

The logo for AMAG Austria Metall. The word "AMAG" is written in a large, bold, white sans-serif font. A horizontal blue bar is positioned at the end of the "G". Below "AMAG", the words "AUSTRIA METALL" are written in a smaller, blue, all-caps sans-serif font.

AMAG
AUSTRIA METALL

ANNUAL FINANCIAL REPORT 2018

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KEY FIGURES OF THE AMAG GROUP

Key figures for the Group in EUR million	2018	2017	Change in %	2016
Economy				
Shipments in tonnes	424,600	421,700	0.7 %	405,900
External shipments in tonnes	397,500	395,900	0.4 %	375,200
Group revenue	1,101.6	1,036.2	6.3 %	906.2
EBITDA	141.0	164.5	(14.3 %)	143.0
EBITDA margin	12.8 %	15.9 %	–	15.8 %
Operating result (EBIT)	60.6	86.8	(30.1 %)	73.0
EBIT margin in %	5.5 %	8.4 %	–	8.1 %
Earnings before taxes (EBT)	55.0	81.7	(32.6 %)	63.0
Net income after taxes	44.5	63.2	(29.5 %)	46.3
Cash flow from operating activities	94.3	101.8	(7.4 %)	114.9
Cash flow from investing activities	(82.8)	(108.2)	23.5 %	(185.4)
Total assets	1,561.2	1,404.9	11.1 %	1,389.7
Equity	620.9	607.9	2.1 %	630.5
Equity ratio in %	39.8 %	43.3 %	–	45.4 %
Working capital employed	307.2	297.4	3.3 %	256.4
Capital employed	911.2	873.3	4.4 %	804.1
ROCE in %	5.5 %	7.8 %	–	6.5 %
ROE in %	7.2 %	10.2 %	–	7.3 %
Net financial debt	311.3	282.4	10.2 %	225.8
Gearing ratio in %	50.1 %	46.4 %	–	35.8 %
Social				
Number of employees – full-time equivalents (annual average) ¹⁾	1,959	1,881	4.1 %	1,762
TRIFR accident rate ²⁾	2.3	1.5	53.3 %	2.6
Number of CIP suggestions submitted ²⁾	14,522	13,590	6.9 %	12,809
Ecology²⁾				
Scrap utilisation in tonnes	366,300	347,800	5.3 %	330,200
Specific energy consumption in kWh/tonne production	1,145	1,178	(2.8 %)	1,131
Specific CO ₂ emissions in tonnes (CO ₂ /tonne production)	0.16	0.23	(30.4 %)	0.22
Share				
Market capitalisation	1,100.2	1,812.2	(39.3 %)	1,172.5
Closing price in EUR	31.20	51.39	(39.3 %)	33.25
Earnings per share in EUR	1.26	1.79	(29.5 %)	1.31
Dividend per share in EUR ³⁾	1.20	1.20	0.0 %	1.20
Dividend yield (based on the closing price at the end of the year) ³⁾	3.8%	2.3%	–	3.6%

(GRI 102-7)

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

2) Data without 20 % stake in Alouette smelter

3) According to proposal to the Annual General Meeting

AMM



GROUP MANAGEMENT REPORT

Company profile

AMAG Austria Metall AG combines top product quality, efficient production, a broad product portfolio comprising a high share of specialties, as well as aluminium recycling expertise in a unique manner. (GRI 102-1)

AMAG's headquarters are located in Ranshofen, Upper Austria. At our Ranshofen site we produce, on the one hand, recycled cast alloys. These are delivered to the manufacturing industry in the form of ingots and sows, as well as in the form of liquid aluminium, and are deployed especially in form casting. On the other hand, we also produce high-quality aluminium rolled products in the form of sheets, strips and plates at our Ranshofen site. Our broad product range comprises high-strength materials, tread plates, bright products, brazing sheets, foil stock for the packaging industry, precision plates and cathode sheets. These products are deployed in many different industrial sectors, such as aircraft, automotive, packaging, construction and engineering. (GRI 102-3, 102-6)

We largely produce the rolling slabs required to manufacture rolled products at our own wrought alloy foundry. Primary material for the two casthouses consists on average of around 75 to 80 % recycled aluminium scrap that derives especially from processing industries and products that have reached the end of their lifecycle, as well as from our internal Group materials cycle. As aluminium can be recycled without loss of quality, aluminium scrap can be reintroduced repeatedly into the value chain and reutilised to manufacture high-quality aluminium products.

AMAG also holds a 20 % interest in the Alouette smelter in Canada, the largest smelter in North and South America. This smelter produces primary aluminium in the form of low-profile sows and is one of the primary material suppliers for our Ranshofen site. Production draws on the efficient deployment of hydroelectric power, thereby operating with exemplary net environmental impact, especially in terms of CO₂ emissions. Alouette's alumina supplies are secured by its owners. We cover our raw material requirements with large mining groups and raw material traders. (GRI 102-4, 102-9)

Company structure

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

Metal Division

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

Casting Division

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

Rolling Division

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

Service Division

Along with the Group management, the Service Division's portfolio includes facility management (building and area management), energy supplies, waste disposal, and purchasing and materials management. As a consequence, this division creates the preconditions for the operating divisions to focus on their respective core businesses. (GRI 102-2, 102-7)

Non-financial statement

Sustainability strategy

Aluminium has been produced at the Ranshofen site for around 80 years. During this period, we have developed from a primary aluminium producer into a highly specialised semi-finished product manufacturer with a foundry for recycled cast alloys and rolling slabs, and two rolling mills with pronounced recycling expertise. In addition, we have held a 20 % interest in the Canadian Alouette smelter for around 25 years. We thereby have access to sustainable primary aluminium to strategically secure our own supply of primary materials. The company's history has been characterised by continuous growth over recent years. Our product portfolio includes recycled cast alloys primarily for the automotive and mechanical engineering industries as well as rolled strips, sheets and plates for a wide range of applications in the automotive and aircraft industries, in commercial vehicles, road and rail passenger transport, in ships and aerial cableways, in the packaging industry, in electronic and sports equipment, and in buildings and machinery. We have established ourselves as a specialist in the industries we supply. This broad positioning creates independence from individual sectors and reduces the risk of negative effects from economic fluctuations.

With an expert workforce, state-of-the-art production and research facilities, we are able to achieve the necessary qualifications and certifications to supply such diverse industries. We have specialised in products with special requirements (high strength, special surface properties, formability, mechanical workability). Aluminium recycling forms a core competency that we have developed intensively over recent years. We ascribe particular importance to natural resource conservation and the economical use of energy, and we regularly undergo comprehensive external audits in the environmental, energy and raw materials efficiency areas.

In the financial year under review, we can point to successful certification according to the performance standard of the Aluminium Stewardship Initiative (ASI), which particularly emphasises our achievements in the recycling area. The digitalisation of production and business processes forms a further focus for enhancing our product quality and efficiency as well as for intensifying communication. With our guiding principle of "adding value through appreciation", we are pursuing a growth course that fully reflects our stakeholders' interests. We rely on long-term customer relationships, a stable ownership structure and expert employees. Our two production facilities are located in a politically stable environment enjoying corresponding infrastructure. Our interest in the smelter in Canada, a qualified supplier base for rolling slabs and primary aluminium, and our access – established over many years – to the aluminium scrap market, have largely secured our primary material base. The processed aluminium scrap originates from our customers' manufacturing (so-called closed-loop business relationships) or from products at the end of their lifecycle.

According to current forecasts, demand for rolled aluminium products and primary aluminium will record continuous growth over the coming years. The automotive and aircraft industries comprise particular growth drivers in this context. These forecasts assume an increase in automobile production and – due to statutory requirements to reduce

CO₂ emissions – a growing proportion of aluminium deployed in vehicles. We also expect a rise in demand for lightweight solutions in the electromobility area, especially due to the significant weight of energy storage units, in order to bring total vehicle weight and consequently range into practicable figures. The aircraft industry expects significant passenger traffic growth over the next 20 years. The two major manufacturers anticipate global demand of around 40,000 new aircraft over this period. Growth in the world's population and in economic output is accompanied by rising demand for aluminium in many areas of daily life. Other areas of relevance such as food and pharmaceutical packaging, buildings (façades, lighting), electronics as well as sports and leisure equipment are also to be highlighted. Furthermore, growth in mechanical and plant engineering, as well as in cooling, refrigeration and air-conditioning equipment is indirectly connected to such areas. As a consequence, we are pursuing a growth strategy in an expanding market with increasing specialisation based on sustainable primary materials supplies. We have created the basis for this with our investment programme and new production facilities. We are focusing on our strengths in the casting, rolling, heat treatment and recycling of aluminium. The optimisation of forming properties and the deepening of our range of vertical manufacture towards mechanical processing as well as the latest technologies form a further lever. We monitor the latest developments in the additive manufacturing process area. (GRI 102-14)

Sustainability concept

Sustainability forms part of our corporate strategy and lies within the scope of responsibility of the Management Board. With clearly defined areas of responsibility, the principle of "adding value through appreciation" is implemented and transformed into a management structure. As the uppermost supervisory body, the Supervisory Board performs its duties in relation to the company's economic, ecological and social responsibility.

We control the main corporate processes through an integrated management system focusing on occupational safety, quality, the environment, risk and energy management. The AMAG Executive Management Team (the Management Board as well as the individual companies' management teams) covers sustainability-related topics based on reports and submissions from the specialist technical departments. The corporate governance report presents general information about the company's management structure. (GRI 102-18)

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

Sustainability management at AMAG is based on the following principles:

- + **Prevention:** In order to avoid burdens for human beings and the environment as best as possible, related hazards are handled at an early stage and on a forward-looking basis. In this context, we operate certified management systems focused on occupational safety, the environment, and energy efficiency, as well as an extensive risk management system and an internal controlling system.
(GRI 102-11, 103-2, 103-3)
- + **Efficiency:** When developing our plants, processes and products, we factor in resource and energy efficiency, as well as minimising environmental impact. We thereby orientate our activities to our motto of "adding value through appreciation"
- + **Balance:** Our broad positioning by sector and products, as well as in terms of the geographic markets we supply, ensures a high degree of balance and stability. This equilibrium of sustainability activities in different corporate areas ensures we achieve our sustainability targets.
- + **Materiality:** We focus on our operating activities' significant economic, environmental and social effects, and maintain constant dialogue with our stakeholders in order to ascertain important topics.
- + **Completeness:** The principles of transparency, up-to-date status and completeness enjoy top priority in internal and external corporate communication. We communicate promptly and comprehensively about key topics relating to our business activities.
- + **Flexibility:** We perceive changes to our economic and social environment, as well as new challenges posed by our customers and markets, as an opportunity, and meet them with great flexibility.
- + **Innovative spirit:** Researching technologically challenging questions, the development of marketable applications, and continuous process and product improvement form an expression of our innovative spirit. (GRI 103-2)

Active stakeholder involvement

As a globally operating, forward-looking industrial company, we are required to identify sustainability topics, set corresponding targets, and instigate requisite related measures. Communication and dialogue with our stakeholders plays a central role in identifying important topics in this context. For us, important stakeholders include groups, institutions or individuals with which we have a direct or indirect relationship through our business activities and which consequently have an interest in our actions. Customers, employees, shareholders and investors, suppliers, neighbours of our site as well as representatives from the world of policymakers, the media and non-governmental organisations (NGOs) are our most important stakeholders. We are in dialogue with all of the aforementioned groups and offer different formats for communication.

On the one hand, it is important to us to engage in open and constructive communication and thereby promote mutual understanding and

trust. Moreover, however, it also holds true that engaging in dialogue is the only way that we can continuously identify issues that are significant from our stakeholders' point of view and in terms of sustainable corporate development. (GRI 102-40)

An internal working group defined our relevant stakeholder groups in 2015. Important criteria we identified in this context included a direct or indirect relationship to corporate activity, and its economic, social and environmental effects. (GRI 102-42)

In 2018, AMAG was a member of the following associations and lobby groups:

- + A2LT – Austrian Advanced Lightweight Technology
- + AAI Austrian Aeronautics Industries Group
- + ASI – Aluminium Stewardship Initiative, an initiative to create a sustainable standard for the aluminium value chain – from responsible corporate management through to meeting environmental standards as well as social standards.
- + ASMET – Austrian Society for Metallurgy and Materials
- + Automobil Cluster – cross-sector network to support automotive sector companies
- + BIR – Bureau of International Recycling
- + Christian Doppler Research Association
- + C.I.R.A. – Cercle Investor Relations Austria
- + European Aluminium
- + GDA – German Aluminium Association
- + GDMB – Society for Mining, Metallurgy, Resource and Environmental Technology
- + ÖGfZP Austrian Society for Non-destructive Testing
- + Federation of Austrian Industries (IV)
- + ÖVFA – Austrian Association for Financial Analysis and Asset Management
- + respACT – austrian business council for sustainable development
- + VDM – German Association of Metal Dealers
- + VNL – Association for Network Logistics
- + WGM – Semi-finished Metal Products Wholesalers Association
(GRI 102-12, 102-13)

Stakeholder management process

AMAG's stakeholder management is based on the standards of the Global Reporting Initiative (GRI). We pursue a structured approach:

- + Stakeholder mapping and analysis
- + Dialogue, integration and exchange
- + Evaluation of feedback and communication

Stakeholders are involved on an ongoing basis. Different group-specific dialogue formats are utilised in the process. These include questionnaires (regular customer satisfaction assessments, online stakeholder questionnaires through the website, social media, employee app), annual target attainment discussions with employees, personal discussions and dialogue at local, national and international level, cooperation in bodies and associations, topic-related stakeholder events at the Ranshofen plant, participation in trade fairs and conferences, and communication through social media. (GRI 102-43, 102-44)

Customer relations

Sustainable long-standing customer relationships create a trusting basis for collaboration and the expansion of our business relationships. Since 2016, we have been utilising a Customer Relationship Management (CRM) solution to deepen customer relationships and promote interdepartmental interaction. Ongoing audits represent an important tool to identify risks and potential improvements.

In order to measure customer satisfaction, we have been utilising the Net Promoter Score (NPS) as a uniform standard since 2015. This internationally recognised methodology measures on a scale of 0-10 the extent to which our customers would recommend us to others. The NPS results from the difference between the so-called promoters in percent (customers who would strongly recommend AMAG) and critics in percent (customers who would only recommend AMAG to a limited extent or not at all). Our 2018 NPS online survey polled over 800 customers. The NPS has risen slightly compared to the previous year and reflects this year's satisfactory performance. In addition to the NPS, we also measure our customers' satisfaction with product quality, delivery performance, technical support, innovative strength, sustainability commitment and customer satisfaction. The quality of our products and technical advice is particularly well emphasised by our customers. In comparison with its most important competitor among its customers, AMAG is rated the same or better in all areas. AMAG's commitment to sustainability is generally rated as good.

We offer our customers AMAG Procath®, AMAG Titanal®, AMAG TopBright®, AMAG TopClad®, AMAG TopForm®, AMAG TopGrip®, AMAG TopPlate®, AMAG TopResistant® and AMAG TopCast® branded products which embody and meet the highest standards.

We launched our new AMAG AL4 brand family in 2017 and continued to advance it in 2018. The three brand families AMAG prime, AMAG green and AMAG AL4 are managed under the AMAG brand umbrella, and specifically relate to different requirements in the areas of quality, sustainability and specialisation: AMAG AL4 tooling is a current example of a newly developed product brand, which was specially developed for machine and plant construction. In specific terms, customers benefit from the best flatness and thickness tolerance, minimum residual stress, enhanced strength and structural consistency. (GRI 102-2)

In order to boost customer satisfaction, we also realised investments in new plants and facilities. With our new contour saw for aircraft plates, our customers will benefit in future from customised products. A new cladding station enables cladding at broader widths (especially for aircraft products).

The following table lists AMAG's stakeholder groups and formats.

	Stakeholder	Communication and collaboration formats	
Shareholders and investors	+ Shareholders + Banks + Investors	Frequency: continuous / quarterly + One-on-one meetings with investors and owners + Financial reporting (quarterly) + Plant visits	+ Shareholders' General Meeting + Investor conferences, roadshows, investor fairs
Business partners	+ Customers + Suppliers + Science and research	Frequency: continuous + Working groups + Audits + Reporting + Complaints management + Research projects + Communicating through social media + Partnerships with universities, talks	+ AluReport customer magazine + Customer satisfaction measurement + Trade fairs and specialist conferences + Training activities + Company website + Plant visits + Science & technology advisory board
Employees	+ Applicants + Management + Employees	Frequency: continuous + Intranet (newsletter) + Career fairs + Communication via social media, employee app + Continuous improvement process (CIP)	+ Employee surveys and meetings + Annual employee target setting and development meeting (MAZEG) + Events, dialogue with employees and management
Public	+ Neighbourhood + NGOs + Media + Competitors + Associations	Frequency: continuous + Active collaboration in associations and bodies + Working groups + Questionnaires + Reporting of non-financial information + Communicating through social media	+ Cultural sponsoring + Press relations, conferences, interviews, one-on-one meetings + Stakeholder survey + Events and dialogue + Plant visits
Government bodies	+ Public authorities + Legislators + Policymakers	Frequency: continuous + Dialogue, specialist discussions and talks + Authorisation procedures + Stakeholder surveys	+ Opinions + Plant visits

(GRI 102-40, 102-43, 102-44)

Materiality analysis

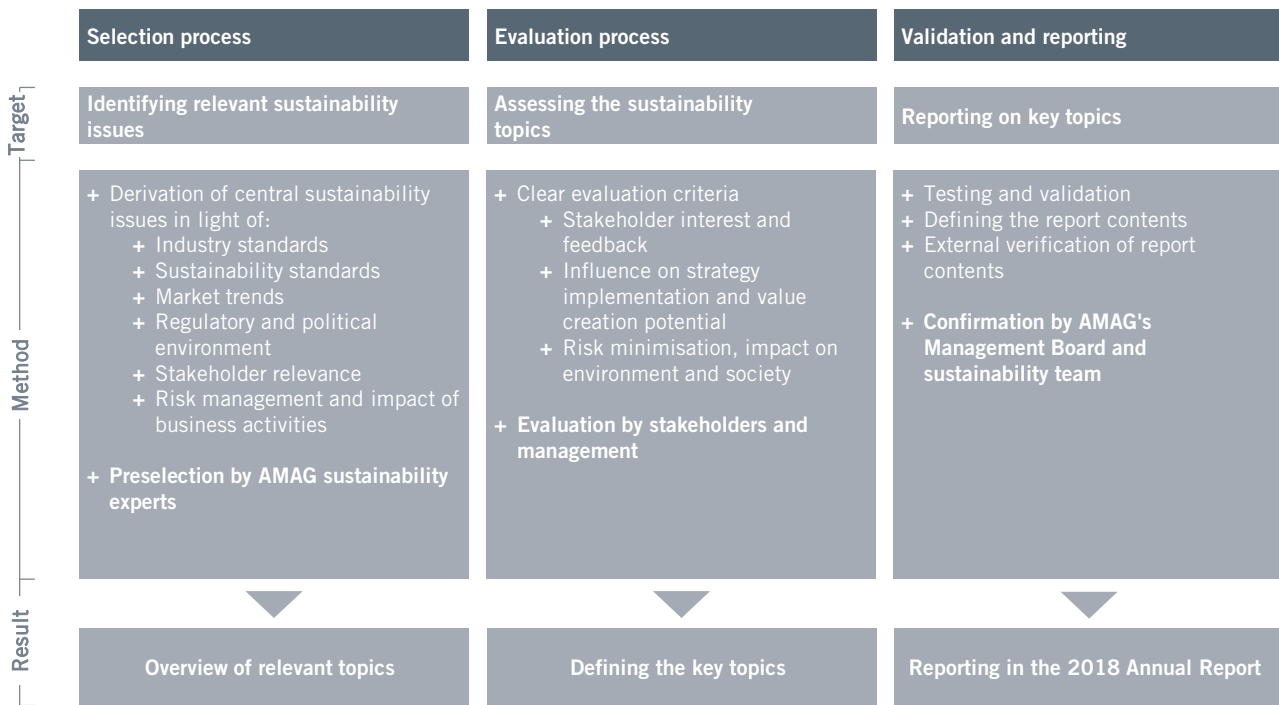
We systematically identify relevant sustainability issues with the help of a materiality analysis. To this end, we examine which issues are of high importance to our business performance and in which areas we can make a particular contribution to sustainable development. Our stakeholders' concerns in relation to our company also represent an important criterion. We regularly review the results of this process to ensure they are up to date and adjust them if necessary. In addition, we examine at which stage of the value chain topics are particularly relevant.

