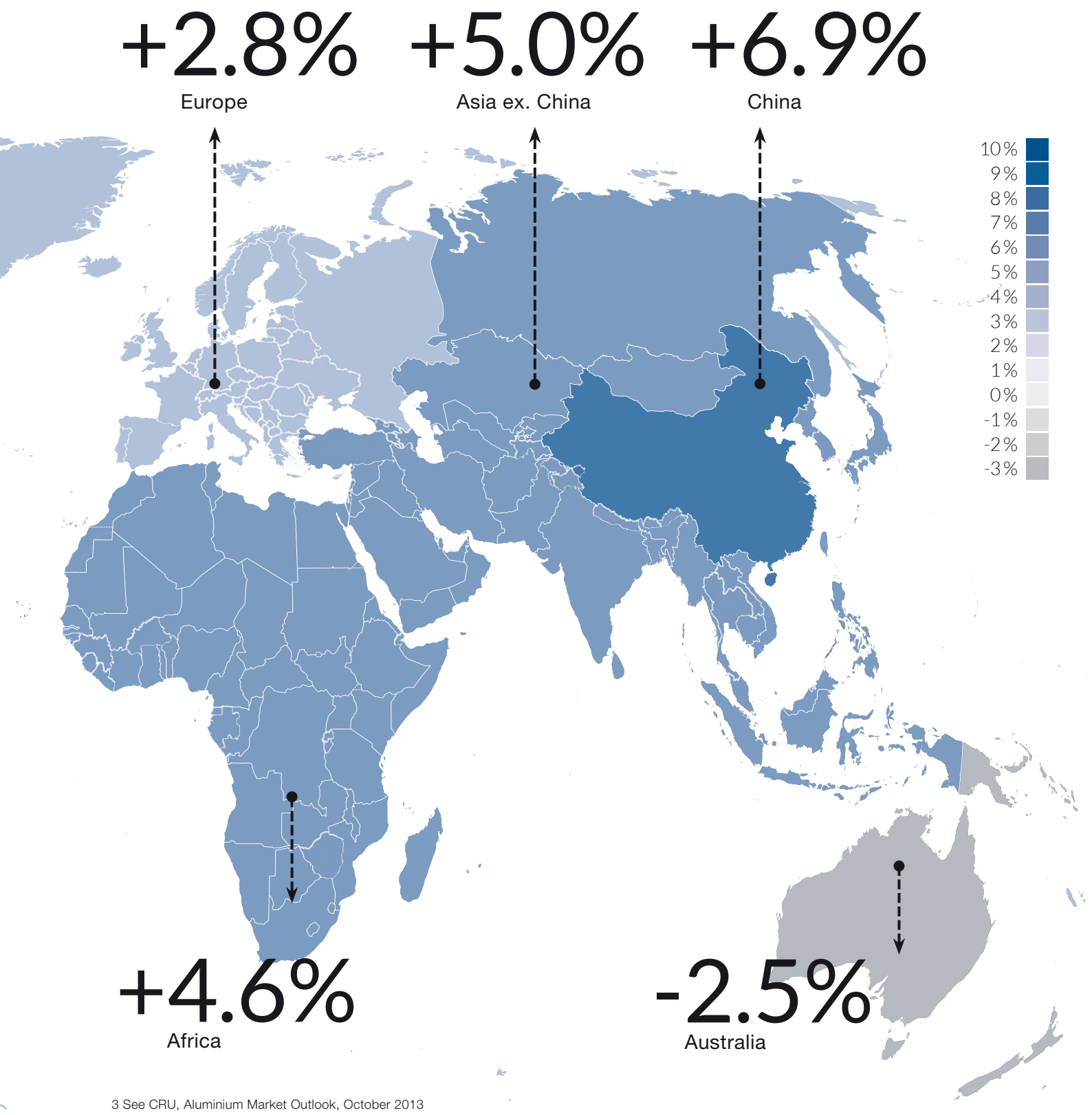
Consumption of rolled aluminium products went up by some 4.4% in 2013, to 21.3 mt. The latest forecasts for rolled product consumption suggests growth of 5.4% a year, to 27.8 mt per year in 2018. Thanks to this upward trend, and to the investments in additional capacity at the Ranshofen plant, the Rolling division posted record shipments of 157,600 t in 2013.

The driving force behind this performance was the rise in demand for lightweight solutions, especially in the transport sector. This in turn is a reflection of regulations aimed at significantly reducing CO_2 emissions per kilometre which will come into effect around the world in the next few years. The European Union and the USA – AMAG's key markets – are leading the way in this respect.

"The rapidly expanding market is opening up new sources of income for the Group."

Gerald Mayer
Chief Financial Officer

Annual growth in *primary aluminium demand,* 2013-2018 (%).[3]



3 See CRU, Aluminium Market Outlook, October 2013

Business model and strategy

Stability and growth – the keys to success

Over the past few years volatility and uncertainty have shaped economic developments. Against this backdrop, with financial markets, economies and countless industries feeling the effects of sharp swings in output and prices, stability and reliability are vital for commercial success.

AMAG's strong performance is mainly down to its stable business model and a strategic focus on growth in a market where demand for aluminium is on the rise.

The stability of the Group's business model is primarily down to the following factors.

Ownership structure

The current ownership structure and the resulting make-up of the Supervisory Board provides a solid foundation for business decisions. Opportunities and risks are assessed from a variety of perspectives, creating a broad, highly specialised basis for decision-making. Group employees participate indirectly in profit through the Employees' Private Foundation, meaning that they also enjoy the benefits of management decisions.

Broad portfolio of special products

AMAG's premium quality cast and rolled products are used in numerous industries with strong growth prospects. Besides the transport industry, in particular the aviation and automation sectors, AMAG supplies the construction, engineering, sports equipment, electronics and packaging industries. Our aluminium is also a key input material for renewable generating plants such as wind farms. This wide range of applications also contributes to the stability of the Group.

Sustainability

Sustainable management and growth demands a combination of resource conservation and effective environmental stewardship, and promoting good relations with the Group's direct and indirect stakeholders, in particular by means of employee-friendly working conditions and a strong sense of social responsibility in our dealings with local communities.

AMAG is ideally placed to meet the demands of the future in its role as an integrated producer where environmental awareness is a leading priority. The core elements of our approach to promoting sustainability are:

- Alouette Smelter: thanks to the use of hydropower, the smelter's carbon footprint is far smaller than the industry average. The continuous optimisation of our production processes also means we set the industry standard in terms of energy consumption and CO2 emissions. A long-term agreement guarantees the supply of green power in years to come.

- Ranshofen site: one of the stand-out features of the Ranshofen site is its focus on and expertise in the recycling of aluminium scrap from a wide range of sources and with varying compositions. The Group is an industry leader in the use of aluminium scrap for the production of high-quality foundry alloys and rolled products, which also helps us to conserve valuable resources as well as the energy required to produce primary aluminium.

- Further information on this topic can be found in in the 2013 AMAG Sustainability Report, which will be published in the second quarter of 2014.

Long-term customer relationships

We have long-term supply relationships with our key customers, some of them stretching back over 15 years. In 2013 the top ten customers accounted for 63% of external revenue in the Casting division and 32% in the Rolling division.

In the course of a dialogue with stakeholders regarding AMAG's long-term growth, which was carried out with the support of external consultants, we identified the key issues facing our customers; this information was also useful in preparing the Sustainability Report.

AMAG operates a network of sales subsidiaries and representative offices in the growth Asian and East European markets, and in Brazil, India, Mexico and Turkey, with a view to expanding its customer base. Last year the Group completed two key steps in the growth of this network. In view of the rising significance of the Asian

market and the opportunities this presents, we set up a sales office in Taiwan (AMAG Asia Pacific). Turkey is an increasingly important market for AMAG, with increasingly strong demand for rolled aluminium products, and this was reflected in our decision to open a sales office in Istanbul.

We work closely with customers from various industries on the development of new special products to ensure that they are tailored to market requirements. Partnerships and joint projects carried out with well-known universities and research institutes enable us to take our products to the next level of technological development, as well as providing access to the latest findings.

A strategy for profitable growth

AMAG's strategy is based on positive growth forecasts for all of the industries which the Group supplies, with each of our divisions working at close to full capacity. In recent years we have seen moderate increases in output as a result of organic capacity increases in Ranshofen.

The completion of the AMAG 2014 project will lead to a considerable jump in capacity for products with thicknesses of over 3mm and widths of up to 2,300mm. In terms of the Group's strategic development, the key considerations will be high quality, flexibility, a large proportion of special products, our innovative capabilities, expertise in the production of all aluminium alloy groups at a single location, as well as the environmentally friendly and resource-efficient processing of various types of aluminium scrap.

A broad product portfolio, in combination with swift responses to changes in operating conditions and the resulting identification of new opportunities, is one of AMAG's key strengths. As a consequence our business model has proved to be extremely resilient in the face of market turbulence over the past few years. The strategic decision to expand the Ranshofen site was taken in February 2012 in light of the forecast growth in aluminium consumption, and demand for special products in particular. The project involves investments in a new hot rolling mill, a production facility for aluminium plates and additions to recycling capacity at the rolling slab casthouse. The 50% increase in production capacity to 225,000 t per year will add products with larger thicknesses and widths to our portfolio, in line with rising customer demand, while also maintaining the highest environmental standards with regard to recycling and energy efficiency. The project is proceeding on schedule.

"The commissioning of the new facilities under the AMAG 2014 project will literally push back the boundaries of AMAG's capabilities. And this will create added impetus and space for creativity and innovation."

Helmut Kaufmann
Chief Operating Officer

We are currently collaborating with our partners in the Aluminerie Alouette consortium to further develop the technology used in the electrolysis process with a view to enhancing productivity at the plant. The strategic option of additional expansion of the Alouette smelter is also under examination at present.

GROUP OPERATING *and financial review 2013*

AMAG Austria Metall AG is a global primary aluminium producer (Alouette smelter in Sept-Îles, Canada), and a maker of aluminium semi-finished and cast products for the manufacturing sector. The combination of a highly specialised, integrated casthouse and rolling mill at the headquarters in Ranshofen is unique and gives AMAG a stable business model.

Economic environment

Overall picture

Although the world economy began to pick up after the sharp downturn that marked the start of the year, the recovery was hesitant. The International Monetary Fund (IMF)[1] now puts global economic growth in 2013 at 3.0% (2012: 3.1%) – an upgrade of 0.1% as compared to its October forecast. The emerging market economies continued to be the main source of growth in 2013, but their performance was somewhat below the expectations at the start of the year. According to the IMF China and India recorded annual growth rates of 7.7% (2012: 7.7%) and 4.4% (2012: 3.2%) respectively in 2013.

The Fund now estimates that the US economy expanded by 1.9% in 2013. This was well down on the previous year (2012: 2.8%), but reflected a vigorous rebound from the second quarter onwards.

The eurozone economy performed somewhat better than anticipated in the second half of 2013, with the third quarter marking the end of a six-quarters-long recession. The IMF has upped its 2013 forecast for the euro area to -0.4% from -0.5% in its July outlook. In comparison, the eurozone economy contracted by -0.7% in 2012.

The German economy grew by 0.4% in 2013 (2012: 0.7%)[2]. While the IMF now estimates that French output edged up by 0.2% in 2013 it is reporting negative growth rates of -1.8% and -1.2% for Italy and Spain, respectively.

According to the most recent outlook from WIFO[3] (Austrian Institute of Economic Research) the Austrian economy was set to expand by 0.3% in 2013 (2012: 0.9%).

Demand for primary aluminium and rolled products is pivotal to the AMAG Group's financial performance. Sales of the former were up by 5.1%[4] and those of the latter by 4.4%[5] in 2013. The main customers for rolled products are the transport, packaging, construction and engineering industries.

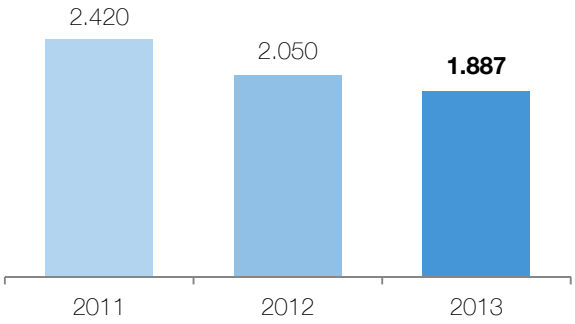
According to the latest CRU figures, transport sector sales rose by 4.0% in 2013, driven by the automotive industry's increasing need for lightweight solutions. During the second half of the year demand from the aircraft industry, which is included in the transport sector statistics, fell because of a build-up in its inventories of rolled products. CRU reported that construction use was up by 5.3%. Consumption by the packaging and engineering sectors grew by 4.2% and 4.6%, respectively.

The performance of our foundry alloys business largely depends on that of the European automotive industry. Due to weak sales – especially in markets in western and southern Europe – European car production[6] flatlined last year at the same low level as in 2012. Overcapacity in the foundry alloy market segment kept prices and margins in our Casting Division under constant pressure.

Aluminium price trends

The London Metal Exchange (LME) three-month aluminium price came off during 2013. It entered the year on 2,072 USD/t, sliding to end on 1,811 USD/t at the close on 31 December 2013. The high for the year was 2,166 USD/t, recorded on 15 February, and the low 1,741 USD/t on 3 December, for a range of 425 USD/t. The average aluminium price for the year was 1,887 USD/t (2012: 2,050 USD/t). The price in euro terms moved in a range from 1,282 EUR/t to 1,638 EUR/t, averaging 1,422 EUR/t (2012: 1,593 EUR/t).

Average LME aluminium price (three-month settlement), USD



1 See IMF, World Economic Outlook Update, January 2014
2 See Statistisches Bundesamt Deutschland [Federal Statistical Office], January 2014
3 See Austrian Institute of Economic Research, December 2013
4 See CRU, Aluminium Market Outlook, October 2013
5 See CRU, Aluminium Rolled Products Market Outlook, November 2013
6 See IHS Automotive, Global Production Summary, December 2013.

Inventories of primary aluminium in LME-approved storage facilities were some 5.5 million tonnes (mt) as at end-December 2013 – equal to 10.9% of estimated output in 2013.

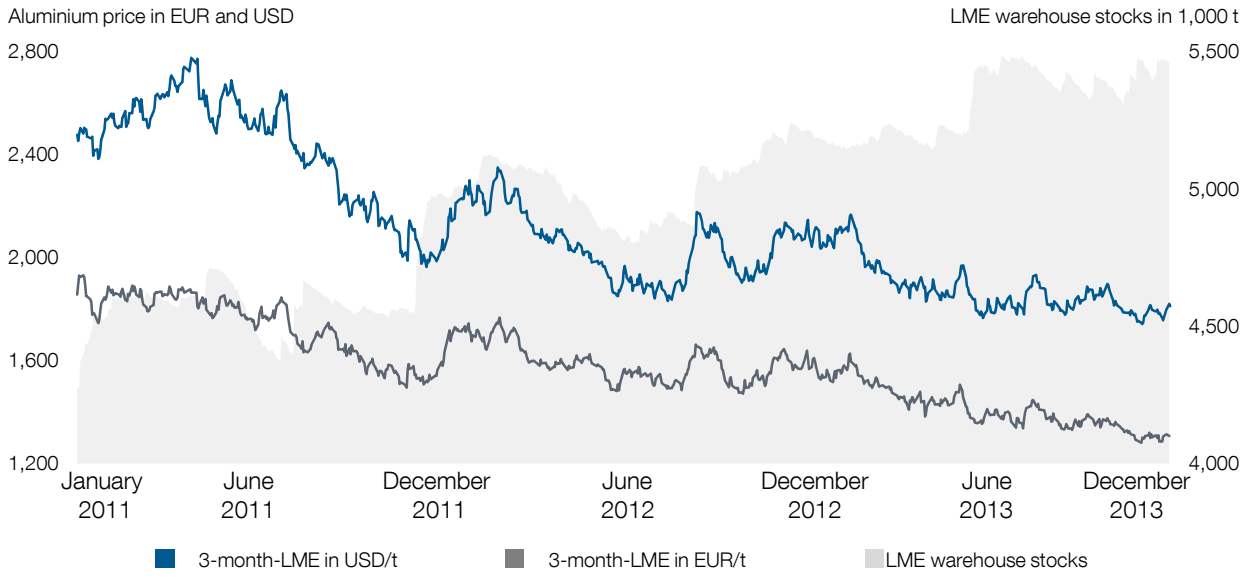
Global inventories, including those of the International Aluminium Institute (IAI) and of China, were put at 8.3 mt as at year-end 2013 (end-2012: 8.2 mt).

AMAG holds a 20% interest in the Canadian Aluminerie Alouette plant which has a long-term electricity contract and is one of the world's most efficient smelters. Despite the use of hedging instruments, the financial performance of the Metal Division reflects LME aluminium price movements. The price risk exposures of the Casting and Rolling divisions, taking the Ranshofen plant as the reference location, are fully hedged.

The main input materials used by the AMAG Group are alumina and aluminium scrap. Alumina prices tend to be correlated with those for the finished product, and were below 2012 levels, in line with the aluminium price. The prices of petroleum coke, pitch and aluminium fluoride, which are also used in the process, likewise fell.

Wrought alloy scrap prices firmed in the course of the year. This was because of the continued high premiums on primary metal, and the fact that low aluminium prices depressed scrap treatment and selling activity of scrap dealers.

Aluminium prices and LME inventories since 2011



9:00 CET

Millions of number crunchers get their *faithful workhorses* up and running.

Aluminium keyboard

Long-lasting quality in a fleeting world. The epitome of style whatever the setting. An inimitable sheen that catches the eye. The feel of durability at its peak. Simply the ideal choice.

Business performance

AMAG at a glance

The AMAG Group has the following lines of business:

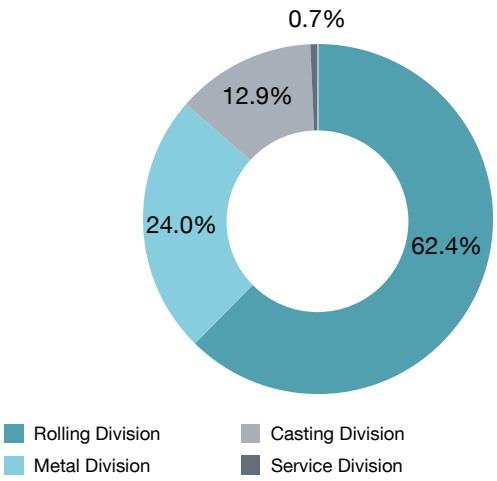
- Primary metal production, through a 20% interest as part of a joint operation in the Canadian Aluminerie Alouette Inc. smelter (referred to below as "Alouette") held by AMAG subsidiary Aluminium Austria Metall (Québec) Inc. (Metal Division).
- Production of recycling foundry alloys in the form of ingots, sows and liquid metal (Casting Division).
- Production of quality rolled products (Rolling Division).
- Provision of central services and infrastructure at the Ranshofen site (Service Division).

Revenue

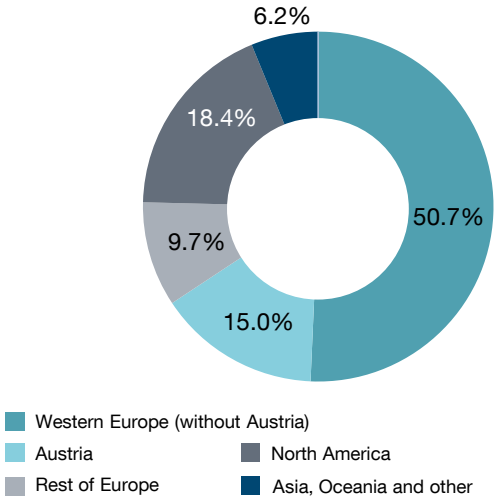
Revenue dipped by 4.1%, from 819.8 mEUR in 2012 to 786.4 mEUR in 2013. Volume growth was not sufficient to cancel out the revenue impact of lower aluminium prices. The predominant regional market was Western Europe (excluding Austria) at 50.7% of revenue, while Austria made up 15.0%, the rest of Europe 9.7%, North America 18.4%, and Asia, Oceania and other 6.2% of the total.

The segmental revenue breakdown for 2013 was as follows: Metal Division 24.0%; Casting Division 12.9%; Rolling Division 62.4%; and Service Division 0.7%.

Group revenue by segments, 2013



Group revenue by regions, 2013



Earnings performance

Cost of sales

The cost of sales was down by 4.2%, to 657.2 mEUR (2012: 685.7 mEUR). Sliding raw material prices in the Metal Division, and lower aluminium prices in particular, were among the factors that caused this decline.

Other income and expenses

Other income of 7.0 mEUR (2012: 10.8 mEUR) was largely derived from charged-on maintenance services rendered by the Rolling Division, infrastructure services supplied to third-parties by the Service Division, and gains on foreign currency translations in the Metal Division. Other expenses fell from 3.2 mEUR in 2012 to 3.0 mEUR in the period under review.

Selling and distribution expenses

Selling and distribution expenses rose by 7.0%, to 36.0 mEUR (2012: 33.7 mEUR). This was due to increased staff costs following the establishment of a new distribution subsidiary, higher logistics costs resulting from the rise in shipments, and a jump in expenses arising from foreign currency translation.

Administrative expenses

Administrative expenses went down by 5.1%, to 16.8 mEUR (2012: 17.7 mEUR), mainly due to the decline in expenses for the recognition of provisions.

Research and development expenses

Research and development expenses climbed by 14.6% year on year, to 8.0 mEUR. This was caused by an increase in headcount, as well as expenses associated with demanding process of obtaining qualified supplier status for the automotive and aircraft industries, and closer ties with universities and non-university research institutions.

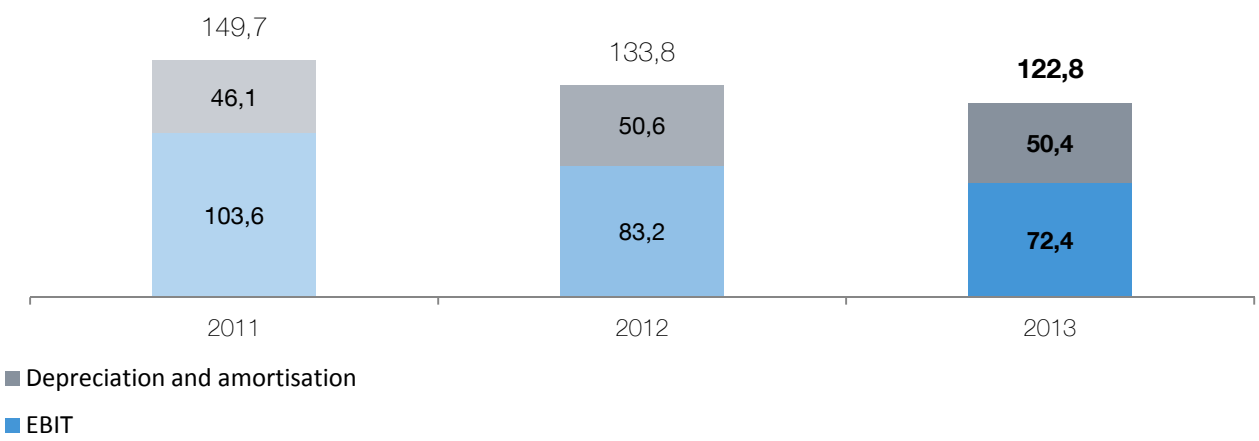
Earnings before interest, tax (EBIT)

Group EBIT in 2013 was 72.4 mEUR (2012: 83.2 mEUR). The decline was mainly attributable to lower margins in the Casting and Rolling divisions.

Depreciation and amortisation expense, and impairment inched down by 0.2 mEUR or 0.4% to 50.4 mEUR. This was primarily due to a drop in depreciation and amortisation, and impairment in the Metal Division. Depreciation and amortisation, and impairment at the Ranshofen site jumped by 9.1% year on year owing to the increase in investment at the facility.

The EBIT margin for the year just ended was 9.2%, compared to 10.2% in 2012.

Earnings before interest, tax, depreciation and amortisation (EBITDA)



Consolidated Statement of Income, condensed in mEUR	2013	Structure in %	2012	Structure in %	Change in %
Revenue	786.4	100.0	819.8	100.0	(4.1)
Cost of sales	(657.2)	(83.6)	(685.7)	(83.6)	4.2
Gross profit	129.3	16.4	134.0	16.4	(3.6)
Other income	7.0	0.9	10.8	1.3	(34.5)
Selling and distribution expenses	(36.0)	(4.6)	(33.7)	(4.1)	(7.0)
Administrative expenses	(16.8)	(2.1)	(17.7)	(2.2)	5.1
Research and developement expenses	(8.0)	(1.0)	(7.0)	(0.9)	12.8
Other expenses	(3.0)	(0.4)	(3.2)	(0.4)	5.3
Earnings before interests, taxes (EBIT)	**72.4**	**9.2**	**83.2**	**10.2**	**(13.0)**
EBIT margin in %	9.2	-	10.2	-	-
Net financial income (expenses)	(7.4)	(0.9)	(5.8)	(0.7)	(27.5)
EBT	**65.0**	**8.3**	**77.4**	**9.4**	**(16.0)**
EBT margin in %	8.3	-	9.4	-	-
Income taxes	(9.0)	(1.1)	(6.1)	(0.7)	(47.0)
Net income after taxes	56.0	7.1	71.3	8.7	(21.4)

Net financial income (expenses)

Net financial income (expenses) were -1.6 mEUR lower than in the comparative period, at -7.4 mEUR.

Earnings before tax (EBT)

The changes discussed above left EBT 16.0% down at 65.0 mEUR (2012: 77.4 mEUR).

Income Taxes

Income taxes for 2013 were -9.0 mEUR (2012: -6.1 mEUR), and the tax rate was 13.8% (2012: 7.9%). The total income taxes for 2013 include aperiodical effects of 2.2 mEUR arising from a tax inspection in a prior reporting period and an increase in transfer prices required as the result of a mutual agreement procedure.

Net income after taxes

Net income after taxes for the year in 2013 was 56.0 mEUR, compared to 71.3 mEUR in the previous year.

Consolidated Balance Sheet, condensed in mEUR	2013	Structure in %	2012	Structure in %
Intangible assets, property, plant and equipment	488.2	52.3	418.9	47.6
Other non-current assets	43.2	4.6	45.8	5.2
Non-current assets	531.4	56.9	464.7	52.8
Inventories	200.9	21.5	212.2	24.1
Trade receivables	70.3	7.5	77.6	8.8
Current tax assets	2.5	0.3	2.4	0.3
Other receivables	49.2	5.3	38.9	4.4
Cash and cash equivalents	79.2	8.5	84.3	9.6
Current assets	402.1	43.1	415.3	47.2
Assets	933.5	100.0	880.0	100.0
Equity	584.4	62.6	544.1	61.8
Non-current liabilities	227.6	24.4	228.9	26.0
Current liabilities	121.4	13.0	107.1	12.2
Equity and liabilities	933.5	100.0	880.0	100.0

Financial position

Total assets

As at year-end 2013 the Group's total assets were 933.5 mEUR – an increase on their level at the end of the comparative period (31 December 2012: 880.0 mEUR).

The AMAG 2014 expansion programme was chiefly responsible for the growth in non-current assets, which advanced from 464.7 mEUR to 531.4 mEUR. Inventories and trade receivables dropped from 289.7 mEUR to 271.2 mEUR, mainly as a result of low aluminium prices. Other receivables rose to 49.2 mEUR as of the end of the reporting period (end-2012: 38.9 mEUR) due to the re-measurement of derivatives.

Group equity advanced to 584.4 mEUR as of the end of the reporting period (end-2012: 544.1 mEUR). The 40.3 mEUR gain in equity, despite 21.2 mEUR in dividend payments, was principally a reflection of the consolidated profit for the year.

Non-current liabilities dropped slightly from 228.9 mEUR to 227.6 mEUR, while the increase in current liabilities from 107.1 mEUR as at year-end 2012 to 121.4 mEUR as at the end of the reporting period was explained by the rise in trade receivables.

Cash flow

Cash flows from operating activities

Cash flows from operating activities increased by 4.1%, to 122.2 mEUR (2012: 117.4 mEUR), despite the lower profit for the year. This was primarily due to the reduction in working capital owing to the decline in aluminium prices.

Cash flows from investing activities

Net cash used in investing activities swelled to -125.2 mEUR from -75.9 mEUR in 2012 on account of the 'AMAG 2014' expansion programme.

Free cash flow

Free cash flow for the reporting period was negative by -2.9 mEUR, following a positive flow of 41.6 mEUR in 2012.