In light of this, we again conducted a materiality analysis in the year under review, which also complies with the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) and the requirements of the Global Reporting Initiative (GRI). We placed a special focus on improving the risk assessment of sustainability issues as well as on conducting an online stakeholder survey. In the open online stakeholder survey, 96 participants from all defined stakeholder groups reported back to AMAG.

The topics' significance is determined by their impact on the environment, society and the economy as well as the interests of AMAG's stakeholders. In its internal risk assessment, the AMAG Sustainability Team, with the involvement of external sustainability experts, assessed significant risks along the entire aluminium value chain that have potentially considerably negative effects on the environment, society, employees and human rights, or increase the potential risk of corruption and bribery.

Consequently, the key issues are those that have the greatest impact or are most relevant to our stakeholders. As an additional dimension, we assessed the topics' relevance for our business performance, which enables an integrated view that combines the topics' sustainability context with their economic significance for our company. (GRI 102-47, 102-49)

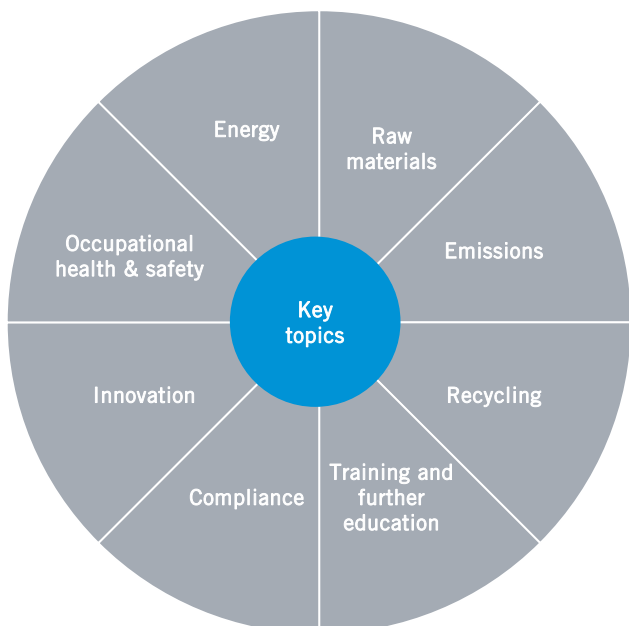
Process to define the main reporting topics



Key topics

As the result of our materiality analysis, we defined the following key sustainability issues:

Key topics



Based on the results of the stakeholder survey, we no longer categorised customer satisfaction as a key topic. However, since it makes an important contribution to business performance, we include it as part of our stakeholder management. The topics classified in this way form the focus areas of our sustainability management and reporting. (GRI 102-49)

In addition to the main topics, this report also addresses other supplementary non-financial topics, which are likewise part of our sustainability management. These are reported based on their relevance for AMAG, specific stakeholder interests or topicality.

- + Waste
 - + Water and waste water
 - + Employees and society
 - + Biodiversity
 - + Human rights
 - + Sustainability in the supply chain
- (GRI 102-47)

Evaluation of Sustainable Development Goals (SDGs)

At the 2015 United Nations Sustainable Development Summit, 193 countries adopted the new 2030 Agenda for Sustainable Development, including Sustainable Development Goals (SDGs). The 17 global sustainability goals aim to enable economic growth, end poverty, hunger and inequality, halt climate change, promote environmental protection, improve access to health and education, and build strong institutions and partnerships. With these goals, the international community aims to promote global economic progress and social justice while respecting our planet's ecological needs. The objectives provide a general framework for companies to demonstrate and improve their positive contribution to economic and social development.






The aluminium industry is expressly committed to pursuing the sustainable development goals. The European Aluminium Association (EA), of which AMAG is a member, has joined forces with CSR Europe to assess the impact of our industry on the SDGs and the opportunities for change. CSR Europe helps the industry to link the current Sustainability Roadmap (EA Sustainability Roadmap to 2025) with

the SDGs. Together they will explore the potential for greater impact and measures to achieve the industry's sustainability goals. (GRI 102-12)

As part of the further development of our sustainability strategy, we have focused on those SDGs that can be significantly influenced by our business activities and which are linked to sustainability issues that are important to us. Our strategy of profitable growth lays the foundation.

For the following five SDGs, we can make a special contribution to achieving the related goals:

- + SDG 7: Affordable and clean energy
- + SDG 8: Decent work and economic growth
- + SDG 9: Industry, innovation and infrastructure
- + SDG 12: Responsible consumption and production
- + SDG 13: Climate action

SDG	Description	Key AMAG topic	AMAG contribution
Target 7 	Affordable and clean energy: ensuring access to affordable, reliable, sustainable and modern energy for all	Energy, emissions	See section on environmental protection
Target 8 	Decent work and economic growth: promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	AMAG as an employer, innovation	See section on employees & society, innovation
Target 9 	Industry, innovation and infrastructure: building resilient infrastructure, promoting broad-based and sustainable industrialisation and supporting innovation	AMAG as an employer, innovation	See section on employees & society, innovation
Target 12 	Responsible consumption and production: ensuring sustainable consumption and production patterns	Raw materials & recycling	See section on raw materials & recycling
Target 13 	Climate action: taking immediate action to combat climate change and its impacts	Energy, emissions	See section on environmental protection

(GRI 102-11)

Risk assessment

Risk management integrates both ecological and social aspects in the interests of sustainability. It is of crucial importance to effectively utilise scarce resources in a manner that is forward-looking, efficient and effective, to make decisions on a timely and risk-oriented basis about new investments and (business) activities, to avoid "accidents", and to be as best prepared as possible when accidents do occur. A sufficiently high level of risk awareness at all organisational levels of AMAG is indispensable in this context, as well as a greater assumption of responsibility by all individuals involved. Active risk management counters risks entailed in operating activities, including operative, personnel, business, ecological and social risks.

Based on the risk strategy approved by the Management Board, the current risk situation is evaluated annually and a catalogue of risk-minimising measures and supervisory tasks is defined. The risk and opportunity report contained in the management report presents more details on this topic. (GRI 102-11)

In the course of determining our key topics, we perform a risk assessment in relation to sustainability issues in accordance with the Austrian Sustainability and Diversity Improvement Act (NaDiVeG). We have identified and evaluated significant risks along our value chain in order to assess our business activities' risks in terms of such issues. The following table lists significant risks that have a potentially high negative impact on issues pursuant to NaDiVeG. AMAG's corresponding management approach is also listed. (GRI 103-2, 103-3)

Risk category	Major risks	Management approach	NaDiVeG issues
Energy & emissions	Negative impact on the environment, energy price volatility, legislative regulation (with a view to the Paris Agreement)	Management manual, environmental and energy management system, certifications (ISO 14001, ISO 9001, ISO 50001), procedural instructions	Environmental issues, supply chain
Raw materials & recycling	Availability and security of supply, health risks for people and the environment, especially in the production of primary aluminium, inefficient utilisation of resources	Compliance rules for AMAG suppliers, compliance check of AMAG suppliers, assessments and audits, memberships (ASI, European Aluminium, GDA, OEA)	Environmental, social and employee issues, supply chain
Water & waste water	Contamination by waste water	Waste water treatment, process instructions, waste water measurements, cooperation with authorities, closure of cooling circuits	Environmental issues
Occupational health & safety	Absenteeism is associated with health problems for employees, costs for the social security system and loss of reputation.	Guidelines, safety instructions, safety steering committee (SILAS), certifications (OHSAS 18001, ISO 45001, ISO 14001, ISO 9001), audits, "zero accident strategy", compliance rules for AMAG suppliers	Social and employee issues, supply chain
Employee issues	Violations of equal treatment and non-compliance with statutory working conditions such as reasonable working hours, regular leave and performance-related remuneration.	Code of conduct, compliance rules for AMAG suppliers, audits, supplier evaluation, personnel development measures, training and further education	Social and employee issues, supply chain
Compliance & data protection	Corruption, price fixing, loss of image, criminal prosecution of employees, data loss, disclosure of confidential information	Compliance management system, training, courses, guidelines, Code of conduct, supplier policy, compliance check, data protection agreements	Combating corruption and bribery, supply chain
Human rights	Discrimination, loss of customers due to human rights violations	Code of conduct, cooperation with customers, supplier evaluation	Respect for human rights, supply chain
Innovation	Substitution utilising alternative "lightweight" materials with comparable material properties, new and partly disruptive manufacturing processes (e.g. 3D printing), sources of error in product development	Cooperation with customers, R&D steering committee	Environmental concerns, supply chain, social concerns

Sustainability program relating to the key topics

Objectives	Measures	Status
Ethics & integrity in business practice		
Topic: Compliance Target: No violations	<ul style="list-style-type: none"> + Further development of the compliance system (training, controls) + Reviews of legislative amendments + Review of compliance guidelines + Training courses for individuals in confidentiality areas and participation in relevant events (compliance seminars, further training) + Compulsory e-learning courses for all employees and in-depth training for data protection coordinators + Implementation of an information security management system with subsequent ISO 27001 certification + Implementing statutory regulations in the data protection area (EU General Data Protection Regulation and relevant EU regulations) 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing Ongoing In implementation In implementation Completed
Innovation		
Topic: Innovation Target: Enhanced competitiveness; development of customer-specific solutions to problems	<ul style="list-style-type: none"> + Developing special products and efficient production processes + Tapping new applications for AMAG products + Promoting digitalisation (automation, simulation, data exchange) including by a digitalisation coordinator + Boosting materials efficiency, alloy optimisation + Qualification of new plants + Certification according to further international standards + Extending the value chain (e.g. mechanical processing) + Science & technology advisory board: Implementation of recommendations 	<ul style="list-style-type: none"> Ongoing
Employees & society		
Topic: Occupational health and safety Target: Reducing the TRIFR accident rate as part of the "zero accidents" strategy	<ul style="list-style-type: none"> + Introduction of a new safety audit database for the systematic effectiveness testing of existing occupational safety measures + Information platform: creation of safety videos on current incidents in the production area to promote safety awareness + Provision of new, personal protective equipment (PPE) for employees in the casting sector + Implementation of a new pedestrian and driveway concept to boost personal protection on company premises + Additional safety tours in the production areas + Fifteen-minute safety sessions: Holding weekly safety briefings on current incidents and training sessions 	<ul style="list-style-type: none"> Completed Ongoing Completed Completed Ongoing Ongoing
Topic: Training and further development Target: Establishing an e-learning platform	<ul style="list-style-type: none"> + Preparing training sessions in appropriate learning formats + Creating a training program based on evaluating individual requirements + Recruitment of new employees to establish an HR competence team 	<ul style="list-style-type: none"> In implementation In implementation Completed

Objectives	Measures	Status
Raw materials, recycling		
Topic: Raw materials Target: Implementing ASI Standard	<ul style="list-style-type: none"> + Certification according to the performance standard of the Aluminium Stewardship Initiative (ASI) + AMAG intends to be certified for the Chain of Custody Standard of the Aluminium Stewardship Initiative. Related preparations have started. 	Initial certification completed, maintenance through recurring audits Being examined
Topic: Recycling Target: Production growth while retaining 75-80 % scrap utilisation rate		
	<ul style="list-style-type: none"> + Expansion of recycling capacities and expertise in scrap sorting (investment in a new tilting rotary melting furnace, LIBS scrap sorting plant) + Expansion of closed-loop relationships with customers + Expansion of the supplier base in Europe 	Ongoing
Environmental protection		
Topic: Energy Target: Continuous improvement of energy-related output	<ul style="list-style-type: none"> + Implementation of the "Optimal Energy Utilisation through Heat Recovery" flagship project, making waste heat from the casting plants usable for heating purposes + Optimising the hall heating of the new cold rolling mill by means of heat recovery + Optimising compressed air consumption + Saving electricity through more efficient hall lighting + Optimising energy consumption in individual process steps or plants + Raising employee awareness and incentive scheme for suggested energy-saving improvements 	Ongoing
Topic: Emissions Target: Reducing specific CO₂ emissions	<ul style="list-style-type: none"> + Implementation of the "Optimal Energy Utilisation through Heat Recovery" flagship project 	Ongoing

(GRI 103-2)

Ethics and integrity in business practice

In order to be perceived as a trustworthy partner by our shareholders, customers, business partners, employees and society, compliance with all relevant laws, voluntary commitments and internal regulations as well as fair competition are of the utmost importance.

Key topic: Compliance

Compliance principles form the basis of fair business behaviour and lay the foundation for social dialogue, especially with suppliers and business partners. Breaches of laws and illicit and non-compliant behaviour can entail far-reaching social and commercial effects. Data security issues are becoming increasingly important as information technology advances. Threats such as hacker attacks, data loss or the disclosure of confidential information pose significant risks to information security and can also entail serious consequences for companies, including costs and damage to the image. (GRI 103-1)

Objective

The uppermost objective in the compliance area is to avoid committing offences.

Principles

We have a comprehensive compliance management system in place. Related regulations are contained in the AMAG anti-corruption, commercial representative, anti-trust, data protection and issuer compliance guidelines. The guidelines are reviewed annually in accordance with the internal control system (ICS), updated as necessary and distributed in a regulated process. Training courses are also offered. The Compliance Committee reports to the Management Board on a regular basis on relevant compliance issues. In addition, the Management and Supervisory boards are informed about the progress realised in the further development of the compliance management system. The AMAG Code of conduct supplements the guidelines. This governs our dealings with business partners, shareholders and employees and forms the basis of our daily activities. The Code of conduct is published on our company website together with the compliance regulations for our suppliers. (GRI 102-16)

As a listed company, AMAG is subject to the provisions of the EU Market Abuse Regulation ("MAR") and Directive ("MAD") as well as the Austrian Stock Exchange Act (BörseG) on the principles for the dissemination of information and on organisational measures to avoid insider trading within the company. To implement these legal provisions, the Issuer Compliance Directive is in force, which is reviewed and updated at regular intervals. An issuer compliance officer and a deputy oversee compliance with these relevant provisions and report directly to the Management Board on issuer compliance matters.

A compliance committee consisting of heads of the following departments is responsible for implementation:

Area	Department responsible
Issuer compliance	Investor relations
Anti-trust law	Legal
Anti-corruption	Legal
Code of conduct	Strategy & Communication
Guidelines	Strategy & Communication
Risk management	Management systems
Data protection	IT + legal

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

As an anonymous contact point for reporting potential violations, our employees and business partners have access to a compliance hotline through which they can anonymously report potential violations within the company (violations of the Code of conduct, internal regulations, legal provisions). Besides the compliance hotline, employees can also inform the compliance officer directly. (GRI 103-2, 103-3)

Data protection

The protection and security of personal data is important to us. The EU General Data Protection Regulation (GDPR), which came into force in May 2018, defines new data protection rules. As part of the transition to the new regulation, the data protection team, whose members comprise staff from the legal and IT departments, have drawn up and implemented a company-wide data protection policy.

Human rights

As a supplier of high-quality aluminium products, we are committed to respecting human rights on the basis of the United Nations Guiding Principles on Business and Human Rights. We see it as our duty to avoid negative influences from our activities and also make corresponding requirements of our business partners. The duty of care to identify, avoid and mitigate negative effects in relation to human rights is integrated into our decision-making processes.

As a founding member of the Aluminium Stewardship Initiative, we actively contribute to sustainability and transparency along the aluminium value chain and promote the implementation of responsible practices. We expect suppliers and contractual partners to behave in accordance with AMAG's corporate ethical values. The related requirements are set out in the compliance regulations for suppliers. These regulations are communicated actively to all suppliers and are integrated into our general purchasing terms and conditions. We expect support from our suppliers in adhering to such principles.

In addition, we have installed a compliance check process for suppliers. We make recourse to current sanction lists for the purposes of systematic review. To date, we have not examined environmental criteria in relation to new suppliers. (GRI 308-1)

Developments in the reporting period

In 2018, no proceedings due to anti-competitive behaviour or offences against anti-trust and monopoly law were reported or ascertained at AMAG. Moreover, no significant fines were paid due to non-compliance with laws and regulations in the social and business area in 2018. (GRI 206-1, GRI 419-1)

In the 2018 reporting year, we held basic compliance training courses for new employees and workers as well as training courses for employees who have been newly added to our insider directory.

Anti-corruption and anti-trust law training courses provided a basic understanding of compliance areas for the Management Board and the management team, employees of our sales offices, and selected employees of the Ranshofen site who might encounter anti-corruption and/or antitrust law issues due to their activities.

In the course of implementing the GDPR, we defined clear structures and responsibilities and conducted extensive training courses. In addition, comprehensive documentation was compiled and third parties (contract data processors) were involved by way of confirming the AMAG data protection agreement. Technical and organisational measures for the processing of personal data included the appointment of data protection coordinators, the implementation of a new mobile device management system to ensure data protection on mobile devices, and the further development and refinement of existing systems (e.g. central identity management system, monitoring of IT systems). Raising employee awareness about information security and data protection, supported by our new AMAG Employee App, formed a further important preventative measure.

Innovation

AMAG's research strategy aims to enhance competitiveness through developing customer-specific solutions to problems, thereby making important contributions to AMAG's growth strategy. A high level of specialisation, state-of-the-art production technologies and far-reaching digitalisation play an important role in this context. Our R&D activities also include optimising material properties and efficient materials deployment, where we focus especially on collaborating with key customers from technologically challenging sectors offering high innovation potential (e.g. automotive, aircraft industry).

Key topic: Innovation

Innovation forms an important pillar to develop products for a sustainable future and master technological challenges along the aluminium value chain. Many of our product innovations directly or indirectly address current and global social and ecological topics such as fossil resource shortage, recycling, climate change and mobility. We focus especially on solutions enabling closed-loop concepts with customers, reducing environmental impact (e.g. lightweight design components), and offering new and improved application potential. (GRI 103-1)

Objective

Our R&D activities aim to enhance competitiveness as part of our profitable growth strategy, which includes improving product properties and developing new products, especially in the area of special products, which not only fulfil the properties currently required by customers, but also anticipate the requirements in the years ahead, such as in the electromobility area. A further aspect includes the precise monitoring of industrial property rights (including patents, utility models) in order to ensure AMAG's long-term ability to act, be it our own applications for industrial property rights or corresponding steps in the case of third-party industrial property rights.

Principles

Responsibility for research and development lies with our specialist Corporate Technology area, which is responsible for developing and implementing our R&D strategy, product and process innovations, and the further development of products and processes, as well as application-based materials development. The head of this area reports to the Chief Technology Officer. Furthermore, technology areas are installed within the operating companies. The focus in the casting area is on metallurgy and metals analysis. In the rolling mill, focus areas include sector-specific materials development, process optimisation and materials inspection. This accredited testing centre with its departments consisting of metallography/physics, surface technology, chemical analysis/environment, and materials inspection delivers not only the test results required for certification purposes, but also the necessary data for assessing R&D test results.

For many years we have been working with universities and research institutes on further developing our products and processes. A scientific and technological advisory board has been supporting us for ten years. This body is concerned not only with aluminium product development, but also with ensuring the sustainable development of a pool

of experts within the company. The advisory board comprises a total of six professors from the University of Leoben, Vienna University of Technology, Graz University of Technology and the Max Planck Institute in Düsseldorf, thereby representing all expertise areas along the process chain required to cover the current specialist topics. Research partnerships range from basic research and conventional contract research to specific product development. We support master and dissertation projects, are partners in the Christian Doppler Laboratory for Advanced Aluminium Alloys, and participate in COMET expertise centres. Last but not least, we finance an endowed professorship at the University of Leoben. Such measures serve to develop both expertise and personnel. Further partnerships exist with the University of Leoben, the technical universities of Vienna and Graz, ETH Zurich, University of Erlangen-Nuremberg, Johannes Kepler University Linz, LKR Leichtmetallkompetenzzentrum Ranshofen, COMET-Zentrum Pro²Future, Worchester Polytechnique Institute and the Max Planck Institute for Iron Research in Düsseldorf.

Global partnerships have also been established in the testing technology area, and are utilised consistently. Important activities include collaboration committees and working groups such as at European Aluminium (EA), and in very varied standardisation bodies such as the Austrian Standards Institute, the German Institute for Standardisation, and the Austrian Society for Non-destructive Testing (ÖGfZP). AMAG is also significantly involved with leading representatives from the business world as a founding member in the "A2LT-Austrian Advanced Lightweight Technology" initiative. This initiative has set itself the goal of strengthening and further developing lightweight construction methods.

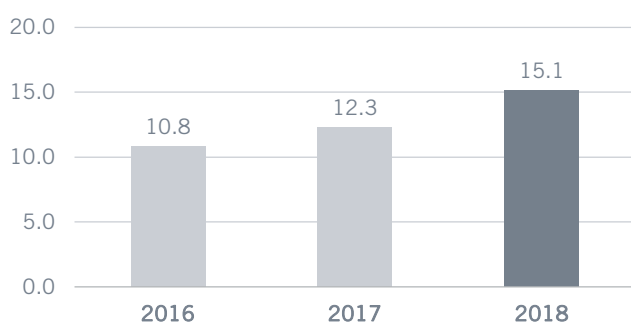
Developments in the reporting period

As a company with a focus on special products in the semi-finished product sector, research and development is of the utmost importance to us. This is confirmed independently by the EU Survey on Industrial R&D Investment Trends, in which AMAG has ranked for several years among the top three semi-finished aluminium product companies in terms of the rate of research investment.¹

Research and development expenses amounted to EUR 15.1 million in the 2018 financial year (2017: EUR 12.3 million). 141 individuals (December 31 reporting date / individuals) were engaged with R&D and innovation tasks in 2018, reflecting a 4 % year-on-year increase.

AMAG Group research and development expenditures

in EUR million



1) See EU R&D Survey, <http://iri.jrc.ec.europa.eu/survey17.html>

Digitalisation is considered one of the fastest growing technology trends and we regard it as a continuous process. The digitalisation strategy we have derived from our corporate strategy comprises the three focus areas of "operational excellence", "product leadership" and "proximity to partners". All of the digitalisation activities it defines must deliver clear economic, ecological and social benefits.

We further intensified our digitalisation activities in the 2018 reporting year, with a focus on the integrated and cross-system data connection of all relevant plants and systems as well as on our fully integrated, automatic information and material flows. In addition, we further advanced our automated exchange of information with customers and suppliers in order to enhance our proximity to our partners. We achieved this, for example, through successfully developing a uniform Electronic Data Interchange (EDI) interface to electronically exchange order data. We also worked on expanding simulation expertise and further developing the digital twin along the value chain. As a consequence, we are able to detail the digital process image and thereby further enhance our product quality and productivity.

In addition to the physical modelling of relevant processes, a further and growing focus is on statistically evaluating our processes and the associated increase in product leadership. Based on our "AMAG Big Data Days", at which renowned providers presented their solution expertise in the Big Data and Data Science area in April of this year, Big Data solutions are currently being selected and implemented. This expansion of the data infrastructure contributes to the efficient storage, preparation and processing of large data volumes in the production area. Based on these data sets, we are already developing visual and predictive analysis models in cooperation with scientific partners of Graz University of Technology as part of participation in the COMET Center Pro²Future project.

We regard the construction of a smart factory for sample preparation and testing as a flagship activity for AMAG's digitalisation work. Together with our partners we have developed a concept that includes a fully automated production and testing line according to Industry 4.0 paradigms. The creation of this smart factory enables us to respond flexibly to high sample diversity (e.g. for products for the aircraft industry) coupled with a broad product spectrum, and thereby enhance AMAG's operational excellence.

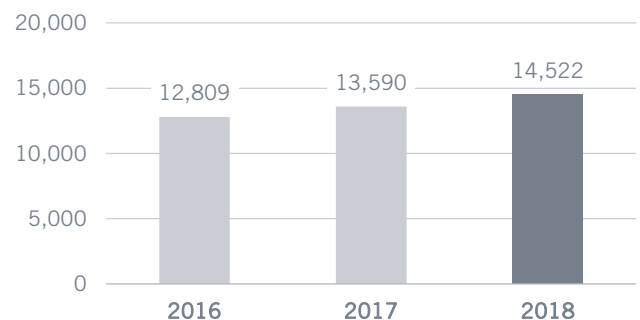
Further focus areas entailed in our digitalisation activities include machine learning and computer vision. To recognise deployed machine parts and automatically detect AMAG intermediate products in our rolling slab warehouse, we have tested prototype solutions which can be read by both man and machine.

As part of materials development and to boost materials efficiency, we commissioned a new test casting plant in 2018. This can now be utilised to cast test rolling slabs in the same formats as rolling slabs for manufacturing, which enables faster and more efficient alloy and process development, and smaller quantities can be flexibly transferred to production. We have already achieved our first successes. In our specialty products area, we have developed improved alloys for the automotive industry in collaboration with our customers, leading to two patent applications.

Continuous improvement process (CIP)

AMAG's special strength lies in our employees' creative potential and commitment. Based on our Continuous Improvement Process (CIP) we give our employees the opportunity to play an active role in shaping working processes. If our employees' suggested improvements are implemented successfully, they receive bonuses based on the proposals' net benefit. We thereby actively promote a culture of change and constant improvement. A total of 14,522 proposals were submitted in 2018, of which we implemented around 77 %. (GRI 103-2, 103-3)

Number of suggestions as part of the CIP



Employees and society

Mutual appreciation, trust and fairness in dealing with our employees and regional partners form the cornerstones of our activity. Qualified and motivated staff comprise a key element in our success. Through constant further development in the areas of occupational health & safety as well as customised training and further education offerings, we create the necessary foundations and optimal framework conditions for our employees. An open communication culture and the consistent involvement of our employees, including through recurring employee satisfaction surveys, form essential components of AMAG's personnel policy.

Key topic: Occupational health and safety

As one of the largest employers in the Innviertel region, we have a special responsibility towards our employees. Two thirds of our workforce are engaged in production. For this reason, maintaining mental and physical health as well as performance is particularly important to us. In addition to risks to the health of their employees, a functioning occupational safety scheme can also help companies reduce reputation risks. As a consequence, both companies and their employees can benefit equally from a safe working environment. (GRI 103-1)

Objective

As part of our "zero accidents" strategy, we pursue the goal of reducing our TRIFR accident rate and improving health protection.

Principles

AMAG guarantees the highest safety standards in production. At our headquarters in Ranshofen, Austria, we continuously evaluate and improve the conditions relevant to occupational safety. Certifications and occupational safety committees contribute to this, in parallel with guidelines and safety instructions. Occupational safety forms part of the management systems area and is based on the four pillars of workplace evaluation, incident/safety audit database, legal compliance and machine safety. In order to protect external companies' employees, we have prepared general and area-specific digital safety instructions including self-testing on our website, which external companies' operating employees are required to have demonstrably performed.

In September 2018, our processes and standards in the occupational safety area were aligned with the new international ISO 45001 standard, certified, and integrated into our existing management system. In parallel, in 2018 we were certified according to the OHSAS 18001 Occupational Health and Safety Assessment Series, which continues to be applicable. All staff are represented by formal employer-employee committees for occupational health & safety. The efficacy of our occupational health & safety is monitored by the safety steering committee under the direction of the Management Board. Its members include the operating companies' managers, occupational health & safety managers, the occupational medical department, the personnel department and the Group Works Council. This system is supplemented by regular safety audits. (GRI 403-1)

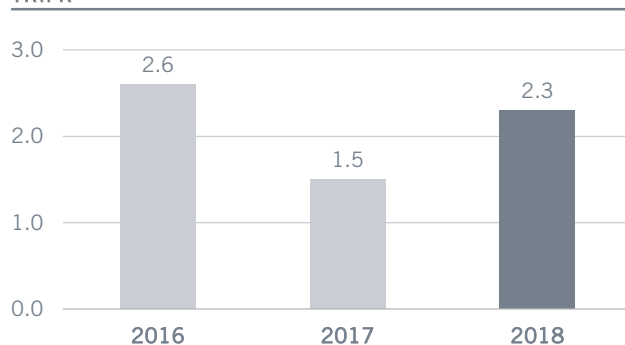
We aim for the target of zero accidents with our "Consistently Safe" campaign. Extensive security instructions and training measures, safety audits, and workshops as part of our Continuous Improvement Process (CIP) assist us in achieving our targets. In order to minimise risks, we continuously analyse the causes of the recorded incidents and the implementation and effectiveness of the countermeasures taken.

The health-oriented measures for our 1,849 employees at our Ranshofen site prove particularly effective in the areas of occupational safety, ergonomics, nutrition and psychosocial healthcare. All employees are able to contribute suggestions and solutions to health-relevant issues as part of the CIP process (Continuous Improvement Process) and occupational health & safety committees. In February 2018, AMAG was awarded the BGF seal of quality for workplace health promotion for the fourth consecutive time. The BGF is one of the highest national awards for companies and recognises the company's commitment to employee health. AMAG's occupational health department, which forms part of its personnel department, is the central point of contact for all health-relevant topics, such as first aid, medical examinations, healthcare and advice. (GRI 103-2)

Developments in the reporting period

In the occupational safety area, we failed to achieve our objective of reducing the number of occupational accidents in 2018. The main safety indicator is the so-called TRIFR (Total Recordable Injury Frequency Rate). This internationally comparable figure reports Lost Time Injuries (LTIs) per capita plus incidents entailing medical treatment per 200,000 working hours. Commuting accidents are not included. The TRIFR registered an increase from 1.5 in 2017 to 2.3 in the year under review. (GRI 403-2)

TRIFR



The most frequent causes of accidents (accidents leading to absence from work) included falls and stumbling, being struck by foreign objects (e.g. hammers) and carelessness during manual activities. Among other factors, we attribute this rise to the increased headcount due to the plant expansion and associated higher training and instruction expenses for new employees. Given this situation, we launched a special campaign in 2018 entitled "Stumbling & Falling" and "Pinching & Squeezing". The concept provides for an inventory of the hazardous points in plants and as part of trades, as well as numerous optimisation measures.

In 2018, the rate of lost working days (definition of LDR: lost working days/working hours x 200,000 hours including weekends and public holidays) was 100 for workers and 13 for employees. In 2018, the injury rate (definition of IR: work-related accidents/working hours x 200,000 hours) was 3.5 for workers and 0.3 for employees. No work-related fatalities occurred in the reporting period. (GRI 403-2)

In order to promote safety awareness among our production employees, safety videos on current incidents are shown on 36 screens in the production area.

As a further project in the year under review, we developed a new safety audit database for the systematic effectiveness-testing of our occupational safety measures (e.g. detailed cause analyses for incidents with high risk potential, effectiveness of corrective measures etc).

Our employees in the casting area were equipped with new personal protective equipment (PPE). Further optimisation measures included the new pedestrian and driveway concept to increase personal protection on our company premises in our Casting Division. Additional safety tours in our production areas and weekly safety meetings on recent incidents and training rounded off our enhanced occupational safety measures in the 2018 reporting year.

In the occupational medicine area, we offered the voluntary "Vital Check" health check-up in March 2018 with a focus on lung function, of which 309 employees availed themselves. All participants received a personal report of related findings and had access to a subsequent consultation. In order to increase health awareness, courses on healthy backs and free seminars on giving up smoking were also offered. Employees and their representative bodies are actively involved in occupational health & safety meetings at the individual companies.

Company events such as the annual AMAG ski day and participation in running events also motivate our employees to sporting exertions. In 2018, AMAG was represented with 45 runners at the Linz Gugl Business Run. A total of 43 AMAG team runners were on the road at the Wings for Life Run in Vienna for this good cause. Participation provides financial support for research into treating paraplegia. (GRI 103-2, 103-3)

Key topic: Training and development

Highly trained employees are a crucial factor in sustainable corporate performance and success. Targeted support and promotion of employees boosts their motivation and readiness to perform and creates opportunities for employees themselves to remain competitive in their future careers. Workforce skills and competencies are becoming increasingly important in the digital revolution age. Rapid knowledge absorption and sustainable knowledge transfer represent enormous competitive advantages from both a personal and a business perspective. (GRI 103-1)

Objective

Especially in the era of Industry 4.0 and digitalisation, lifelong learning is not just a slogan, but rather the key to success. For this reason, we are deploying an e-learning platform to introduce a company-wide tool that provides all employees with the best possible support in their training and further education.

Principles

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

Specific feedback forms the basis for personal development. With the annual employee target setting and development meeting, MAZEG for short, we have established an important instrument for the combined development of employees and companies. In a joint discussion between manager and employee, the past year is reviewed and mutual feedback is gathered. In addition, training requirements are identified and appropriate training and further education measures are agreed. All employees are obligated to participate in such annual consultations. Exceptions include trainees, employees with reasons for absence (such as military/community service, parental leave) and employees with employment contracts of shorter than six-month duration. (GRI 404-3)

In order to meet our demand for skilled workers, we offer well-founded training in ten apprenticeships. As of December 31, 2018, 67 AMAG apprentices were undergoing training, 57 of them industrial and 10 commercial. AMAG trains its apprentices through applications-based training in high-tech workshops in collaboration with the Braunau Training Centre. Apprentices complete theoretical and practical training in the shops at the centre and at AMAG, with a special emphasis also being placed on promoting social skills. Moreover, apprentices have the opportunity to complete their training with school-leaving certificates. (GRI 103-2)

Developments in the reporting period

Our employees completed a total of 46,971 training hours in the 2018 reporting year. The average annual education and training per employee amounted to 11 hours in the case of wage earners and to 16 hours in the case of salaried employees. The high number of 374 training hours in the case of trainees is due to external training at the Braunau Training Centre. (GRI 404-1)

In pursuing the "AMAG HR 2018+" personnel strategy, we are boosting our competitiveness. The strategy's five priority themes are:

- + Digital learning: development of a digital toolbox for the administration and maintenance of employee qualifications
- + Employer branding: development and positioning of a strong employer brand
- + Recruitment: implementation of a digital applicant database, new recruiting formats such as "job speed-dating" and the utilisation of relevant recruiting channels
- + Service: increase the level of service and efficiency in HR by implementing digital processes
- + Talent management: focused talent management through IT-supported processes

In the 2018 reporting year, we appointed a team of experts for the digital learning area, which to date has converted analogue training courses and courses into suitable digital learning formats (e.g. compliance training, IT awareness training etc). In addition, we launched the "HR-SCORE" project as a path towards the digital future in order to advance digital processes and applications to enhance efficiency in the personnel area. A second team of experts is working on strengthening our employer brand. The use of relevant social media channels and a wide variety of activities such as the Apprentices' Info Day and the children's holiday campaign contribute to AMAG's development and positioning as an attractive employer.

In 2018, in addition to participating in the regional apprentice fairs in Braunau and Mattighofen, we held a further apprentice information day in order to provide information about training opportunities as part of apprenticeships. Around 150 interested pupils and their parents visited AMAG and held discussions with trainers and apprentices. The subsequent factory tour offered an insight into our company on site.