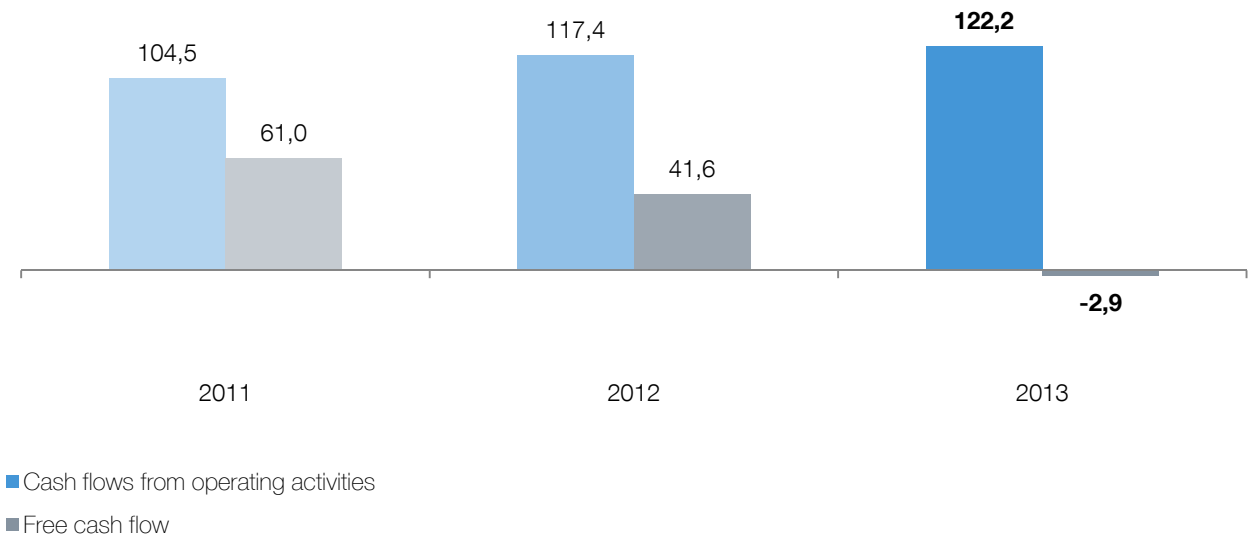
Cash flows from financing activities

Borrowings brought cash inflows of 21.2 mEUR (2012: 78.8 mEUR).

After the dividend payments of -21.2 mEUR in 2013 (2012: -52,9 mEUR including a bonus) and debt repayments of -0.8 mEUR, net cash flows from financing activities were negative by -0.8 mEUR.

Consolidated Cash flow Statement condensed in mEUR	2013	2012	Change in %
Cash flow from operating activities	122.2	117.4	4.1
Cash flow from investing activities	(125.2)	(75.9)	(65.0)
Free Cash flow	(2.9)	41.6	(107.1)
Cash flow from financing activities	(0.8)	(16.9)	95.5

Cash flows from operating activities and free cash flow, mEUR



11:00 CET

Millions of top chefs *start cooking up a treat.*

Pots and pans
with aluminium core

Lord of the pans. Composer of aromas and tastes. Harnesser of heat. Master of fire. Magic served up in a cloud of steam. The sound of sizzling and simmering – and the end result tastes divine! The secret of good cooking – not magic, but more the conductivity of the cookware. Easy and efficient cooking thanks to pots and pans with aluminium cores. Enjoy!

Investment

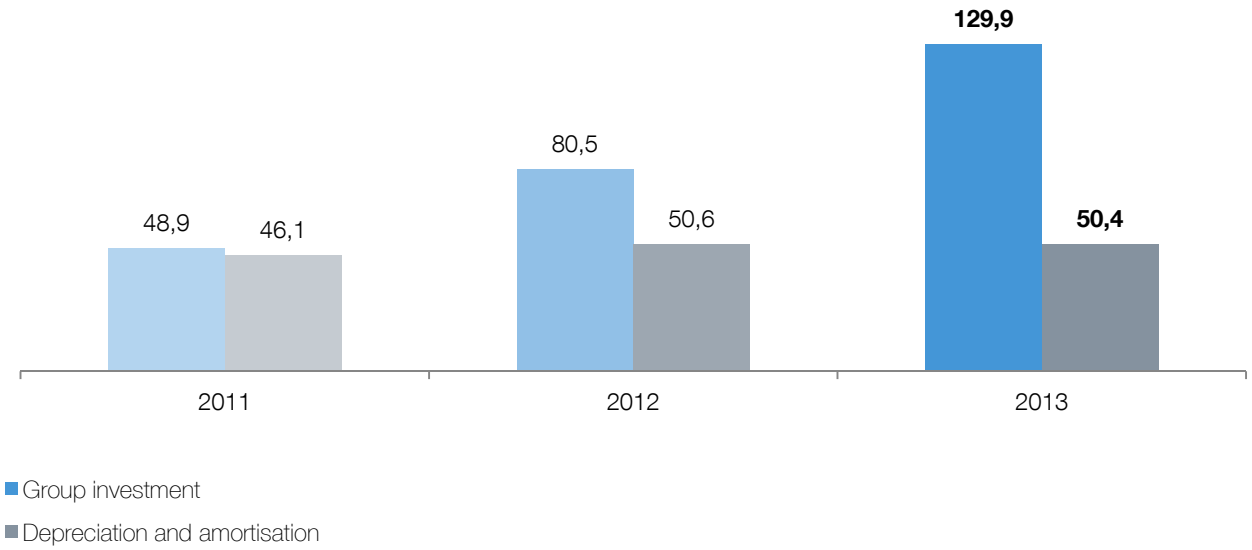
The AMAG Group invested 129.9 mEUR in 2013, devoting 127.4 mEUR to property, plant and equipment, and 2.5 mEUR to intangible assets. The overall figure represented a year-on-year increase of 49.4 mEUR or 61.4% (2012: 80.5 mEUR).

The AMAG 2014 project accounted for 92.2 mEUR of total investment in 2013. The expansion project concerns the Rolling and Service divisions. The main items in 2013 were the construction of buildings for the new hot rolling mill and plate centre, the erection of the first plant components (e.g. the homogenisation furnaces, and solution annealing and ageing furnaces), as well as prepayments for the mill stand and other plant components.

Underlying investment, with the AMAG 2014 expansion scheme stripped out, was 22.3% down year on year, at 37.7 mEUR. Investment activity in the Metal Division centred on new refractory linings for the electrolytic cells. Capex in the Casting and Service divisions focused on expanding the recycling centre. In the Casting Division these measures included modernising a smelter designed for specific scrap grades, so as to bring it up to the highest technological, safety and environmental standards.

In the Rolling Division the largest investments beyond the AMAG 2014 programme were aimed at increasing the capacity and output quality of the finishing equipment. They included a new coil stretcher with low residual stress, and new cut-to-length-line for wider and thicker sheet.

Group investment, and depreciation and amortisation, mEUR



Metal Division

The Metal Division includes the AMAG Group's 20% stake in Aluminerie Alouette, and is responsible for Group risk management and metal production streams. 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.

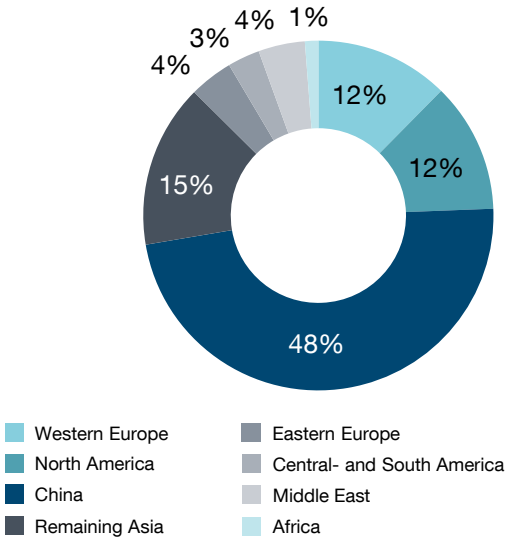
Economic environment

The LME three-month aluminium price averaged 1,887 USD/t in 2013, significantly lower than the average price in 2012 of 2,050 USD/t. From a starting value of 2,072 USD/t in January 2013, the price peaked at 2,166 USD/t in February before steadily declining to a low of 1,741 USD/t on 3 December. At year-end it stood at 1,811 USD/t.

Premiums charged in addition to the aluminium price are mainly determined by the place of delivery as well as by supply and demand. Premiums were again high in 2013, and higher on average than in 2012. Although the announcement of impending changes to the rules for LME-registered storage facilities led to a temporary fall in premiums in the second half of 2013, they rose again towards the end of the year, returning to the levels seen in the first half. The high level of premiums is mainly due to pressure on the availability of primary aluminium, with prices remaining in contango and cheap finance still easy to come by.

According to market research firm CRU [7], global consumption of primary aluminium expanded by 5.1% to 50.0 mt (2012: 47.6 mt). China was the main driver of growth, with consumption up by 9.8% to 23.8 mt, but demand also grew in North America and Europe, by 1.2% and 0.5% respectively.

Consumption of primary aluminium in 2013 by region: 50.0 mt[8]



On the supply side, production of primary aluminium grew by 4.4% from 48.0 mt in 2012 to 50.1 mt in 2013. China (9.2%) and the Middle East (8.5%) were the leading contributors to the rise, while in the USA and Europe there were notable declines in output. LME inventories of primary aluminium were at a high level in 2013 owing to the contango situation and continuing access to cheap finance. Inventories totalled 5.5 mt at year-end. CRU put total inventories, including those of the International Aluminium Institute (IAI) and China, at 8.3 mt as at year-end 2013 by CRU (31 December 2012: 8.2 mt).

7 See CRU Aluminium Market Outlook, October 2013

8 See CRU Aluminium Market Outlook, October 2013

Chart: Metal Division shipments, tonnes (rounded)

2013 financial year

The Division's value-creating activities comprise:

- Production of primary aluminium at the Alouette smelter in Canada
- Supplying input materials for aluminium production to sister companies in the AMAG Group
- Aluminium price risk management (hedging against LME aluminium price fluctuations)

Internal revenues accounted for 358.7 mEUR of the Division's revenue for the year of 547.3 mEUR (2012: 562.5 mEUR). These mainly consisted of deliveries of input materials, including primary aluminium, scrap and rolling slabs, to the casthouse and the rolling mill.

The fall in revenue in 2013 was mainly a result of the low average aluminium price on the LME.

At 50.8 mEUR, divisional EBITDA was higher than the previous year's figure of 42.6 mEUR, and the EBITDA margin rose from 7.6% to 9.3%.

The main reasons behind the EBITDA increase were low raw material prices and high premiums, which compensated for the lower aluminium price. Aluminium price hedges also had a positive effect on earnings.

EBIT rose year-on-year from 17.6 mEUR to 28.5 mEUR, with the EBIT margin climbing from 3.1% to 5.2%.

Aluminium price risk management

The Group's exposure to aluminium price risk arising from the purchase and sale of aluminium, and the holding of inventories for the Rolling and Casting divisions is hedged by the Metal division. Derivatives used for hedging purposes are purchased from LME brokers. A fee for these services is charged to each division at normal market rates.

The Metal Division's results are closely related to the term structure for aluminium. During 2013, longer-term futures prices for aluminium were mostly higher than the spot price. This contango situation resulted in a profit of 5.1 mEUR on inventory hedges. However, backwardation (a downward sloping forward curve) would lead to losses.

In order to ensure stable income flows from the Group's stake in the Alouette smelter, the selling price for a portion of output is hedged on the stock exchange, in some cases for several years, using 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. The key decision-making criteria for hedging transactions are projected evolution of the aluminium price and the resulting changes in production costs. Actual settlement of these contracts is not envisioned and they are normally offset by other hedges. Hedging instruments have become less attractive to AMAG as a result of the persistently low aluminium price. For this reason, similar small-scale hedges against aluminium price risk are in place for 2014 and the following years.

Management of the 20% stake in the Aluminerie Alouette consortium

One of the Metal Division's core responsibilities is the procurement of alumina in proportion to its stake in the Alouette smelter. As in the previous year, purchases in 2013 amounted to approximately 240,000 t. Until 2013 alumina prices were largely determined on the basis of contracts linked to the aluminium price. However, large producers of alumina adjusted their prices in line with the alumina price index (API). AMAG will acquire alumina priced using this method for the Alouette smelter from 2014 onwards. The Alouette plant has an annual capacity of about 600,000 t of primary aluminium. Mainly as result of extreme weather conditions and the resulting instability in the electricity grid, production at the smelter came in marginally lower than in the previous year. The Metal Division's share was 116,000 t in 2013 (2012: 118,400 t). The creditworthiness of buyers is a key consideration in the sale of the primary aluminium output attributable to the Division.

Investment

Investment in property, plant and equipment in the Metal Division amounted to 17.4 mEUR (2012: 11.4 mEUR). This increase was mainly due to the rise in the number of electrolytic cells fitted with refractory linings.

Key figures for the Metal Division in mEUR	**2013**	**2012**	**Change in %**
Revenue	547.3	562.5	(2.7)
thereof, internal revenue	358.7	358.1	0.2
EBITDA	50.8	42.6	19.3
EBITDA margin in %	**9.3**	**7.6**	**-**
EBIT	28.5	17.6	62.2
EBIT margin in %	**5.2**	**3.1**	**-**
Investments	17.4	11.4	52.3
Employees	205	204	0.5

14:00 CET

Aluminium bottle

Pack up and set off for new horizons. Make a change. A touch of style to grace any cupboard or backpack. Sensible but never senseless – lightweight accessories that make life easier. The most practical material around.

Casting Division

The AMAG Group's Casting Division recycles aluminium scrap to produce high-quality foundry alloys. Its product portfolio covers materials tailored to customer requirements in the form of ingots, sows and liquid aluminium. The Division's core competences are the development of alloys in cooperation with customers, and the procurement and processing of aluminium scrap at the Ranshofen site.

Economic environment

The Casting Division's key geographical markets are Germany and Austria. The automotive sector (including the supply industry) is the largest customer for the Division, with a 63% share of shipments. Consequently, the health of the European motor industry has a strong bearing on the Division's performance.

Due to the continuing weakness of the economic recovery, car production[9] in Europe remained flat at the low level 2012. German car manufacturers were able to compensate for depressed demand in Europe, particularly in the luxury segment, with rising exports to North America and Asia. In contrast, some countries in western and southern Europe reported falls in production of more than 10%.

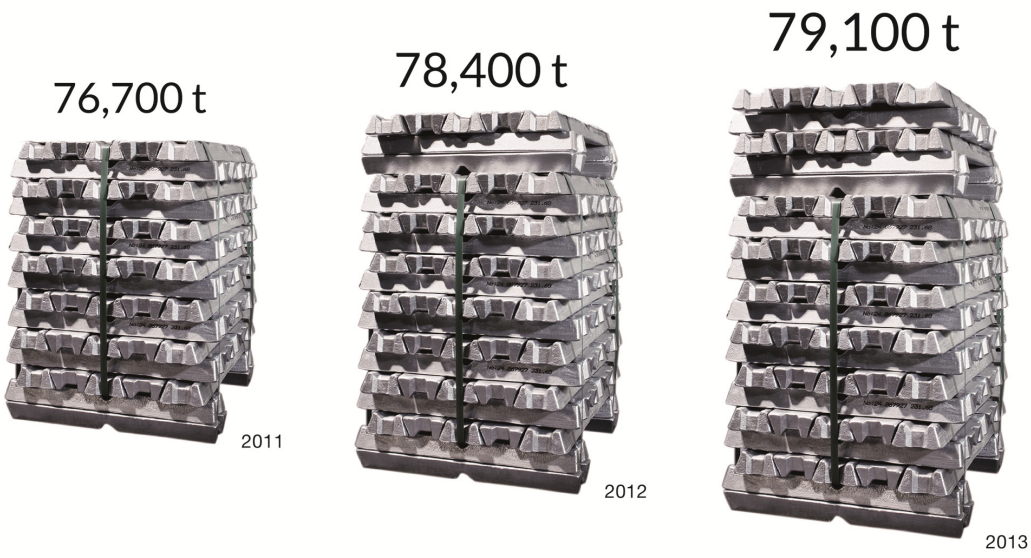
The overall decline in vehicle production resulted in weaker demand for foundry alloys. With domestic demand falling, southern European producers of ingots encroached on the Casting Division's traditional markets. This was reflected in increased pressure on prices and margins, but the situation eased somewhat with the onset of market consolidation in the second half. Nevertheless, at the end of the fourth quarter, margins were still low compared to previous years.

In order to reduce the Group's dependence on external market trends, internal deliveries to the Rolling Division were ramped up in 2013 in order to ensure adequate supplies of raw materials. This process was supported by the completion of a smelter upgrade in line with the latest technological, safety and environmental standards in February 2013. As a consequence the Group can process scrap that is not suitable for the conventional smelting units in the Rolling Division's wrought alloy casthouse, expanding the range of scrap AMAG can recycle and extending value creation within the Group.

The implementation of a series of alloy development and optimisation projects in conjunction with various customers continued in 2013.

In particular, we made significant strides in developing recycled aluminium alloys for structural components for well-known car manufacturers. In 2014 we expect to see further progress in this area, as well as increasing shipments.

9 See IHS Automotive, Global Production Summary, December 2013



Casting Division shipments, tonnes (rounded)

2013 financial year

The Casting Division operated at full capacity once again in 2013, and recorded satisfactory performance in light of the prevailing market conditions.

Divisional revenue was 110.4 mEUR, down by 7.3% on the previous year, mainly as a result of low prices and changes in the product mix.

EBITDA came in at 4.6 mEUR, below the 6.1 mEUR recorded in 2012. This reflected the pressure on margins as a result of the difficult market environment in Southern and Western Europe. The EBITDA margin was 4.2% (2012: 5.1%), and EBIT declined to 2.0 mEUR (2012: 3.7 mEUR). The EBIT margin stood at 1.8%, compared with 3.1% in 2012.

Research and development

In order to continue meeting the automotive sector's exacting requirements for materials in the future, the Casting Division focused on a number of R&D projects in 2013, in particular in relation to suspension and structural components for automotive manufacturing. AMAG is a qualified supplier of liquid aluminium for cast components that will be used in a pioneering electric vehicle.

The combination of our use of scrap and the production of primary aluminium using renewable energy sources makes AMAG an attractive supplier for sustainable automotive manufacturing.

In cooperation with a leading premium German car manufacturer we have developed a new die casting alloy, made using a high proportion of recycled aluminium, as a raw material for structural components. The material has especially high ductility for a recycled aluminium alloy.

Optimisation of the A226/EN AC 46000 alloy to incorporate specific technical properties requested by our customers was well received, leading to new orders. As a result the Division decided to extend its research activities in this area.

Work also began on a research project organised in collaboration with the University of Leoben that aims to improve our understanding of the processes involved in melting down contaminated scrap.

Investment

The Casting Division invested 2.0 mEUR in property, plant and equipment in 2013 (2012: 3.8 mEUR). As in 2012, one of the main investment projects was the upgrade of a smelter to conform to the latest technological, safety and environmental standards, which has enabled the processing of specific kinds of scrap.

Key figures for the Casting Division in mEUR	**2013**	**2012**	**Change in %**
Revenue	110.4	119.1	(7.3)
thereof, internal revenue	9.2	7.2	27.8
EBITDA	4.6	6.1	(23.7)
EBITDA margin in %	**4.2**	**5.1**	**-**
EBIT	2.0	3.7	(44.4)
EBIT margin in %	**1.8**	**3.1**	**-**
Investments	2.0	3.8	(46.9)
Employees	121	120	0.8

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 is specialised in premium products for selected markets. It is supplied with rolling slabs made predominantly using a very high proportion of aluminium scrap by our rolling slab casthouse. The AMAG 2014 expansion project will increase capacity to 225,000 t of rolled products by the end of 2014.

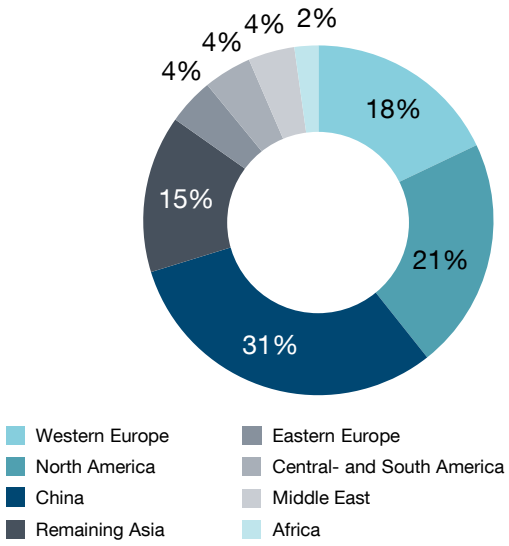
Economic environment

Global demand for rolled aluminium products rose to 21.3 mt in 2013 according to recent CRU estimates[10], an increase of 4.4% on the previous year. The Asia Pacific region was the main driver of growth, in particular China, where demand increased by 10.0%. At 4.6 mt, consumption in North America remained at the 2012 level, while in Europe it grew by 1.3% to 4.7 mt.

CRU is predicting an annual average increase in demand for rolled aluminium products of 5.4% for the period to 2018, with demand likely to increase most sharply in the transport and aircraft sectors, at an average of 9.4% a year. Restrictions on CO_2 emissions mean that lightweight construction will play an increasingly significant role in the automotive industry, especially in the developed world. CRU also expects annual demand growth of 6.0% in the construction sector and 4.4% in the packaging industry.

The Rolling Division operated at full capacity in 2013, and saw output increase across its nine product categories. The gradual addition of capacity by means of investments and initiatives designed to support organic output growth resulted in record shipments of 157,600 t for the year (2012: 151,300 t) – meaning that production in the Division significantly outpaced demand in our core US and European markets. We maintained our strong focus on special products in 2013.

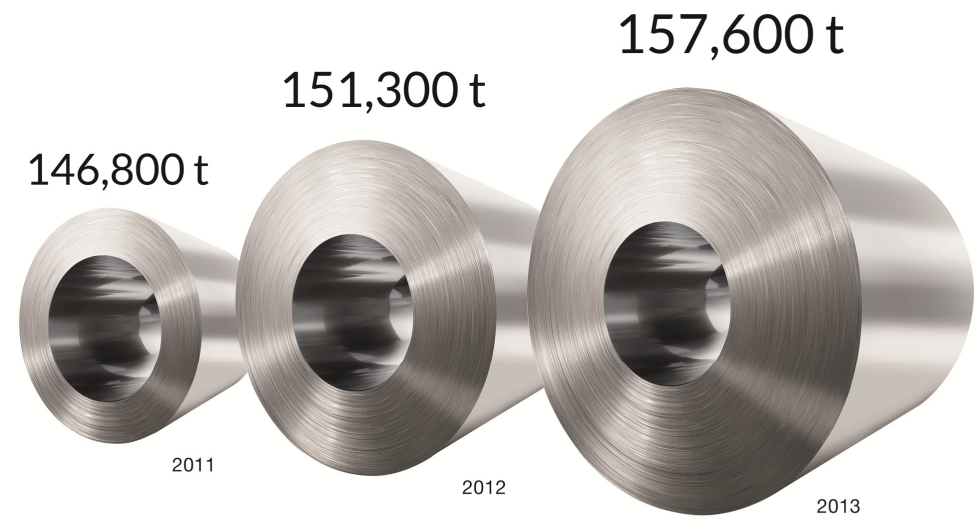
Consumption of rolled products in 2013 by region: 21.3 mt[11]



In 2013 the Division secured multi-year contracts in the aircraft industry to supply Airbus and Boeing with plates and sheets for the manufacture of structural and outer skin components. Production in the aircraft sector is still rising, with order books full for the coming years, although high inventories at individual aircraft manufacturers are likely to lead to a temporary dip in demand for aluminium plates in 2014.

10) See CRU Aluminium Rolled Products Market Outlook, November 2013

11) See CRU Aluminium Rolled Products Market Outlook, November 2013



Rolling Division shipments, tonnes (rounded)

The trend towards lightweight construction in the automotive sector, driven by requirements to reduce CO_2 emissions, remains strong. Correspondingly, demand for rolled aluminium products for vehicles will increase considerably, in particular from producers of outer skin and structural components. Following the commissioning of a flexible passivation system for aluminium sheet, the Rolling Division is participating in a number of qualifying processes. The Division has achieved notable successes in supplying special applications to well-known German and North American car manufacturers, and has secured initial qualifications for its materials.

The sports and leisure equipment industry is also growing steadily. Other key elements of the Rolling Division's product portfolio are foil stock, tread plate, brazing materials and quality bright products.

Our most important customers for precision cast and rolled plates are in the machinery and toolmaking industries, which require high-precision parts with low tolerances. After entering this market in 2010, AMAG is now firmly established itself as a high-quality supplier, and shipments have grown impressively since then.

High-quality rolled products are made using rolling slabs. Rolled products require low-alloy, electrolysis-based input materials, and AMAG procures rolling slabs for these purposes from qualified suppliers. However, the majority of the rolling slabs we use are produced from aluminium scrap, using state-of-the-art casting technology in our own wrought alloy casthouse at the Ranshofen site. Following investment in a new melting and casting furnace – also part of the organic growth project – production of rolling slabs rose from 180,000 t in 2012 to 190,100 t in 2013.

The extensive use of scrap is vital for environmental and economic reasons, since it makes production more energy efficient and uses fewer resources. Given the low price of aluminium, sales of scrap for wrought alloys were extremely subdued in 2013. However, thanks to investment in the Ranshofen recycling centre and increased internal deliveries by the Casting Division, the quantity of scrap used in production came close to the record level of 2012.

2013 financial year

The Rolling Division reported record shipments of 157,600 t during the reporting period (2012: 151,300 t). Revenue for the year was also up, at 569.4 mEUR (2012: 565.6 mEUR). EBITDA came in at 63.5 mEUR, 20.6% lower than the 2012 record of 79.9 mEUR. This was mainly the result of higher raw material and staff costs, as well as pressure on prices, all of which negated the effect of rising shipments. Increased staff costs were mainly due to the rise in headcount as part of the implementation of the AMAG 2014 project. The EBITDA margin for 2013 was 11.1% (2012: 14.1%).

EBIT shrank by 28.2% to 46.0 mEUR, reflecting a 10% increase in depreciation and amortisation expense, and impairment as result of investments.

Key figures for the Rolling Division in mEUR	2013	2012	Change in %
Revenue	569.4	565.6	0.7
thereof, internal revenue	78.4	67.7	15.9
EBITDA	63.5	79.9	(20.6)
EBITDA margin in %	**11.1**	**14.1**	**-**
EBIT	46.0	64.0	(28.2)
EBIT margin in %	**8.1**	**11.3**	**-**
Investments	73.9	46.3	59.5
Employees	1,117	1,049	6.5

Research and development

In 2013 R&D activities in the Rolling Division focused on a number of areas, including the transportation sector, which is expected to grow significantly in the next few years due to regulatory requirements and the increased importance of lightweight construction in the automotive industry.

The transportation sector's challenging requirements in terms of formability, surface quality and strength necessitated broad-based development work and innovative strength once again in 2013, with the result that the Rolling Division completed a number of important qualification processes for the automotive and aircraft industries. An alloy for outer skin applications was approved by a premium German car manufacturer and other approvals were received from car makers in the United States. We also reached several key milestones in the qualification process for alloys for outer skin applications in the aircraft sector.

Modelling and simulating thermomechanical processes is another important area of research in the Rolling Division. The Division enjoyed major successes in optimising alloys and improving the performance of heat treating furnaces in the year under review.

Numerous patent applications were filed in the course of the year, including for a new passivation method for high and ultra-high strength aluminium strips, as a result of our partnerships with prominent universities and research institutes.

Investment

Investment in property, plant and equipment totalled 73.9 mEUR in 2013, an increase of 59.5% on the previous year's figure of 46.3 mEUR.

The AMAG 2014 expansion project at the Ranshofen site accounted for the lion's share of investment. Construction of a horizontal tempering furnace and an ageing furnace for plate production was completed, and work began on installing plant and machinery for the new rolling mill.

Investments aimed at improving product quality and workplace safety, and increasing the Division's production capacity were also made. These involved replacing a cutting line, commissioning a new coil stretcher and replacing of the coiler gear unit in the cold rolling mill.

16:30 CET

Aluminium climbing carabiners

Fellow climbers with a common goal – whether in the great outdoors or on the indoor climbing wall. Respect and humility light the path ahead. The highest mountains are those of the mind. Overcoming them demands fearlessness, but also self-control – and the right equipment. Love freedom, love life.

Service Division

The Service Division takes care of central services and infrastructure within the AMAG Group, including facility management, energy supply and waste disposal as well as purchasing and materials management.

The Service Division provides infrastructure and services that are vital to the Group's long-term success and future growth prospects. A key responsibility in 2013 was overseeing construction and infrastructure measures for the AMAG 2014 major expansion project.