Since 2017, employees at all levels of seniority have been able to participate in our "Alu-Akademie". As part of this, employees are taught by experienced AMAG specialist and technical experts who hand on their specific knowledge and skills to their colleagues. Learning contents range from occupational health & safety, materials science, production processes, quality and environmental management through to teambuilding units. The groups consist of around 20 participants, with a total of 45 teaching units being held in the evening. A total of 71 employees participated in the Alu-Academy in the 2018 reporting year. (GRI 103-2, 103-3)

Employment

At the Ranshofen site, the number of employees in the reporting year increased by 3.0 % and amounted to 1,849 (December 31 reporting date / individuals). The proportion of employees to whom collective bargaining wage agreements apply amounts to 99 % (excluding respective general managers and the plenary Management Board). The average age of the workforce in the 2018 reporting year was 38.1 years. (GRI 102-7, 102-41)

A total of 1,823 employees were permanently employed, while 26 employees had temporary employment contracts. The staff turnover rate has remained at a very low level for some years and stood at 6.9 % in 2018 (December 31 reporting date / individuals). This includes all staff departures (excluding individuals starting retirement and employment contracts ending due to expiry or probationary periods concluding). (GRI 102-8)

Number of hours for training and development	2018	2017	Change in %
Total	46,971	48,263	(2.7)
per employee	25	27	(5.5)
per woman	36	35	1.3
per man	24	26	(7.1)
per wage earner	11	9	17.5
per salaried employee	16	16	(0.9)
per apprentice	374	401	(6.8)

(GRI 404-1)

Personnel recruitment

We make appointments to job vacancies while taking long-term prospects into consideration. The utilisation of modern recruitment channels and intensified employer branding measures has led to a significant increase in the number of applications we receive. The applicant database which we launched in 2017 helps to enhance transparency in the application process – all internal and external advertisements are managed digitally. The number of individuals newly employed by December 31, 2018 amounted to 227, including 195 men and 32 women. (GRI 401-1)

Thanks to our intensive cooperation with universities and technical colleges and the successful recruitment of highly qualified personnel, the number of academic degree holders at AMAG has tripled within the last ten years to around 176 employees in absolute figures. The ratio of academic degree holders amounted to 9.5 % in the 2018 reporting year. The supervision of diploma theses and dissertations offers the opportunity to retain potential employees at an early stage. In the year under review, an excursion to Ranshofen was held for the first time for students attending Austrian and German universities. We also held numerous discussions with students at career fairs such as ORTE at TU Freiberg, IKOM at TU Munich, Teconomy at Montanuniversität Leoben and TU Graz as well as Contact in Erlangen. Furthermore, participation at information evenings at the respective universities fosters contact with students.

In 2018, we implemented an innovative measure for recruiting production employees with two "Job Speed-Dates" in the form of ten-minute job interviews on site in Ranshofen.

We strengthen the employer brand through our presence on online job portals and social media platforms. AMAG is also present in secondary schools such as HTL Braunau in order to attract young talent.

Equal opportunities & diversity

Fairness and respect are essential components of our corporate culture. This includes compliance with the standards defined in the AMAG Code of conduct. We reject any type of discrimination, especially based on age, gender, skin colour, sexual orientation, background, religion or handicap. All employees are trained in how to comply with these guidelines. We align ourselves with the UN Charter in this context, as well as with the European Convention on Human Rights. All employees have the opportunity to report suspected discriminatory treatment to the compliance manager, or through a compliance hotline. No cases of discrimination were reported in the year under review. (GRI 406-1)

In terms of geographic distribution, the major share of our workforce is based in Austria. Around 81 % of the employees at the Ranshofen location are resident in Austria, and 19 % in Germany.

At senior management level (by this, we refer to individuals in the first management level below the Management Board), around 81 % of managers come from Austria. The proportion of women in management positions stands at 5 %. (GRI 202-2, 405-1)

As of December 31, 2018, the share of women at the Ranshofen site amounted to 13 %. A significantly higher proportion of female employees is also reported in the trainees' category at a total of 30 %. By participating in Girls' Day and the Power Girls, we offer schoolgirls an insight into occupational areas they only rarely consider in their career orientation. Almost 30 schoolgirls from new secondary schools accepted the offer. We also recruited more female graduates from technical colleges and universities in the area of research, development and technology. A high degree of working time flexibility and many part-time working models also make it easier to combine work and family. It goes without saying for us that we should offer our employees attractive job opportunities after maternity/paternity leave.

With regard to the minimum disclosure periods for organisational changes, AMAG complies with all applicable Austrian legislation and directives, and with the provisions of the collective agreement for the Austrian iron and metalworking industry. No significant changes occurred during the reporting period that had a material impact on the Group's employees, and required disclosure. (GRI 402-1)

Remuneration and profit-sharing

Our compensation scheme combines a competitive basic salary with extensive benefits. The bonus system for managers includes performance-related salary components and comprises monetary targets and individual performance contributions. It is important to us that we do not differentiate between women's and men's pay.

Our employees participate in AMAG's performance and success insofar as the AMAG Employees' Private Foundation comprises a core shareholder in the company. The AMAG Employees' Private Foundation holds an 11.5 % interest in AMAG, which forms an additional factor strengthening employee loyalisation and fostering commitment to joint success.

Regional and social commitment

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

We issued significant orders worth a total of EUR 92 million in Upper Austria in the 2018 financial year, including EUR 56 million in the Innviertel region. Thanks to orders awarded locally and the prominent presence of suppliers' personnel at the site (accommodation, gastronomy, commerce), companies within the region and the Austrian federal state of Upper Austria benefit from our growth path. (GRI 204-1)

As a leading company within our region, we meet our social responsibility by deploying financial resources, and by donations of materials and other tangible assets. Our sponsoring activities cover the areas of education, science and research, social affairs, sport and culture. In particular, we promote the social commitment of our employees with the annual AMAG Social Prize, which is awarded to provide support directly to disadvantaged or people in need in the region.

Awards and recognitions

- + ALC: Our achievements in the field of research and development were rewarded with a prize in the "Degree of Innovation" category as part of the "Austria's Leading Companies" (ALC) national business competition. The award is presented by "Die Presse" together with PwC Austria and KSV1870.
- + CORONA: The Upper Austrian Federation of Industry awarded us the gold medal in the Corona Site 2018 in the Leading Companies category for our outstanding commitment to locations.
- + KLIMAAKTIV MOBIL: As part of the "klimaaktiv mobil" climate protection initiative, the Austrian Federal Ministry of Sustainability and Tourism awarded us a prize for our investment in a high-bay warehouse.
- + PEGASUS: The Oberösterreichische Nachrichten newspaper and its partners awarded us the silver trophy in its flagship category. A clear commitment to Upper Austria as an industrial location with investments of EUR 1 billion over the past ten years and the creation of 450 new jobs proved compelling to the Pegasus jury.
- + VÖNIX: For the 2018/2019 period, we were again included in the VÖNIX, the Vienna Stock Exchange's sustainability index. This sustainability index lists those Austrian companies that are leaders in terms of social and ecological performance. Companies are included in the portfolio for a year at a time.
- + VIENNA STOCK EXCHANGE PRIZE: In May 2018, we took second place in the "Small & Mid-Cap" category. The main evaluation criteria included financial reporting, investor relations, strategy and corporate governance as well as sustainable orientation, share price performance and liquidity.

Total number of employees in Ranshofen (as of December 31/individuals)	2018	2017	Change in %
Total	1,849	1,796	3.0
of whom women	239	220	8.6
of whom with permanent employment contract	235	217	8.3
of whom with fixed-term employment contract	4	3	33.3
of whom full-time	163	153	6.5
of whom part-time	76	67	13.4
of whom men	1,610	1,576	2.2
of whom with permanent employment contract	1,588	1,563	1.6
of whom with fixed-term employment contract	22	13	69.2
of whom full-time	1,550	1,526	1.6
of whom part-time	60	50	20.0
Leasing employees	34	31	9.7
Individuals with contracts for work and services	1	1	0.0

(GRI 102-8)

New employees at Ranshofen (as of December 31/ individuals)	2018	2017	Change in %
Total	227	243	(6.6)
of whom women	32	25	28.0
of whom under 30 years	21	15	40.0
of whom between 30 and 50 years	9	9	0.0
of whom over 50 years	2	1	100.0
of whom men	195	218	(10.6)
of whom under 30 years	96	115	(16.5)
of whom between 30 and 50 years	90	94	(4.3)
of whom over 50 years	9	9	0.0

(GRI 401-1)

Employees leaving Ranshofen (as of December 31/individuals)	2018	2017	Change in %
Total	175	83	110.8
of whom women	13	6	116.7
of whom under 30 years	6	4	50.0
of whom between 30 and 50 years	7	2	250.0
of whom over 50 years	0	0	0.0
of whom men	162	77	110.4
of whom under 30 years	65	42	54.8
of whom between 30 and 50 years	64	31	106.5
of whom over 50 years	33	4	725.0

(GRI 401-1)

Employee composition by diversity aspects	2018	2017	Change in %
Wage earners	64 %	65 %	(1.5)
of whom women	2 %	2 %	0.0
of whom men	98 %	98 %	0.0
of whom under 30 years	30 %	31 %	(3.2)
of whom between 30 and 50 years	51 %	53 %	(3.8)
of whom over 50 years	19 %	16 %	18.8
Salary earners	32 %	31 %	3.2
of whom women	33 %	32 %	3.1
of whom men	67 %	68 %	(1.5)
of whom under 30 years	20 %	21 %	(4.8)
of whom between 30 and 50 years	53 %	56 %	(5.4)
of whom over 50 years	27 %	23 %	17.4
Apprentices	4 %	4 %	0.0
of whom women	30 %	29 %	3.4
of whom men	70 %	71 %	(1.4)
Total employees	100 %	100 %	0.0
of whom with other diversity indicators (registered disabled individuals)	3 %	3 %	0.0

(GRI 405-1)

Raw materials & recycling

Sustainable resource utilisation refers in our case to increasing our resource efficiency and preserving non-renewable resources for future generations. Aluminium recycling makes an important contribution to conserving resources. Above all, the low energy requirement – which, depending on the scrap utilisation rate is only 5 - 10 % compared to primary production – proves the sustainability of recycling this metal. Aluminium's resource efficiency as a sustainable material becomes evident when the material's entire lifecycle is considered – from metal extraction through to processing into semi-finished and finished products for utilisation and full recycling. In contrast to other materials, aluminium can be melted down endlessly for new products without quality loss.

Key topic: Raw materials

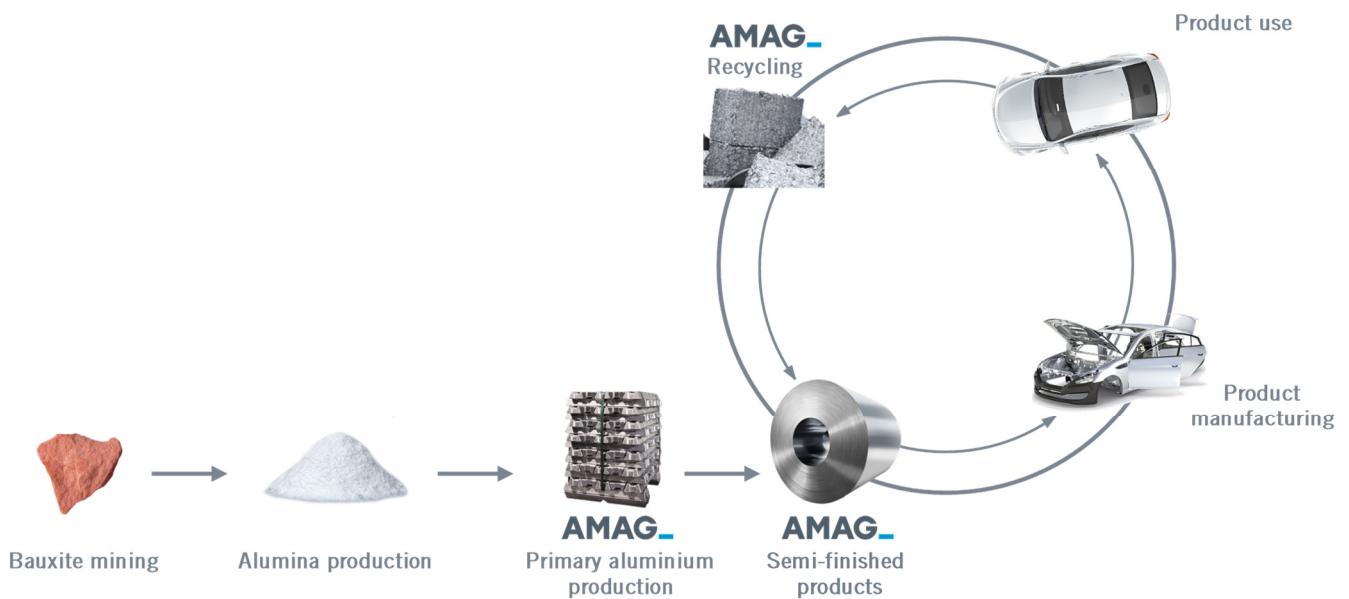
AMAG's anchoring within the value chain is presented in the chart below. Aluminium products are produced using primary and secondary routes, such as utilising primary aluminium and aluminium scrap. Alongside electrical energy, alumina comprises an important production factor as a raw material for the Alouette smelter.

Aluminium is a comparatively young metal – its commercial use dates back only about 150 years. The raw material for the production of alumina is bauxite, most of which is already processed into aluminium oxide in the countries of origin.

Bauxite deposits are located along the tropical belt – production areas are primarily situated in Australia, West Africa, Jamaica and Brazil. Depending on the ore content, some 4-6 tonnes of bauxite are required to produce two tonnes of alumina, which is then smelted into approximately one tonne of primary aluminium.

In the past, a handful of important market players covered demand for aluminium. As a globally traded commodity, bauxite primarily reflects rising demand from the Chinese primary aluminium industry, which accounts for more than half of global production. The number of mines has increased in order to meet current and future demand. Bauxite is often found in areas exhibiting high biodiversity, in other words, a wide variety of plants and animals. Minimising the negative impacts on biodiversity is consequently of fundamental importance for sustainable bauxite mining. This implies that the needs of local communities are taken into consideration in land conservation and use.² We are aware of the environmental impact of bauxite mining and subsequent alumina production. To the extent possible based on industry structure, dimensions and volumes, we ensure when sourcing alumina that our suppliers pursue responsible approaches in their production. We make valuable contributions to defining and implementing sustainable standards in the aluminium industry through membership in initiatives such as the ASI, European Aluminium and the GDA. The aluminium industry's objective is to sustainably mine bauxite while incurring an acceptable low environmental impact.

Value chain



2) See World Aluminium, <http://www.world-aluminium.org/publications/>

The company manufactures recycling foundry alloys and aluminium rolled products at our integrated site in Ranshofen. We largely produce the rolling slabs required to manufacture rolled products at our own wrought alloy foundry. The primary material base for the two cast-houses consists on average of around 75 to 80 % recycled aluminium scrap that derives especially from processing industries and products that have reached the end of their lifecycle, as well as from our internal Group materials cycle. (GRI 103-1)

Objective

In September 2018 we received certification according to the ASI Performance Standard of the Aluminium Stewardship Initiative (ASI). The Chain of Custody Standard extends certification and aims to ensure sustainable production along the entire value chain from the bauxite mine to the consumer through appropriate material balancing and allocation mechanisms. We intend to become certified for the Chain of Custody Standard of the Aluminium Stewardship Initiative. We have started related preparations.

Principles

AMAG activities in Ranshofen comprise:

- + the purchasing of primary aluminium, rolling slabs and almost-primary scrap in the Metal Division.
- + the purchasing of aluminium scrap and metal alloys as well as the recycling of aluminium scrap and production of recycled cast alloys and rolling slabs in the Casting Division.

As an ASI member, we are committed to responsible purchasing management, as our contribution to sustainable development can only prove successful if we work in partnership with our suppliers. The sustainable structuring of our supply relationships and specific purchasing decisions are regulated in corresponding procedural instructions and guidelines. Our purchasing process focuses on an extensive evaluation of major suppliers (suppliers of scrap, primary metal, rolling slabs, metal alloys and energy). Such assessments include written commitments to our business, ethical and environmental principles, which are anchored in our compliance rules for suppliers. Further evaluation criteria include the source of metals, key issues and certifications. We expect all our business partners to support us in fulfilling this responsibility by respecting and actively supporting in their own business practices our values and principles in the areas of integrity & management, occupational safety & human rights, environmental protection & energy efficiency, and compliance. We require written commitments for this purpose. (GRI 103-2, 103-3, 308-1)

Developments in the reporting period

In September 2018, AMAG became the world's first integrated site with a foundry and rolling mill under one roof to be certified according to the ASI Performance Standard. This certification officially confirms that our Ranshofen location pursues sustainable aluminium production and processing. The ASI Performance Standard sets criteria along the aluminium value chain. Eleven sustainability aspects were brought to bear as part of the certification: business integrity, policy and management, transparency, material stewardship, greenhouse

gas emissions, emissions, effluents and waste, water, biodiversity, human rights, employment law and occupational safety. The certification especially recognises our strategic focus on aluminium recycling; it is valid for three years.

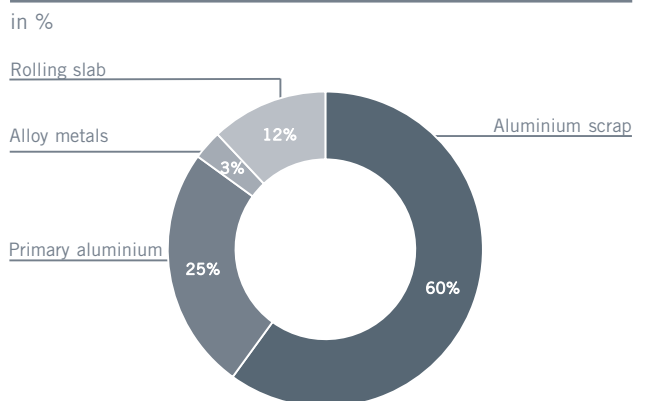
We purchased the following materials that we require for the manufacture of cast and rolled products at the Ranshofen site:

- + Aluminium scrap: AMAG has 209 suppliers of a broad spectrum of aluminium scrap types. The company bought in a total of around 198,200 tonnes of aluminium scrap in 2018. AMAG also has contracts (such as with customers of its rolling mill) to collect and sort aluminium scrap from processing or production. (GRI 301-2)
- + We purchase primary aluminium in the form of sows and ingots. We utilise only material from smelters we have approved, including the Alouette smelter in Canada. We bought in a total of around 84,300 tonnes of primary aluminium in 2018.
- + Along with rolling slabs produced in our foundry, we also purchase low-alloy rolling slabs from smelters we have qualified. In 2018, we bought in a further approximately 39,600 tonnes of rolling slabs.
- + Alloy elements: magnesium, silicon, manganese, copper and zinc are the most important metal alloys, and play a major role in ensuring that finished products exhibit the required characteristics. We bought in around 10,800 tonnes of metal alloys in 2018.

(GRI 102-9, 103-2)

Total materials purchases (volumes purchased from third parties) in the year under review amounted to 332,900 tonnes. No significant changes occurred to our supply chain structure during the period under review. (GRI 102-10)

Purchase of raw materials



Key topic: Recycling

Aluminium can be constantly re-melted in order to manufacture products of consistently high quality. Three quarters of the aluminium ever processed worldwide remain in the recycling system today. Recycling is strategically essential to secure the raw materials base and a high scrap utilisation rate. Recycling efficiency depends to a great extent on scrap quality and scrap processing expertise. This fact is becoming increasingly significant given the rising importance of ecological conditions globally and is thereby also becoming a co-determining factor in relation to competition.

(GRI 103-1)

Objective

In the recycling area, we pursue the objective of boosting production while keeping our scrap utilisation rate in the 75-80 % range.

Principles

AMAG is an aluminium recycling specialist. Aluminium scrap is the most important raw material utilised at our Ranshofen site. The energy expended to create aluminium products from aluminium scrap is significantly lower than from primary aluminium, saving up to 95 % energy and eliminating more than 85 % of CO₂ emissions.³ (GRI 103-2)

Trends in the reporting period

In 2018, our utilisation of scrap (including recycled scrap from our own production) amounted to around 366,300 tonnes, corresponding to a 79 % scrap utilisation rate. Such scrap comprises both external scrap we have purchased and internal recycled scrap. (GRI 301-2)

This exceptionally high proportion of recycled material in combination with the broad spectrum of processed scrap types is possible only thanks to our extensive knowledge of the material, production processes that we have customised accordingly, and our employees' many years of recycling expertise. In order to ensure optimum scrap utilisation, we have consequently realised considerable investments in plant technology, furnace technology, residual material management and scrap processing. Internal material cycles can be closed by various melting technologies with, for example, dross being directly converted into alloys of the same quality.

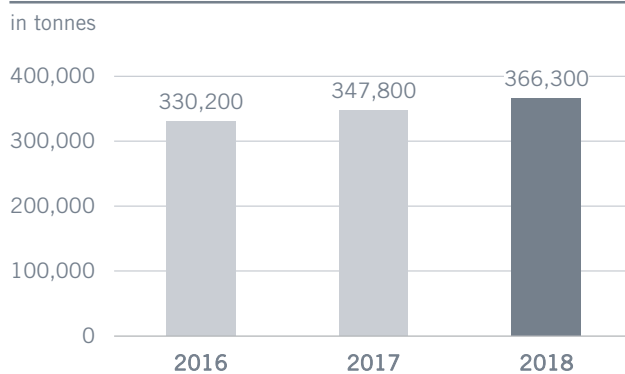
Our investment in a new tilting rotary melting furnace set a milestone in aluminium scrap melting and strengthened our position in recycled cast alloy production. This furnace went into operation in June 2018, and offers a capacity of 40 tonnes. It can melt almost 10 tonnes of aluminium scrap in one hour. Since tilting rotary melting furnaces are ideally suited for melting scrap with higher contamination levels, a high recycling content and high flexibility can be achieved at the same time.

As one of the largest aluminium recyclers at one single site, we have been pursuing the "alloy-to-alloy" recycling goal for many years. Through targeted separation and adequate processing measures, scrap is reutilised for analytically identical finished product alloys, thereby enabling us to achieve a crucial improvement in our value creation. In 2018, we invested in a new sorting technology to better utilise rising mixed scrap supplies in the future. With the help of the LIBS sorting plant, aluminium alloys are separated into several defined material classes based on their chemical composition. Thanks to our extensive melting technology, these can be processed according to the "alloy-to-alloy" recycling target. Efficient and sustainable mixed scrap utilisation ensures a high level of supply security for our Ranshofen site. In addition, our innovative and state-of-the-art sorting and processing plants make a significant contribution to responsible resource management and sustainable production.

Scrap generated when customers further process our products (such as in the packaging and automotive industries) comprises an increasingly important source of primary material. Our aim is to retain aluminium within a cycle that maintains the metal's value. We enhance our materials efficiency by integrating our customers' supply chains more closely through joint recycling projects and initiatives.

In addition, we are significantly intensifying our research and development work in the recycling area, as part of which we not only achieve ongoing optimisation along our entire process chain – from scrap characterisation and melting technology through to the final semi-finished product – but also develop new recycling alloys. (GRI 103-2, 103-3)

Usage of scrap at Ranshofen site



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

Environmental protection

As a sustainable company, we aim to continuously improve our environmental performance. The certification of our environmental and energy management system according to the ISO 14001 and ISO 50001 standards as well as according to the ASI Performance Standard of the Aluminium Stewardship Initiative contribute to continuous improvement and resource conservation in parallel with our CIP system. An AMAG-wide energy and environmental programme aggregates targets and actions to reduce air emissions, waste water, waste, and energy and resource consumption. Furthermore, we operate state-of-the-art facilities in order to minimise emissions as far as possible.

Our environmental and energy management system is set out in a management manual defining our structural and process organisation, as well as responsibilities and detailed procedural instructions. Related responsibility lies with the Management Systems department, whose head reports to the Chief Technology Officer.

The environmental management system includes:

- + compliance with all statutory regulations and regulatory requirements
- + continually improving corporate environmental protection through avoiding or reducing environmental burdens
- + annual setting and review of environmental and energy targets
- + periodic internal audits of defined areas to ensure the efficacy of the management system
- + systematic evaluation of relevant environmental aspects and effects
- + training of employees, who subsequently thereby become personally responsible for environmental matters

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

Key topic: Energy

The production of aluminium is generally very energy-intensive. A distinction is drawn between primary and secondary aluminium in production. Primary aluminium is produced from bauxite and subsequently from alumina by harnessing significant energy input. Aluminium scrap is utilised when producing secondary aluminium, thereby requiring just 5 % of the energy needed for primary production.⁴ The energy required to smelt aluminium decreased by 10 % between 1990 and 2010. A further reduction of 5 % is expected by 2020.⁵ (GRI 103-1)

Objective

Our energy management aims to continuously enhance our energy-related performance, and thereby reduce energy costs and greenhouse gas emissions. We have an energy efficiency program that includes

new targets every year. Achievement is monitored with appropriate measures.

Principles

The efficient utilisation of energy and resources plays an important role in AMAG's sustainable development and growth. We are committed to exploiting aluminium products' energy-saving potential, increasing recycling, and reducing energy consumption across the entire production value chain. Significant energy consumers at the Ranshofen production site include:

- + The casthouse: our rolling slab casthouse produces exclusively for our own rolling mill. Natural gas is utilised here to melt and temper aluminium. We have achieved significant energy savings over the past years thanks to reutilising waste heat from the furnaces to preheat combustion air utilising regenerative burners. The foundry alloy casthouse produces recycled cast alloys for the processing industry.
- + The rolling mill, where most of the electricity consumed is harnessed to drive the mill stands, and electricity and natural gas are utilised in the heat treatment of aluminium strips and plates.

The energy management department focuses on systematically boosting our energy efficiency, achieved through consistent improvement of processes and plants as well as heat recovery. Energy management forms an integral element of our management system. The AMAG Management Board defines the energy strategy, which forms the framework for setting energy targets, and appoints the energy officer responsible for the introduction, realisation and continuous improvement of energy management.

As part of our energy management system we constantly analyse energy consumption by area (plants, processes, systems) and influencing factors such as product mix. Based on this, possibilities to enhance energy efficiency are identified in collaboration with the respective specialist managers. In the energy evaluation, we also take into consideration past appraisals as well as future energy consumption. We document and calculate the following key indicators on an ongoing basis in order to monitor and measure energy-related performance:

- + absolute energy consumption and energy costs of AMAG
- + composition of total energy demand (electricity, gas, compressed air, diesel etc)
- + change in energy consumption compared to energy starting basis, and in relation to the previous year
- + specific energy consumption (consumption per production unit, energy consumption per plant unit)

4) See European Aluminium, <https://www.european-aluminium.eu/advocacy/circular-economy/>

5) See European Aluminium, <https://www.european-aluminium.eu/about-aluminium/production-process/>

Before purchasing investments with a significant bearing on energy consumption, we first review them in relation to energy-relevant criteria. In the case of investment projects, the energy officer performs this role as part of the relevance test. Our purchasing guidelines set out requirements for the purchasing of energy and energy-relevant purchasing criteria for facilities and products. New plants (such as melting or casting furnaces) are state-of-the-art or exceed existing standards. (GRI 103-2, 103-3)

Developments in the reporting period

We will complete our heat recovery project launched in 2015, which reuses waste heat from casting lines to heat halls and office buildings, in 2019. The project will reduce our natural gas requirements for heat generation by up to 35 % in the future. A total of around 17,000 MWh of thermal energy can be saved – roughly equivalent to the annual energy requirements of 700 households.

Further energy-saving measures include the ongoing optimisation of compressed air consumption through systematic leak detection and the conversion of lighting to more efficient LED light sources. In the new cold rolling mill, we have also implemented heat recovery measures that enable savings in natural gas consumption of about 3,000 MWh in 4-shift operation and depending on the product mix.

Our new, resource-saving tilting rotary melting furnace in our cast alloy foundry makes a further significant contribution to reducing our energy consumption. A new type of three-component burner enables savings to be made on natural gas and leads to a significant reduction in CO₂ emissions per tonne of finished product.

By investing in a high-bay warehouse for aluminium rolling ingots, the use of forklifts is reduced and, as a result, energy consumption is cut. Diesel savings achieved with this project are also considerable. Our overall fuel consumption will reduce by around 37,000 litres per year. The project received an award from the Austrian Federal Ministry for Sustainability and Tourism (BMNT) as part of its "klimaaktiv mobil" climate protection campaign.

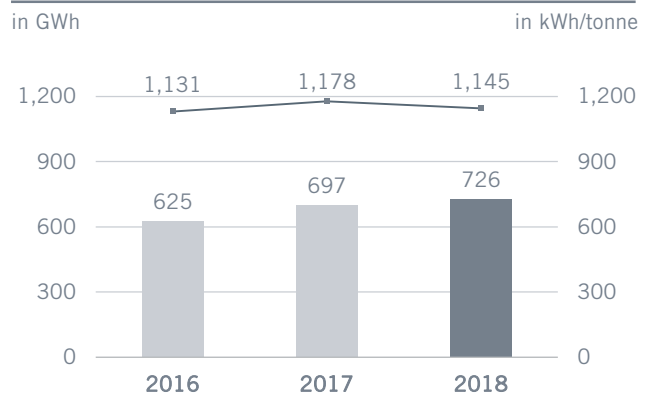
In the year under review, training courses and increased communication in the energy area contributed to raising awareness among our employees and avoiding energy wastage.

The total energy consumed at the Ranshofen site amounted to approximately 726,000 MWh in 2018 (2017: 697,400 MWh). This is calculated as the consumption of fuel from non-renewable sources (natural gas, diesel, heating oil and propane) and electricity. In 2018, fuel consumption from non-renewable sources amounted to around 484,500 MWh. The respective energy quantities are calculated from the actual measured fuel quantities multiplied by the respective con-

version factors.⁶ Compared to the previous year, total energy consumption increased by 4 %. AMAG's total electricity consumption 2018 amounted to 241,500 MWh (2017: 223,900 MWh).

In relation to energy sources in the electricity mix, we rely on the utilisation of renewable energy sources in order to act in a manner that is compatible with climate protection.

Energy consumption and energy intensity coefficient



In 2018, for example, we purchased a total of 84 % of our electricity from hydroelectric power. The share of wind energy and electricity from solid biomass and biogas amounted to 15 %, with other eco-energies amounting to 1 %. This means that no indirect CO₂ emissions are generated from electricity production.

At 28,300 MWh, our heating energy consumption was recorded below the level of the previous year (2017: 34,200 MWh). We do not buy in energy in the form of renewable fuels (wood chips, biodiesel), and cooling or steam energy. Heating is generated only partly through heat recovery plants from process waste heat, with the remaining proportion being covered by heating produced in-house from fuels.

Specific energy consumption in relation to production volume of 1,145 kWh/t in 2018 was lower than the previous year's level of 1,178 kWh/t. (GRI 302-1)

AMAG has selected the specific total energy it consumes at its Ranshofen site as its key energy intensity indicator. The energy volume includes all energy products that AMAG consumes (electricity, natural gas, diesel, extra-light heating oil, propane). The annual production volume in tonnes was applied as the denominator. The specific energy consumption relating to the production volume amounted to 1,178 kWh/tonne in the 2017 year defined as the basis. We selected the 2017 year as this was when our significant site expansion was concluded. (GRI 103-2, 302-3)

6) Standards, methods and assumptions applied: lower combustion heat natural gas: 10.1 kWh/Nm³, lower combustion heat diesel: 9.99 kWh/l, lower combustion heat extra-light heating oil: 10.20 kWh/l, lower combustion heat propane gas: 12.78 kWh/kg (Source: standard factors for

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

Key topic: Emissions

The extraction and processing of aluminium produces gaseous, liquid and solid emissions. Reducing greenhouse gases is one of the most important objectives of sustainable development. The aluminium industry's endeavours to reduce greenhouse gas emissions combined with considerable investments to enhance production process efficiency has already led to a 53 % reduction in greenhouse gas emissions in the aluminium industry since 1997.⁷

Innovations and legal conditions comprise two important levers for further improvements. Aluminium also makes an active contribution to climate protection at product level – such as in vehicle construction. Compared with conventional metal materials, lightweight aluminium components reduce weight, and consequently cut fuel consumption, emissions, and carbon dioxide output. (GRI 103-1)

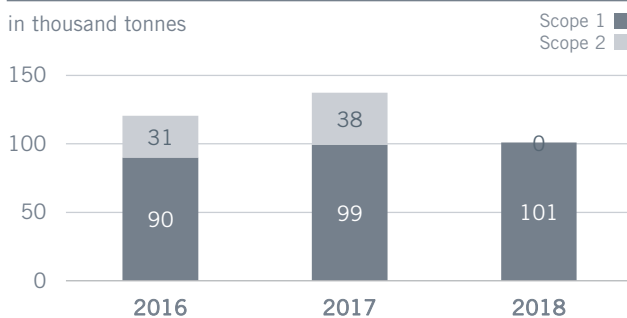
Objective

Our goal is to reduce our specific CO₂ emissions and continuously reduce our business activities' impact on the environment, for example in the form of emissions of gases and particles that are harmful to the climate and the environment.

Principles

Climate-relevant emissions generally correlate with energy consumption. Greenhouse gases derive especially from the gas-fired melting and heat treatment of aluminium alloys, temperature control of fluids, the generation of heating, and the diesel used for the vehicle fleet. Direct emissions (Scope 1) relate to those CO₂ emissions generated on site when burning fossil fuels.

Direct (Scope 1) and indirect (Scope 2) CO₂ emissions



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

8) The location-based Scope 2 emission factor for the domestic total electricity generation in 2018 amounted to 0.000248 t CO₂/kWh. (Source of emission factors: Federal Environment Agency [UBA] August 2018). The market-based Scope 2 emission factor in 2018 amounted to 0 t CO₂/kWh (Source: electricity suppliers). In 2018, the location-based Scope 2 emissions amounted to 59,884 tonnes of CO₂. CO₂ is the greenhouse gas included in the calculation. The total annual energy consumption in 2017 (697,400 MWh) represents the current energy basis.

Scope 2 emissions arise from the generation of the electricity we consume and are calculated based on information provided by our electricity suppliers on the CO₂ emitted by their electricity generation. Any new plant or portfolio change that could potentially harm protective interests and cause emissions must be approved by the regulator. As part of the licensing procedure, we consult experts in order to estimate operating plant emissions and their effects. If emissions are expected, limits based on relevant legislation are finally specified in the permit decision.

In relation to CO₂ emissions, AMAG casting GmbH, AMAG service GmbH and AMAG rolling GmbH are subject to EU emissions trading, and consequently to stringent reporting and monitoring requirements. Third parties verify the annual emission reports.

The following principles are adhered to in this context:

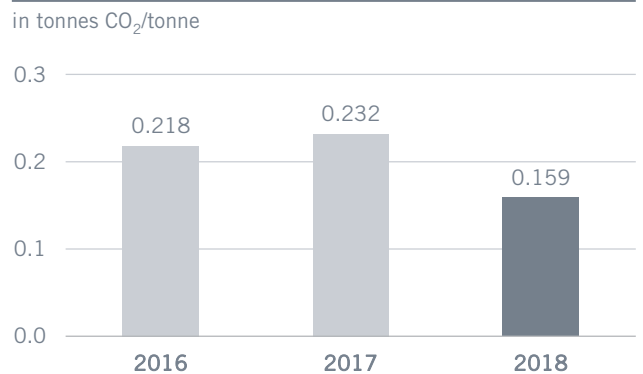
- + Transparent calculation and testing of greenhouse gas emissions in compliance with all international and national requirements
- + Securing cost-efficient energy supplies through active energy management
- + Systematic and regular monitoring of legal requirements and in-house processes

Developments in the reporting period

In 2018, our direct greenhouse gas emissions (Scope 1) amounted to 101,000 tonnes. No Scope 2 emissions were generated in 2018 due to the purchase of electricity from hydropower and renewable sources.