Service Division departments

The facility management unit is responsible for about 280 hectares of space, of which buildings take up 90 hectares. A large number of investment and maintenance projects were implemented at the Ranshofen site this year, the most significant of which was the construction of a new rolling workshop measuring 472 m in length and 116 m at its widest point. 5,700 t of steel was used in the 30,200 m^2 building, and around 35,000 cubic metres (cu m) of concrete was needed for the construction of the hot rolling mill. Construction of the new plate production hall, another part of the AMAG 2014 project, was also close to completion by the end of the year.

Some 151 GWh of electricity (2012: 137 GWh) and approximately 33 million m^3 (2012: 31 million m^3) of natural gas were procured to meet energy requirements. Optimising energy use was also a priority in 2013, and a gas pressure regulating station was installed at the Ranshofen site.

The Service Division also handles waste disposal and takes steps aimed at preventing waste and increasing recycling.

Site services is responsible for on-site infrastructure such as security staff and courier services.

As in 2012, a major focus for the purchasing unit was the commercial management of the AMAG 2014 investment project.

An initiative to improve supplier management was put in place as part of the Division's continued efforts to integrate the Group's suppliers more closely into the supply chain. Suppliers are now directly connected to the AMAG IT system, boosting the efficiency of communications, exploiting synergies and leading to corresponding cost reductions.

2013 financial year

The Service Division's sales have been reported as revenue instead of other income since the start of 2013. The figures for the prior period have been adjusted accordingly.

Divisional revenue came in at 58.8 mEUR (2012: 53.8 mEUR) and comprised revenue from services provided to other divisions as well as to customers outside the Group.

The Division's EBITDA for 2013 was 3.9 mEUR (2012: 5.3 mEUR). The difference was mainly due to one-off proceeds from services in 2012.

Investment

Investment of 36.6 mEUR in 2013 (2012: 19.0 mEUR) related primarily to investments in infrastructure and facilities at the Ranshofen site under the AMAG 2014 expansion project.

Key figures for the Service Division in mEUR	**2013**	**2012**	**Change in %**
Revenue	58.8	53.8	9.3
thereof, internal revenue	53.2	48.2	10.3
EBITDA	3.9	5.3	(25.3)
EBITDA margin in %	**6.7**	**9.8**	**-**
EBIT	(4.1)	(2.0)	(104.2)
EBIT margin in %	**(6.9)**	**(3.7)**	**-**
Investments	36.6	19.0	93.1
Employees	121	117	3.4

Key financial performance indicators

Return on capital employed (ROCE)

Return on capital employed is the ratio of net interest expense and profit for the year from continuing operations to average capital employed, expressed as a percentage.

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

This is the sum of average equity and average net debt (i.e. long-term and short-term interest-bearing borrowings minus cash and cash equivalents and short-term securities).

In 2013 the Group's return on capital employed was 10.1% (2012: 13.4%). Net operating profit after taxes (NOPAT) was 19.5% lower year on year, while average capital employed rose by 7.0%.

This temporary decline in ROCE was attributable to investments under the AMAG 2014 project and the lacking revenue prior to the commissioning of the new plant and equipment.

Return on equity (ROE)

Return on equity is the ratio of profit for the year from continuing operations to average equity, expressed as a percentage. It shows the profitability of the average equity employed in the course of the financial year.

As with the return on capital employed, ROE declined during the reporting period, from 13.1% in 2012 to 9.9%. This was mainly due to the decrease in profit for the year from continuing operations.

Calculation of ROCE and ROE in mEUR	**2013**	**2012**
Net income after taxes	56.0	71.3
Interest income (expenses)	(6.5)	(5.8)
Taxes on interest income	1.6	1.5
NOPAT	**60.9**	**75.7**
Equity [1)]	564.3	543.3
Non-current interest-bearing financial liabilities [1)]	117.8	80.5
Current interest-bearing financial liabilities [1)]	1.8	11.5
Cash and cash equivalents [1,2)]	(81.8)	(72.5)
Capital Employed [1)]	**602.2**	**562.8**
ROCE in %	**10.1**	**13.4**
Net income after taxes	56.0	71.3
Equity [1)]	564.3	543.3
ROE in %	**9.9**	**13.1**

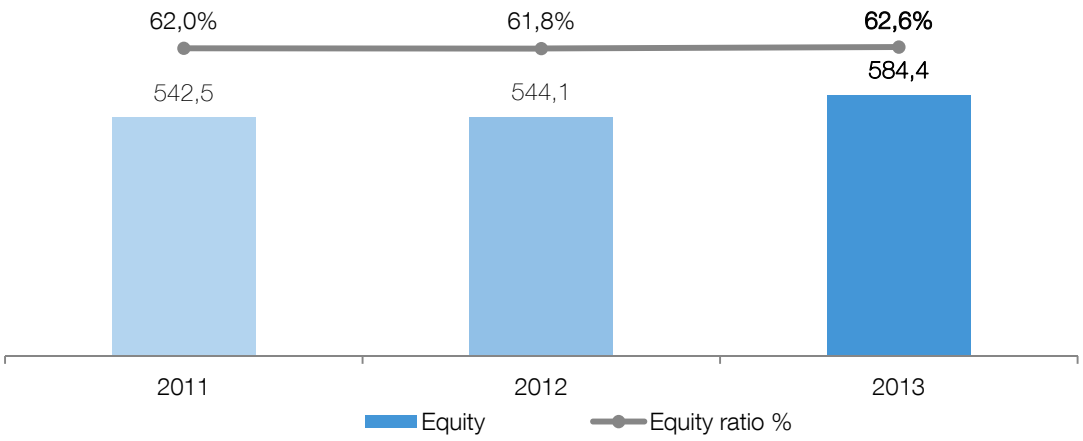
1 Annual average
2 Cash and cash equivalents, and loans receivable

Equity ratio

The equity ratio expresses the relationship between equity and the sum total of equity and debt.

The Group's equity ratio increased slightly year on year in 2013, to 62.6% (2012: 61.8%).

Equity (mEUR) and equity ratio (%)

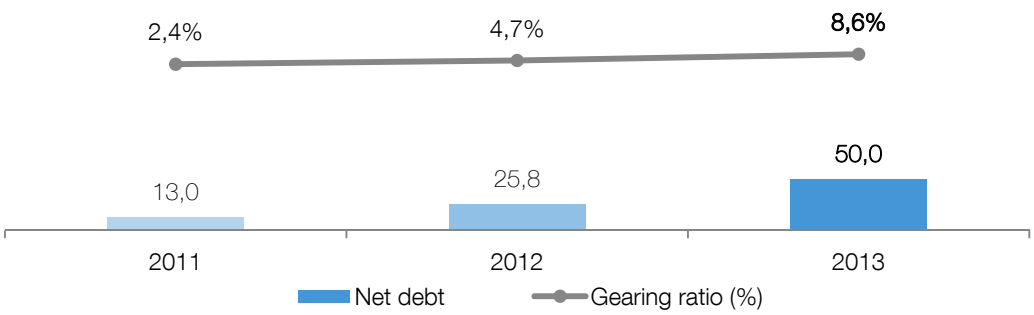


Net debt

Net debt comprises cash and cash equivalents and loans receivable less borrowings.

At the end of the reporting period net debt remained low, at 50.0 mEUR, in spite of investments in expansion of the Ranshofen plant under the AMAG 2014 project. The Group reported net debt of 25.8 mEUR at year-end 2012.

Net debt (mEUR) and the gearing ratio (%)



18:00 CET

Millions of drivers
head out for an
evening spin.

Aluminium engine parts

The wheels keep on turning. Body moulding and edging combined with elegant curves – a sculpture in motion. The excitement and the tension build as you reach casually for the car key and enter a home away from home.

Human resources

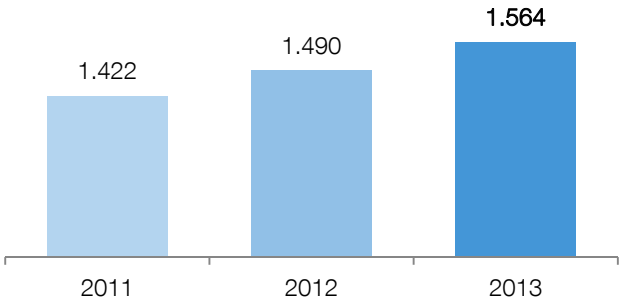
Employees

A motivated, capable workforce is the key to a company's success. One of the core tasks of human resource (HR) management is to ensure that these capabilities are in place by helping individuals to develop to their full potential and by recruiting outstanding employees. Working conditions that meet modern-day standards, trust-based relations between management, staff and employee representatives provide the foundations for this, and help to create a positive working environment.

Facts and figures

A key priority in 2013 was ensuring that sufficient human resources were in place for the expansion project at the Ranshofen site. Group headcount (including apprentices) rose by 5.4%, reaching 1,679 at year-end, and the average number of employees (full-time equivalent) in 2013 was 1,564. The Group's focus on industrial operations means that 64% of staff are classified as blue-collar workers, 31% as salaried employees and 5% as apprentices.

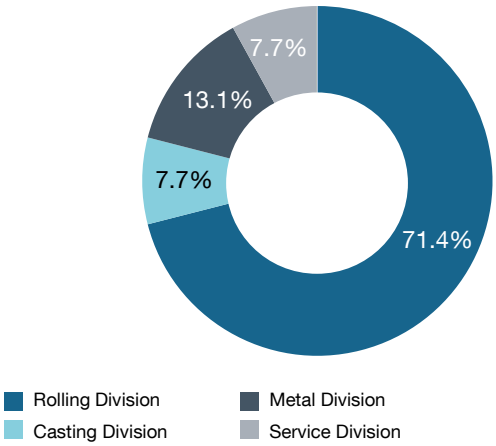
Employees, full-time equivalent (annual average)



13.1% of employees work in the Metal Division, 7.7% in the Casting Division, 71.4% in the Rolling Division and 7.7% in the Service Division. The majority of the workforce is based in Austria.

Staff have a share in the company's success through the AMAG Employees' Private Foundation, a core shareholder with 3.9 million shares or an 11.1% stake in AMAG.

Employees by division



Staff development

Staff development is a leading priority at AMAG, and the Group has implemented a range of activities and initiatives. Every member of staff has an annual appraisal to set objectives and discuss personal development. Constructive feedback – from managers to employees and vice versa – plays an important role in job satisfaction and creating an open corporate culture. This is also provides an opportunity to discuss individual behaviours, and identify strengths and potential improvements. The measures agreed during the feedback process are designed to improve personal and team performance. The appraisal is also a tool for pinpointing training and development needs. These can range from technical training courses to health and safety topics or social skills. The Group offers programmes tailored to the needs of different groups of employees, such as apprentices, blue-collar workers, managers and high potentials.

AMAG's apprenticeship scheme is a reflection of the Group's commitment to providing young people with the training they need to develop their technical abilities and become confident and effective team players. The training system consists of three elements. Apprentices receive practical training on the shop floor, while they acquire theoretical expertise in their chosen profession at the Ausbildungszentrum Braunau training centre, a partner organisation. From day one, the focus is on developing social skills such as etiquette, communication abilities,

responsible conduct, teamwork and conflict management. Apprentices learn more about these aspects in a series of seminars.

The success of this structured approach is reflected in the fact that every year around two-thirds of apprentices graduate from training college or complete their final examination with the highest or second-highest grade. In 2013, 16 apprentices took their final examination – five received the highest grade and six received the second-highest, meaning that a combined 69% were in the top two bands. Thanks to these excellent results, almost 100% of trainees go on to take jobs with the Company. At the end of 2013, 77 apprentices were in training at the Ranshofen plant (67 trade apprentices and 10 commercial apprentices), an increase of 8.5% on the previous year. 20 apprentices began their training during the reporting period.

Higher education partnerships

The AMAG Group has concluded strategic partnerships with several universities in order to achieve a strong practical focus on teaching and research in subjects related to the Group's operations. These partnerships take a variety of different forms, from offering bachelor's, master's and doctoral theses to providing students with the chance to complete project-based internships. The Group also comes into contact with students by participating in careers fairs and organising information evenings. Additionally, AMAG invites university professors to hold lectures at the Company and the Group's managers give talks at partner institutions.

An attractive employer

The AMAG Group is widely regarded as an attractive employer, not least because of the very low staff turnover rate and the fact that the average AMAG employee has been with the company for over 11 years. This comes at a time when we are significantly expanding the workforce.

In 2014, we will continue to provide a framework for enhancing our employees' capabilities, motivation and dedication, which in turn will ensure that we have sufficient personnel in place for the expansion of the Ranshofen site.

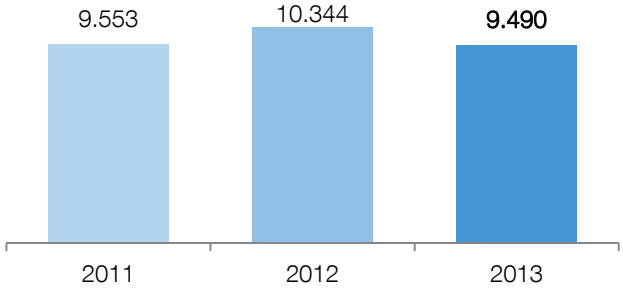
Continuous improvement process (CIP)

Continuous improvement refers to the ongoing, incremental improvement of Group processes by the employees. This increases AMAG's competitiveness, as well as giving staff the opportunity to play a part in shaping processes, assume responsibility and deepen their relationship with the Company. It also promotes a culture of change and constant improvement. The CIP is the cornerstone of AMAG's innovative capabilities.

In 2013, the CIP concentrated on the following topics:
- Workplace safety
- Machinery safety
- Energy management
- Logistics
- Optimising new plant and equipment
- Productivity

The number of suggestions submitted at Ranshofen was again high in 2013, at 9,490 (2012: 10,344). This equated to an average of 7.3 suggestions per employee taking part (2012: 7.6).

Number of suggestions as part of the CIP



Health and safety

Over and above adherence to mandatory requirements, AMAG's zero accidents strategy aims to go beyond adherence to statutory requirements by informing all employees of potential safety risks, analysing and evaluating those risks, and taking appropriate steps to eliminate them.

Following its success in 2012, we continued our *Konsequent sicher* workplace safety initiative in 2013.

Operations managers took part in a training programme on responsibility and liability for health and safety matters, held in cooperation with the General Accident Insurance Institute (AUVA).

AMAG also carried out Safety Certificate Contractors (SCC) certification for the operational managers of smaller suppliers that regularly work with the Group. Larger suppliers normally already have such certification.

In parallel with the start of construction work under the AMAG 2014 expansion project, we introduced an online training programme including a test as well as an access control system for external contractors. The experience gained from these projects was then used to set up an online training programme for external contractors at the Ranshofen site.

In 2013 AMAG recorded an accident rate of 1.5% – the lowest in its history. The widely recognised lost time injuries (LTI) rate was 10.6 – also a record low.

Workplace health promotion has been central to the company's philosophy since 1999. The aim is not only to help prevent illness but also to help employees enjoy the best possible standards of health – which also boosts productivity and job satisfaction. In 2012 we received the quality seal of the Austrian Network for Workplace Health Promotion in recognition of our approach and our support for employees; the seal is valid until 2014.

The AMAG Vital Check plays a key role in our efforts to promote individual health. This is a voluntary general medical check-up, with different supplementary tests offered each year.

In 2013, all employees were also offered financial support for individual measures to improve their health (including smoking cessation seminars, relaxation courses and fitness programmes).

As a result of these wide-ranging measures and activities, AMAG sick-leave rates are significantly lower than the Austrian metals industry average.

The AMAG Group's health and safety system was recertified in accordance with the Occupational Health and Safety Assessment System (OHSAS) 18001 standard in 2012. Certification is valid until 2015.

20:15 CET

Millions of TV viewers *surf in the comfort of their own homes.*

Aluminium television

Pseudo-documentaries. A look at Berlin's nightlife through the eyes of the weirdest characters imaginable. The world news. Columbo – now things are starting to look up. And after all that the TV's sleek finish is a definite treat for the eyes.

Corporate Social Responsibility

Sustainability is firmly integrated into our business strategy in the shape of six key criteria.

Sustainable management

Sustainable management involves aligning the three core aspects of sustainability – people, planet and profit. AMAG aims to grow in a specialised market with strict quality requirements, which demands strong innovative capabilities as well as the environmentally friendly and resource-efficient processing of aluminium.

One of our top priorities is implementing responsible business practices that meet the highest moral, legal and ethical standards, in order to expand profitably in line with the principles of fair competition. Our compliance rules, Code of Ethics and comprehensive risk management system support the achievement of this aim.

Solid customer relations

Our strategy is based on acquiring new customers and building up long-term, trust-based partnerships with them. We do this by offering proven, high-quality, innovative products that satisfy customer requirements, and by maximising customer satisfaction.

Honest employee relations

This objective covers the recruitment of new employees, retention of current staff and offering structured training and development programmes, pension schemes, helping employees to balance work and family commitments, health and safety initiatives, and an open corporate culture.

A commitment to environmental protection

Environmental protection is a core guiding principle for AMAG. This is backed up by a comprehensive management system which is certified according to the ISO 14.001 and 50.001 standards. The system is based on wide-ranging performance criteria and medium and long-term targets, as well as corresponding management control measures.

Responsible value chain management

This area involves dealing responsibly with the individuals and organisations that have a stake – be it direct or indirect – in the Group's development, in particular by means of employee-friendly working conditions and the conservation of raw materials across the value chain.

A future-capable society

AMAG is well aware of its role and responsibilities as a leading company. Besides offering attractive employment opportunities, our commitment to society means we cooperate closely with schools and universities, as well as supporting sports, social and cultural activities.

Research and development

AMAG's research strategy was reviewed and updated in 2013 in consultation with the Group's science and technology advisory board.

Sustainable transportation will continue to be a major driver of the Group's strategy. Increasing the formability and strength of materials, improving crash performance and understanding the behaviour of materials in the joining process are key topics for the transport sector. Recycling remains an essential part of our strategy and will be further expanded. Our extensive work on simulating thermomechanical processes is now bearing fruit and our research in this area will move up a gear.

The Casting Division has responded to the growing demand and expanded its range of malleable alloys for suspension and structural components by cooperating with OEMs on development. As a result AMAG is now a qualified supplier of liquid aluminium for cast components that will be used in a pioneering electric vehicle.

A new die casting alloy containing a high proportion of aluminium scrap, which is the raw material for structural components, has been developed together with a leading German manufacturer of premium cars. The product has especially high ductility for a recycled aluminium alloy.

AMAG is also the only aluminium supplier taking part in the EU-funded ALIVE (Advanced high volume affordable lightweighting for future electric vehicles) project, working together with key players in the European automotive manufacturing and supply industry to develop recycled aluminium alloys with properties suited to use in future electric vehicles, such as high strength and ductility.

Thanks to the Rolling Division's research and development activities, AMAG completed a number of important qualification processes for outer skin applications in 2013. An alloy for outer skin components was approved by a big-name premium German car manufacturer, meeting their demanding requirements in respect of formability, surface characteristics and mechanical properties. This has opened up an important new market for AMAG that will be further expanded as we work towards qualified supplier status with other OEMs.

The Group also achieved key milestones in a qualification process for alloys for outer skin applications in the aircraft sector. The development of this cladded (multilayer) product demonstrates the benefits of building competence centres and focusing on special products. Other qualification processes in this sector are already under way.

However, it has become clear that unique materials know-how alone is not enough to secure technological leadership. Lightweight construction requires the right materials for the right application, and that can include steel or plastics. There are a number of competing joining methods and as an aluminium supplier it is vital that we know precisely how our materials behave in the process of joining them with others. Alloys produced using recycled aluminium behave in more complex ways than primary aluminium. More precise knowledge of their behaviour allows us to adapt alloys so that they are equally workable in spite of the high scrap content.

In addition to understanding joining processes, we also need detailed knowledge of surface characteristics and the specific ways in which we can influence them, especially for the outer skin applications mentioned above. A new water-based coating for aluminium sheet was developed as part of a doctoral thesis completed at the Vienna University of Technology. A patent application has been filed for the invention, which is suitable for outer skin applications in the automotive and aircraft sectors. The nanotechnology-based coating promotes the consistent behaviour of glued and painted aluminium sheet, as well as reducing its propensity for oxidation. Adhesive bonds with the same initial strength as the current state of the art are significantly more durable, meaning that manufacturers can make more accurate predictions with regard to bonding, thereby reducing the need for mechanical joining methods.

Manufacturing special products requires management of complex processes, including determination of and adherence to precise process parameters. Without modelling and simulating thermomechanical processes, getting to grips with such complexity would be impossible. AMAG has posted a number of successes in this area, too, through its long-term research partnerships with re-

spected universities and the Leichtmetallkompetenzzentrum Ranshofen. Simulations of microstructure development and precipitation mechanisms, together with more detailed knowledge of the physical properties of metals, have enabled us to optimise our process management systems. These models have also played their part alloy optimisation projects, including in outer skin applications for the automotive sector as described above.

During the reporting period, work began on a research project in cooperation with the University of Leoben that aims to improve our understanding of the processes involved in melting down contaminated raw material. This has resulted in the development of a new sampling approach that identifies the composition of alloys and detects the amount of moisture and organic matter in the material, aiding selection of the most suitable smelting unit. Data on the salt composition required for cleaning aluminium has also been compiled.

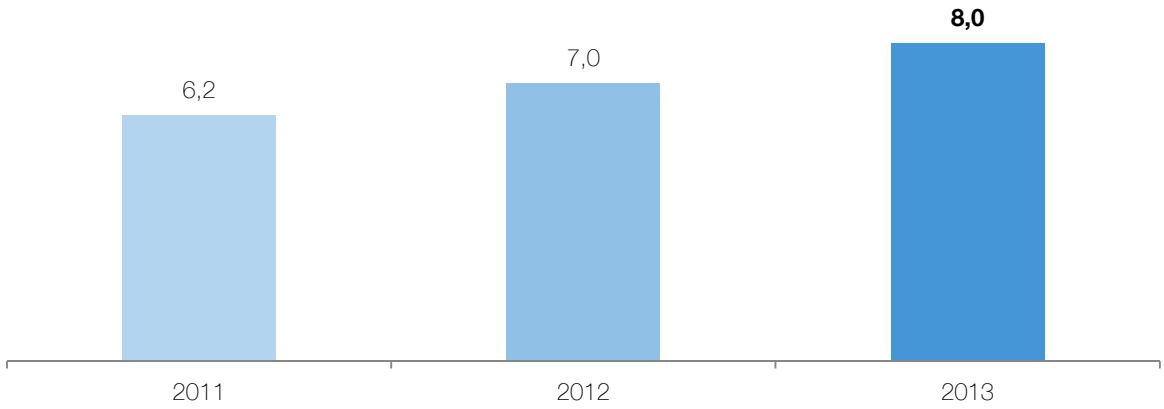
In special products, we have made particularly strong progress in bright products, including development of a new facade product with a scrap content of about 50%. This breakthrough innovation offers the same high level of brightness as existing solutions made from primary aluminium, but with higher wind resistance. It is an excellent example of how AMAG's recycled aluminium alloys can be used for demanding, high-quality applications – a unique selling proposition for the Group.

The Group spent 8.0 mEUR on research and development in 2013 (2012: 7.0 mEUR).

About 4% of the total was accounted for by the Casting Division, 95% by the Rolling Division and 1% by the Service Division.

73 people (full-time equivalent) were employed in R&D as well as innovation positions in 2013.

AMAG Group research and development expenditure, mEUR



20:45 CET

Aluminium reflectors
for floodlights

The whistle blows. The floodlights illuminate the night and the pitch below. The pacy forwards cover every blade of grass. No more long shadows, but still plenty of long faces. The goalie grasps at thin air. Gooooaaaaaallllll!

Risk and opportunity report

A formalised risk management system, designed to identify, assess and manage all the Group's significant risk exposures and opportunities, is integral to our business activities. We strive to spot risks at an early stage, and limit them by responding proactively. At the same time we seek to capitalise on the business opportunities open to us. A balanced approach to opportunity and risk management is one of the Group's key success factors.

Risk management system

AMAG's risk management system is aimed at driving long-term asset, earnings and value growth across the entire Group. The system relies primarily on:

- Using Group-wide standards to regulate operational processes with a view to recognising, analysing, assessing and communicating risks, and thus actively managing risks and opportunities
- Hedging against specific risks (aluminium price and exchange rate volatility)
- Covering certain risks under a comprehensive insurance strategy

Risk management is built on these standards at all levels in the management hierarchy. Strategic 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 are updated whenever necessary.

In addition, audits by an external auditor are carried out on a case-by-case basis in selected areas of the business to determine the effectiveness of the internal control system.

Internal control system

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 Organizations (COSO) of the Treadway Commission – and on ISO 310000:2010. The objective is for the responsible management staff to recognise and manage the immanent risks.

Main features of the internal control and risk management system with respect to the accounting process

As a general rule, establishing an appropriate internal control and risk management system for the accounting and financial reporting process is the responsibility of the subsidiaries' managing directors. The AMAG Group has established mandatory standards for the management of the most important business risks and for the accounting and financial reporting process. The standards are implemented by management in the various divisions and augmented where necessary.

The integrated financial accounting and reporting system for the Ranshofen site is implemented centrally. Appropriate organisational measures ensure compliance with the statutory requirements, and that entry in the books of account and other records is complete, correct, timely and well ordered. The whole process from procurement to payment is governed by strict rules, which are intended to ensure that all associated risks are avoided.

The rules require a strict division of responsibility, hierarchies of signing authority, and – for all payments without exception – joint signing authorities restricted to a limited number of persons. Compliance is supported by checks built into the SAP software. 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. Local management is kept up-to-date on all important matters, including additional business-specific information as required. The Austria Metall AG Supervisory Board meets at least once a quarter to consider the operating reports for the relevant period. There is an annual meeting in which operating plans and the Group's medium-term strategy are reviewed, and in special situations the Supervisory Board is informed directly and without delay. The internal control and risk

management system is also monitored by the Audit Committee.

Personnel risks

The competence and dedication of AMAG Group personnel play a major part in the success of the Group, and investments in workplace safety at work (such as our *Konsequent sicher* initiative) and employees' health and wellbeing are a major priority. AMAG prides itself on its performance-related rewards system, its training and continuing education programmes, its early identification and encouragement of high potentials, and its attractive incentive system for managers.

The investment in the AMAG 2014 expansion project will create additional jobs at the Group. As the project progresses, new employees are being taken on all the time. Employer branding activities have also been stepped up, to strengthen AMAG's position as an attractive employer.

Operational risks

Production-related risks

At various stages in the value chain, AMAG's operating companies are exposed to the danger of interruption of operations and risks with respect to quality and work safety. Comprehensive established procedures in production, quality management and work safety, and also as part of the continuous improvement process (CIP), encourage employees to assume personal responsibility and help ensure that these risks and dangers are largely avoided. The risks of plant breakdown and interruption of energy supply at AMAG are also countered with systematic preventive maintenance and regular risk-based maintenance (RBM) Modernisation and replacement investments are also planned long-term. Additional security is provided by machine breakdown insurance.

Technological development risks

In technologically advanced sectors such as the aircraft industry, automotive engineering and sport there is the risk of aluminium being displaced by the development of alternative lightweight materials with comparable properties, such as carbon fibre composites, plastics, magnesium or advanced steels. The AMAG Group attempts to combat 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. In parallel, it works on developing new applications for aluminium alloys.

Natural hazard risks

Appropriate measures are taken to minimise natural hazard risks.

- Fire prevention: structural, technical and organisational measures appropriate to the potential hazards. Examples include works fire services, fire compartments, fire alarm systems, carbon dioxide fire protection systems and fire insurance policies.
- Accident prevention: workplace evaluations and improved workplace layouts, identification of near-miss accidents, development of preventive measures and regular employee training.
- Flood and other natural hazard risks: ongoing improvement of preventive measures.

Information-processing risks

In this sensitive area the Group's focus is primarily on data security, systems' compatibility and effectiveness, access protection and operating reliability. The Chief Information Officer is responsible for Group-wide 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.
In addition, there are security and user authorisation systems 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.

Risks of fraud and abuse

There is a comprehensive system of internal control in place, to provide for the monitoring, early recognition and avoidance of risks. The system provides all of the instru-

ments and procedures needed 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 has an interest. However, the risk is minimised by medium and long-term supply contracts.

For the casthouses, the main risk is the potential shortage of enough scrap metal of sufficient quality. The risk is kept to a minimum through long-term contracts with scrap dealers and major collection points, and by internationally diversified sourcing. The additional primary metal required is a liquid commodity, available in the form of ingots or sows. AMAG has annual supply contracts with recognised international suppliers with which it has long-standing business relationships.

The rolling mill sources most of its rolling slabs, which use a high percentage of recycled materials, from its own casthouse in Ranshofen. The balance of primary metal requirements is purchased from recognised international suppliers selected on the basis of competitive tender.

Materials procurement risk for AMAG Group can therefore be considered to be low.

Sales risks

The AMAG Group's broadly diversified product range and its expertise mean that it is not dependent on a few large customers. In 2013, its top 10 customers accounted for about 36% 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 the target markets into premium segments that require novel solutions and outstanding quality. Meeting the highest standards, particularly those of the automotive and aircraft industries, is of crucial importance to AMAG. The Group's Rolling Division supplies sectors with low-to-medium cyclical risk, such as the packaging and sports equipment industries, but it also has customers in cyclical industries such as construction, aircraft, automobiles and automotive suppliers.

Our focus on premium products and the wide range of customer sectors ensures a balanced portfolio. Relations with large customers are also supported by joint development projects and high-quality customer service. The Casting Division's ability to supply liquid aluminium also contributes to good customer relationships. Aluminium price risks and currency risks are minimised by active hedging.

Project risks

The risks related to the AMAG 2014 expansion project are monitored in regular project supervision meetings headed by the AMAG Management Board and the responsible executive managers, and with the participation of the project team. The focus is on ensuring that deadlines and costs are kept under control, and that technical progress of the project is on schedule. The sales and procurement risks associated with the additional production volumes are also closely monitored. A major responsibility of the project supervisors is the ongoing search for ways to minimise risks and implement risk-reducing measures.

Competition law risks 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 rules.

This commitment takes the form of appropriate rules and regulations (e.g. the Competition Rules and Anti-corruption Rules), and AMAG's Code of Ethics.

A Compliance Department has also been created to provide support across the Group in the implementation of the various compliance requirements. The Department conducts regular training courses and monitors compliance with internal rules and regulations. Additionally, there is a compliance hotline that can be used to report any breaches.

Research and development risks

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

When planning development activities, it is obligatory to review and document the present status of research in Austria and abroad, in order to establish the extent of the risk, including the implications for the competitive situation and intellectual property rights. Internal technical risks and the effects of a project on the Group's financial performance must be explained when submitting a project proposal. An R&D steering group consisting of the Group's senior management and an external group of recognised experts regularly reviews project proposals and the progress of existing projects. In addition, joint research with customers is carried out at their sites, with the aim of minimising the risk of project failures. Patents are monitored by external lawyers as a further method for minimising risk.

Environmental risks

The risk of activities endangering the environment is kept to a minimum by environmental management systems installed in the relevant Group companies. Rising environmental protection expenses are partly offset by savings on energy and waste disposal costs made possible by the use of state-of-the-art technologies. Inherited pollution from earlier use of the Ranshofen site has been rectified by prompt implementation of remedial measures, or otherwise the expected costs are covered by provisions. Input materials carrying pollution risks are exhaustively examined at the time of delivery.

Legal risks

The AMAG Group is active in a wide range of national markets. It monitors the relevant legal requirements and proposed legislation in these countries so that it can react to changes in the legal environment in good time. The Group's operating companies are supported by AMAG's Legal Department where appropriate.

Risks of product liability damages are as far as possible eliminated by quality assurance procedures. Any residual risks are largely 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. For important supply agreements, for example in the aircraft industry, the closest attention is paid in the individually negotiated contractual terms and conditions to special clauses limiting liability and excluding liability for consequential losses.

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 U.S. dollars on the LME, and without appropriate hedging measures the volatility of aluminium prices and the dollar exchange rate would have a direct impact on AMAG's earnings. The mandatory Group guidelines – Metal Management and Financial Management – set out the procedures for recording and hedging these two main risks.

To stabilise the earnings of AMAG's interest in Alouette, the sales prices of part of the production have been hedged on a rolling basis by forward sales and options, so as to reduce the risk of losses. As a general rule, aluminium price volatility risks are hedged in Ranshofen.

The AMAG Group's Metal Management Department registers all LME-related aluminium purchases and inventories and all operating companies' LME-related sales, and calculates the day-to-day aluminium price risk exposure. An important aid in managing the exposure is the Metal Book, an SAP application developed at AMAG.

Contracts with brokers and investment banks are used to hedge the metal price risks on open aluminium positions, so that the market price swings on the underlying transactions are fully offset by the movement of the hedges in the opposite direction. All underlyings and hedges in the Metal Book are marked to market daily.

Since there is generally insufficient price correlation between foundry alloys and LME prices, 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 use credit insurance and bank securities such as guarantees and letters of credit to limit default risk on receivables.

Risks in respect of bank balances are actively managed by setting deposit limits for each bank, and – where available – taking credit ratings into account and regularly monitoring CDS spreads. AMAG Austria Metall AG provides working capital financing for the whole of the AMAG Group, using cash flow forecasts to ensure adequate liquidity throughout the Group. Centralised daily euro clearing serves the purpose of financial equalisation within the Group. AMAG Austria Metall AG also controls the financing of investments, projects and exports, and manages the relevant transactions on behalf of the operating companies. To the extent that receipts and payments in the same foreign currency do not provide a natural protection against exchange rate risk, AMAG uses exchange futures and options to hedge major foreign currency exposures. These transactions are carried out by Austria Metall GmbH. Any remaining exchange rate risks are inconsiderable. Interest rate risk in connection with the issue of a promissory loan note is hedged with an interest swap.

Risks from the interest in Aluminerie Alouette

The key aspects of the joint operations carried out at the Alouette smelter are set out in the consortium agreement: major decisions require 90% of the shareholder votes, but day-to-day decisions require only 60%. This means that with its 20% stake AMAG is exposed to certain risks: with the present ownership structure, or even with a change in structure, there is a risk of conflicting interests among the shareholders. Under the terms of the consortium agreement, there is the risk that decisions taken will not be in AMAG's best interests.

AMAG also has obligations that are crucial to day-to-day production operations, and failure to fulfil these obligations could lead to the loss of voting rights and liability on the part of AMAG for possible damages. This applies, for example, with respect to the procurement of AMAG's share of the alumina necessary for production. This currently amounts to an annual total of some 240,000 tonnes, for the supply of which there are one-year or longer-term contracts.

As part of the planned expansion of capacity at the Alouette smelter, the consortium members, the Government of Quebec and electricity company Hydro Quebec signed a long-term power supply contract in June 2012. Under the agreement, the consortium members have an agreed offtake obligation which can only be met by enlarging the facility. In the event of non-fulfilment of the agreement, Alouette's owners would be obliged to pay a penalty, which would have an impact on AMAG's profit in proportion to its equity stake.

There are extensive measures in place to protect against operational risks in connection with the smelter. The risk of damages from events such as the loss of production owing electrical power outages caused by bad weather is largely covered.

Business opportunities

In its role as the holding company, AMAG Austria Metall AG holds all the shares and interests in the AMAG Group. The operative business is conducted by Austria Metall GmbH and its subsidiaries.

The AMAG Group concentrates systematically on premium products in attractive market niches across a broad spread of industrial sectors.

There is considerable potential for successful growth in marketing AMAG's high-quality products worldwide, which is why we working to extend out international sales and marketing network. The most important recent steps in the expansion have been the establishment of AMAG Asia Pacific GmbH in Taiwan and AMAG Turkey in Istanbul in the Rolling Division.

As a leading supplier of innovative products, the AMAG Group is also flexible enough to react rapidly to customers' requests for tailored solutions. The Group is among the quickest to exploit the opportunities brought by change, and with its broadly diversified industry portfolio is well positioned for the future. Especially in times of economic turbulence, the Management Board sees AMAG's strategic orientation and its market positioning – combining primary aluminium from Alouette with high-quality rolled products and recycling foundry alloys from Ranshofen – as a successful combination of stability and long-term growth opportunities in attractive markets.

AMAG's integrated facility with casthouses and rolling mill, and its physical proximity to heavily industrialised regions facilitates continuing technological development and close customer support, particularly in the liquid aluminium supply business. The two casthouses at Ranshofen offer the smelting technologies for practically all types of scrap, high-level skills and expertise in scrap sorting, and special plant for scrap processing.

Our outstanding technological capabilities in rolling, in cladding, and in surface and heat treatment of rolled products open up opportunities for further expansion in attractive growth sectors, such as automotive, aircraft, construction, bright products and engineering applications, and in high-strength materials for sports industry applications, as well as braze clad materials and cathode sheets. The Canadian Aluminerie Alouette Inc., in which AMAG has a 20% interest as part of a joint operation, is one of the world's most efficient smelters, with favourable electricity price contracts running until 2041.

23:45 CET

Millions of restless souls *lovingly admire their aluminium bars.*

Aluminium bars

No wonder aluminium is such a fascinating metal. No other material is so appealing and inspirational for the technicians, industrial designers and artists who work day and night to find ways to make the world a better, more beautiful and more liveable place.

Disclosures pursuant to section 243a(1) UGB

The following disclosures are made in compliance with section 243a UGB [Austrian Business Code]:

1. The share capital of AMAG Austria Metall AG is 35,264,000 EUR, and is divided into 35,264,000 no par shares, each corresponding to one euro of the share capital. All the shares confer the same rights and duties. Every share carries a right to one vote at the annual general meeting (AGM). There are no other classes of shares.

2. In 2013 AMAG was notified of the following agreements between the shareholders:

   - Participation agreement dated 7 January 2013 between B&C Industrieholding GmbH and Oberbank AG:
     Under the above, B&C Industrieholding GmbH and Oberbank AG have concluded agreements on the exercise of the voting rights conferred by AMAG shares, resulting in the allocation of all the shares held by Oberbank Industrie- und Handelsbeteiligungsholding GmbH (1,765,001 ordinary shares and the same number of votes, i.e. approx. 5.01% of the voting rights) to the B&C Group. In addition, the parties have agreed that B&C Industrieholding GmbH shall be entitled to acquire 1,763,200 AMAG ordinary shares currently owned by Oberbank Industrie- und Handelsbeteiligungsholding GmbH if: (i) Oberbank Industrie- und Handelsbeteiligungsholding GmbH decides to sell the 1,763,200 ordinary shares (or any part thereof) held by it to any entity not belonging to the Oberbank Group (i.e. 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 1,763,200 ordinary shares in AMAG is no longer 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 31 December 2019 at the earliest.

   - Shareholders' agreement dated 3 January 2013 between B&C Industrieholding GmbH and AMAG Arbeitnehmer Privatstiftung (ANPS) [AMAG Employees' Private Foundation]:
     Under the above, B&C Industrieholding GmbH and ANPS have agreed, *inter alia*, that B&C Industrieholding GmbH shall, in the event that ANPS decides to sell all or any part of the 3,922,106 ordinary shares in AMAG and like number of voting rights held by it (approx. 11.12% of the voting rights), be entitled to acquire those shares that ANPS intends to sell. These rights of pre-emption and first refusal on the part of B&C Industrieholding GmbH shall expire two years after the termination of such shareholders' agreement, or on 31 December 2019 at the earliest.
   - On 1 March 2013 B&C Industrieholding GmbH and RLB OÖ Alu Invest GmbH concluded an agreement on rights of pre-emption and first refusal in respect of 2,292,160 AMAG ordinary shares currently owned by RLB OÖ Alu Invest GmbH (approx. 6.50% of the voting rights). These rights of pre-emption and first refusal will expire on 31 December 2016.

3. Direct or indirect holdings in the Company representing ten percent or more of its capital are made up as follows:

B&C Alpha Holding GmbH[12] [13] [14]	37.7%
Raiffeisenlandesbank Oberösterreich Alu Invest GmbH	16.5%
AMAG Employees' Private Foundation	11.1%

4. There are no shares 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. However, the manner in which these voting rights are exercised requires the approval of the foundation's advisory board. Decisions are taken at joint meetings of the foundation's management board and advisory board, by a simple

12 B&C Alpha Holding GmbH is an indirect wholly owned subsidiary of B&C Industrieholding GmbH.
13There is a participation agreement between B&C Industrieholding GmbH and Oberbank AG.
14There is a shareholders' agreement between B&C Industrieholding GmbH and AMAG Employees' Private Foundation.

majority of the votes cast. 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 beneficiaries of the foundation are the AMAG Group's Austrian employees.

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. Members of the Supervisory Board can be recalled before the end of their term of office by a simple majority.

7. In accordance with section 169 Companies Act, a resolution of the annual general meeting held on 24 February 2011 authorised the Company's Management Board, subject to the approval of the Supervisory Board, to increase the Company's share capital to a maximum of 15,000,000 EUR by issuing 15,000,000 no par bearer shares in one or more tranches within five years of the entry of the resolution in the register of companies, i.e. by 8 March 2016, against contributions in cash or in kind, whether or not existing shareholders' subscription rights are wholly or partially excluded, and to determine the issue price – which may not be lower than the proportion of the current share capital represented by each no par share – and the other terms and conditions of the issue, in consultation with the Supervisory Board (authorised capital established by section 4(5) Articles of Association). The capital increase effected by the initial public offering employed 5,264,000 EUR of the authorised capital. In accordance with section 174 Companies Act, a resolution of the annual general meeting held on 21 March 2011 authorised the Management Board, subject to the approval of the Supervisory Board, within five years of the adoption of the resolution, i.e. by 20 March 2016, to issue, in one or more tranches, convertible bonds conferring the right to convert such bonds into and/or subscribe to up to 15,000,000 no par bearer shares corresponding to up to 15,000,000 EUR of the Company's share capital, whether or not existing shareholders' subscription rights are wholly or partially excluded. The issue price and the conversion ratio must be consonant with the interests of the Company, existing shareholders and convertible bond subscribers, as well as generally accepted investment mathematics methods, and the Company's quoted share price; the advice of independent experts may be enlisted. The Management Board must determine the issue price and all the other terms and conditions of the issue, including the possible complete or partial exclusion of subscription rights for existing shareholders, subject to the approval of the Supervisory Board. A conditional increase in the Company's capital was carried out in accordance with section 159(2)(1) Companies Act, to satisfy conversion and/or subscription rights in respect of convertible bonds issued in accordance with the authorisation conferred by the AGM resolution of 21 March 2011. A conditional capital increase may only be carried out if convertible bond holders avail themselves of their right to exchange the bonds for and/or subscribe to the Company's shares (conditional capital as defined by section 4(6) Articles of Association). 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 15,000,000.

8. A bonded loan and two committed credit lines, extended to the Company by banks, are subject to change of control clauses. The lending banks are entitled to demand repayment in the event of a change of control. AMAG Austria Metall AG has entered into no other material agreements that would enter into effect, be modified or terminate as a result of a change of control due to a successful takeover bid.

9. The employment contracts of two members of the Management Board contain change of control clauses. In the event that these contracts terminate for this reason, a single annual salary will be payable in settlement.

Outlook and events after the reporting period

Events after the reporting period

No significant events have occurred since the end of the 2013 financial year.

Outlook

Economic outlook

The outlook for the global economy in 2014 remains gloomy. The IMF downgraded its growth estimates for 2014 several times in the course of last year. It now expects the world economy to strengthen moderately, but says that the risks to this prediction are predominately on the downside. The Fund currently puts growth at 3.7% in 2014. The emerging market economies are set to remain the principal contributors to growth, but they have lost steam in comparison to the advanced economies. The IMF sees the Chinese economy expanding by 7.5% this year (2013: 7.7%).

The advanced Western economies have gained some momentum. The recovery in the USA should gather force this year as the impact of fiscal consolidation is easing and monetary policy remains accommodative. The IMF expects the US economy to grow by 2.8% in 2014, following a relatively low 1.9% in 2013.

The Fund sees the euro area turning the corner into positive growth this year. It forecasts a moderate recovery, with eurozone output expanding by 1.0%, after contracting by -0.4% in 2013.

Aluminium market outlook

CRU forecasts are among the sources used to assess medium-term growth prospects and the outlook for AMAG in 2014. Market analysts are projecting demand for primary aluminium[15] and rolled products[16] to escalate by annual averages of 5.3% and 5.4% respectively through to 2018.

CRU sees global primary aluminium consumption rising by 5.9% to 52.9 mt in 2014, buoyed by an 8.7% jump in Chinese demand to 25.9 mt. It anticipates a 3.2% upturn in primary aluminium demand in North America to 6.2 mt, and an increase of 2.2% in European consumption to a total of 6.3 mt. CRU predicts sharp rises in output in China and the Middle East to propel world primary aluminium production to 53.1 mt – a 6.0% gain.

The health of the European automotive industry holds the key to the performance of the Casting Division. With IHS Automotive[17] only forecasting a mild recovery in global car output in 2014, the division is again set to face tight margins this year. However, in the medium-to-long term it is likely to encounter growing demand thanks to efforts to introduce lightweight bodywork solutions and the resultant emergence of new products including structural components.

The latest outlook from CRU points to a rapidly expanding market for the Rolling Division, with demand climbing by 5.6% overall in 2014. The analysts see China (where demand is forecast to increase by 8.9%) as the main growth powerhouse, but also expect North America and Western Europe to post positive growth rates of 4.1% and 2.3% respectively.

15 See CRU, Aluminium Market Outlook, October 2013.
16 See CRU Aluminium Rolled Products Market Outlook, November 2013.
17 See IHS Automotive, Global Production Summary, December 2013

In terms of aluminium consumption by sector, CRU's forecasts place transportation first, with projected growth of 7.2% to 2.9 mt in 2014. It expects demand from the electronics and electrical industry to climb by 6.1% to 1.0 mt, and construction demand to rise by 6.8% to 2.6 mt. CRU anticipates machinery industry demand to expand by 5.1% to 2.0 mt in 2014, and the packaging sector – the heaviest consumer – to record 5.0% growth to 11.7 mt.

Outlook for financial performance

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

As things stand, 2014 looks likely to be another year of challenging trading conditions. We expect increased exposure to aluminium price movements in the Metal Division because of the recent unattractiveness of hedging instruments. This means that the division will probably post a reduced earnings contribution if aluminium prices remain low. Margins in the Casting and Rolling divisions were still under pressure as at the reporting date, and we expect tough market conditions to be a feature of 2014 as well. If low aluminium prices and tight margins in the Casting and Rolling divisions persist, earnings are likely to decline year on year in 2014.

The AMAG 2014 expansion programme will be largely completed in the course of 2014. We expect commissioning of the new hot rolling mill to commence in the fourth quarter of the year. Work began on the wrought alloy foundry expansion in January 2014 and is scheduled for completion in the first quarter of 2015.

Ranshofen, 13 February 2014

The Management Board

Gerhard Falch
Chairman and Chief Executive Officer

Helmut Kaufmann
Chief Operating Officer

Gerald Mayer
Chief Financial Officer

CONSOLIDATED *financial statements 2013*

- Consolidated balance sheet
- Consolidated statement of profit or loss
- Consolidated statement of comprehensive income
- Consolidated statement of cash flows
- Consolidated statement of changes in equity
- Notes to the consolidated financial statements
- Auditors‘ report

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2013

Assets in kEUR	Chapter I	Dec 31, 2013	Dec 31, 2012 adjusted [1]	Dec 1, 2012 adjusted [1]
Intangible assets	1	4,160	1,764	180
Property, plant and equipment	1	484,074	417,093	394,483
Other non-current assets and financial assets	2	15,915	20,121	38,448
Deferred tax assets	J17	27,271	25,707	25,537
Non-current assets		**531,420**	**464,685**	**458,648**
Inventories	3	200,940	212,152	217,706
Trade receivables	4	70,268	77,580	79,602
Current tax assets		2,497	2,400	4,327
Other receivables	5	49,181	38,858	54,775
Cash and cash equivalents		79,164	84,337	60,583
Current assets		**402,050**	**415,327**	**416,993**
TOTAL ASSETS		**933,470**	**880,011**	**875,641**

Equity and liabilities in kEUR	Chapter I	Dec 31, 2013	Dec 31, 2012	Dec 1, 2012
Share capital	6	35,264	35,264	35,264
Capital reserves	6	379,337	379,337	379,337
Hedging reserve		17,493	12,937	19,130
Revaluation of defined benefit plans		(9,408)	(17,608)	(9,543)
Exchanges differences		5,761	13,033	15,663
Retained earnings	6	155,989	121,119	102,703
Equity		**584,437**	**544,082**	**542,554**
Non-current provisions	7	68,796	79,273	70,569
Interest-bearing financial liabilities	9	125,554	110,100	50,827
Other non-current liabilities	9	5,682	7,761	12,541
Deferred tax liabilities	J17	27,557	31,725	40,385
Non-current liabilities		**227,589**	**228,860**	**174,322**
Current provisions	8	15,678	23,045	28,382
Interest-bearing financial liabilities	9	3,641	0	22,901
Trade payables	9	60,811	49,738	58,104
Current tax liabilities	9	4,813	2,120	8,650
Other current liabilities	10	36,501	32,166	40,729
Current liabilities		**121,445**	**107,070**	**158,766**
TOTAL EQUITY AND LIABILITIES		**933,470**	**880,011**	**875,641**

1) Adjustment pursuant to IAS 19 (as revised in 2011): see Notes B., Changes in accounting policies.

The notes to the consolidated financial statements, shown below, form an integral part of the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE FISCAL YEAR 2013

acc. to the COST OF SALES METHOD in kEUR	Chapter J	1-12/2013	1-12/2012
Revenue	**11**	**786,445**	**819,755**
Cost of sales	12	(657,175)	(685,712)
Gross profit		**129,270**	**134,042**
Other income	13	7,049	10,763
Selling and distribution expenses		(36,040)	(33,669)
Administrative expenses		(16,785)	(17,683)
Research and developement expenses		(8,020)	(6,998)
Other expenses		(3,037)	(3,207)
Earnings before interest and taxes (EBIT)		**72,436**	**83,249**
Net interest income (expenses)	16	(6,548)	(5,810)
Other financial income (expenses)	16	(877)	(14)
Net financial income (expenses)		**(7,425)**	**(5,825)**
Earnings before taxes		**65,011**	**77,424**
Current taxes	17	(17,237)	(9,714)
Deferred taxes	17	8,254	3,602
Income taxes		**(8,983)**	**(6,112)**
Net income after taxes		**56,028**	**71,312**
Of which			
Attributable to the equity holders of the parent		56,028	71,312
Total number of non-par-value shares		35,264,000	35,264,000
Earnings per share		1.59	2.02
Proposed dividend per non-par-value share (in EUR)	**6 (Chap. I)**	**0.60**	**0.60**

The notes to the consolidated financial statements, shown below, form an integral part of the consolidated statement of profit or loss.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FISCAL YEAR 2013

in kEUR	1-12/2013	1-12/2012
Net income after taxes	**56,028**	**71,312**
Items that are or may be reclassified to profit or loss		
Currency translation differences	(7,271)	(2,630)
Changes in the hedging reserve		
Recognized income during the financial year	23,649	7,059
Reclassifications of amounts that have been recognized in the statement of income	(16,755)	(14,268)
Deferred taxes relating thereto	(1,783)	1,865
Currency translation differences	(554)	(849)
Items that will never be reclassified to profit or loss		
Remeasurement of defined benefit plans	11,056	(11,073)
Deferred taxes relating thereto	(2,970)	2,885
Currency translation differences	114	123
Other comprehensive income for the year net of tax	**5,484**	**(16,888)**
Of which:		
Attributable to the equity holders of the parent	5,484	(16,888)
Total comprehensive income and expenses for the fiscal year	**61,513**	**54,424**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR 2013

in kEUR	1-12/2013	1-12/2012
Earnings before taxes	**65,011**	**77,424**
Net interest income (expenses)	6,548	5,810
Depreciation, amortization and impairment losses / reversal of impairment losses on non-current assets	50,382	50,578
Losses/gains from the disposal of non-current assets	1,016	(146)
Other non-cash expenses/income	(1,400)	2,959
Changes in inventories	10,088	5,024
Changes in trade receivables	6,818	2,101
Changes in trade payables	10,020	(4,014)
Changes in provisions	(8,263)	(9,371)
Changes in derivatives	(574)	(598)
Changes in other receivables and liabilities	1,396	5,524
	141,042	**135,292**
Taxes paid	(14,528)	(14,339)
Interest paid	(4,280)	(3,529)
Cashflow from operating activities	**122,234**	**117,423**
Proceeds from disposals of non-current assets	1,428	2,361
Payments for investments in property, plant and equipment and intangible assets	(127,651)	(79,199)
Proceeds from grants for investments	1,045	967
Cashflow from investing activities	**(125,178)**	**(75,871)**
Payments for redemption of credits and loans	(825)	(693)
Proceeds from credits and loans	21,225	36,651
Dividends paid	(21,158)	(52,896)
Cashflow from financing activities	**(758)**	**(16,939)**
Change in cash and cash equivalents	**(3,702)**	**24,613**
Effect of exchange rate changes on cash and cash equivalents	(1,471)	(859)
Cash and cash equivalents at beginning of period	84,337	60,583
Cash and cash equivalents at the end of period	79,164	84,337
Change in cash and cash equivalents	**(3,702)**	**24,613**

CONSOLIDATED STATEMENT OF CHANGES IN EUQITY FOR THE FISCAL YEAR 2013

in kEUR	Share capital	Capital reserves	Hedging reserve	Revaluation of defined benefit plans adjusted [1]	Exchanges differences adjusted [1]	Retained earnings adjusted [1]	EQUITY
Balance as of January 1, 2012	35,264	379,337	19,130	(9,543)	15,663	102,703	542,554
Total comprehensive income and expenses for the fiscal year			**(5,344)**	**(8,188)**	**(3,356)**	**71,312**	**54,424**
Exchange differences			(849)	123	726	0	0
Transactions with equity holders							
Dividend distributions						(52,896)	(52,896)
Balance as of December 31, 2012	**35,264**	**379,337**	**12,937**	**(17,608)**	**13,033**	**121,119**	**544,082**
Balance as of January 1, 2013	35,264	379,337	12,937	(17,608)	13,033	121,119	544,082
Total comprehensive income and expenses for the fiscal year			**5,110**	**8,086**	**(7,712)**	**56,028**	**61,513**
Exchange differences			(554)	114	441	0	0
Transactions with equity holders							
Dividend distributions						(21,158)	(21,158)
Balance as of December 13, 2013	**35,264**	**379,337**	**17,493**	**(9,408)**	**5,761**	**155,989**	**584,437**

1) Adjustment pursuant to IAS 19 (as revised in 2011): see Notes B., Changes in accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A GENERAL INFORMATION AND OBJECTS OF BUSINESS

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

The Austrian holding company is AMAG Austria Metall AG, registered in the register of companies at the Ried im Innkreis provincial court and domiciled in Ranshofen. As the ultimate parent company of the AMAG Group it is responsible for preparing the consolidated financial statements. The Company's shares have been listed on the Vienna Stock Exchange prime market since 8 April 2011.

The consolidated financial statements for the 2013 financial year were prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) that are mandatorily applicable in the European Union, as well as with section 245a Austrian Commercial Code.

The consolidated financial statements are presented in thousand euro (kEUR). Many of the amounts and percentages shown in the consolidated financial statements are rounded, and their totals may therefore differ from the aggregated items presented.

Since 1 January 2013 the consolidated statement of profit or loss has been presented according to the cost of sales method. The effects on the comparative figures for the previous year are presented in section J. Notes to the consolidated statement of profit or loss.

The AMAG Group companies have been included in the consolidated financial statements of B&C Industrial Holding GmbH since 1 July 2013.

The Management Board approved the consolidated financial statements and released them for transmission to the Supervisory Board on February 13, 2014.

B CHANGES IN ACCOUNTING POLICIES

First-time or early adoption of standards

The following amended standards became effective in 2013 or were applied early.

The amendments to IAS 1 require entities to group line items contained in the other comprehensive income section into two categories – those that will and will not be reclassified subsequently to profit or loss (so called "recycling"). There is still a choice between presentation using separate statements of profit or loss, and of other comprehensive income, or a single statement with profit or loss section presented first and followed directly by an other comprehensive income section.

The revised IAS 19 eliminates the option to defer the recognition of actuarial gains and losses (corridor approach). The AMAG Group never made use of this option. As a result, all actuarial gains and losses arising from the measurement of provisions for severance payments and pensions must now be recognised in the period when they arise. They are reported under other comprehensive income, and hence directly in equity. The AMAG Group applied this accounting policy in previous reporting periods.