The CO₂ emissions are calculated from the actually measured fuel volumes applying the standard factors from the national greenhouse gas inventory. Specific CO₂ emissions (Scope 1 + 2) in relation to production volume (tonnes of CO₂/t) amounted to 0.159 CO₂/tonnes in 2018 (2017: 0.232 tonnes CO₂/tonnes).⁸ (GRI 305-1, 305-2)

Specific CO₂ emissions / production volume



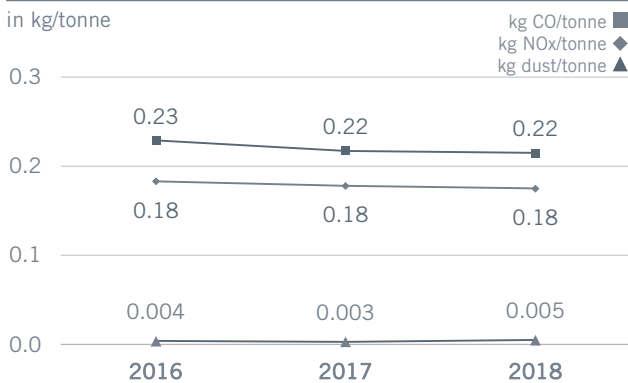
The significant reduction in specific CO₂ emissions reflects the elimination of Scope 2 emissions thanks to the change in the electricity mix. (GRI 103-2, 103-3)

By contrast with greenhouse gases with global impact, air emissions tend to exert local effects. We ensure compliance with the limit values by means of measuring systems at the furnaces in the foundry and in the rolling mill, as well as by performing individual measurements. There are currently 105 measuring points on the plant premises at which gaseous emissions such as carbon monoxide, nitrogen oxides, sulphur dioxide and organic carbon, as well as dust and metallic dust constituents are measured. The limits are recorded as half-hourly averages and the regulator is informed if they are exceeded. Besides the greenhouse gas CO₂, the most important AMAG air emissions include nitrogen oxide (NO_x), carbon monoxide (CO) and dust. Nitrogen oxides arise when burning natural gas at high temperatures in our furnace plants. Carbon monoxide arises mainly due to incomplete combustion.

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

In the case of nitrogen oxides, the specific emissions amount to 0.18 kg NO_x/t, with total emissions in 2018 amounting to 111 tonnes (2017: 106 tonnes). Specific carbon monoxide emissions remained stable year-on-year at 0.22 kg CO/t (total emissions in 2018: 136 tonnes). An increase in dust emissions has also been recorded. Compared with 2.0 tonnes of total dust emitted in 2017, 3.4 tonnes were emitted in 2018. (GRI 305-7)

Emissions of air pollutants per tonne of production



Water

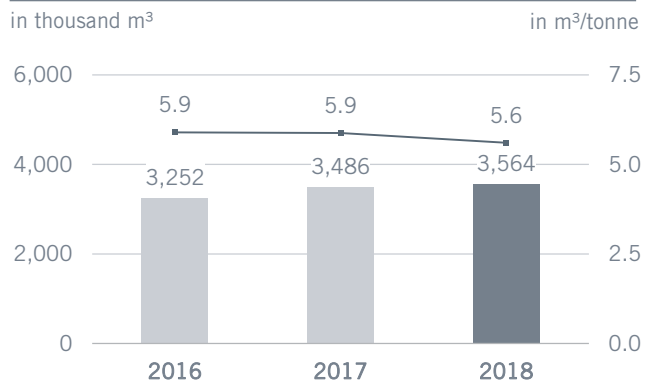
We regard it as our task to utilise water efficiently and handle it as sparingly as possible. Most of the water is utilised for cooling in our foundry, rolling and heat treatment processes. Before being led into the canalisation system, contaminated effluents are processed and purified.

The effluent volume corresponds, less evaporation losses, to the withdrawal volume of drinking and service water. At our Ranshofen headquarters, we secure water supplies from two service water wells and one drinking water well supplied by groundwater. Volumes are calculated from measurements taken directly at the tapping point. Rainwater is discharged directly into the River Inn through the rainwater channel or seeps into the land at AMAG, and in-house waste water is fed to the Braunau waste water treatment plant. We accompany groundwater withdrawal with extensive monitoring, also including measuring the groundwater level.

Our water emissions are also continuously monitored. To this end, we collect all operational wastewater in a sewer in which essential parameters are continuously monitored via probes. In the event of an overflow, the water is automatically diverted to a separate basin. In addition to the current measurement, daily samples are collected and analysed. We were able to keep the specific process water withdrawal constant by means of closed-loop cooling of the plant. Total service water withdrawal in 2018 amounted to 3,564,000 m³ (2017: 3,486,000 m³). Specific service water withdrawal in 2018 amounted to 5.6 m³/t (2017: 5.9 m³/t). (GRI 303-1)

To improve the quality of operational wastewater, we have replaced the existing ion exchange system with a reverse osmosis system. In addition, seepage troughs and basins for rainwater seepage will be constructed.

Total and specific service water withdrawal



Waste

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

We endeavour to avoid generating waste in compliance with the Austrian Waste Management Act 2002, prepare waste for recycling, or reutilise it in other ways (e.g. as an energy source). We place a particular focus on disposal of hazardous waste (such as used oil, emulsions, workshop waste and filter dust) in compliance with the statutory requirements. We generated 16,000 tonnes of waste in 2018, of which 4,800 tonnes were classified as hazardous and 11,200 tonnes as non-hazardous. Waste types designated with a "g" in the 2016 waste list pursuant to Section 1 (1) are regarded as hazardous waste (Austrian Official Gazette [BGBl] II 2005/89; BGBl II 2008/498). The specific waste volume in relation to production volume fell to 25 kg/t in 2018 (2017: 18 kg/t).

The figures do not include:

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

(GRI 306-2)

Salt slag

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

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

Biodiversity

AMAG currently owns 297 hectares of land. The industrial built-up area amounts to around 100 ha. As a historically grown location, our company site borders closely on the surrounding Lachforst forest. This entails special requirements – as does the proximity to the nature reserves "Unterer Inn" and "Buchenwald" only a few kilometres away, the fauna-flora-habitat area (FFH area) "Auwälder am unteren Inn" and the bird sanctuary "Salzschmündung" in Bavaria, which are subject to strict nature conservation guidelines. For 80 years, AMAG has been the owner of an 183-hectare forest enterprise, which is part of the Lachforst forest complex and is managed by a forest warden. We do not regard our forest as a commercial forest, where the main focus is on economic returns. Rather, our main objective is sustainable management, which continuously promotes the forest's ecological value and its value as a recreation, protection and experience area for the region's population. In order to analyse the biodiversity of forests, we initiated 2018 forest inspections with an external expert on forest and biodiversity. Based on the inspections and discussions with the employees responsible for the properties, a comprehensive report was prepared and initial recommendations for further development were made. (GRI 304-1)

Handling incidents

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

The primary objective is to prevent the inadvertent release of materials, and thereby rule out potential harm to people and the environment. In the year under review, no such significant releases of substances, no fines and no non-monetary sanctions for non-compliance with environmental laws and regulations occurred. (GRI 307-1)

Report profile

We have been publishing a sustainability report since 2013, showing the progress we have realised in the reporting period in relation to sustainable management. At the same time, we comply with our obligation to prepare a non-financial statement in the management report (see Section 267a of the Austrian Commercial Code [UGB]). This non-financial statement, which is published annually, also contains further information on our sustainability activities that extend beyond the legal requirements. The previous non-financial-statement was published on February 27, 2018. The integration of sustainability reporting into the management report highlights the interaction between financial, ecological and social factors. The "Non-financial statement" relates to the 2018 financial year (January 1 to December 31, 2018), with the previous annual data from 2017 and 2016 being utilised for comparative purposes. (GRI 102-50, 102-51, 102-52)

Content requirements

Determining the reporting contents and reporting quality is based on the principles of stakeholder inclusion, materiality, the sustainability context, as well as completeness, timeliness and comparability.

The stakeholders of AMAG were involved in selecting the report's contents. The reported information was selected based on the results of the materiality analysis in accordance with GRI guidelines. Accordingly, the report covers all those sustainability aspects that either reflect important economic, ecological or social effects of the organisation or could exert considerable influence over our stakeholders.

The completeness of the non-financial statement refers to the treatment of the significant topics and how they are demarcated. The content of this report reflects AMAG's relevant and essential issues in relation to sustainable development. Accordingly, sustainability aspects are taken up that have a high economic, ecological or social impact or are of high stakeholder interest. The report is therefore addressed to all stakeholders. (GRI 102-46)

Accordance

We have prepared the sustainability reporting in accordance with GRI Standards: Core Option, to ensure a high degree of transparency to shareholders, and in comparison with other companies. The GRI index of contents lists all topics on which AMAG reports. The information published in this report has been independently audited by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. in relation to its content.

In order to improve reading flow and avoid redundancies, a few individual elements from this non-financial statement, which are required by the GRI Standards but not by the Austrian Sustainability and Diversity Improvement Act (NaDiVeG), are published outside the Group Management Report in the 2018 Annual Report. This applies, among other things, to the GRI index of contents, the Management Board's statement, and information on our management structure.

This non-financial statement complies with the requirements of the Austrian Sustainability and Diversity Improvement Act (NaDiVeG). Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. was commissioned as auditor of the 2018 consolidated financial statements and management report. The Management Board instructed the relevant staff from the respective specialist areas to make available the complete and correct documents and information required for the audit. (GRI 102-54, 102-55, 102-56)

Scope of report

The disclosures in the non-financial statement relate exclusively to the headquarter operations in Ranshofen, Austria, and consequently to the production site for high-quality recycled cast alloys and aluminium rolled products.

We do not present detailed information about the ecological and social aspects of the 20 % minority investment in the Alouette smelter held through Aluminerie Alouette Inc. In this connection, please refer to the Sustainable Development Report published by Alouette. For reasons of materiality, the sales locations employing a total of 38 staff (see the company profile in the management report), as well as other participating interests are also excluded from our observations. (GRI 102-45)

The shareholdings as of December 31, 2018, as well as the companies included in the consolidated financial statements are presented in section D Consolidation principles.

Changes to size and structure

In 2018, no significant changes occurred to the size, structure, ownership or supply chain of our company. (GRI 102-10)

Contact point

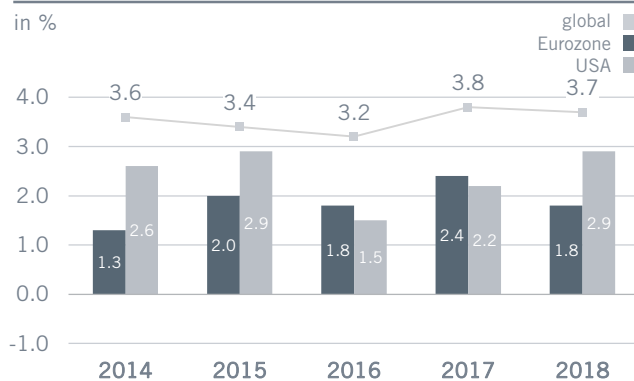
Should you have any questions relating to the content of this report, as well as dialogue concerning AMAG and its sustainability management, please contact our strategy and communication department (email: sustainability@amag.at). (GRI 102-53)

Economic environment

Economic trends

According to the International Monetary Fund IMF⁹, the global economy grew by 3.7 % in 2018, reflecting a similar level of expansion as in the previous year (2017: 3.8 %). Widening trade conflicts, however, especially between the USA and China, have increased the risks impacting on the global economy. Moreover, the UK's exit from the EU and the debt crisis in Italy are also presenting uncertainties for the economy.

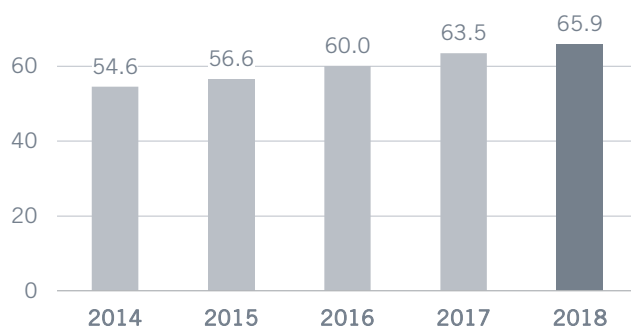
Real economic growth



In 2018, growth in the industrialised nations was recorded at 2.3 %, compared with 2.4 % in the previous year. The Eurozone reported economic growth of 1.8 % in 2018, down compared with the previous year (2017: +2.4 %). According to IMF estimates, growth of 1.5 % was achieved in Germany (2017: 2.5 %), while Austria's economy registered 2.7 % growth (2017: 2.6 %), according to the Austrian Institute of Economic Research (Wifo)¹⁰. The US economy developed much more dynamically than in the previous year. According to IMF estimates, the increase in the year under review stood at 2.9 % (2017: 2.2 %).

Global consumption of primary aluminium

in million tonnes



9) See International Monetary Fund, World Economic Outlook, January 21, 2019

10) See Wifo economic forecast, December 2018

11) See CRU, Aluminium Market Outlook, October 2018

In 2018, the economy in the group of emerging and developing countries expanded by 4.6 %, compared with an increase of 4.7 % recorded in the previous year. With a look to China, the IMF calculated growth of 6.6 % (2017: 6.9 %).

Demand for aluminium products

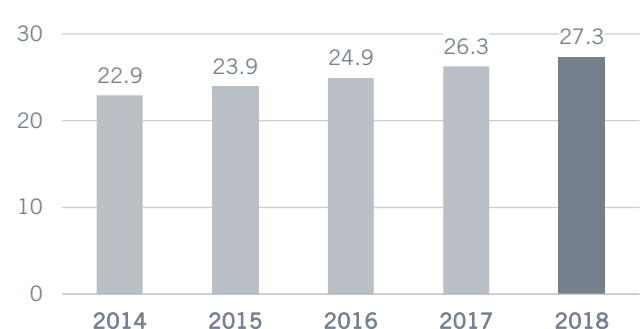
Our Metal and Rolling divisions operate worldwide. Global consumption of primary aluminium and rolled products is of central importance as a consequence. In both divisions, we registered attractive growth and new record levels in terms of demand.

According to calculations by the CRU market research institute, worldwide demand for primary aluminium¹¹ rose to a total of 65.9 million tonnes in 2018, an increase of 3.8 % compared with the previous year. Global demand for aluminium rolled products also recorded similar growth rates¹², climbing by 4.0 %, from 26.3 to 27.3 million tonnes. The highest growth of 6.9 % was recorded in the transport sector, which benefited especially from lightweight aluminium construction in passenger cars and rising production rates in the aircraft industry. Global demand for aluminium rolled products, however, also increased tangibly in the other sectors, posting growth rates of 2 to 4 %.

In the Casting Division, our cast alloys business ranks as a regional business with a focus on Western and Central Europe. The automotive industry is the most important customer sector. According to the most recent estimates, European automotive production¹³ in 2018 stood approximately at the previous year's level.

Global consumption of aluminium rolled products

in million tonnes



12) See CRU, Aluminium Rolled Product Market Outlook, November 2018

13) See IHS Automotive, Global Light Vehicle Production Summary, October 2018

Price trends of aluminium and raw materials

The Metal Division's earnings are influenced by LME aluminium price trends. With regard to the Casting and Rolling Divisions, the risk from aluminium price fluctuations is almost completely hedged. In these two divisions, fluctuations in the aluminium price are reflected in both revenue and the cost of sales, with a largely neutral effect on profit and loss.

The raw material markets were significantly influenced by several special issues in 2018: apart from the introduction of the additional US import tariffs on aluminium, the officially ordered production cut at the world's largest alumina refinery in Brazil and the US sanctions imposed on one of the world's largest alumina and aluminium producers, a Russian company, influenced price trends for aluminium and alumina significantly and led to volatile price fluctuations.

The price of aluminium (3-month LME) increased significantly in the first half of the year, reaching its highest level for around seven years on April 19, 2018 at 2,587 USD/t. The aluminium price tended to decline during the second half of the year. On December 31, 2018, the price of aluminium stood at 1,846 USD/t (December 31, 2017: 2,251 USD/t), its lowest level of the year. The fluctuation range in 2018 thereby amounted to 741 USD/t.

The year-average aluminium price of 2,115 USD/t was still above the 2017 average of 1,980 USD/t.

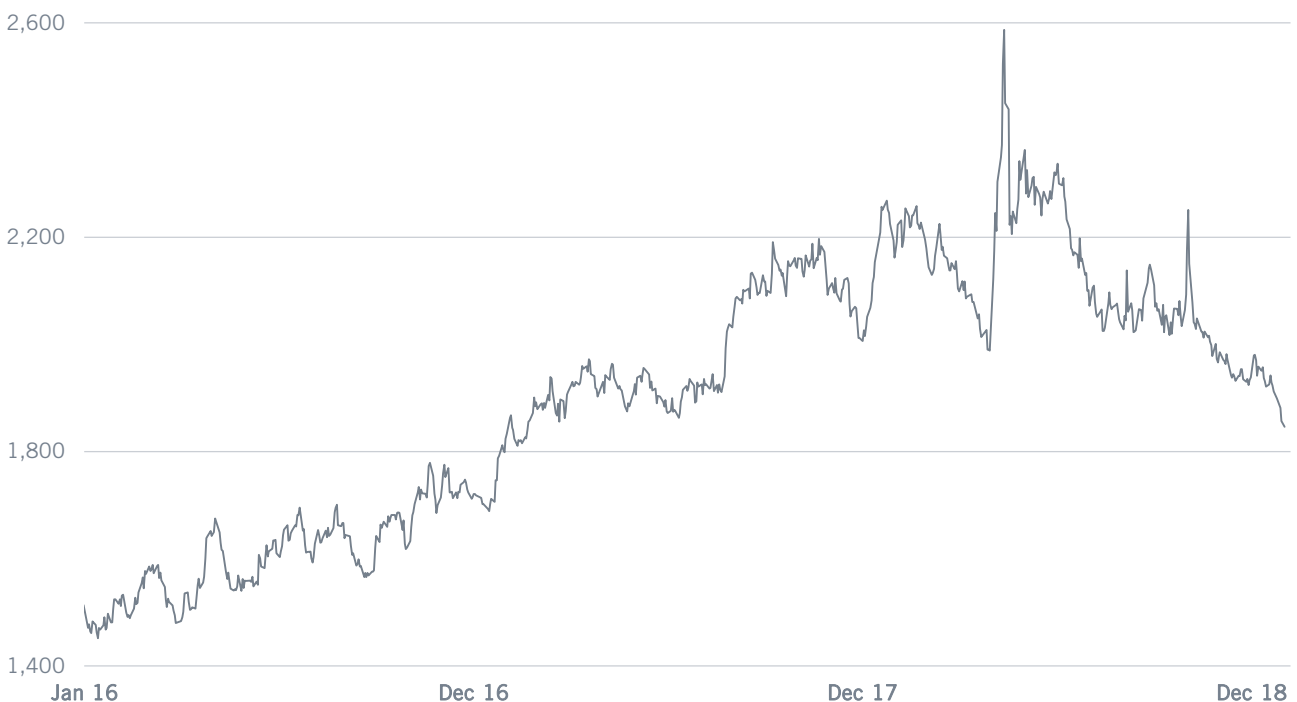
The premiums that are added to aluminium prices are determined, in particular, by the location of delivery, supply and demand, as well as trade restrictions. Due to the high market deficit for primary aluminium in the USA, the additional US import tariffs on aluminium led to a significant increase in the US Midwest premium, which largely compensated for this tariff effect. By comparison, premiums in Europe hardly increased at all.