The Canadian subsidiary recognised the actual return on plan assets up to 2011, under net finance costs on the statement of profit or loss. Starting in 2012, in line with the revised IAS 19, the discounted interest income (calculated using the same discount rate as is applied to pension obligations) from plan assets in the reporting period is offset against the interest expenses for the period in relation to pension obligations and reported under net finance costs. Since that time, the difference in the actual return on plan assets has been recognised as actuarial gains or losses under other comprehensive income. As a result, the equity items shown below were remeasured as at 1 January 2012 and 31 December 2012, as called for by IAS 8.

in kEUR	01.01.2012	adjustment	adjusted
Remeasurement of defined benefit plans	(10,443)	900	(9,543)
Exchange differences	15,731	(68)	15,663
Retained earnings	103,535	(832)	102,703
	108,823	**0**	**108,823**

in kEUR	31.12.2012	adjustment	adjusted
Remeasurement of defined benefit plans	(18,491)	883	(17,608)
Exchange differences	13,084	(51)	13,033
Retained earnings	121,951	(832)	121,119
	116,544	**0**	**116,544**

This amendment did not require any changes in the Group companies' accounting policies, as this figure was previously reported under other comprehensive income, with a standard rate of interest applied to determine the interest expense arising from pension obligations and the interest income from plan assets. None of the other amendments to IAS 19 required changes to the annual financial statements for 2013 or the comparative period.

IAS 19 (revised) also requires additional disclosures regarding defined benefit plans.

IFRS 10 creates a single definition of control, providing a uniform basis for identifying parent-subsidiary relationships and hence the scope of consolidation. The new standard supersedes IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation – Special Purpose Entities. The early application of IFRS 10 had no effect on the AMAG Group.

The new IFRS 11 governs the accounting treatment of arrangements whereby an entity shares control of a joint venture or carries on joint operations. The standard eliminates the option of proportionate consolidation previously offered to joint ventures, which must henceforth always be accounted for using the equity method. In the case of a joint operation, assets, liabilities, revenue and expenses that are directly attributable to a party to a joint arrangement must be directly recognised in that party's consolidated financial statements.

AMAG's stake in the joint control of Aluminerie Alouette Inc. is classified as a joint operation in the meaning of para. 15 IFRS 11 for the following key reasons:

- The agreement between the various partners regulates the joint control of Alouette's operations.
- The partners own pro rata shares of all of the company's assets.
- Alouette does not generate any revenue from third parties and the company's owners are obliged to accept a pro rata share of total output. The partners are obliged to meet cash calls on a pro rata basis in order to fulfil Alouette's financing and liquidity requirements.
- Consequently, the partners are the primary source of cash flows and thus obliged to cover any debts that Alouette may incur.

The new standard has no implications for the Group's application of proportionate consolidation to the joint control of operations of Aluminerie Alouette Inc.

IFRS 12 establishes the disclosure requirements for entities that account in accordance with the new IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements standards, and supersedes the reporting duties currently contained in IAS 28 Investments in Associates. This places no additional disclosure requirements on the AMAG Group.

AS 27 continues to lay down the rules for separate financial statements, while the rest of the standard is replaced by IFRS 10 Consolidated Financial Statements. This change has no impact on the AMAG Group

The publication of IFRS 10, IFRS 11 and IFRS 12 necessitated only consequential amendments to IAS 28, and had no effect on the AMAG Group.

The amendments to the transitional guidance for IFRS 10, 11 and 12 offer both clarifications and transition relief, e.g. the limitation of the requirement to provide adjusted information to the immediately preceding period. The AMAG Group is not affected by this change.

The new IFRS 13 outlines how fair value measurement is to be performed, and extends the related disclosure requirements. The aim is to arrive at a uniform fair value definition and measurement framework, valid across all the standards concerned, as well as to specify the related requirements for notes disclosures. This change has no effect on the AMAG Group.

Standards affected by the 2009-2011 Annual Improvements Cycle included IAS 16 and IAS 32. The amendments to IAS 16 make it clear that spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are to be classified as such; otherwise they are to be treated as inventories. The amendment to IAS 32 clarifies that the tax effect of distributions to holders of equity instruments and the transaction costs of an equity transaction must be accounted for in accordance with IAS 12. These changes have no impact on the AMAG Group.

The amendments to IFRS 7 relate to disclosures regarding all financial instruments accounted for in accordance with IAS 32. They also require disclosures on all financial instruments carried that are subject to enforceable master netting arrangements or similar agreements, even if these instruments are not offset in accordance with IAS 32. This amendment has implications for the notes to the Group's annual financial statements..

The amendment to IAS 12 Income Taxes relates to the introduction of a rebuttable presumption that recovery of the carrying amount of an asset will normally be through sale. The AMAG Group is not affected by this amendment.

Government Loans (Amendments to IFRS 1) deals with the question as to how a first-time adopter should account for a government loan with a below-market rate of interest at the date of transition. These amendments are not relevant to AMAG.

IFRIC 20 deals with the accounting treatment of stripping costs in the production phase of a surface mine. This interpretation is not relevant to AMAG.

Standards adopted, but not yet applied

Application of the new and revised standards discussed below is voluntary and these will not be applied in advance. Their potential impact on AMAG's financial reporting is currently being evaluated.

Standard/ Interpretation	Application mandatory	Endorsement Status
IFRS 9 Financial Instruments	01/01/2015	-
IAS 32 Offsetting Financial Assets and Financial Liabilities	01/01/2014	13/12/2012
IAS 36 Impairment of Assets, amendments	01/01/2014	19/12/2013
IAS 39 Novation of Derivatives and Continuation of Hedge Accounting	01/01/2014	19/12/2013
IFRIC 21 Levies	01/01/2014	-
IAS 19 Defined Benefit Plans: Employee Contributions	01/07/2014	-
Other Annual Improvements to IFRS – Cycle 2010-2012	01/07/2014	-
Other Annual Improvements to IFRS – Cycle 2011-2013	01/07/2014	-

The new IFRS 9 is aimed at progressively replacing IAS 39 Financial Instruments: Recognition and Measurement. The IASB has decided to divide this project into three phases. Only Phase 1: Classification and Measurement has been completed to date. In its current form the standard deals with the classification and measurement of financial assets and liabilities, as well as their derecognition. Phase 2: Amortised Cost and Impairment of Financial Assets and Phase 3: Hedge Accounting are still in progress.

Additional disclosure requirements under IFRS 7 have been introduced in connection with the amendments to IAS 32. These relate to the offsetting of financial instruments, and are designed to permit the reconciliation of gross and net risk positions. In future it will be necessary to disclose

instruments subject to master netting arrangements or similar agreements even if the underlying instruments are not offset.

It is still only possible to offset financial instruments if the conditions imposed by IAS 32 are met. The only changes made to the application guidance as a result of the amendments to IAS 32 were clarifications of the terms “currently” and “simultaneously”.

The amendments to IAS 36 concern the recoverable amount disclosures for impaired non-financial assets where the recoverable amount is based on fair value less costs of disposal. As a result of the amendments, entities must now only disclose the recoverable amount of cash-generating units if an impairment has been recognised during the current reporting period.

Under the amendments to IAS 39, under certain circumstances hedge accounting will not be deemed to have been discontinued even if a derivative is formally derecognised, where novations due to the introduction of a new law or regulation result in a change in the counterparty.

IFRIC 21 *Levies* provides guidance on how an entity should account for a liability to pay a levy imposed by a government. The interpretation specifies that the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation.

The amendments to IAS 19 simplify the recognition of pension plan contributions made by employees or third parties.

The 2010-2012 and 2011-2013 Annual Improvements Cycles will concentrate on clarifying the existing standards.

C REPORTING CURRENCY AND CURRENCY TRANSLATION

The consolidated financial statements of AMAG Austria Metall AG are drawn up in euro, and the separate financial statements of the consolidated companies in the latter’s functional currencies. When preparing the consolidated financial statements, the assets and liabilities of entities using 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 exchange differences recognised in respect of it as other comprehensive income are reclassified to profit or loss.

Foreign currency transactions are recognised at the time of the transaction, using the exchange rate ruling at that date. Foreign currency monetary items are measured at the closing rates, and the related exchange differences recognised in profit or loss in the period in which they arise. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was measured. In 2013 exchange differences of 2,263 kEUR (2012: -281 kEUR) were recognised in profit or loss.

Movements in the exchange rates of the currencies of significance for the AMAG Group were as follows:

	Closing rate at the end of the reporting period		Annual average rate for the reporting period	
in EUR	**Dec. 31, 2013**	**Dec. 31, 2012**	**Dec. 31, 2013**	**Dec. 31, 2012**
U.S. Dollar (USD)	1.3791	1.3194	1.3281	1.2932
Canadian Dollar (CAD)	1.4671	1.3137	1.3685	1.2984
Pound Sterling (GBP)	0.8337	0.8161	0.8493	0.8119
Swiss Franc (CHF)	1.2276	1.2072	1.2309	1.2091
Japanese Yen (JPY)	144.7200	113.6100	129.6595	109.7053
Norwegian Krone (NOK)	8.3630	7.3483	7.8051	7.3503

D BASIS OF CONSOLIDATION

Scope of consolidation and consolidation methods

The consolidated financial statements include AMAG Austria Metall AG and the entities controlled by it. 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.

The equity and profit for the period attributable to non-controlling interests are reported separately in the consolidated statements of financial position, and of profit or loss.

AMAG Austria Metall AG through AMAG Erste Beteiligungsverwaltungs GmbH 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 given in the Notes, under section Q. Group companies.

The annual financial statements of the subsidiaries included in consolidation are based on uniform accounting policies. The reporting date of all these companies was 31 December 2013.

Intragroup transactions are eliminated on consolidation.

Intragroup trade and other receivables are offset against the corresponding intragroup payables when the intragroup liabilities are eliminated.

All intragroup income and expenses are eliminated on consolidation. Profits or losses resulting from intragroup transactions are likewise eliminated.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method in accordance with IFRS 3. Entities acquired or disposed of during a given reporting period are consolidated or deconsolidated on the date when control is gained or lost. No acquisitions were made during the reporting period.

Upon the acquisition of an investment, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities, provisions and contingent liabilities of the investee at the time of the acquisition is recognised as goodwill. If the acquisition cost is below the Group's share of the net fair value of the identifiable assets and liabilities acquired, and provisions and contingent liabilities of the investee assumed at the time of the acquisition, the difference is recognised in profit or loss after a renewed examination.

Joint operations

The Group operates the Alouette smelter in Canada as part of a joint arrangement with other companies under the terms of a contractual agreement which gives the parties joint control over Alouette's commercial operations. In accordance with IFRS 11, the Group has rights to the assets and obligations for the liabilities and expenses relating to the arrangement. As Alouette does not receive revenue from third parties, the parties to the contractual agreement are responsible for the sale of the facility's output. As a result, the expenses correspond to the respective party's share of income from the joint arrangement.

The Group holds an interest in an entity whose business activities are jointly controlled under a contractual agreement. The Group recognises its share of the assets and liabilities of this joint operation in accordance with IFRS 11.

The following amounts are recognised in the 2013 consolidated financial statements in respect of the Aluminerie Alouette Inc. joint operation:

kEUR	2013	2012
Non-current assets	155,601	168,712
Current assets	19,145	22,762
Non-current provisions and liabilities	19,637	30,649
Current provisions and liabilities	21,299	25,002
Expenses	86,247	97,728

E ACQUISITIONS AND OTHER CHANGES IN THE SCOPE OF CONSOLIDATION

In April 2013 a wholly-owned sales subsidiary of AMAG rolling GmbH, AMAG Asia Pacific Ltd. (AASIA), was formed in Taiwan. This added one company to the scope of consolidation, and as at 31 December 2013 this comprises 16 companies including the parent, AMAG Austria Metall AG, as well as one joint operation (see Notes, section Q. Group companies).

F 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.

Current and non-current assets and liabilities

Statement of financial position items are classified by maturities, as required by IAS 1. Assets and liabilities with maturities of up to one year are classified as current, and those with maturities of over one year as non-current. The maturities are always determined with reference to the date of the end of the reporting period.

Intangible assets, and property, plant and equipment

Intangible assets are capitalised at cost. Intangible assets with finite useful lives are amortised over the latter, and are tested for impairment if there are indications of an impairment loss. Amortisation is on a straight-line basis, over periods of between four and 29 years. In the case of intangible assets with finite useful lives, the amortisation period and method are reviewed at least at the end of each financial year. Intangible assets with indefinite useful lives are subjected to annual impairment tests, and the indefinite useful life assessment is reviewed once a year. At present there are no intangible assets with indefinite useful lives.

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 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 it is subject to wear and tear. The expected useful life and depreciation method applied are periodically reviewed to assess whether they reflect the economic benefits embodied by the assets. An impairment test is performed if there are indications of impairment.

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. Subsidies are directly offset against the cost.

Depreciation is on a straight line basis, over the expected economic life of the asset(s).

Intangible assets	4-29 years
Office, factory and other buildings	25-50 years
Machinery	6-20 years
Other manufacturing plant and equipment	4-12 years

The cost includes the cost of replacing part of an item if the recognition criteria are met. If large parts of items of property, plant and equipment must be replaced at regular intervals, the Group recognises such parts 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 satisfied. 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.

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

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

Due to the amendments to para. 8 IAS 16 introduced by the 2009-2011 IFRS Annual Improvements Cycle, spare parts and servicing equipment are carried as property, plant and equipment if the Company uses them for longer than one accounting period; otherwise they are accounted for as inventories.

The cost of items of property, plant and equipment includes direct costs and a reasonable proportion of the material and manufacturing overheads. Administrative expenses are not capitalised. Subsidies for property, plant and equipment are accounted for as cost reductions. Items of property, plant and equipment that are not yet operational are recognised as assets in the course of construction and measured at cost. Depreciation does not commence until the assets concerned enter service.

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

Property, plant and equipment, and intangible assets are tested for impairment in accordance with IAS 36 whenever events that have occurred and changed circumstances indicate that the carrying amounts of the assets may be higher than the recoverable amounts. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use.

Whenever the carrying amount of an asset exceeds the recoverable amount, an impairment loss is recognised and the asset is written down to its recoverable amount. The recoverable amount of every individual asset must be determined unless it generates no cash inflows that are largely independent of other assets or groups of assets.

Leases

Under IAS 17 the criterion for the attribution of a leased asset to the lessor or lessee is whether or not substantially all the risks and rewards incidental to ownership have been transferred to the lessee. 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 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.

Financial assets and liabilities

The Group's 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 and liabilities as defined by IAS 39 are classified as financial assets or financial liabilities at fair value through profit or loss, as loans and receivables, as held-to-maturity investments or as available-for-sale financial assets. Financial assets are measured at fair value on initial recognition. Settlement date accounting is normally applied to regular way purchases and sales of financial instruments. Price offers by banks or similar pricing models are used to estimate the fair value of financial instruments at the end of a reporting period. The fair values of financial assets and liabilities generally correspond to their market prices at the date of the end of the reporting period. In the absence of quoted prices on active markets they are calculated using generally accepted valuation models and current market parameters (especially interest rates, exchange rates and counterparties' credit ratings), unless they are immaterial. To this end the cash flows generated by the financial instruments are discounted to the end of the reporting period.

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 para. 19 IAS 39 (a so-called "pass-through arrangement"), and has either (a) transferred substantially all the risks and rewards of ownership of the financial asset or (b) neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset but 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 of 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 assets and financial assets

The other non-current assets and financial assets comprise non-consolidated investments, available-for-sale financial assets and other non-current assets. These are reported at cost less any impairment. Impairment losses are recognised in profit or loss. Impairment losses are reversed

directly in equity in the case of equity instruments, and through profit or loss in that of debt instruments.

Interest on financial assets is accrued in the appropriate periods and reported under net interest expense. Income from non-consolidated investments and sundry other financial assets is shown under other net finance costs.

Receivables

Receivables are classified as loans and receivables in accordance with IAS 39, and are measured at amortised cost less any impairment losses. Foreign currency receivables are measured at the average rate ruling on the date of the end of the reporting period. If there are indications of impairment, an impairment loss is recognised up to the present value of the future cash flows. The proportion of the receivables that are uncollectible is calculated on the basis of a maturity analysis, taking account of the structure of the customer base and the market. An impairment loss is also recognised if there is objective evidence that a debt is unlikely to be collectible. Impairment losses are recorded on an allowance account. Receivables are only derecognised in the event of insolvency or unsuccessful attempts to enforce claims by taking legal action. Reversals of impairment losses are recognised in profit or loss. 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 financial investments. They are measured at fair value as at the end of the reporting period.

Liabilities

Liabilities are recognised at amortised cost in accordance with IAS 39, applying the effective interest method. The effective interest method amortises the difference between the cost and the face value, applying the effective interest rate. The effective interest rate is the rate that exactly discounts the estimated future cash flows through to maturity or the next repricing date to the current carrying amount of the financial asset or financial liability.

Derivative instruments and hedging

Derivative instruments

Derivative instruments that do not meet the criteria for hedge accounting established by IAS 39 are classified as held for trading and recognised at fair value through profit and loss in accordance with that standard. Measurement takes account of the risk of default by the counterparty and by the Group, where material.

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 immediately recognised in profit or loss, under other net finance costs. If the hedge subsequently results in the recognition of an asset or liability, the amounts deferred in equity are reclassified to profit or loss in the same period or periods during which the hedged position affects profit or loss. 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.

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 even out the impact of future changes in interest rates on the cash flows derived from the underlying variable-rate financial liabilities.

The Group 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 risk hedged in respect of the underlying transaction and the derivative hedging instrument are measured at fair value, and changes in the latter recognised through profit or loss. Some of the physical inventories are hedged by forward sales on the LME, and hedge accounting is partly used for these contracts. Subsequent measurement is normally at market value.

The physical stocks are hedged against exchange rate and price movements.

Firm commitments

When an unrecognised 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 with a corresponding gain or loss recognised in 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.

Power supply contract concluded by Aluminerie Alouette Inc.

Alouette has a power contract with a state-owned utility which directly ties the rate to be paid by Alouette to the market price of aluminium under a contractual pricing formula. Due to the linkage between electricity and aluminium prices this contract contains an embedded derivative. The fair value of the derivative is measured on the basis of an appropriate model. Due to the monopolistic electricity market in Canada there is no liquid electricity market in the normal sense, meaning that there is no market price. A discounted cash flow analysis is therefore employed to value the derivative, applying an electricity reference price, related yield curves and aluminium forward prices.

In order to obtain a market-based valuation of the contract, the present value of future electricity payments was subsequently calculated using aluminium forward prices and the average premium for deliveries in the Midwestern United States, and compared with the present value of future electricity payments yielded by the Alouette electricity reference price. This approach provides a market valuation of the embedded derivative. The latter is carried at a total fair value of 15,089 kEUR as at end-2013 (2012: 10,725 kEUR), under current and non-current receivables. On 1 January 2010 the derivative was designated as a financial instrument intended to hedge future cash flows generated by aluminium sales.

Inventories

Raw material and consumables that are fully interchangeable and are destined for use are measured using cost flow assumptions (the weighted average cost and first-in, first-out methods). Inventories that are not normally interchangeable are measured at actual cost. The costs of purchase including incidentals are recognised at the lower of cost or net realisable value. Write-downs are performed whenever the net realisable value is below the carrying amount.

Work in progress and finished goods are capitalised at the lower of the costs of conversion or net realisable value, on the basis of the variable and fixed costs. The costs of conversion include direct material and production costs, as well as reasonable material and production overheads, based on normal production capacity. General administrative and selling costs are excluded. 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 LME inventories that have been designated as a fair value hedge are carried at fair value. The LME inventories that do not form part of a hedge relationship are measured at the lower of cost or fair value (the average value of the customer orders) at the end of the reporting period.

Share capital

The Company only has ordinary shares, all of which have been issued, and all of which carry the same rights.

Capital reserves

The capital reserves include shareholder contributions, payments made by shareholders in connection with the issuance of shares, and amounts arising from reorganisations.

Provisions for severance payments, pensions, medical care benefits and service anniversary bonuses

Provisions for defined benefit pension plans, post-employment medical care plans, and severance payments and service anniversary bonuses obligations are remeasured annually by independent actuaries. The obligations and costs are measured using the projected unit credit method, in accordance with IAS 19.

The projected benefits are attributed to the entire period of employment. The calculations employ estimated salary trends, weighted deductions for staff turnover and discount rates. Group companies determine the discount rates on the basis of the interest rates on medium-term investment-grade bonds on the local markets concerned.

The discounts for staff turnover are also determined on a company-by-company basis. Actuarial gains and losses other than those related to service anniversary bonuses are stated under other comprehensive income.

The biometric calculation methods employed are based on country-specific values. Where a pension plan qualifies for offsetting of the plan assets against the provision required by IAS 19, this is done.

Plan asset growth and the expenses arising from discounting of the defined benefit obligations are reported under net finance costs, as are severance payments, medical care benefits and service anniversary bonuses.

Current service cost and any outstanding past service cost are reported as staff costs.

At some Group companies, defined contribution pension commitments have been made to certain employees. Since there are no obligations beyond the annual contributions, the latter are expensed for the periods concerned.

Research and development costs

Research and development expenditure is expensed in the periods during which it is incurred unless the conditions for capitalisation under IAS 38 are met. In 2013 R&D spending of 8,020 kEUR (2012: 6,998 kEUR) was recognised as expenses.

Revenue recognition

Revenue from deliveries is not recognised until the significant risks and rewards of ownership of the goods delivered have been transferred to the buyer. Revenue from services is recognised when the service has been provided, the amount of revenue can be reliably measured, and there is the likelihood that an economic benefit will accrue to the Group

Government grants that are receivable as compensation for expenses are normally recognised as revenue on a systematic basis over the periods necessary to match them with the related costs for which they are intended to compensate. In 2013 some 1,031 kEUR (2012: 1,285 kEUR) in expense-related government grants was recognised as expenses.

The interest is accrued on a pro rata basis, at the interest rate concerned. Dividends are recognised when the shareholders' right to receive payment is established.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with raising capital. Borrowing costs that are directly attributable to the cost of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset in question. All the other borrowing costs are recognised as expenses 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 there is a right to set off tax assets against tax liabilities. The income tax liability is based on the annual profit and takes deferred tax into account. Deferred tax is computed using the balance sheet liability method. Deferred tax reflects the tax effects of the temporary differences between the reported carrying amounts of assets and liabilities, and the corresponding tax bases. Deferred tax assets and liabilities are measured using the tax rates (and tax laws) 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 only recognised if it is probable that sufficient future taxable profit will be available for the assets to be utilised. Because of this 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.

Changes in deferred tax normally give rise to deferred tax expense or income.

G ACCOUNTING JUDGEMENTS AND ESTIMATES

During the preparation of 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 diverge from the estimates, and this may have a significant impact on the consolidated financial statements.

The AMAG Management Board believes that it has made reasonable assumptions, such that the consolidated financial statements in all material respects give a view of the Group's assets, finances and earnings that corresponds to the actual position.

The estimates and assumptions on which they are based are subject to considerable uncertainty, and their accuracy is therefore kept under constant critical scrutiny. Changes in the estimates are recognised in the periods when they are made. The main assumptions underlying the estimates are disclosed in the notes to the items concerned.

H CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities apart from those accounted for in accordance with IFRS 3 are not shown on the statement of financial position. They are disclosed when the possibility of an outflow of resources embodying economic benefits cannot be excluded but the conditions for the recognition of a provision are not met.

Contingent assets are only disclosed in the consolidated financial statements if an inflow of resources embodying economic benefits is probable.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

I NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Consolidated statement of changes in non-current assets

Changes in historical cost

in kEUR	As of Jan. 1, 2013	Exchanges differences	Additions	Disposals	Reclassifi cations	As of Dec. 31, 2013
Intangible assets	**2,021**	**(118)**	**2,469**	**0**	**209**	**4,581**
Undeveloped land	8,375	0	0	0	(257)	8,118
Land - developed land	22,199	(199)	0	(618)	257	21,639
Buildings - developed land	118,298	(1,278)	11,168	(250)	3,820	131,758
Plant and machinery	424,227	(10,647)	40,294	(6,735)	18,968	466,106
Other fixtures and fittings, tools and equipement	22,833	(64)	4,048	(1,075)	317	26,059
Advance payments made and assets under construction	49,923	(245)	71,928	(28)	(23,313)	98,265
Property, plant and equipment	**645,855**	**(12,433)**	**127,438**	**(8,706)**	**(209)**	**751,944**

in kEUR	As of Jan. 1, 2012	Exchanges differences	Additions	Disposals	Reclassifi cations	As of Dec. 31, 2012
Intangible assets	**355**	**(30)**	**1,699**	**(3)**	**0**	**2,021**
Undeveloped land	8,910	0	0	(535)	0	8,375
Land - developed land	19,821	(90)	2,729	(272)	12	22,199
Buildings - developed land	108,960	(575)	9,389	(825)	1,349	118,298
Plant and machinery	398,491	(4,669)	17,682	(7,238)	19,960	424,227
Other fixtures and fittings, tools and equipement	19,409	(9)	3,847	(826)	413	22,833
Advance payments made and assets under construction	26,678	(106)	45,122	(38)	(21,733)	49,923
Property, plant and equipment	**582,269**	**(5,449)**	**78,768**	**(9,733)**	**(0)**	**645,855**

Depreciation and amortisation

in kEUR	As of Jan. 1, 2013	Exchanges differences	Additions	Disposals	Reclassifi cations	As of Dec. 31, 2013
Intangible assets	**258**	**(3)**	**167**	**0**	**0**	**421**
Undeveloped land	53	0	0	0	(53)	0
Land - developed land	2,642	(122)	216	0	53	2,789
Buildings - developed land	35,556	(493)	7,988	(168)	0	42,883
Plant and machinery	178,508	(4,806)	38,578	(4,532)	0	207,748
Other fixtures and fittings, tools and equipement	12,003	(44)	3,434	(942)	0	14,451
Advance payments made and assets under construction	0	0	0	0	0	0
Property, plant and equipment	**228,762**	**(5,465)**	**50,216**	**(5,643)**	**0**	**267,870**

in kEUR	As of Jan. 1, 2012	Exchanges differences	Additions	Disposals	Reclassifi cations	As of Dec. 31, 2012
Intangible assets	**176**	**2**	**83**	**(3)**	**0**	**258**
Undeveloped land	39	0	14	0	0	53
Land - developed land	2,179	(52)	515	0	0	2,642
Buildings - developed land	28,742	(194)	7,469	(460)	0	35,556
Plant and machinery	147,270	(1,914)	39,427	(6,274)	0	178,508
Other fixtures and fittings, tools and equipement	9,556	(3)	3,071	(622)	0	12,003
Advance payments made and assets under construction	0	0	0	0	0	0
Property, plant and equipment	**187,786**	**(2,163)**	**50,495**	**(7,356)**	**0**	**228,762**

Carrying amounts

in kEUR	Historical cost Dec. 31, 2013	Accumulated Amort./Depr. Dec. 31, 2013	Book values Dec. 31, 2013	Book values Dec. 31, 2012
Intangible assets	**4,581**	**421**	**4,160**	**1,764**
Undeveloped land	8,118	0	8,118	8,322
Land - developed land	21,639	2,789	18,850	19,557
Buildings - developed land	131,758	42,883	88,874	82,742
Plant and machinery	466,106	207,748	258,359	245,719
Other fixtures and fittings, tools and equipement	26,059	14,451	11,608	10,830
Advance payments made and assets under construction	98,265	0	98,265	49,923
Property, plant and equipment	**751,944**	**267,870**	**484,074**	**417,093**

Fair value measurement as an alternative to historical cost

Fair value measurement was used as an alternative to historical cost for the valuation of intangible assets, and property, plant and equipment in the opening IFRS statement of financial position. As at 1 January 2008, the value of intangible assets was 283 kEUR and that of property, plant and equipment was 398,226 kEUR.

Depreciation due to impairment losses and revaluation

As in the previous year, no impairments or write-ups of property, plant and equipment were recognised in 2013.

Specialist spare parts and servicing equipment

No specialist spare parts or servicing equipment were capitalised during the reporting period.

Subsidies for property, plant and equipment

In 2013 subsidies for property, plant and equipment amounting to 757 kEUR (2012: 2,760 kEUR) were extended to the Company.

Borrowing costs

Borrowing costs of 238 kEUR (2012: 0 kEUR) related to qualifying assets were recognised during the period under review. A capitalisation rate of 0.50% (2012: nil) was applied.

Finance leases

The AMAG Group has not concluded any finance lease agreements.

Operating leases

The Company is the lessee under a number of operating lease contracts relating to buildings, machinery, office space and other items. The contracts are at fixed prices. They contain neither extension clauses nor purchase options, nor do they place any restrictions on the Group's activities with regard to dividends, raising capital or other leasing agreements.

In 2013 leasing payments of 873 kEUR (2012: 367 kEUR) were recognised as expenses.

The Group's future obligations under operating leases are as follows:

Payment obligations under operating leases in kEUR	2013	2012
Up to one year	703	725
More than one year up to five years	573	848
	1,276	**1,572**

Obligations related to investments in property, plant and equipment

Obligations related to investments in property, plant and equipment totalled 61,866 kEUR as at 31 December 2013, compared with 128,844 kEUR in the previous year.

2. Other non-current assets and financial assets

in kEUR	2013	2012
Non-consolidated equity investments	26	26
Other non-current assets	4,418	9,520
Derivatives recognized as non-current assets	11,117	10,222
Securities available for sale	354	354
	15,915	**20,121**

This item includes binding commitments for government subsidies and undertakings from customers subject to insolvency or bankruptcy proceedings to pay receivables. Of the 4,828 kEUR in concessions recognised in 2012 with regard to the second phase of the expansion of the Alouette smelter in Canada, 2,568 kEUR was spent and the remaining 2,260 kEUR was no longer recoverable and was derecognised at the end of the reporting period.

Derivatives recognised as non-current assets comprise cash flow hedges of 10,828 kEUR (2012: 8,314 kEUR) and derivatives classified as held for trading of 290 kEUR (2012: 1,908 kEUR).

The cash flow hedges include a derivative of 9,045 kEUR (2012: 6,841 kEUR) embedded in an electricity supply agreement. For further details on the embedded derivative, readers are referred to the information on the power supply contract concluded by Aluminerie Alouette Inc. in Note F. Significant accounting policies.

The available-for-sale financial assets include non-controlling interests of less than 20% in three companies. The fair value of the available-for-sale financial assets remained unchanged at 354 kEUR.

3. Inventories

This item includes impairment allowances of 16,058 kEUR, compared with 16,378 kEUR in the previous period. Of the change in impairment allowances, 1,130 kEUR (2012: 924 kEUR) was attributable to allocations and 1,446 kEUR (2012: 924 kEUR) to consumption and to exchange differences. The carrying amount of inventories measured at fair value less costs of disposal was 26,418 kEUR (2012: 34,156 kEUR).

Raw material and consumables used of 418,888 kEUR (2012: 416,048 kEUR) is recognised under cost of sales.

in kEUR	2013	2012
Raw materials and consumables	113,390	122,628
Work in progress	34,671	37,184
Finished goods	52,461	51,943
Merchandise and unbilled services	418	398
	200,940	**212,152**

4. Trade receivables

in kEUR	2013	2012
Trade receivables third parties	71,319	78,228
Trade receivables related parties	62	34
Receivables from equipment sales	0	494
Impairment trade receivables	(1,113)	(1,176)
	70,268	**77,580**

The change in impairment allowances was as follows:

in kEUR	2013	2012
As of January 1	1,176	1,021
Addition	494	475
Reversal	(558)	(319)
As of December 31	**1,113**	**1,176**

5. Other receivables

in kEUR	2013	2012
Other receivables and advanced payments	20,392	15,386
Derivatives recognized as current assets	28,448	23,263
Financial receivables - funds in transit	341	209
	49,181	**38,858**

Tax assets of 8,450 kEUR (2012: 6,756 kEUR), firm commitments of 487 kEUR (2012: 986 kEUR) and current receivables from government subsidies amounting to 1,030 kEUR (2012: 1,213 kEUR) are recognised as other receivables and prepayments.

In accordance with IAS 39, derivative instruments are broken down into the following categories; their market values as at the end of the reporting period are also provided:

- Derivatives not designated or recognised as hedging instruments in accordance with IAS 39: 16,254 kEUR (2012: 10,334 kEUR). Under this item an amount of 23,157 kEUR (2012: 6,404 kEUR) was offset against current derivative liabilities, due to an enforceable claim for netting.
- Derivatives designated as hedging instruments in documented fair value hedges of reported assets or firm commitments which are determined to have been effective: 79 kEUR (2012: 2,410 kEUR).
- Derivative instruments designated as hedging instruments in documented cash flow hedges which are determined to have been effective: 12,116 kEUR (2012: 10,519 kEUR). This also includes an amount of 6,044 kEUR (2012: 3,883 kEUR) relating to the current portion of the derivative embedded in the electricity supply agreement relating to phase one of Aluminium Austria Metall (AAM).

6. Equity

Changes in equity are stated separately, in the statement of changes in equity.

Share capital

The share capital comprises 35,264,000 no par shares, each corresponding to one euro of the share capital. All shares are fully paid up.

Capital reserves

The capital reserves of 379,337 kEUR (2012: 379,337 kEUR) comprise appropriated capital reserves of 94,752 kEUR (2012: 94,752 kEUR) and unappropriated capital reserves of 284,585 kEUR (2012: 284,585 kEUR).

Costs of 5,028 kEUR (net method) associated with the capital increase carried out in the course of the 2011 initial public offering were set off against the 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 recognised under the hedging reserve are only reported to the statement of profit or loss when the hedged transaction influences profit for the year.

Remeasurement of defined benefit plans

Actuarial gains and losses from the provisions for severance payments, pensions and medical care benefits are fully recognised in the reserves for the period in which they are accrued.

Exchange differences

The reserves for exchange differences recognise differences arising from the conversion of accounts from subsidiaries that report in a foreign currency.

Retained earnings

Retained earnings consist of cumulative retained earnings from the reporting period and prior periods.

The Management Board proposes that 0.60 EUR per share (a maximum of 21,158,400 EUR in total) be distributed as a dividend to shareholders out of the parent company's profit for the year.

Authorised capital

In accordance with section 169 Companies Act, a resolution of the annual general meeting held on 24 February 2011 authorised the Company's Management Board, subject to the approval of the Supervisory Board, to increase the Company's share capital to a maximum of 15,000,000 EUR by issuing 15,000,000 no par bearer shares in one or more tranches within five years of the entry of the resolution in the register of companies, i.e. by 8 March 2016, against contributions in cash or in kind, whether or not existing shareholders' subscription rights are wholly or partially excluded, and to determine the issue price – which may not be lower than the proportion of the current share capital represented by each no par share – and the other terms and conditions of the issue in consultation with the Supervisory Board (authorised capital established by section 4(5) Articles of Association). A portion of the authorized capital was used to increase the capital stock by 5,264,000 shares in the course of the IPO.

In accordance with section 174 Companies Act, a resolution of the annual general meeting held on 21 March 2011 authorised the Management Board, subject to the approval of the Supervisory Board, within five years of the adoption of the resolution, i.e. by 20 March 2016, to issue, in one or more tranches, convertible bonds conferring the right to convert such bonds into and/or subscribe to up to 15,000,000 no par bearer shares corresponding to up to 15,000,000 EUR of the Company's share capital, whether or not existing shareholders' subscription rights are wholly or partially excluded. The issue price and the conversion ratio must be consonant with the interests of the Company, existing shareholders and convertible bond subscribers, as well as generally accepted investment mathematics methods, and the Company's quoted share price; the advice of independent experts may be enlisted. The Management Board must determine the issue price and all the other terms and conditions of the issue, including the possible complete or partial exclusion of subscription rights for existing shareholders, subject to the approval of the Supervisory Board.

A conditional increase in the Company's capital was carried out in accordance with section 159(2)(1) Companies Act, to satisfy conversion and/or subscription rights in respect of convertible bonds issued in accordance with the authorisation conferred by the AGM resolution of 21 March 2011. A conditional capital increase may only be carried out if convertible bond holders avail themselves of their right to exchange the bonds for and/or subscribe to the Company's shares (conditional capital as defined by section 4(6) Articles of Association). 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 15,000,000.

Restrictions

The Management Board is not aware of any restrictions on the sale or transfer of shares.

Additional disclosures regarding capital management

AMAG is not subject to any capital requirements under the Articles of Association. Due to the volatile nature of the aluminium business and the high fixed assets ratio, a sound capital structure provides the basis for financial flexibility, among other reasons.

The main aims of AMAG's capital management approaches are to underpin the Group's growth and optimise returns for shareholders. The capital structure is continuously monitored. The table below shows the capital structure as at the end of the reporting period:

in kEUR	2013	2012
Total equity	584,437	544,082
Equity ratio	62.6%	61.8%
Balance-sheet total	933,470	880,011

7. Non-current provisions

in kEUR	2013	2012
Provisions for severance payments	27,085	26,376
Provisions for pensions	16,299	27,549
Provisions for medical care benefits	5,459	6,354
Provisions for service anniversary bonuses	4,621	3,846
Other non-current provisions	15,333	15,148
	68,796	**79,273**

Notes regarding other non-current provisions are presented below, after the reconciliations for employee benefit obligations.

Provisions for severance benefits

Employees of Austrian Group companies who joined the Group before 31 December 2002 are entitled to severance payments upon reaching retirement age or in the event that their employment contract is terminated. The entitlement is determined by years of service and final salary. These obligations are accounted for as defined benefit plans.

Defined contribution plans (employee benefit funds) are in place to cover the entitlement to severance payments of employees who joined the Group after 31 December 2002.

The changes in the provisions for severance payments were as follows:

in kEUR	2013	2012	2011	2010	2009
Present value of the obligation as of January 1	26,376	22,536	21,672	19,885	21,846
Current service cost	824	720	715	664	579
Interest cost	885	961	903	937	1,085
Use of provisions for severance payments made	(1,018)	(896)	(1,128)	(988)	(2,146)
Actuarial (gains)/losses	17	3,055	375	1,173	(1,479)
Present value of the obligations as of December 31	**27,085**	**26,376**	**22,536**	**21,672**	**19,885**

Interest expense is included in net interest income/expense item in the statement of profit or loss. The following amounts are recognised in profit or loss under staff costs:

in kEUR	2013	2012
Current service cost	(824)	(720)
Expenses for severance payments	(254)	(138)
Contributions to staff severance pay funds	(473)	(395)
Expenses for severance payments and contributions to employee benefit funds	**(1,550)**	**(1,253)**

Actuarial losses arising entirely as a result of variance from assumptions made on the basis of experience (2012: gains of 923 kEUR from changes in assumptions made on the basis of experience and losses of 3,978 kEUR from changes in financial assumptions) are recognised in equity. The most significant actuarial assumptions used are shown in the following table:

in %	2013	2012	2011	2010	2009
Increase in salaries	5.00	5.00	5.00	5.00	5.00
Discount factor	3.50	3.50	4.50	4.50	5.00

A deduction of 2.0% was made for staff turnover. The average duration of severance payments obligations is 13.8 years.

Severance payments of 809 kEUR are expected in the 2014 financial year.

Changes in significant parameters had the following effects:

Sensitivity (in %)	2013		2012	
	+1%	-1%	+1%	-1%
Effect of changes to reference values				
on the current service cost and interest cost	16.7%	(13.8%)	17.6%	(14.5%)
on the defined benefit obligation	13.7%	(11.6%)	14.2%	(12.0%)
Effect of changes to the discount factor				
on the current service cost and interest cost	(0.1%)	(0.9%)	(0.9%)	0.1%
on the defined benefit obligation	(12.1%)	14.6%	(12.4%)	15.1%

Provisions for pensions

Provisions for pensions mainly relate to provisions in Austria and Canada which are recognised as defined benefit plans in accordance with IAS 19 and are largely covered by plan assets. Calculations are made on the basis of an actuarial report using country-specific parameters and calculation methods.

The measurement of the obligations of the Austrian subsidiaries to former managerial staff arising from individual contractual commitments is based on biometric information drawn from the AVÖ 2008-P (Ettl-Pagler) tables for salaried employees prepared by the Actuarial Association of Austria. Entitlements are based on final salary and are index-linked. The weighted duration of existing obligations is 7.5 years; all agreements are older than 13 years. Managers and employees who have served with the Company for a specified period are entitled to pension benefits in the form of defined contribution plans.

In Canada a defined benefit plan is in place for all employees who joined the Group prior to June 2012. The benefits are determined by years of service and average salary. Since June 2012, only production staff have been given contracts including defined benefit plans. The pension entitlements of administrative staff, managers and senior executives are in the form of defined contribution plans. The average duration of defined benefit obligations is 20.2 years.

in kEUR	2013	2012	2011	2010	2009
Present value of the obligations as of December 31	**60,234**	**67,795**	**55,343**	**50,658**	**42,185**
unfunded	541	474	513	410	310
funded	59,693	67,321	54,830	50,248	41,875
Fair value of plan assets as of December 31	**43,935**	**40,246**	**35,271**	**36,024**	**30,254**
Excess of obligation = provision for pensions as of December 31	**16,299**	**27,549**	**20,072**	**14,634**	**11,931**
unfunded	541	474	513	410	310
funded	15,758	27,075	19,559	14,224	11,621

The significant parameters for actuarial calculations are as follows:

Canada in %	2013	2012	2011	2010	2009
Increase in remuneration	3.00	3.00	3.00	3.00	3.00
Discount factor	5.00	4.00	4.75	5.00	5.75

Austria in %	2013	2012	2011	2010	2009
Increase in remuneration	2.50	3.00	3.00	3.00	3.00
Discount factor	3.00	3.50	4.50	4.50	5.00

A deduction averaging 4.4% was made for staff turnover in Canada. Calculations for pension provision in Austria and Canada are based on a retirement age of 65.0 years.

Present value of obligations and market value of investment

in kEUR	2013	2012
Present value of the obligation as of January 1	67,795	55,343
Gains/(losses) from currency translation differences	(4,216)	(173)
Current service cost (employer and employees)	2,686	2,445
Interest expenses	2,507	2,469
Use of provisions for pension benefits paid	(2,400)	(2,211)
Actuarial (gains)/losses	(6,139)	9,922
Present value of the obligations as of December 31	**60,234**	**67,795**

in kEUR	2013	2012
Fair value of plan assets as of January 1	40,246	35,271
Gains/(losses) from currency translation differences	(2,719)	(61)
Expected return on plan assets	1,498	1,545
Contributions to plan assets (employer)	2,418	3,165
Contributions to plan assets (employees)	593	655
Payments from plan assets	(2,400)	(2,211)
Actuarial (gains)/losses	4,300	1,883
Fair value of plan assets as of December 31	**43,935**	**40,246**

Interest expense less expected returns from plan assets (net interest expense) of 1,010 kEUR (2012: 924 kEUR) is included in net interest income/expense in the statement of profit or loss. The following amounts are recognised in profit or loss under personnel expenses:

in kEUR	2013	2012
Current service cost (employer)	(2,686)	(2,445)
Employer contributions to the plan assets	593	655
	(2,093)	**(1,790)**
Pension fund payments	(835)	(776)
Retirement benefit cost	**(2,927)**	**(2,566)**

Expenses relating to retirement benefits are recognised under the following items in the statement of profit or loss:

in kEUR	2013	2012
Cost of sales	(2,515)	(2,221)
Selling and distribution expenses	(181)	(139)
Administrative expenses	(182)	(161)
Research and development expenses	(34)	(30)
Other expenses	(16)	(15)
	(2,927)	**(2,566)**

Actuarial gains of 10,439 kEUR (2012: 8,039 kEUR) are recognised directly in equity under other comprehensive income. These resulted from changes in financial assumptions amounting to 11,015 kEUR (2012: 10,474 kEUR), changes in demographic assumptions of -1,114 kEUR

(2012: nil) and changes in assumptions made on the basis of experience totalling 538 kEUR (2012: 2,435 kEUR).

Plan assets are invested in Austria with APK Pensionskasse AG, in different investment and risk classes (IRCs) depending on the respective structure of the obligations. Assets relating to pensions drawn by retired employees are invested in IRC2, which has an investment and risk strategy based on significantly shorter maturities than those applied under IRC19, which manages assets related to projected benefit obligations. The Group is only obliged to meet any funding shortfalls in the event that returns do not cover the funding requirements for ongoing pension payments from APK. Obligations of 390 kEUR are expected for the 2014 financial year. Employer contributions to the plan assets of the Canadian subsidiary are estimated at 1,965 kEUR in the 2014 reporting period.

The investment structure is outlined below:

Investment of plan assets as of Dec. 31 (in %)			**2013**			**2012**
Classes of assets	IRC2	IRC19	Kanada	IRC2	IRC19	Kanada
Shares	28.6	46.0	66.0	30.0	43.2	74.0
Bonds	46.1	31.2	29.0	46.0	31.2	26.0
Real estate	3.5	9.4	5.0	4.2	9.2	0.0
Cash	12.9	5.8	0.0	9.8	6.3	0.0
Other	8.9	7.6	0.0	10.0	10.1	0.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

The plan assets mainly consist of assets with quoted prices on active markets. Around 40% of the equity holdings of IRC2 is accounted for by euro-denominated shares and about one-third by US equities. Euro-denominated shares make up over 40% and UK shares one-third of IRC19's equity stakes. Government bonds, predominantly those of OECD member countries, account for over two-thirds of the debt securities of both IRCs, with corporate bonds making up the remainder. The breakdown of the Canadian plan assets is: Canadian equities 27%; American equities 15%; European equities 18%; fixed-rate government bonds 24%; and fixed-rate corporate bonds 5%.

Changes in plan assets in the respective IRCs are as follows:

Fair value of plan assets (in kEUR)			**2013**			**2012**
	IRC2	IRC19	Kanada	IRC2	IRC19	Kanada
Fair value of plan assets as of January 1	14,213	2,440	23,593	13,058	2,204	20,009
Gains/(losses) from currency translation differences	0	0	(2,719)	0	0	(61)
Expected return on plan assets	477	85	936	453	78	1,014
Provisioning of the fund	405	0	2,605	1,579	0	2,240
Payouts	(1,765)	0	(634)	(1,798)	0	(414)
Actuarial (gains)/losses	20	65	4,215	921	158	804
Present value of the obligations as of December 31	**13,350**	**2,590**	**27,995**	**14,213**	**2,440**	**23,593**

Sensitivities

Changes in significant parameters had the following effects:

Sensitivity (in %)	2013		2012	
	+1%	-1%	+1%	-1%
Effect of changes to reference values				
on the current service cost and interest cost	15.7%	(13.1%)	15.7%	(13.3%)
on the defined benefit obligation	10.2%	(8.7%)	10.7%	(9.1%)
Effect of changes to the discount factor				
on the current service cost and interest cost	(15.3%)	17.9%	(24.9%)	28.4%
on the defined benefit obligation	(14.1%)	18.3%	(15.1%)	19.8%

Provisions for medical care benefits

Defined benefit supplementary health insurance has been taken out for Aluminerie Alouette Inc. employees who joined the company before 1 April 2009.

in kEUR	2013	2012	2011	2010	2009
Present value of the obligations as of January 1	6,354	5,932	5,071	3,584	3,918
Gains/(losses) from currency translation differences	(659)	6	112	471	470
Current service cost (employer and employees)	191	987	220	215	173
Interest cost	243	256	250	249	199
Payouts	(36)	(782)	(17)	(16)	(1,248)
Past service cost	0	(24)	0	0	0
Actuarial (gains)/losses	(634)	(21)	296	568	72
Present value of the obligations as of December 31	**5,459**	**6,354**	**5,933**	**5,071**	**3,584**

Past service cost is included in personnel costs; interest cost is included in net interest income/expense. Actuarial gains of 634 kEUR are recognised directly in equity under other comprehensive income. These resulted from changes in financial assumptions amounting to 975 kEUR (2012: 952 kEUR), changes in demographic assumptions of -278 kEUR (2012: nil) and changes in assumptions made on the basis of experience totalling -63 kEUR (2012: 973 kEUR).

The most significant actuarial assumptions used were:

Canada in %	2013	2012	2011	2010	2009
Increase in salaries	3.00	3.00	3.00	2.00	3.00
Increase in costs	4.60	4.60	4.20	4.50	5.10
Discount factor	5.00	4.00	4.75	5.00	5.75

An average deduction of 4.4% was made for staff turnover, and the average duration of the obligations is around 17.2 years. Employer contributions of 36.4 kEUR are anticipated in the 2014 financial year.

The effects of a one percentage point change in the projected movement of medical care benefits costs were as follows:

Sensitivity (in %)	2013		2012	
	+ 1%	- 1%	+ 1%	- 1%
Effect on the sum of current service cost and interst cost	20.6%	(16.2%)	7.6%	(6.0%)
Effect on the defined benefit obligation	18.9%	(15.2%)	19.2%	(15.4%)

Provisions for service anniversary bonuses

The provision for service anniversary bonuses relates to the provisions that Group companies in Austria are obliged to recognise under collective agreements and/or works agreements, depending on length of service.

in kEUR	2013	2012	2011	2010	2009
Present value of the obligation as of January 1	3,846	3,303	3,183	2,888	2,983
Current service cost	253	201	191	203	146
Interest expenses	129	140	135	138	144
Use of provisions for service anniversary bonuses paid	(128)	(167)	(196)	(149)	(324)
Actuarial (gains)/losses	521	368	(11)	104	(60)
Present value of the obligations as of December 31	**4,621**	**3,846**	**3,303**	**3,183**	**2,888**

The interest expense is included in net interest income/expense in the statement of profit or loss. The following amounts are recognised in profit or loss under staff costs:

in kEUR	2013	2012
Current service cost	(253)	(201)
Actuarial (gains)/losses	(521)	(368)
Expenses for service annivesary bonuses	**(773)**	**(570)**

The most significant actuarial assumptions used were:

in %	2013	2012	2011	2010	2009
Salary increase for anniversary bonuses	5.00	5.00	5.00	5.00	5.00
Discount factor for anniversary bonuses	3.50	3.50	4.50	4.50	5.00

A deduction of 2.0% was made for staff turnover in Austria. The weighted average duration of jubilee benefit obligations is 12.4 years.

Other non-current provisions

in kEUR	2013	2012
Book value as of January 1	15,148	18,725
(Gains)/losses from currency translation differences	(361)	(88)
Utilization	(73)	(430)
Reversal	(1,666)	(1,285)
Addition	3,288	(199)
Addition / deduction of accrued insterest	381	0
Reclassification to current provisions	(1,385)	(1,576)
Book value as of December 31	**15,333**	**15,148**

Other non-current provisions mainly comprise provisions for after-care costs, dismantling obligations and contract risks. Contingent liabilities for after-care costs are recognised as provisions in the opening IFRS statement of financial position. As at the end of the reporting period these provisions amounted to 5,700 kEUR (31 December 2012: 5,700 kEUR). The terms of the provisions for contract risks extend to 2018.

8. Current provisions

in kEUR	2013	2012
Book value as of January 1	23,045	28,382
(Gains)/losses from currency translation differences	(134)	(67)
Utilization	(6,569)	(6,234)
Reversal	(14,380)	(9,839)
Addition	12,331	9,226
Reclassification to current provisions	1,385	1,576
Book value as of December 31	**15,678**	**23,045**

Current provisions include in particular provisions for complaints, after-care costs, contract risks and quantity discounts. Reversals include the reversal of a provision to cover an expected back tax payment of 3,474 kEUR in Canada and of provisions of 3,284 kEUR for contingent losses arising from improvements in the Group's cost structure.

9. Liabilities

2013 in kEUR	Total	Remaining term less than 1 year	Remaining term more than 1 but less than 5 years	Remaining term more than 5 years
Financial liabilities	129,194	3,641	83,350	42,204
Other non-current liabilities	5,682	0	5,682	0
Trade payables	60,811	60,811	0	0
Current tax liabilities	4,813	4,813	0	0
Other liabilities	36,501	36,501	0	0
	237,003	**105,767**	**89,032**	**42,204**

2012 in kEUR	Total	Remaining term less than 1 year	Remaining term more than 1 but less than 5 years	Remaining term more than 5 years
Financial liabilities	110,100	0	66,291	43,809
Other non-current liabilities	7,761	0	7,209	552
Trade payables	49,738	49,738	0	0
Current tax liabilities	2,120	2,120	0	0
Other liabilities	32,166	32,166	0	0
	201,886	**84,025**	**73,501**	**44,360**

Financial liabilities increased by 19,094 kEUR in the reporting period, to 129,194 kEUR. The change predominantly resulted from the allocation and repayment of European Recovery Programme (ERP) and research funding loans.

Other non-current liabilities include derivative financial instruments totalling 1,692 kEUR (2012: 3,481 kEUR). These comprise derivative instruments with a negative fair value not designated or recognised as hedging instruments in accordance with IAS 39 and therefore recognised as liabilities amounting to 585 kEUR (2012: 632 kEUR), as well as derivative instruments designated as hedging instruments in documented cash flow hedges which are determined to have been effective, amounting to 1,102 kEUR (2012: 2,849 kEUR). This item also includes derivative instruments designated as hedging instruments in documented fair value hedges of reported assets or firm commitments which are determined to have been effective, to the amount of 6 kEUR (2012: 0 kEUR).

Investment liabilities are included in trade payables amounting to 13,279 kEUR (2012: 11,379 kEUR).

10. Other current liabilities

in kEUR	2013	2012
Derivatives recognized as current liabilities	12,979	11,952
Liabilities due to employees	10,601	10,540
Other tax liabilities	3,127	1,493
Liabilities due to social security carriers	2,037	1,874
Deferred income	176	0
Sundry other liabilities	7,581	6,306
	36,501	**32,166**

Current derivative liabilities include derivatives with a negative fair value not designated or recognised as hedging instruments in accordance with IAS 39, totalling 11,466 kEUR (2012: 8,615 kEUR). Their main purpose is to hedge risks associated with AMAG's aluminium stocks and order book. Under this item, an amount of 23,157 kEUR (2012: 6,404 kEUR) was offset against derivative instruments recognised under current assets, due to an enforceable claim for netting.

The remaining current derivative liabilities are broken down into the following categories, in accordance with IAS 39; their fair values as at the end of the reporting period are also provided:

- Derivative instruments designated as hedging instruments in documented fair value hedges of reported assets or firm commitments which are determined to have been effective: 636 kEUR (2012: 986 kEUR).
- Derivative instruments designated as hedging instruments in documented cash flow hedges which are determined to have been effective: 876 kEUR (2012: 2,351 kEUR).

J NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The AMAG Group began presenting its statement of profit or loss using the cost of sales method as of 1 January 2013. The comparative period (2012) was adjusted as follows.

A decline in inventories of finished goods and work in progress of 1,507 kEUR and work performed by the entity and capitalised of 551 kEUR under the nature of expense method were included in the cost of sales.

Of the 536,452 kEUR in raw material and consumables used (nature of expense method), 533,494 kEUR was stated under cost of sales, 147 kEUR under distribution costs, 234 kEUR under administrative expenses, 281 kEUR under research and development expenses, and 447 kEUR under other expenses. The change in the presentation of the Service Division led to 1,850 kEUR in raw material and consumables used being reclassified as other expenses.

Of the 102,340 kEUR classified as staff costs under the nature of expense method, 80,168 kEUR was reported as cost of sales, 7,037 kEUR as distribution costs, 9,880 kEUR as administrative expenses, 3,672 kEUR as research and development expenses, and 1.582 kEUR as other expenses.

An amount of 56,941 kEUR classified as other expenses under the nature of expense method was reported as cost of sales (22,034 kEUR), distribution costs (26,327 kEUR), administrative expenses (7,044 kEUR), research and development expenses (2,511 kEUR) and other expenses (874 kEUR).

Depreciation and amortisation expense, and impairment totalling 50,578 kEUR under the nature of expense method was reclassified as cost of sales (49,060 kEUR), distribution costs (158 kEUR), administrative expenses (524 kEUR), research and development expenses (534 kEUR), and other expenses (303 kEUR).

Since 1 January 2013 the Service Division's sales have been reported as revenue instead of other income, and the figures for the prior period have been adjusted accordingly. As a result the AMAG Group's revenue for 2012 increased by 5,560 kEUR. The Service Division's sales comprise amounts charged to third parties, as well as services and usage charges.

11. Revenue

As AMAG operates in various business segments, this reduces the risk of dependency on a small number of customers. The proportion of revenue attributable to the Group's ten biggest customers during the reporting period was 36.1% (2012: 37.3%), and the proportion attributable to the single biggest customer (a customer of the Rolling Division) was 8.1% (2012: 8.2%).

Further information on divisional revenue can be found under segment information. Due to the high cost of preparing reports on revenue from different customers by comparable product and service, these are not presented. Only the Service Division generates revenue from services.

Revenue includes income from derivatives designated as hedging instruments in cash flow hedges in accordance with IAS 39 amounting to 17,901 kEUR (2012: 13,390 kEUR), and from derivatives designated as hedging instruments in fair value hedges in accordance with IAS 39 amounting to 0 kEUR (2012: 1,784 kEUR). Gains or losses from the change in the value of hedged foreign currency receivables was 0 kEUR (2012: -1,784 kEUR).

12. Cost of sales

Raw material and consumables used amounted to 500,051 kEUR (2012: 533,494 kEUR). The cost of sales includes gains and losses from derivatives designated as hedging instruments in cash flow hedges in accordance with IAS 39 amounting to -1,056 kEUR (2012: -4 kEUR), and income from derivatives designated as hedging instruments in fair value hedges in accordance with IAS 39 amounting to 17.068 kEUR (2012: 3,571 kEUR). Gains from the change in the value of hedged aluminium stocks were 10,981 kEUR (2012: 218 kEUR).

13. Other income

in kEUR	2013	2012
Gains from the disposal of property, plant and equipment and intangible assets	193	1,477
Insurance income	130	1,932
Grants and government subsidies	1,031	1,285
Income from currency translation	1,806	1,004
Other income	3,888	5,065
	7,049	**10,763**

Sundry other income mainly comprises income from maintenance services and services provided by the accredited testing station to third parties.