The raw materials required for the production of primary aluminium became significantly more expensive during 2018. In particular, we recorded a major price increase for alumina, which was far from offset by the higher aluminium price. However, both petroleum coke and pitch became significantly more expensive.

Aluminium scrap is the most important raw material in terms of volume for our Ranshofen site. In this case, the price, adjusted for the aluminium price component, has for the most part fallen slightly.

Aluminium price

three-month settlement in USD/t



Currency market trends

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

Over the course of 2018, the euro increasingly depreciated against the US dollar (USD). On a reporting-date basis, the EUR/USD rate fell by 4.5 % from 1.20 at the end of the previous year in 2017 to 1.15

as of December 31, 2018. The annual average rate was still 4.6 % above the average for the previous year.

The average USD/CAD rate in 2018 was 1.30, as in the previous year. Over the course of 2018, the US dollar increasingly strengthened against the Canadian dollar. A comparison of the two year-end figures shows that the USD/CAD rate of 1.36 was 8.8 % higher than the 1.25 exchange rate at the end of the previous year.

EUR/USD exchange rate



USD/CAD exchange rate



Business performance

Revenue and earnings trends

Shipments and revenue

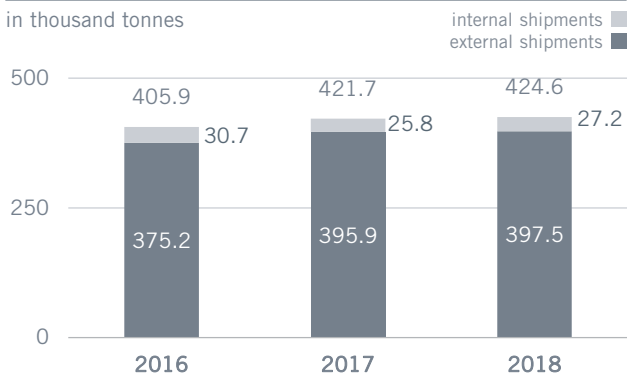
In the year under review, we continued to increase total shipments compared with the previous year and thereby set a new record, mainly reflecting growth in our Rolling Division where the ramp-up of our new plants exerted a positive effect on volume trends. Total shipments amounted to 424,600 tonnes, an increase of 0.7 % compared to the previous year.

We increased our external shipment volumes year-on-year by 0.4 % from 395,900 to 397,500 tonnes.

This increase in volume, coupled with the higher average price of aluminium, also led to a new revenue record in 2018. Compared with 2017, our revenue climbed by 6.3 % to a total of EUR 1,101.6 million (2017: EUR 1,036.2 million).

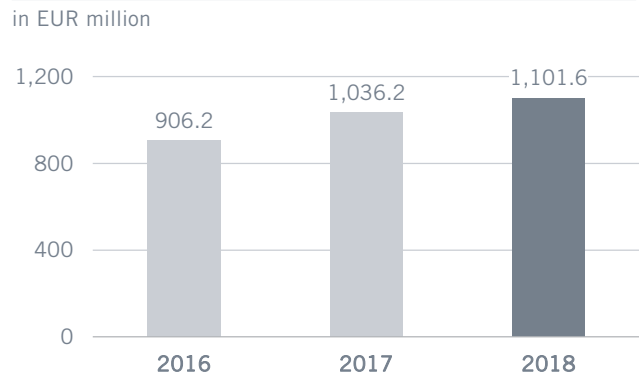
Shipments

in thousand tonnes



Group revenue

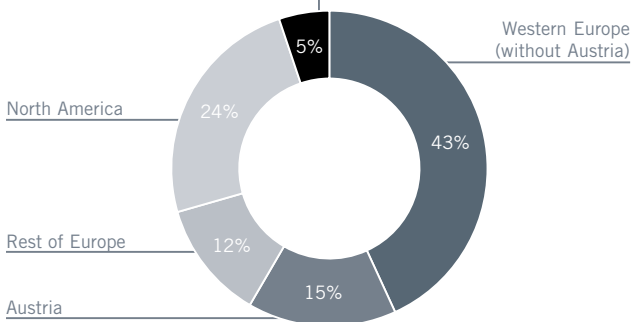
in EUR million



Group revenue by regions

in %

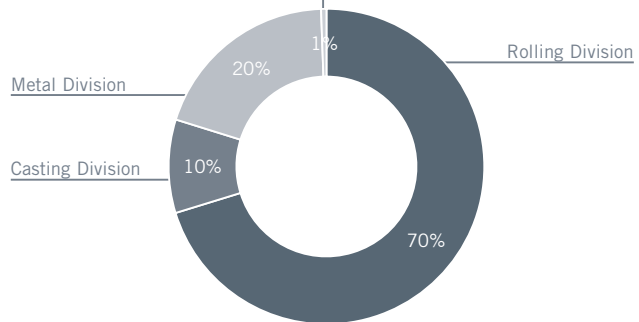
Asia, Oceania and other



Group revenue by divisions

in %

Service Division



(GRI 102-6)

Results of operations

Taking into account the special factors described above, which significantly impacted on the economic environment in 2018, we recorded a solid earnings performance.

In the 2018 financial year, we recorded earnings before interest, tax, depreciation and amortisation (EBITDA) of EUR 141.0 million after EUR 164.5 million in the previous year. The EBITDA margin in 2018 amounted to 12.8 %, compared with 15.9 % in the previous year.

The Metal Division's earnings contribution decreased from EUR 41.3 million in the previous year to EUR 23.0 million, especially reflecting higher raw material costs.

In the Casting Division, we reported a significant rise in EBITDA of 38.1 % compared with the previous year to reach EUR 7.8 million.

The Rolling Division's earnings contribution stood at EUR 95.6 million, compared with the previous year's EUR 105.9 million, with the main reasons for this decline including higher ramp-up costs for the site expansion and the additional US import tariffs on aluminium.

The Service Division recorded EUR 14.7 million of EBITDA in the 2018 financial year (2017: EUR 11.5 million).

In the income statement prepared applying the cost of sales method, the cost of sales reported a rise of 8.4 % to EUR 954.2 million, due mainly to the higher shipment volume as well as the higher average aluminium price.

Other income includes, among other items, the cost of maintenance and infrastructure services passed on, income from currency translation as well as research & development grants. Overall, other income rose by 7.0 % year-on-year to EUR 16.1 million.

Selling and distribution expenses were up by 25.8 %, from EUR 45.3 million to EUR 57.0 million. In addition to higher logistics costs due to the increase in volumes in the Rolling Division, this figure also includes additional expenses for US import tariffs on aluminium.

Administrative expenses of EUR 23.2 million were almost unchanged compared with the previous year (2017: EUR 22.5 million).

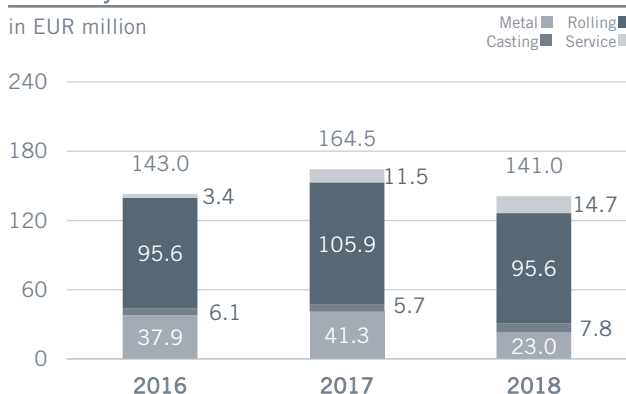
Research and development are of great importance due to our focus on high-quality specialty products. For this reason, we continued to considerably increase our investment expenditure in this area in 2018, from EUR 12.3 million to a total of EUR 15.1 million.

Income from equity accounted investments amounted to EUR 0.4 million in the 2018 financial year. The previous year's result (EUR 1.5 million in 2017) was markedly higher due to the first-time equity accounting of the investment in Speditionsservice Ranshofen Ges.m.b.H.

Due to the investments we have realised in our site expansion, depreciation and amortisation of EUR 80.3 million included in the aforementioned items was higher than in the previous year (2017: EUR 77.7 million).

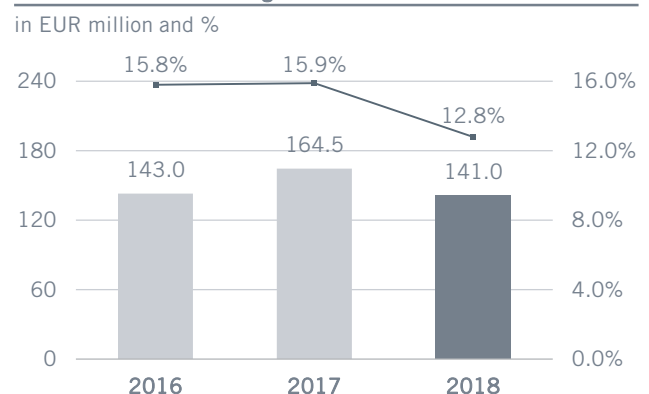
EBITDA by divisions

in EUR million



EBITDA and EBITDA margin

in EUR million and %



Our operating result (EBIT) also reflects an increase in raw material costs and higher ramp-up costs. EBIT reduced from EUR 86.8 million to EUR 60.6 million. The corresponding EBIT margin amounted to 5.5 %, compared with 8.4 % in the previous year.

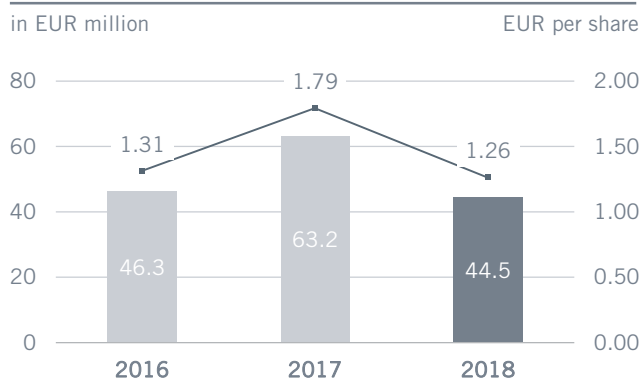
The net financial result stood at EUR -5.6 million, after the previous year's EUR -5.1 million, which is attributable to higher interest expenses.

A current tax expense of EUR 8.8 million and a deferred tax expense of EUR 1.7 million in 2018 led to an expense from income taxes of EUR 10.5 million, which was below the previous year's level (2017: EUR 18.5 million), mainly due to the lower pre-tax result.

We achieved net income after taxes of EUR 44.5 million, compared with EUR 63.2 million in the equivalent period.

Taking into consideration a year-on-year unchanged number of AMAG shares, earnings per share amount to EUR 1.26 in 2018 (2017: EUR 1.79).

Net income after taxes



Dividend

The Management Board will propose to the Shareholders' Annual General Meeting to be held on April 10, 2019, a year-on-year unchanged dividend of EUR 1.20 per share.

Consolidated Statement of Income, condensed in EUR million	2018		2017		Change in %
	Structure in %		Structure in %		
Revenue	1,101.6	100.0	1,036.2	100.0	6.3
Cost of sales	(954.2)	(86.6)	(880.0)	(84.9)	(8.4)
Gross profit	147.4	13.4	156.2	15.1	(5.7)
Other income	16.1	1.5	15.0	1.4	7.0
Selling and distribution expenses	(57.0)	(5.2)	(45.3)	(4.4)	(25.8)
Administrative expenses	(23.2)	(2.1)	(22.5)	(2.2)	(3.2)
Research and development expenses	(15.1)	(1.4)	(12.3)	(1.2)	(22.8)
Other expenses	(7.8)	(0.7)	(5.8)	(0.6)	(34.3)
Share of profit of associates	0.4	0.0	1.5	0.1	(74.5)
Earnings before interests and taxes (EBIT)	60.6	5.5	86.8	8.4	(30.1)
EBIT margin in %	5.5	-	8.4	-	-
Net financial income (expenses)	(5.6)	(0.5)	(5.1)	(0.5)	(9.4)
Earnings before taxes (EBT)	55.0	5.0	81.7	7.9	(32.6)
EBT margin in %	5.0	-	7.9	-	-
Income taxes	(10.5)	(1.0)	(18.5)	(1.8)	43.4
Net income after taxes	44.5	4.0	63.2	6.1	(29.5)

Structure of assets and capital

Consolidated statement of financial position

The total assets of the AMAG Group of EUR 1,561.2, million as of the end of 2018 were above the previous year's level (2017 year-end: EUR 1,404.9 million).

While non-current assets hardly changed, current assets increased significantly from EUR 580.0 million to EUR 757.4 million. Firstly, this reflects higher inventories and, secondly, the successful placement of the promissory note loan in December 2018, which led to a rise in cash and cash equivalents.

The equity of the AMAG Group increased from EUR 607.9 million as of the end of 2017 to EUR 620.9 million as of the end of 2018, due to not only the earnings contribution but also positive currency translation effects. Overall, the equity-reducing effect of the dividend payment of EUR 42.3 million was more than offset.

Non-current liabilities increased from EUR 513.9 million to EUR 713.4 million especially due to the promissory note loan that was issued.

Current liabilities decreased from EUR 283.1 million to EUR 227.0 million, especially reflecting the repayment of a loan due in 2018.

Equity ratio

The equity ratio expresses the relationship between equity and the sum of equity and liabilities. At the end of 2018, it stood at 39.8 % and consequently slightly below the level of the previous year's reporting date (December 31, 2017: 43.3 %), which is attributable, in particular, to the increase in total equity and liabilities due to the raising of the promissory note loan in December 2018.

Net financial debt

Net financial debt comprises cash and cash equivalents plus loans receivable, less borrowings. This item rose compared with the previous year from EUR 282.4 million to EUR 311.3 million as of the end of 2017, mainly due to capital expenditure, higher inventories towards the year-end, and the dividend payment.

Gearing

Gearing represents the ratio between net financial debt and equity. Standing at 50.1 % at the end of December 2018, it was slightly higher than a year previously (2017 year-end: 46.4 %), primarily due to the higher net financial debt.

Consolidated balance sheet, condensed in EUR million

	2018	Structure in %	2017	Structure in %
Intangible assets, property, plant and equipment	757.2	48.5	760.5	54.1
Investments in associates	1.8	0.1	1.4	0.1
Other non-current assets and deferred taxes	44.9	2.9	62.9	4.5
Non-current assets	803.8	51.5	824.8	58.7
Inventories	256.6	16.4	227.2	16.2
Trade receivables	126.1	8.1	120.4	8.6
Current tax assets	6.5	0.4	1.3	0.1
Other current assets	72.4	4.6	61.4	4.4
Cash and cash equivalents	295.9	19.0	169.8	12.1
Current assets	757.4	48.5	580.0	41.3
ASSETS	1,561.2	100.0	1,404.9	100.0
Equity	620.9	39.8	607.9	43.3
Non-current liabilities	713.4	45.7	513.9	36.6
Current liabilities	227.0	14.5	283.1	20.2
EQUITY AND LIABILITIES	1,561.2	100.0	1,404.9	100.0

(GRI 102-7)

Cash flow

Cash flow from operating activities of EUR 94.3 million in the 2018 financial year was below the previous year's EUR 101.9 million, which especially reflected the year-on-year lower operating result.

Cash flow from investing activities amounted to EUR -82.8 million (2017: EUR -108.2 million). Free cash flow improved from EUR -6.3 million in the previous year to EUR 11.5 million in the 2018 reporting year.

Cash flow from financing activities stood at EUR 113.2 million in 2018. Drawdowns of borrowings totalled EUR 267.0 million (previous year: EUR 107.8 million), while dividend payments amounted to EUR -42.3 million (previous year: EUR -42.3 million) and debt repayments totalled EUR -111.5 million (previous year: EUR -31.1 million).

Consolidated cash flow statement, condensed in EUR million

	2018	2017	Change in %
Cashflow from operating activities	94.3	101.9	(7.5)
Cash flow from investing activities	(82.8)	(108.2)	23.5
Free cash flow	11.5	(6.3)	281.7
Cash flow from financing activities	113.2	34.3	229.9

Investments

Having completed a large part of the investments in our "AMAG 2020" expansion project, investments in the 2018 financial year were reduced to EUR 72.6 million. In total, this corresponds to slightly less than the depreciation and amortisation for the year in the amount of EUR 80.3 million (depreciation and amortisation in 2017: EUR 77.7 million).

Of the capital expenditure we realised in 2018, EUR 70.8 million was attributable to property, plant and equipment and EUR 1.7 million to intangible assets.

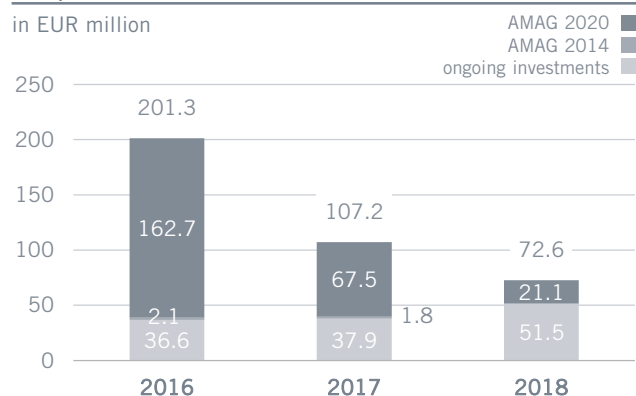
Some of the investments continued to relate to "AMAG 2020". For instance, in the reporting period we commissioned the new cladding station for larger brazing products. Total investments for "AMAG 2020" amounted to around EUR 21.1 million.

Our capital expenditure in the Metal Division focussed on new refractory linings for smelter pots.

At our Ranshofen site, we realised targeted investments in individual projects in 2018, such as a state-of-the-art melting furnace that will replace two units in the Casting Division. In the Rolling Division, we installed a trial casting plant for rolling slabs, which will enable us to further expand our product development and optimisation activities without negatively affecting ongoing production. Furthermore, some of the additions to plant concerned the new contour cutting plant for aluminium plates.

Group investments

in EUR million



Key financial performance indicators

Return on Capital Employed

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

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

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

The AMAG Group's return on capital employed in 2018 amounted to 5.5 %, compared with 7.8 % in the previous year. In addition to

the lower earnings, the decline also reflects the growth in capital employed.

Return on Equity

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

ROE was down from 10.2 % in the previous year to 7.2 % in the 2018 reporting year, which is attributable to the lower net income after taxes.