14. Personnel expenses

The following personnel expenses are recognised in the statement of profit or loss:

in kEUR	2013	2012
Cost of sales	85,191	80,168
Selling and distribution expenses	8,230	7,037
Administrative expenses	10,770	9,880
Research and development expenses	4,630	3,672
Other expenses	1,833	1,582
	110,654	**102,340**

The breakdown of personnel expenses is as follows:

in kEUR	2013	2012
Wages	56,040	52,912
Salaries	30,446	28,055
Expenses for severance payments and contributions to employee benefit funds	1,550	1,253
Retirement benefit obligation	2,927	2,566
Expenses for social security contributions	19,378	17,253
Other expenses for social benefits	313	302
	110,654	**102,340**

The variable remuneration of the AMAG Management Board is based on a number of 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 ap-

proximately 63:37 (2012: 55:45). Management Board remuneration in 2013 amounted to 1,961 kEUR (2012: 2,131 kEUR).

Remuneration of other key employees totalled 6,064 kEUR (2012: 5.822 kEUR).

The item “Expenses for serverance payments and contributions to employee benefit funds” includes contributions to employee benefit funds (defined contribution plan) of 473 kEUR (2012: 395 kEUR).

Expenses for severance payments and contributions to employee benefit funds were broken down as follows:

in kEUR	2013	2012
Board members	31	0
Executive employees	280	358
Other employees	1,240	895
	1,550	**1,253**

In 2012 contributions of 30 kEUR to employee benefit funds for Management Board members were recognised as pension expenses.

Pension expenses were broken down as follows:

in kEUR	2013	2012
Board members	58	79
Executive employees	179	188
Other employees	2,691	2,299
	2,927	**2,566**

A premium of 45 kEUR (2012: 53 kEUR) was paid for directors and officers liability insurance.

The retirement 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.

In 2013 the AMAG Austria Metall AG Supervisory Board was paid remuneration of 179 kEUR (2012: 123 kEUR).

Remuneration for members of the Supervisory Board is determined by the annual general meeting, in consideration of the responsibility borne by and the activities undertaken by the Supervisory Board. In particular, the size and organisational structure of the Company and the scope of decisions made by the Supervisory Board are taken into account. Unlike remuneration of members of the Management Board, the Company’s financial position is not relevant to the remuneration of the Supervisory Board. The nature of the Supervisory Board’s activities means they cannot be evaluated on the basis of business performance.

The distribution of remuneration between Supervisory Board members is decided by the Supervisory Board.

Average number of employees (Full Time Equivalent)	2013	2012
Blue-collar employees	1,076	1,023
White-collar employees	488	467
	1,564	**1,490**

The head count includes a 20% share of the workforce at the Aluminerie Alouette joint operation, or 199 employees (2012: 197 employees), in line with the Group's 20% stake in the operation.

15. Depreciation and amortisation

Depreciation and amortisation expense of 50.382 kEUR (2012: 50.578 kEUR) is included in the statement of profit or loss and is broken down as follows:

in kEUR	2013	2012
Cost of sales	48,837	49,060
Selling and distribution expenses	163	158
Administrative expenses	550	524
Research and development expenses	520	534
Other expenses	312	303
	50,382	**50,578**

16. Net financial income (expenses)

in kEUR	2013	2012
Interest income	603	647
Interest expense	(7,151)	(6,457)
Other financial income (expenses)	(877)	(14)
	(7,425)	**(5,825)**

Interest expense comprised the following items:

in kEUR	2013	2012
Interst expense from financial instruments at fair value	0	(275)
Interest expense from financial liabilities at amortized cost	(3,409)	(3,010)
Interest expense from provisions	(2,718)	(2,281)
Interest expense from non-financial liabilities	(1,023)	(891)
	(7,151)	**(6,457)**

Interest expense from provisions includes the balance of interest expense and income from provisions for employee benefits, as well as the interest income/expense from non-current provisions.

Other financial income (expenses) include income from non-consolidated investments amounting to 154 kEUR (2012: -19 kEUR), the effects of currency translation of financing, totalling 1,172 kEUR (2012: -381 kEUR), as well as expenses from derivatives not designated as hedging instruments in accordance with IAS 39 amounting to 2,050 kEUR (2012: gain of 429 kEUR).

17. Income taxes

Income taxes includes income taxes paid and payable, and deferred tax. Parts of AMAG Group subsidiaries are subject to group taxation.

Tax reconciliation

in kEUR	2013	2012
Earnings before taxes	65,011	77,424
Tax expense at 25%	**16,253**	**19,356**
Other not deductable expenses	189	288
Tax-free income	(202)	(802)
Other tax rates	316	131
Minimum corporate tax	5	0
Tax expense previous years	2,163	(878)
Allocation and release of deferred taxes on losses carried forward	(12,905)	(12,125)
Other	3,164	142
Current tax expense	**8,983**	**6,112**
Tax paid	14,528	14,339

The year-on-year increase in consolidated income tax expenses was primarily the result of effects from prior reporting periods. The total tax expense for the previous year includes effects arising from a tax inspection and an amount relating to an increase in transfer prices required as the result of a mutual agreement procedure. The “Others” item mainly comprises concessions spent and those derecognised in connection with the second phase of expansion at the Alouette smelter.

Deferred tax

	Deferred taxes 2013		Deferred taxes 2012	
in kEUR	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Proberty, plant and equipment	0	35,069	0	37,863
Other non-current assets and financial assets	2,492	3,459	1,872	3,396
Inventories	1,969	0	1,900	0
Receivables	2,416	9,329	2,229	8,375
Losses carried forward	25,313	0	21,563	0
Untaxed reserves	1,676	0	1,676	0
Provisions	9,354	855	12,657	3,855
Liabilities	5,574	511	5,959	387
Others	142	0	0	0
	48,936	**49,222**	**47,857**	**53,875**
Offsetting towards the same taxation authority	21,665	21,665	22,150	22,150
Net deferred tax assets and liabilities	**27,271**	**27,557**	**25,707**	**31,725**

No deferred tax assets were recognised for losses carried forward amounting to 81,184 kEUR (2012: 127,906 kEUR).

Changes in deferred tax recognised and not recognised in profit or loss, and the breakdown of each, are presented below:

in kEUR	Deferred taxes Assets	Deferred taxes Liabilities
As at January 1, 2012	25,537	40,385
Profit and loss changes	1,058	(3,011)
Cash flow hedges	1,969	0
Revaluation of defined benefit pension plans	(2,857)	0
Not recognised in profit or loss	(888)	(5,648)
As at December 31, 2012	**25,707**	**31,725**
As at January 01, 2013	25,707	31,725
Profit and loss changes	3,081	(7,241)
Cash flow hedges	(4,529)	0
Revaluation of defined benefit pension plans	3,011	0
Not recognised in profit or loss	(1,518)	3,073
As at December 31, 2013	**27,271**	**27,557**

K SEGMENT INFORMATION

Business divisions

Reporting by business divisions (the Metal, Casting, Rolling and Service divisions) and consolidation 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 AMAG's operating subsidiaries, and marketing primary aluminium fall under the remit of the Metal Division.

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 the 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 Service Division provides centralised services to AMAG's operating divisions at the Ranshofen facility, as well as performing Group-wide management functions. It is responsible for facility management for the entire Ranshofen site, and the value of all of the land and buildings at the site is assigned to this Division. 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 used to prepare the segment information are based on the IFRSs applied in the preparation of the consolidated financial statements.

AMAG evaluates divisional performance on the basis of shipments and EBITDA, among other indicators.

Inter-divisional sales and purchases of materials and services are calculated on the basis of market prices. Divisional assets and liabilities comprise all assets and liabilities recognised on the basis of the financial statements prepared by the operating divisions and included in the consolidated financial statements. Divisional investment comprises additions to intangible assets, and property, plant and equipment.

Inter-divisional transactions

The revenue, expenses and income of each division include elimination of intra-Group balances between business divisions and geographical segments. Inter-segment and inter-divisional transfer prices are based on market conditions for comparable services.

Business divisions

2013 in kEUR	Metal	Casting	Rolling	Service	Consolidation	Group
Shipments in tons	**115,014**	**79,112**	**157,583**		**(22,148)**	**329,560**
of which internal 1)	1,682	20,466			-22,148	0
Revenue						
External	188,634	101,163	491,019	5,630	0	786,445
Internal	358,672	9,218	78,431	53,197	(499,518)	0
	547,305	**110,381**	**569,450**	**58,827**	**(499,518)**	**786,445**
Gross profit	**32,446**	**6,302**	**81,242**	**11,587**	**(2,307)**	**129,270**
Earnings						
Earnings before interest, taxes, depreciation and amortization (EBITDA)	50,778	4,632	63,474	3,934	0	122,818
Depreciation and amortization expenses	22,306	2,599	17,490	7,988	0	50,382
Earnings before interest and taxes (EBIT)	28,472	2,033	45,985	(4,053)	0	72,436
Interest income	2,740	9	295	3,145	(5,586)	603
Interest expense	(3,364)	(414)	(5,856)	(3,103)	5,586	(7,151)
Net interest income (expenses)	(624)	(405)	(5,561)	43	0	(6,548)
Other financial income (expenses)	(1,353)	(0)	(209)	686	0	(877)
Net financial income (expenses)	**(1,977)**	**(405)**	**(5,770)**	**728**	**0**	**(7,425)**
Earnings before taxes	**26,495**	**1,627**	**40,214**	**(3,325)**	**0**	**65,011**
Income taxes	(11,224)	(426)	(11,589)	14,256	0	(8,983)
Net income after taxes	**15,271**	**1,201**	**28,626**	**10,931**	**0**	**56,028**
Balance sheet						
Division assets	381,163	37,239	301,208	465,093	(251,233)	933,470
Division liabilities	139,877	27,447	170,703	123,713	(112,707)	349,034
Other disclosures						
Investments (excluding financial investments)	17,415	2,003	73,850	36,639	0	129,907
Employees FTE (without apprentices)	205	121	1,117	121	0	1,564

1) Internal shipments includes deliveries of materials from the Alouette in the Metal Division and reworking operations in the Casting Division

2012 in kEUR	Metal	Casting	Rolling	Service	Consolidation	Group
Shipments in tons	**114,508**	**78,394**	**151,288**		**(16,396)**	**327,794**
of which internal 1)	1,130	15,266	0		-16,396	0
Revenue						
External	204,404	111,861	497,930	5,560	0	819,755
Internal	358,072	7,214	67,657	48,242	(481,184)	0
	562,475	**119,075**	**565,587**	**53,802**	**(481,184)**	**819,755**
Gross profit	**22,799**	**8,294**	**92,284**	**30,527**	**(19,863)**	**134,042**
Earnings						
Earnings before interest, taxes, depreciation and amortization (EBITDA)	42,573	6,069	79,917	5,269	0	133,828
Depreciation and amortization expenses	25,018	2,415	15,891	7,254	0	50,578
Earnings before interest and taxes (EBIT)	17,555	3,654	64,026	(1,985)	0	83,249
Interest income	1,173	1	109	1,209	(1,846)	647
Interest expense	(2,975)	(231)	(2,723)	(2,375)	1,846	(6,457)
Net interest income (expenses)	(1,801)	(230)	(2,614)	(1,166)	0	(5,810)
Other financial income (expenses)	803	(3)	(95)	(720)	0	(14)
Net financial income (expenses)	**(998)**	**(233)**	**(2,709)**	**(1,886)**	**0**	**(5,825)**
Earnings before taxes	**16,557**	**3,421**	**61,317**	**(3,871)**	**0**	**77,424**
Income taxes	(4,874)	(853)	(15,204)	14,818	0	(6,112)
Net income after taxes	**11,684**	**2,568**	**46,113**	**10,947**	**0**	**71,312**
Balance sheet						
Division assets	400,454	31,050	247,762	472,609	(271,864)	880,011
Division liabilities	168,613	20,234	120,382	121,565	(94,865)	335,929
Other disclosures						
Investments (excluding financial investments)	11,438	3,768	46,287	18,974	0	80,467
Employees FTE (without apprentices)	204	120	1,049	117	0	1,490

1) Internal shipments includes deliveries of materials from the Alouette in the Metal Division and reworking operations in the Casting Division
2) The Service Division's sales have been reported as revenue instead of other income since the start of 2013. The figures for the prior period have been adjusted accordingly

Geographical segments

2013 in kEUR	Production site Austria	Production site Canada	Total	Consolidation	Group
Revenue					
Austria revenue	111,319	185,111	296,430	(178,713)	117,716
Western Europe	474,908	0	474,908	0	474,908
Other markets	193,821	0	193,821	0	193,821
	780,047	**185,111**	**965,158**	**(178,713)**	**786,445**
Earnings					
Earnings before interest, taxes, depreciation and amortization (EBITDA)	83,018	39,552	122,570	248	122,818
Earnings before interest and taxes (EBIT)	54,931	17,257	72,188	248	72,436
Balance sheet					
Division assets	760,538	257,783	1,018,321	(84,850)	933,470

2012 in kEUR	Production site Austria	Production site Canada	Total	Consolidation	Group
Revenue					
Austria revenue	116,644	197,015	313,659	(192,244)	121,415
Western Europe	497,357	0	497,357	0	497,357
Other markets	200,982	0	200,982	0	200,982
	814,983	**197,015**	**1,011,998**	**(192,244)**	**819,755**
Earnings					
Earnings before interest, taxes, depreciation and amortization (EBITDA)	99,768	34,718	134,486	(659)	133,828
Earnings before interest and taxes (EBIT)	74,199	9,709	83,908	(659)	83,249
Balance sheet					
Division assets	705,863	255,854	961,717	(81,706)	880,011

1 Aluminium production at the Alouette smelter in Canada is charged on a pro rata basis to the Austrian metal management subsidiary, which in turn sells AMAG's share of production.

L NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows is presented using the indirect method. A distinction is made in the statement between cash flows from operating, investing and financing activities.

Cash and cash equivalents comprise cash on hand of 27 kEUR (2012: 17 kEUR) and short-term financial investments amounting to 79,138 kEUR (2012: 84,320 kEUR).

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. Group-wide policies designed to support the management of these risks are in place. 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 used solely for hedging purposes.

Liquidity risk

This refers to the risk that the Company will not have uninterrupted access to funding in order to settle its financial obligations. 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 identified by means of Group-wide currency-specific liquidity planning, the outcomes of which form the basis for the Group companies' corporate actions.

In order to reduce its exposure to liquidity risk, the AMAG Group has lines of credit evidenced by certificates and uncertificated lines of credit totalling 130,000 kEUR (2012: 120,000 kEUR), as well as a guarantee facility of 58,755 kEUR (2012: 98,292 kEUR).

Credit risk

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 in order to minimise default risk.

The Group works exclusively with financial partners with good credit ratings, which also serves to reduce credit risk. With regard to assets, the reported values of the relevant primary financial instruments represent the maximum credit or default risk. Impairment allowances have been recognised for all of the risks identified, and consequently the management is of the opinion that the Company will not be exposed to additional credit risk.

Trade receivables not due for settlement are mainly owed by long-term business partners. Creditworthiness is assessed on the basis of internal guidelines. Credit insurance has been taken out with various insurers in relation to 80.4% of trade receivables (2012: 77.7%). In the event of a claim, an excess is payable. Impairment allowances equivalent to the maximum excess are recognised for such receivables, based on the assessment of the local management. In the case of uninsured receivables, the amount of the impairment allowance recognised varies according to the period by which payment is past due.

in kEUR	2013	2012
Not yet due	**60,322**	**64,643**
Overdue receivables	**11,059**	**14,113**
Less than 30 days overdue	10,400	12,999
More than 30 days, but less than 60 days overdue	373	905
More than 60 days, but less than 90 days overdue	157	179
More than 90 days, but less than 180 days overdue	128	30
	71,381	**78,756**
Impairment trade receivables	(1,113)	(1,176)
Total trade receivables	**70,268**	**77,580**

Other receivables do not include any overdue payments.

Market risk

Currency risk

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) in order 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 futures and options (fair value hedges).

The Group is exposed to currency risk on account of the fact that 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 of conclusion of the respective contract, as are undisclosed items, in particular recurring transactions required for operating activities (e.g. anticipated purchases of raw materials and consumables, and revenue).

Production costs at the Ranshofen site are mainly incurred in EURO, but also in US dollars. The balance of expenses and revenue is hedged. Costs at the Canadian plant are reported in US dollars and Canadian dollars, although sales revenue is primarily in the former. Items not covered by natural hedges are hedged in accordance with the risk position and risk horizon.

The table below shows the breakdown of primary financial instruments – comprising trade receivables and payables, loans receivable, borrowings and financial assets – by currency at the end of the reporting period.

	2013			2012		
	Currency	in kEUR	Share	Currency	in kEUR	Share
Primary financial instruments/assets	**EUR**	**97,233**	**65.90%**	**EUR**	**130,393**	**75.20%**
	USD	45,108	30.50%	USD	38,615	22.30%
	CAD	2,881	1.90%	CAD	1,818	1.00%
	GBP	2,118	1.40%	GBP	2,112	1.20%
	CHF	0	0.00%	CHF	21	0.00%
	DKK	286	0.20%	DKK	357	0.20%
	NOK	95	0.10%	NOK	150	0.10%
	Other	45	0.00%	Other	0	0.00%
		147,764	**100.00%**		**173,465**	**100.00%**

	2013			2012		
	Currency	in kEUR	Share	Currency	in kEUR	Share
Primary financial instruments/liabilities	**EUR**	**155,300**	**77.53%**	**EUR**	**132,091**	**78.00%**
	USD	25,706	12.83%	USD	17,455	10.30%
	CAD	19,245	9.61%	CAD	19,657	11.60%
	GBP	0	0.00%	GBP	88	0.10%
	CHF	16	0.01%	CHF	35	0.00%
	DKK	32	0.02%	DKK	36	0.00%
	SEK	0	0.00%	SEK	1	0.00%
	NOK	0	0.00%	NOK	0	0.00%
	Other	6	0.00%	Other	10	0.00%
		200,306	**100.00%**		**169,373**	**100.00%**

Interest rate risk

This refers to risks associated with changes in net interest income 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 which qualified as cash flow hedges. 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 even out 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 underlying transaction, the hedging reserve is reclassified and recognised in profit or loss under net interest income/expense.

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, 2013

Position	Rate type	Average	Bank accounts	Current	Non-current
Deposits	Fixed	-	-	-	-
	Variable	0.41%	0.04%	0.43%	-
	Average	**0.41%**	**-**	**-**	**-**
Financial liabilities	Fixed	1.60%	-	0.77%	1.64%
	Variable	1.77%	-	-	1.77%
	Average	**1.66%**	**-**	**-**	**-**

Interest rate summary as of Dec. 31, 2012

Position	Rate type	Average	Bank accounts	Current	Non-current
Deposits	Fixed	-	-	-	-
	Variable	0.66%	0.06%	0.69%	-
	Average	**0.66%**	**-**	**-**	**-**
Financial liabilities	Fixed	2.12%	-	-	2.12%
	Variable	1.82%	-	-	1.82%
	Average	**1.99%**	**-**	**-**	**-**

Raw material price risk

The raw material price risks faced by AMAG Austria Metall AG relate mainly to the aluminium price, as the Group produces and processes aluminium. Aluminium production gives rise to price risks which are hedged by way of derivative instruments. The reprocessing of aluminium also results in risk exposures. In addition, the Group purchases aluminium-based metals (e.g. scrap) and sells them on after reprocessing, and the resulting purchasing and sales risks are minimised using hedging instruments.

The risk of changes in raw material prices on the London Metal Exchange (LME) is hedged by means of standard forwards and options. Hedges of future cash flows arising from aluminium production are classified as cash flow hedges. Hedges of inventory are recognised as fair value hedges in accordance with the IFRS criteria.

Derivatives designated as held for trading may not be classified as cash flow or fair value hedges under the current accounting standards, although they do serve as hedges against the Group's economic risk exposures.

Due to the long risk horizon in some cases, these risks are hedged for periods of up to three years. Derivatives are only used to hedge raw material price risk if they can be clearly accounted for and measured.

Sensitivity analysis

Sensitivity analyses as of Dec. 31, 2013 (amounts in kEUR)

Foreign exchange rate risks	**Change**	**EUR**	**USD**	**Other**	**Total**
Change in net financial liabilities due to an exchange rate reduction by	10%	0	806	272	1,078
Interest rate risks	**Change**	**EUR**	**USD**	**Other**	**Total**
Change in net interest income/expenses due to an interest rate increased by	1%	427	246	0	673
Commodity price risks	**Change**			**AL**	**Total**
Change in inventory write-down due to LME aluminium price reduction by	10%	0	0	(8,338)	(8,338)

Sensitivity analyses as of Dec. 31, 2012 (amounts in kEUR)

Foreign exchange rate risks	**Change**	**EUR**	**USD**	**Other**	**Total**
Change in net financial liabilities due to an exchange rate reduction by	10%	0	(123)	0	(123)
Interest rate risks	**Change**	**EUR**	**USD**	**Other**	**Total**
Change in net interest income/expenses due to an interest rate increased by	1%	590	167	0	757
Commodity price risks	**Change**			**AL**	**Total**
Change in inventory write-down due to LME aluminium price reduction by	10%	0	0	(9,578)	(9,578)

The table shows the sensitivity of earnings before tax (owing to changes in the fair value of financial assets and debts) to possible movements in the US dollar exchange rate, and to a one percentage point rise in the variable interest rate on loans and investments, adjusted for the effects of hedges. If all other variables remain unchanged, earnings before tax would be affected as shown in the table above, owing to the impact on floating rate loans and investments.

All other variables are constant. There is no material risk to the Group from fluctuations in any other exchange rates. The table above also shows the impact of aluminium price changes, adjusted for the effects of hedges.

Primary financial instruments

Details of primary financial instruments can be found on the statement of financial position and in the related notes.

Cash and cash equivalents

The carrying amounts correspond to the fair value.

Current and non-current financial assets

These assets relate to stakes of less than 20% which are classified as available for sale and recognised at cost.

Derivative instruments

Only regular way transactions with sufficient liquidity are used for hedging purposes.

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 beginning of the terms of the instruments. In the case of options, only the intrinsic value of the derivative is designated as a hedging instrument. As a consequence, 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 immediately recognised in profit or loss.

Derivative instruments qualifying as cash flow hedges and recognised in the hedging reserve are as follows:

			2013		2012	
CASHFLOW-HEDGE	**Currency or commodity**		**Nominal values [1)]**	**Market values in kEUR**	**Nominal values [1)]**	**Market values in kEUR**
Currency derivatives						
Foreign exchange forwards	USD	Sale	187,616	3,475	165,009	(1,432)
	GBP	Sale	1,043	(20)	260	4
	CAD	Buy	62,000	(673)	24,100	201
	USD	Buy	29,394	(121)	18,838	(95)
Foreign exchange options	USD	Put	0	0	0	0
Commodity derivatives						
Forward contracts	AL	Sale	11,250	741	16,950	2,824
	CU	Sale	100	(10)	0	0
	CU	Buy	600	87	400	36
Options	AL	Sale	36,000	3,095	90,000	2,592
Interest rate derivatives						
Interest rate swaps	EUR		31,600	(697)	31,600	(1,223)
Embedded derivative	**USD**	**Sale**	**36,348**	**15,089**	**36,348**	**10,725**

1 The nominal values of currencies are stated in ‘000s, and those of commodities in tonnes of aluminium (AL) or copper (CU).

The table below shows the changes in the hedging reserve in accordance with IAS 39.

CASHFLOW-HEDGE kEUR 2013	Commodity derivatives	Currency derivatives	Interest rate derivatives	Embedded derivative	Total
Change in fair value recognized directly in other comprehensive income (OCI)	9,781	2,897	526	10,446	23,649
Reclassifications from OCI recognized through profit or loss	(11,547)	1,189	0	(6,398)	(16,755)
of which: reclassifications from OCI recognized in the original acquisition costs	0	0	0	0	0
Maturity not later than	12/2015	12/2018	5/2019	12/2016	

CASHFLOW-HEDGE kEUR 2012	Commodity derivatives	Currency derivatives	Interest rate derivatives	Embedded derivative	Total
Change in fair value recognized directly in other comprehensive income (OCI)	10,632	(7,864)	698	3,593	7,059
Reclassifications from OCI recognized through profit or loss	(13,346)	3,570	275	(4,767)	(14,268)
of which: reclassifications from OCI recognized in the original acquisition costs	0	0	0	0	0
Maturity not later than	12/2014	11/2016	5/2019	12/2016	

Fair value hedges

Exchange futures contracts are concluded as hedges of foreign currency receivables and designated as fair value hedges. Fluctuations in the market value of these foreign exchange derivatives are reported as revenue. Forward transactions designated as fair value hedges are used for the purpose of aluminium inventory hedging. Changes in the market value of these instruments are recorded as raw material and consumables used.

Trading

Foreign exchange and commodity (i.e. aluminium) derivatives that meet the requirements for hedge accounting under IAS 39 in terms of documentation and effectiveness are designated as held for trading. Changes in the fair value of these instruments are recognised in the statement of profit or loss.

The following table gives an overview of the derivative financial instruments qualifying as cash flow hedges and held for trading, and recognised in the statement of profit or loss.

			2013		2012	
FAIR-VALUE-HEDGE	**Currency or commodity**		**Nominal values [1)]**	**Market values in kEUR**	**Nominal values [1)]**	**Market values in kEUR**
Commodity derivatives						
Forward contracts	AL	Sale	45,114	(146)	46,889	2,356
	AL	Buy	20,789	(418)	5,739	(932)
Hedged						
firm commitments	AL	Sale	20,789	418	5,739	932
	AL	Buy	5,114	(41)	6,889	(258)

1 The nominal values of currencies are stated in '000s, and those of commodities in tonnes of aluminium (AL) or copper (CU).

			2013		2012	
HELD FOR TRADING	**Currency or commodity**		**Nominal values [1)]**	**Market values in kEUR**	**Nominal. values [1)]**	**Market values in kEUR**
Currency derivatives						
Foreign exchange forwards	USD	Buy	500	(19)	225	(2)
	GBP	Sale	1,559	(15)	2,230	19
	JPY	Sale	28,500	8	20,804	12
	USD	Sale	28,600	270	30,085	(7)
	CHF	Sale	0	0	100	0
	NOK	Sale	2,286	0	3,240	(1)
Foreign exchange options	USD	Put	0	0	0	0
Commodity derivatives						
Forward contracts	AL	Buy	422,461	(34,956)	267,786	(7,897)
	AL	Sale	422,461	38,621	267,786	8,331
Options	AL	Sale	36,000	584	90,000	2,539
	AL	Buy	0	0	0	0

1 The nominal values of currencies are stated in '000s, and those of commodities in tonnes of aluminium (AL) or copper (CU).

The nominal values are the gross sum of the purchase and sales 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 on the basis of 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 carried out on the basis of generally accepted mathematical measurement models.

In principle, the term of a hedge is determined by that of the underlying transaction. The terms of the foreign exchange derivatives held by the Group extend to 2018, those of commodity and interest rate derivatives to 2015 respectively to 2019.

Supplementary disclosures on financial instruments in accordance with IFRS 7

2013 Amounts in kEUR	Book value as of Dec. 31, 2013	Fair-Value-Hedge	Cashflow-Hedge	Held for trading
Assets				
Other non-current assets and financial assets	15,915	0	10,828	290
Trade receivables	70,268	0	0	0
Current tax assets	2,497	0	0	0
Other receivables	49,181	79	12,116	16,254
Cash and cash equivalents	79,164	0	0	17,308
Liabilities				
Non-current financial liabilities	125,554	0	0	0
Other non-current liabilities	5,682	6	1,102	585
Current financial liabilities	3,641	0	0	0
Trade payables	60,811	0	0	0
Current tax liabilities	4,813	0	0	0
Other current liabilities	36,501	636	876	11,466

2012 Amounts in kEUR	Book value as of Dec. 31, 2012	Fair-Value-Hedge	Cashflow-Hedge	Held for trading
Assets				
Other non-current assets and financial assets	20,121	0	8,314	1,908
Trade receivables	77,580	0	0	0
Current tax assets	2,400	0	0	0
Other receivables	38,858	3,397	10,519	10,334
Cash and cash equivalents	84,337	0	0	17,332
Liabilities				
Non-current financial liabilities	110,100	0	0	0
Other non-current liabilities	7,761	0	2,849	632
Current financial liabilities	0	0	0	0
Trade payables	49,738	0	0	0
Current tax liabilities	2,120	0	0	0
Other current liabilities	32,166	986	2,351	8,615

* Loans and receivables are recognised at amortised cost

	Held to maturity	Available for sale	Loans, receivables and liabilities *)	Cash and cash equivalents	Not a financial instrument	Fair Value as of Dec. 31, 2013
	26	535	4,141	0	95	15,915
	0	0	70,268	0	0	70,268
	0	0	0	0	2,497	2,497
	0	0	10,597	341	9,795	49,181
	0	0	0	61,856	0	79,164
	0	0	125,554	0	0	124,960
	0	0	2,708	0	1,282	5,682
	0	0	3,641	0	0	3,641
	0	0	60,811	0	0	60,811
	0	0	0	0	4,813	4,813
	0	0	7,593	0	15,930	36,501

	Held to maturity	Available for sale	Loans, receivables and liabilities *)	Cash and cash equivalents	Not a financial instrument	Fair Value as of Dec. 31, 2012
	26	504	4,368	0	5,002	20,121
	0	0	77,580	0	0	77,580
	0	0	0	0	2,400	2,400
	0	0	6,441	209	7,958	38,858
	0	0	0	67,005	0	84,337
	0	0	110,100	0	0	110,100
	0	0	3,375	0	905	7,761
	0	0	0	0	0	0
	0	0	49,738	0	0	49,738
	0	0	0	0	2,120	2,120
	0	0	6,160	0	14,053	32,166

Cash and cash equivalents, financial instruments, and trade and other receivables generally have short maturities. 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 maturities of less than one year, and the reported values are approximations of the respective fair value.

The fair values of bank borrowings and other financial liabilities are calculated as the present values of the related payments on the basis of the respective yield curve taking account of the Group's credit risk exposure.

The measurement categories are as follows:

	2013				2012			
in kEUR	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
ASSETS								
Other non-current assets and financial assets	0	2,072	9,045	11,117	0	3,380	6,841	10,222
Other receivables	0	22,404	6,044	28,448	0	20,366	3,883	24,249
Cash and cash equivalents	17,308	0	0	17,308	17,332	0	0	17,332
LIABILITIES								
Interest-bearing financial liabilities	0	124,960	0	124,960	0	110,100	0	110,100
Non-current liabilities	0	1,692	0	1,692	0	3,481	0	3,481
Other current liabilities	0	12,979	0	12,979	0	11,952	0	11,952

The Group uses the following hierarchy to determine and report the fair value of financial instruments for each valuation method:

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:

Exchange futures: In exchange futures transactions, a specified amount of a certain currency is exchanged for an amount in another currency at an agreed exchange rate on a particular date. Both cash flows arising at the maturity date are recognised at present value on the basis of the yield curve for each transaction currency. The present value cash flows are then converted into the reporting currency using the applicable exchange rates, and the difference between them is recognised as the present value of the exchange future. The input parameters are the respective exchange rates and the yield curve.

Interest rate swaps: Interest rate swaps involve the exchange of a floating interest rate for a fixed rate. In valuing the transaction, the present value of the variable interest payments and that of the fixed interest payments are first calculated, and the difference between the two over the duration of

the transaction represents the present value of the interest rate swap. The input parameters are the six-month Euribor rate 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 input parameters are the LME quoted aluminium price including the term structure, and the euro/US dollar yield curve.

Commodity options: The Black-Scholes model is used in the valuation of commodity options. The key input parameters are the LME quoted aluminium price including the term structure, the euro/US dollar yield curve and data on aluminium price volatility.

Level 3: methods based on input parameters that have a material effect on fair value and are not based on observable market data

Assets measured at a fair value determined in accordance with level 3 in the course of a subsequent measurement relate to the embedded derivative included in the electricity supply agreement for the Alouette smelter. Further details are provided in Note F.

The change in the value of the embedded derivative is shown below:

	Other non-current assets and financial assets	Other receivables
As at January 01, 2012	9,320	4,405
Changes Fair Value	(2,479)	4,154
Recycling	0	(4,676)
As at December 31, 2012	**6,841**	**3,883**
As at January 01, 2013	6,841	3,883
Changes Fair Value	2,204	8,559
Recycling	0	(6,398)
As at December 31, 2013	**9,045**	**6,044**

The impact of a change in the electricity reference price on measurement is outlined below:

Sensitivity in kEUR		**2013**		**2012**
	+1%	-1%	+1%	-1%
Other non-current assets and financial assets	370	(370)	570	(570)
Other receivables	203	(203)	208	(208)

Net profit/loss by measurement category

Net gains (losses) on financial instruments in kEUR	2013	2012
Net result held for trading	(3,949)	(3,956)
Net result available for sale	154	(19)
Net result held to maturity	0	(4)
Net result receivables and credits	2,263	(633)
Net result credits, receivables and liabilities at continued acquisition costs	103	(281)
	(1,429)	**(4,893)**

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 re-valuations, 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.

In 2013 impairment losses amounting to 1,113 kEUR (2012: 1,176 kEUR) were recognised in relation to trade receivables. 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 there were no legal proceedings pending which represented risks beyond those arising from normal business operations. In addition, as at the reporting date the Group was unaware of any legally relevant circumstances which could lead to the instigation of such proceedings.

Supplementary information

The sureties and guarantees item mainly relates to bank guarantees for public amenities of 6,094 kEUR, compared with 7,021 kEUR in the previous reporting period. A provision of 375 kEUR (2012: 278 kEUR) was recognised in relation to this arrangement.

As part of the planned expansion of capacity at the Alouette smelter, the consortium members, the Government of Quebec and electricity company Hydro Quebec signed a long-term power supply contract in June 2012. Under the agreement, the consortium members have an agreed offtake obligation which can only be met by enlarging the facility. If Alouette's owners fail to reach a decision regarding the expansion by 31 December 2017, they will be obliged to pay a penalty. As at the end of the reporting period, the Group had a pro rata contingent liability of 4.3 mCAD, which will increase by 2.4 mCAD per year until a decision is made.

in kEUR	2013	2012
Guarantees	9,402	7,151
	9,402	**7,151**

O RELATED PARTY DISCLOSURES

All of the transactions under this item are on an arm's length basis.

The following remuneration including the change in provisions was extended to the members of the Supervisory and Management Boards and to senior management.

2013 in kEUR	Supervisory Board members	Management Board members	Executive staff	Total
Short-term benefits	179	1,872	5,606	7,657
Post-employment benefits	0	89	458	547
	179	1,961	6,064	8,204

2012 in kEUR	Supervisory Board members	Management Board members	Executive staff	Total
Short-term benefits	157	2,052	5,276	7,485
Post-employment benefits	0	79	546	625
	157	2,131	5,822	8,110

No loans have been extended to members of the Management Board or of governing bodies, and no guarantees have been given on their behalf. No other transactions – and in particular no purchase contracts involving assets of significant value – have been entered into with related parties. A consulting contract has been concluded with one member of a governing body for a minor consideration.

The Group has business relations with Raiffeisen Landesbank Oberösterreich AG and Oberbank AG associated with financing, investment and foreign exchange transactions.

AMAG had no dealings with the subsidiaries and associates of the Group's majority shareholder, B&C Alpha Holding GmbH.

Supplier relationships

in kEUR	2013			2012		
Company	Received and provided	Status of receivables	Status of payables	Received and provided	Status of receivables	Status of payables
Constantia Flexibles Group *)	0	0	0	24,545	0	0
Speditionsservice Ranshofen Ges.m.b.H.	12,790	62	833	11,852	34	742
Other	1,494	88	235	2,239	85	262
	14,284	**150**	**1,068**	**38,635**	**119**	**1,004**

* Constantia Flexibles Group included until 23 April 2012

P AUDITORS' EXPENSES

The Audits item comprises fees for Deloitte's 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.

Auditors' expenses

in kEUR	2013	2012
Audits	241	244
Other services and other certification services	36	37

Q GROUP COMPANIES

		Shares in %	
Corporate name	**Registered Office**	**direct***	**indirect****
Full consolidation			
AMAG Austria Metall AG (parent company)	Ranshofen, A		
AMAG Erste Beteiligungsverwaltungs GmbH	Ranshofen, A	100.0	100.0
Austria Metall GmbH	Ranshofen, A	100.0	100.0
Aluminium Austria Metall Québec Inc.	Montréal, CAN	100.0	100.0
AMAG metal GmbH	Ranshofen, A	100.0	100.0
AMAG casting GmbH	Ranshofen, A	100.0	100.0
AMAG rolling GmbH	Ranshofen, A	100.0	100.0
AMAG Asia Pacific Ltd.	Taipei City, TW	100.0	100.0
AMAG Benelux B.V.	Delft, NL	100.0	100.0
AMAG Deutschland GmbH	Bergisch Gladbach, D	100.0	100.0
AMAG France S.A.R.L.	Suresnes, F	100.0	100.0
AMAG Italia S.R.L.	Milano, IT	100.0	100.0
AMAG UK Ltd.	Great Bookham, Surrey, GB	100.0	100.0
AMAG USA Corp.	Upper Saddle River, New Jersey, USA	100.0	100.0
AMAG service GmbH	Ranshofen, A	100.0	100.0
Metallwerk Furth GmbH	Furth im Wald, D	100.0	100.0
Proportional consolidation			
Aluminerie Alouette Inc.	Sept-Îles, CAN	20.0	20.0
(direct shareholder is the fully consolidated Aluminium Austria Metall Québec Inc.)			
Other equity investments			
Ausbildungszentrum Braunau Ges.m.b.H.	Braunau, A	20.0	20.0
Speditionsservice Ranshofen Ges.m.b.H.	Ranshofen, A	25.1	25.1
Companies not included in the consolidation			
APK Pensionskasse AG	Wien, A	2.0	2.0
unit-IT Dienstleistungs GmbH & Co KG	Linz, A	12.6	12.6
unit-IT Dienstleistungs GmbH	Linz, A	12.6	12.6

* from the perspective of the direct parent company

** from the perspective of AMAG Austria Metall AG

R SUPPLEMENTARY INFORMATION

Events after the end of the reporting period

No significant events have occurred since the end of the 2013 financial year.

Ranshofen, 13 February 2014

The Management Board

Gerhard Falch
Chairman and Chief Executive Officer

Helmut Kaufmann
Chief Operating Officer

Gerald Mayer
Chief Financial Officer

Declaration of the Management Board under section 82(4) Austrian Stock Exchange Act

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, to the maximum extent possible give a true and fair view of the Group's assets, finances and earnings. The Group operating and financial review likewise as far as possible gives a true and fair view of the assets, finances and earnings of the AMAG Group, and provides information on the course of business, results and position of the Group, and on the risks and uncertainties to which the Group is exposed.

Gerhard Falch
Chairman and Chief Executive Officer

Helmut Kaufmann
Chief Operating Officer

Gerald Mayer
Chief Financial Officer

Auditors' report

Report on the consolidated financial statements

We have audited the consolidated annual financial statements of AMAG Austria Metall AG, Ranshofen for the financial year ended 31 December 2013. These statements comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of profit or loss, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year ended 31 December 2013, as well as the notes to the accounts.

Responsibility of the Group's legal representatives for the consolidated annual financial statements and the Group's accounting

The Group's legal representatives are responsible for the Group's accounting and the preparation of consolidated annual financial statements which, to the maximum extent possible, present a true and fair view of the Group's assets, finances and earnings in accordance with the International Financial Reporting Standards (IFRSs) adopted by the EU. This responsibility includes: designing, implementing and maintaining an internal control system, to the extent that this is relevant to the preparation of the consolidated annual financial statements and to the presentation of a true and fair view of the Group's assets, finances and earnings, such that those statements are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting and measurement methods; and making estimates which are reasonable in the circumstances.

Auditors' responsibilities, and description of the nature and scope of the statutory audit

Our responsibility is to express an opinion on these consolidated annual financial statements based on our audit. We conducted our audit in accordance with Austrian statutory requirements and the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

These principles require that we comply with the relevant codes of professional conduct, and plan and perform the audit so as to obtain reasonable assurance that the consolidated financial statements are free from material misstatement.

An audit involves the performance of audit procedures to obtain evidence about the amounts and other disclosures in the consolidated annual financial statements.

The selection of these procedures is at the due discretion of the auditors, taking into account their assessment of the risk of material misstatement due to fraud or error.

In making this risk assessment, the auditors consider the internal control system, to the extent relevant to the preparation of the consolidated financial statements and the presentation of a true and fair view of the Group's assets, finances and earnings, in order to arrive at audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control system.

An audit also includes assessing the reasonableness of the accounting methods applied and of significant estimates made by the Company's legal representatives, as well as evaluating the over-

all presentation of the consolidated annual financial statements. We believe that the audit evidence obtained is sufficient and appropriate to provide a sound basis for our audit opinion.

Opinion

Our audit gave rise to no objections. Based on the results of our audit, in our opinion the consolidated financial statements to the maximum possible extent conform to the legal regulations, and present a true and fair view of the Group's assets and finances as at 31 December 2013, as well as its earnings and cash flows for the year then ended, in accordance with the IFRSs applicable in the EU.

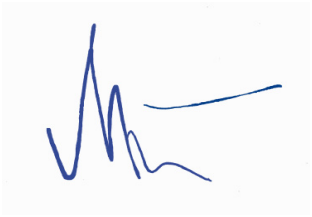
Opinion on the Group operating and financial review

The legal regulations require us to audit the Group operating and financial review to determine whether it is consistent with the consolidated annual financial statements and whether the other disclosures made in the operating and financial review do not present a false view of the Group's position. The auditors' report must also contain a statement as to whether the Group operating and financial review is consistent with the consolidated financial statements and whether the disclosures made in accordance with section 243a Austrian Business Code are correct.

In our opinion the Group operating and financial review is consistent with the consolidated financial statements. The disclosures under section 243a Austrian Business Code are correct.

Vienna, 13 February 2014

Deloitte Audit Wirtschaftsprüfungs GmbH



Josef Spadinger
Auditor

Walter Müller
Auditor

GLOSSARY

Technical glossary

“ALLOY-TO-ALLOY“-RECYCLING: Specific separation and sophisticated metal analysis which allows scrap (incoming materials) to be reused, usually for making 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 which are placed in an electrolysis tank containing zinc solvent in a sulfuric 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)

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 the 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, used 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 which 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

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 rollingROUND BARS AND ROLLING INGOTS: Vertically cast slabs and ingots for use in extruder plants or 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 unflatness 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 which 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

CAPITAL EMPLOYED: Average equity plus average net debt (long-term and short-term interest-bearing borrowings less cash and cash equivalents and securities)

CASH FLOW: Financial parameter indicating the net cash received over a period of time; an indicator of a company's solvency

COMPLIANCE: Adherence to laws, guidelines and voluntary codes

CONTANGO: Market situation involving commodity futures where the spot price is lower than the future delivery price

CORPORATE GOVERNANCE: Rules for the responsible management and control of companies that are set out in the Austrian Corporate Governance Code; compliance with this code is voluntary

CORPORATE SOCIAL RESPONSIBILITY (CSR): Voluntary initiatives implemented with a view to promoting sustainable corporate governance that exceed legal requirements and reflect the interests of all stakeholders

COVERAGE: Regular reporting on a company's developments by equity analysts

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

DERIVATIVES: Financial instruments for which the prices depend on actual or expected changes in the prices of underlying instruments

DIVIDEND YIELD: Ratio of a company's dividend to its stock price, expressed as a percentage. It reflects the return on invested capital per share

EARNINGS BEFORE INTEREST AND TAX (EBIT): A measure of operating income

EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA): A measure of gross operating income

EARNINGS BEFORE TAX (EBT): A company's net income before taxes

EARNINGS PER SHARE: Group earnings relative to the weighted average number of outstanding shares

EQUITY RATIO: The ratio of equity to 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: Measures used in the management of financial risk to limit or avoid the negative impact on fair value of changes in interest rates, exchange rates, share prices or raw materials prices

INTERNATIONAL SECURITY IDENTIFICATION NUMBER (ISIN): A reference number for securities

LONDON METAL EXCHANGE (LME): One of the world's largest metals spot and forward markets

MANAGEMENT LETTER: A document addressed to a management board, with recommendations for potential improvements at a company, published by the independent auditor as part of the legally prescribed auditors' report and opinion

MARKET CAPITALISATION: The number of outstanding shares in a company multiplied by the current stock price

MEMORANDUM OF UNDERSTANDING (MOU): Mutual declarations of intent exchanged by future contracting parties to determine the key aspects of a contract which is yet to be concluded

NOPAT (NET OPERATING PROFIT AFTER TAXES: Net income after taxes less net interest income/expense and related taxes (tax impact on net financial costs)

PRICE/EARNINGS (P/E) RATIO: The P/E ratio reflects the current stock price relative to earnings per share, and is a measure of a share's value on capital markets

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

RETURN ON CAPITAL EMPLOYED (ROCE): Profit for the year divided by average capital employed; an indicator of the profitability of capital employed

RETURN ON EQUITY (ROE): The ratio of profit for the year from continuing operations to average equity; it measures the profitability of the equity used during the year

SMALL- AND MID-CAP SEGMENTS: Listed companies with small or medium-sized 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 groups of stakeholders

TOTAL SHAREHOLDER RETURN: Gain in share prices plus the dividend for a fiscal year

TREASURY: Company department responsible for finance, and market-risk and cash management

WORKING CAPITAL: Inventories and trade receivables less trade payables

Group companies and locations

AMAG operative companies

AMAG ROLLING GMBH
P.O. Box 32
5282 Ranshofen
AUSTRIA

T +43 7722 801 0
F +43 7722 809 406
rolling@amag

AMAG METAL GMBH
P.O. Box 36
5282 Ranshofen
AUSTRIA

T +43 7722 801 0
F +43 7722 809 479
metal@amag.at

AMAG CASTING GMBH
P.O. Box 35
5282 Ranshofen
AUSTRIA

T +43 7722 801 0
F +43 7722 809 415
casting@amag.at

AMAG SERVICE GMBH
P.O. Box 39
5282 Ranshofen
AUSTRIA

T +43 7722 801 0
F +43 7722 809 402
service@amag.at

ALUMINIUM AUSTRIA METALL (QUÉBEC) INC.
1010 Sherbrooke ouest
2414, Montréal,
QC. H3A 2R7
CANADA

T +1 514 844 1079
F +1 514 844 2960
aamqc@amag.at

AMAG rolling GmbH sales subsidiaries

AMAG DEUTSCHLAND GMBH
Lustheide 85
51427 Bergisch Gladbach
GERMANY

T +49 2204 58654 10
F +49 2204 58654 25
amag.deutschland@amag.at

AMAG FRANCE SARL
65, Rue Jean Jacques
Rousseau
92150 Suresnes
FRANCE

T +33 141 448 481
F +33 141 380 507
amag.france@amag.at

AMAG U.K. LTD.
Beckley Lodge
Leatherhead Road
Great Bookham
Surrey KT23 4RN
UNITED KINGDOM

T +44 1372 450661
F +44 1372 450833
amag.uk@amag.at

OFFICE TSCHECHIEN
David Bicovsky
Marie Podvalove 929/5
196 00 Prag 9-Cakovice
CZECH REPUBLIC

T +42 0725 002 993

d.bicovsky@amag.at

OFFICE TÜRKEI
Orkun Orhan
Barbaros Mah. Çiğdem Sok.
No:1 Kat:4/8 34746
Ataşehir / Istanbul
TURKEY

T +90 216 250 6040
F +90 216 250 5556
orkun.orhan@amag.at

AMAG BENELUX B.V.
Burgwal 47
2611 GG Delft
NETHERLANDS

T +31 15 21 33 222
F +31 15 21 25 795
amag.benelux@amag.at

AMAG ITALIA S.R.L.
Via Pantano 2
20122 Milano
ITALY

T +39 02 720 016 63
F +39 02 367 640 92
amag.italia@amag.at

AMAG USA CORP.
600 East Crescent Ave,
Suite 207
Upper Saddle River
NJ 07458-1827, USA

T +1 201 9627105
F +1 972 4991100
amag.usa@amag.at

AMAG ASIA PACIFIC LTD.
2F., No.46, Sec. 2,
Zhongcheng Rd.,
Shilin Dist., Taipei City 11147,
TAIWAN

T +886 (0) 22836 8906
M +886 (0) 979 119347
amag.asia@amag.at

OFFICE CHINA
PH Tay
69, Cairnhill Road
15-71 Cairnhill Mansion
229675 SINGAPORE

T +65 967 994 25

ph.tay15@ymail.com

Representatives of AMAG rolling GmbH

BULGARIA
KATHODENBLECHE
BULMET
Blvd. Slivnitza 212, vh.D,
et.6, ap.17
1202 Sofia
BULGARIA

T +35 929 83 1936
F +35 929 83 2651
bulmet@data.bg

CHINA
VOSS AVIATION &
MOTION TECHNOLOGY LTD.
27/F Tesbury Centre,
28 Queen's Road East,
Wan Chai, Hong Kong
CHINA

T +852 3580 0882
F +852 3580 1116
av@voss.com.hk

INDIA
PROTOS ENGG CO PVT LTD.
173, Thakur Niwas
J tat a road
Churchgate
Mumbai - 400020
INDIA

T +91 22 66 28 7030
F +91 22 22 02 1716
anchan@protosindia.com

ISRAEL
BINO TRADING
Haziporen 14
30500 Binyamina
ISRAEL

T +972 4 6389992
F +972 4 638939
zadok@bino-trading.com

ITALY/AIRCRAFT PLATE
AEROSPACE
ENGINEERING
Via Rimassa, 41/6
16129 Genova
ITALY

T +39 010 55 08 51
F +39 010 574 0311
paolo@aereng.it

KOREA/TRADING
GST CORPORATION
Chengna Well County
223-1503,
791-1, Yeunhee-Dong,
Seo-ku, Incheon
KOREA

T +82 2 597 7330
F +82 32 566 7350
pkwanho@kornet.net

MEXICO
INTERCONTINENTAL DE
METALES, S.A. DE C.V.
Cto. Historiadores No. 2A
Cd. Satelite, Naucalpan de
Juarez
Edo. Mex., ZC 53100
MEXICO

T +11 5255 5374 2272
F +11 5255 5374 2271
rserrano@intermetalic.com

POLAND
NONFERROMETAL
Solna 17 A
32-600 Oświęcim
POLAND

T +48 502 643 003
F +48 33 8 433 299
office@nonferrometal.com

SWEDEN, NORWAY, FINLAND
DANUBIA
METALLKONTOR AB
Linnégatan 76
115 23 Stockholm
SWEDEN

T +46 8 704 95 95
F +46 8 704 28 20
peter@danubia.se

SWITZERLAND
R. FISCHBACHER AG
Hagackerstrasse 10
8953 Dietikon
SWITZERLAND

T +41 44 740 59 00
F +41 44 740 00 19
info@fimet.ch

SPAIN/TRADING
EUROMET METALES Y
TRANSFORMADES, S.A.
C/. Orense, 16-5oF
28020 Madrid
SPAIN

T +34 639 770 672
F +34 609 014 665
driera@euromet.es

SPAIN/OEM
GLINTEK, INGENIERÍA Y
APLICACIONES DEL
ALUMINIO, SL
C/Guillermo Tell,
27 Planta 1
08006 Barcelona
SPAIN

T +34 93 418 39 06
F +34 93 418 39 06
vllario@glintek.com

TAIWAN
DE PONT INTERN. COMPANY
No. 1, Lane 961
Shuang Wen Road
Dali Dist., Taichung City 41283
TAIWAN

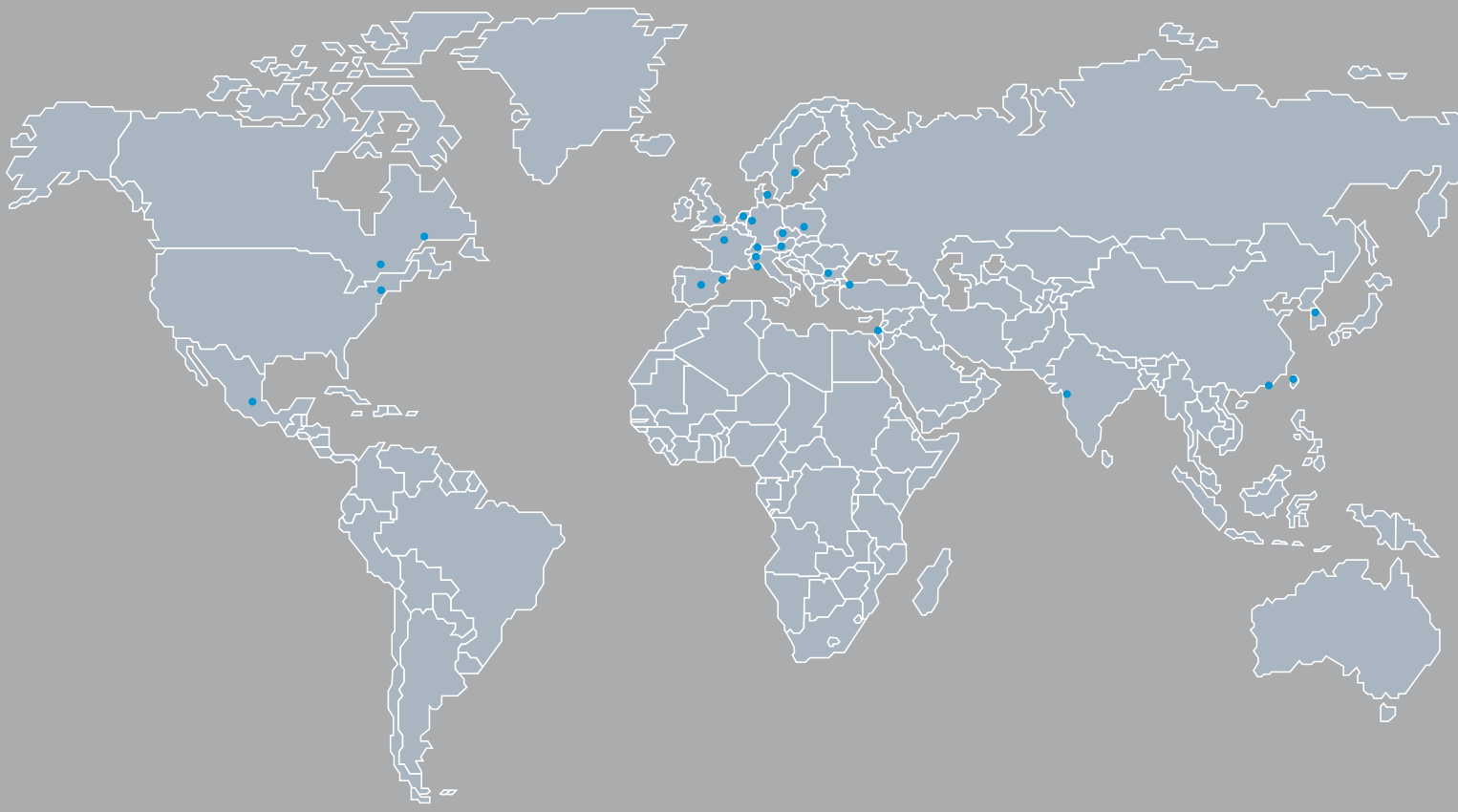
T +886 (0) 4 240 69 421
F +886 (0) 4 240 69 422
jack0107@ms56.hinet.net

AMAG AUSTRIA METALL AG
P.O. Box 3
5282 Ranshofen
Austria

T +43 (0)7722-801-0
F +43 (0)7722-809-498
md-amag@amag.at

www.amag.at

AMAG
AUSTRIA METALL



FOR YOUR NOTES

IMPRINT

PUBLISHER

AMAG Austria Metall AG
Lamprechtshausener Straße 61
P.O. Box 3
A-5282 Ranshofen
Phone: +43 (0) 7722 801-0
Fax: +43 (0) 7722 809-498
E-Mail: md-amag@amag.at
www.amag.at

CONTACT

Head of Investor Relations
Felix Demmelhuber
Phone: + 43 (0) 7722 801-2203
E-Mail: investorrelations@amag.at

Head of Strategy, Communication, Marketing
Leopold Pöcksteiner
Phone: +43 (0) 7722 801-2205
E-Mail: publicrelations@amag.at

CONCEPT, LAYOUT, DESIGN AND PRODUCTION
Projektagentur Weixelbaumer
Landstraße 22, 4020 Linz, Austria
Phone: +43 (0) 732 79 33 79
www.projektagentur.at

TYPESETTING AND PRODUCTION
Produced in-house using FIRE.sys
Michael Konrad GmbH
Kasseler Straße 1a, 60486 Frankfurt am Main, Germany
Phone: +49 (0) 69 79 40 94-0

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AMAG
AUSTRIA METALL

AMAG AUSTRIA METALL AG
Lamprechtshausener Strasse 61
P.O. Box 3
5282 Ranshofen, Austria
T +43 (0) 7722-801-0
F +43 (0) 7722-809-498
md-amag@amag.at
www.amag.at