Calculation of ROCE and ROE in EUR million	2018	2017
Net income after taxes	44.5	63.2
Net interest income (expenses)	(7.1)	(6.4)
Taxes on interest income	1.8	1.6
NOPAT	49.9	68.0
Equity ¹⁾	614.4	619.2
Non-current interest-bearing financial liabilities ¹⁾	446.0	341.1
Current interest-bearing financial liabilities ¹⁾	84.1	73.3
Cash and cash equivalents ^{1,2)}	(233.3)	(160.3)
Capital employed ¹⁾	911.2	873.2
ROCE in %	5.5	7.8
Net income after taxes	44.5	63.2
Equity ¹⁾	614.4	619.2
ROE in %	7.2	10.2

1) Year-average

2) Cash and cash equivalents

Segment reporting

Metal Division

Economic environment

Global demand for primary aluminium continued on its growth trend in 2018, rising by 3.8 % compared with the previous year to set a new historical record at a total of 65.9 million tonnes, according to the CRU market research institute.¹⁴

Growth was recorded in all regions worldwide: demand in China was up by 4.7 % to 36.0 million tonnes, corresponding to approximately 55 % of global demand. In Europe, demand rose by 2.9 % to 9.4 million tonnes. An increase of 1.8 % to 6.7 million tonnes was reported in North America.

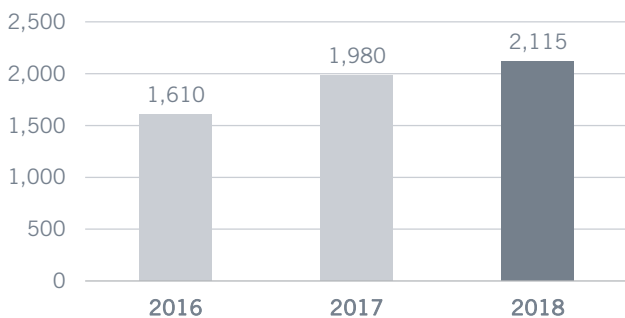
By contrast, global production rose by just 1.1 % in 2018 to 64.1 million tonnes, around 1.7 million tonnes lower than demand, reducing global stocks from 12.7 million tonnes in 2017 to 10.9 million tonnes, according to CRU estimates. Primary aluminium stocks at LME-registered warehouses increased from 1.1 million tonnes to 1.3 million tonnes compared with the end of the previous year.

Overall, several special topics incurred a significant impact on the market environment in 2018. The introduction of US import tariffs on aluminium led to a marked rise in premiums in the USA. The production cut ordered by the authorities at the world's largest alumina refinery in Brazil and US sanctions enacted against one of the world's largest alumina and primary aluminium producers, a Russian company, led the price of alumina to rise sharply.

Following a very volatile performance during the first half of 2018, the price of aluminium (3-month LME) reported a downtrend, dropping 18.0 % compared with the end of 2017 to a level of 1,846 USD/t. The year-average of 2,115 USD/t still stood above the previous year's 1,980 USD/t.

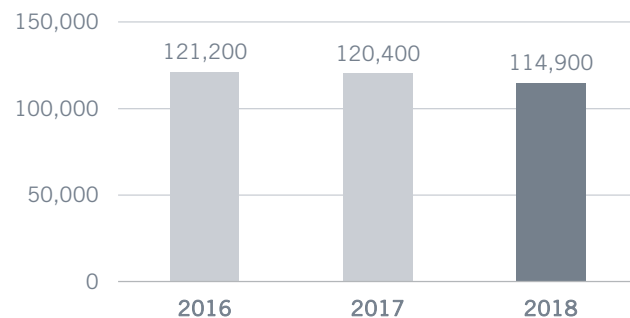
Average LME aluminium price

three-month settlement in USD/t



Metal Division shipments

in tonnes



2018 financial year

In the Metal Division, we achieved a total shipment volume of 114,900 tonnes, around 1,900 tonnes of which comprised intergroup deliveries to Ranshofen. The decline in shipment volume compared with the previous year (2017: 120,400 tonnes) especially reflects the higher level of refractory relining activity.

The purchasing of the necessary proportion of alumina comprises an important core task in the Metal Division. Almost two tonnes of alumina are required in order to produce one tonne of primary aluminium. In light of the aforementioned special factors, which significantly impacted the alumina market, additional supply sources were tapped in 2018. We were confronted with a very high price level overall.

2018 earnings trends

Revenue generated in the year increased from EUR 730.9 million in the previous year to EUR 785.6 million. The higher average price of aluminium and the higher premium level in the USA as a result of the US import tariffs imposed on aluminium formed the main drivers in this context.

Of the total revenue, EUR 569.3 million was attributable to intragroup revenue, consisting mainly of deliveries of primary materials such as primary aluminium, scrap and rolling slabs to the casthouse and rolling mill.

EBITDA generated by the Metal Division reduced year-on-year from EUR 41.3 million to EUR 23.0 million. The EBITDA margin reduced from 5.7 % to 2.9 %. Higher raw material costs, especially for alumina, represented the main reason for this decline. The higher aluminium price far from offset these increases. The higher US Midwest premium exerted a positive effect on earnings until the end of May until US import tariffs for deliveries from Canada were finally introduced. The result for the hedging of aluminium inventories was partially negatively impacted by backwardation, reducing slightly compared with the previous year to EUR 0.4 million (2017: EUR 0.6 million).

14) See CRU, Aluminium Market Outlook, October 2018

The operating result (EBIT) of EUR -0.5 million was also below the previous year's level. The EBIT margin decreased from 1.8 % in the previous year to -0.1 %.

Investments

Capital expenditure on property, plant and equipment and on intangible assets in the Metal Division amounted to EUR 19.1 million (previous year: EUR 12.3 million), and related mainly to new refractory linings for smelter pots.

Employees

The number of employees (full-time equivalents) reduced compared with the previous year (2017: 190 employees) to an average of 188 employees.

Key figures for the Metal Division in EUR million	2018	2017	Change in %
Revenue	785.6	730.9	7.5
thereof, internal revenue	569.3	522.9	8.9
EBITDA	23.0	41.3	(44.3)
EBITDA margin in %	2.9	5.7	-
EBIT	-0.5	13.1	(103.5)
EBIT margin in %	-0.1	1.8	-
Investments	19.1	12.3	56.2
Employees ¹⁾	188	190	(1.1)

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

Casting Division

Economic environment

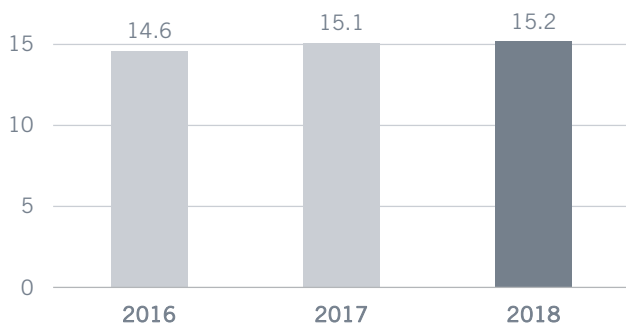
The Casting Division's main geographical markets are Germany and Austria, as well as neighbouring countries. The automotive sector (including its respective supply industry) comprises the division's largest customer. As a result, the relevant economic environment is primarily shaped by European automotive industry trends.

Demand for new passenger cars in the European Union¹⁵ was almost unchanged from the previous year. A total of around 15.2 million units were newly registered in 2018. At 3.4 million units, new registrations in Germany were at the previous year's level. In France, the number of new registrations rose by 3.0 % to 2.2 million units. Demand in Austria declined by 3.5 %.

European automotive industry production figures were roughly at the previous year's level, according to the latest forecasts from the IHS¹⁶. In Germany, the most important market for our Casting Division, automotive production reduced by 9 % to 5.1 million units, by contrast.¹⁷

European Union new car registrations

in million units



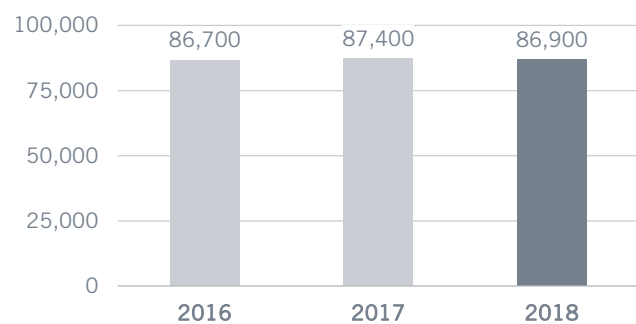
2018 financial year

The 2018 financial year was especially characterised by the commissioning of the new state-of-the-art melting furnace, which is to replace two melting units. Despite the adverse effects of these modernisation activities during the first half of the year, shipments of 86,900 tonnes almost reached the previous year's level (2017: 87,400 tonnes).

Besides the external shipment market, the Casting Division makes a valuable contribution to supplying the Rolling Division with input materials. The utilisation of various processing and melting technologies enabled around 25,300 tonnes to be delivered to the Rolling Division's rolling slab casthouse, with additional recycled aluminium being successfully reintroduced into the value creation cycle to produce high-quality aluminium rolled products. The Casting Division thereby made an important contribution to further significant year-on-year growth in the volume of scrap utilised at the Ranshofen site.

Casting Division shipments

in tonnes



15) See ACEA (European Automobile Manufacturers Association), press release of January 16, 2019

16) See IHS Automotive, Global Light Vehicle Production Summary, October 2018

17) See VDA (German Association of the Automotive Industry), press release of January 4, 2019

2018 earnings trends

Revenue in 2018 was slightly below the previous year's level at EUR 114.2 million (2017: EUR 119.5 million), mainly reflecting changes to the product mix and slightly lower shipments.

EBITDA advanced to EUR 7.8 million, up from EUR 5.7 million in the previous year, chiefly thanks to the improved margin level in the first half of the year and productivity gains from the new melting furnace.

The EBITDA margin amounted to 6.8 %, compared with 4.7 % in the previous year. The operating result (EBIT) also rose to stand at EUR 6.1 million compared with the previous year's EUR 3.6 million. The EBIT margin improved to 5.4 % (2017: 3.0 %).

Investments

In the Casting Division, capital expenditure on property, plant and equipment in 2018 of EUR 3.6 million was above the previous year's level (2017: EUR 3.5 million), and related particularly to the construction of the new smelter plant.

Employees

The average number of employees of 124 stood approximately at the previous year's level (126 employees).

Key figures for the Casting Division in EUR million	2018	2017	Change in %
Revenue	114.2	119.5	(4.4)
thereof, internal revenue	8.7	9.3	(7.0)
EBITDA	7.8	5.7	38.1
EBITDA margin in %	6.8	4.7	-
EBIT	6.1	3.6	70.2
EBIT margin in %	5.4	3.0	-
Investments	3.6	3.5	2.5
Employees	124	126	(1.6)

Rolling Division

Economic environment

Global demand for aluminium rolled products was on a positive trend in 2018, reaching a new historic high of 27.3 million tonnes, representing 4.0 % year-on-year growth.¹⁸

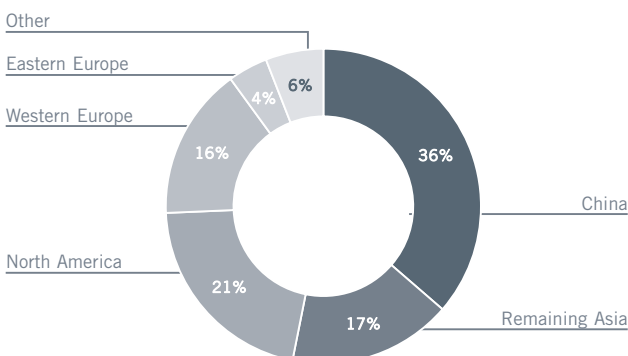
In our core markets of Western Europe and North America, demand for aluminium rolled products increased by 2.1 % and 3.6 %, respectively. The Asian market also reported attractive growth momentum with an increase of 4.5 %, with China making a significant contribution, reporting 5.9 % year-on-year demand growth.

Demand was on a positive trend in all sectors, according to the CRU market research institute. Demand from the packaging industry grew by 3.9 % to 13.8 million tonnes in 2018. The construction and mechanical engineering industries also registered attractive demand growth of 3 % and 2 %, respectively.

In 2018, the transport industry once again represented the most significant growth driver in the rolled aluminium product area, reporting stronger demand up by 6.9 % to 4.6 million tonnes. In addition to the aircraft industry, which is characterised by annually rising production rates, especially the automotive industry reports high growth demand for aluminium rolled products. Aluminium sheets are being increasingly deployed, particularly in the area of outer skin applications – such as engine hoods, doors and fenders. Aluminium is substituting steel thanks to its lower specific weight combined with good strength and formability. Lightweight construction utilising aluminium delivers significant weight savings, resulting in lower automobile fuel consumption and CO₂ emissions.

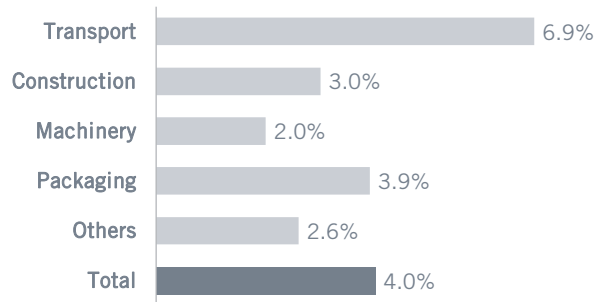
Consumption of rolled products in 2018 by region

in %



Global demand for aluminium rolled products in 2018

year-on-year, in %



2018 financial year

The ramp-up and qualification of the new facilities of our "AMAG 2020" expansion project formed the chief focus in the 2018 financial year, and we made major progress in this area over the course of the year. We received a large proportion of the requisite customer qualifications. In terms of shipments, we significantly accelerated the growth dynamic in the second half of the year compared with the first half of 2018.

Full-year shipment volumes increased by 4.2 % compared with 2017 to reach 222,900 tonnes. These figures do not include the many trial and test batches, however, which additionally occupied production and incurred corresponding start-up costs.

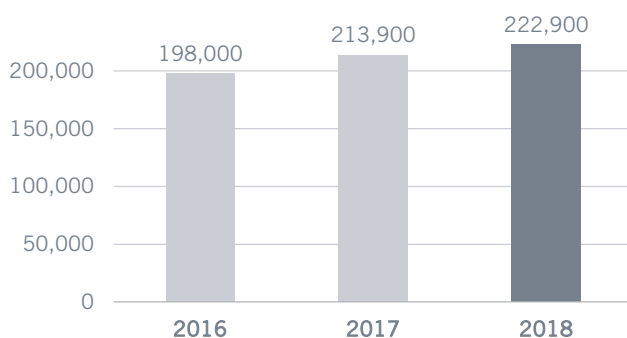
We achieved significant volume growth of our products for the aircraft industry. Shipment volumes for the packaging industry and for brazing products also reported a very positive trend. Shipment volumes in the automotive area were slightly lower than in the previous year, mainly reflecting the delayed start of production of some of our customers' new models. Shipment volumes were down year-on-year in the bright and façade products area.

In our rolling slab casthouse, which we also expanded as part of our location expansion programme, we set a further production record in 2018. Accordingly, we produced a large proportion of the input material required for our rolled products ourselves, mainly utilising aluminium scrap.

18) See CRU, Aluminium Rolled Products Market Outlook, November 2018

Rolling Division shipments

in tonnes



2018 earnings trends

Revenue grew especially thanks to higher shipment volumes and the year-on-year higher average aluminium price. At EUR 892.4 million, we set a new revenue record for the Rolling Division, representing an increase of 10.2 % compared with the previous year (2017: EUR 809.6 million).

EBITDA of EUR 95.6 million was slightly below the level of the previous year (2017: EUR 105.9 million), with especially the higher shipment volumes exerting a positive impact. This was offset by higher costs for the ramp-up of the new plants and additional US import tariffs. The EBITDA margin, which is always influenced by the aluminium price trend, was 10.7 % compared with 13.1 % in the previous year.

Depreciation and amortisation was up from EUR 35.4 million in the previous year to EUR 42.5 million in 2018, reflecting the investments realised in the site expansion.

Due to the lower EBITDA and the increase in depreciation and amortisation, the operating result (EBIT) of EUR 53.1 million was 24.6 % lower than in the previous year. The EBIT margin reduced from 8.7 % to 6,0 %.

Investments

Investments in the Rolling Division decreased from EUR 73.5 million to EUR 38.5 million compared with the previous year.

Most of the investments were still attributable to the "AMAG 2020" expansion project. Among other investment activities, we commissioned the new cladding station for brazing products. Moreover, additions to plant followed in the course of the final acceptance of our new aggregates.

In addition to this large-scale project, we also invested in other targeted individual measures: the test casting plant in the rolling slab casthouse went into operation. Furthermore, the construction of a contour cutting plant for aluminium plates started in 2018, especially for aircraft sector customers.

Employees

The number of employees (full-time equivalents) amounted to 1,500 individuals on a year-average basis, 5.3 % above the previous year's 1,424 staff, reflecting the personnel requirements for the expansion project.

Key figures for the Rolling Division in EUR million

	2018	2017	Change in %
Revenue	892.4	809.6	10.2
thereof, internal revenue	118.6	97.4	21.8
EBITDA	95.6	105.9	(9.7)
EBITDA margin in %	10.7	13.1	-
EBIT	53.1	70.5	(24.6)
EBIT margin in %	6.0	8.7	-
Investments	38.5	73.5	(47.6)
Employees	1,500	1,424	5.3

Service Division

Through providing infrastructure and services, the Service Division makes an important contribution to the AMAG Group's sustainable corporate success, profitability and continued growth. Besides managing the Group, the division's scope of responsibility also includes waste disposal, as well as measures aimed at waste prevention and recycling. The works services function comprises site infrastructure services such as security guards and messengers.

The facility management function is responsible for around 297 hectares of ground area. The industrial built-up area amounts to around 100 ha.

In 2018, the supplies function provided a procurement volume of 242 GWh (previous year: 224 GWh) of electric energy and approximately 47 million m³ of natural gas (previous year: around 46 million m³).

2018 earnings trends

Revenue amounted to EUR 82.3 million in 2018 (previous year: EUR 81.3 million), and included services for the other divisions as well as for entities outside the Group.

EBITDA amounted to EUR 14.7 million, thereby slightly above the previous year's level (EUR 11.5 million in 2017), mainly reflecting the higher volume of location services in Ranshofen and positive provisioning effects compared with the previous year.

Investments

Capital expenditure of EUR 11.4 million was below the previous year's level (previous year: EUR 18.0 million). Building activities at the Ranshofen site were the main focus in 2018.

Employees

The average number of employees of 147 was slightly above the previous year's level (141 employees).

Key figures for the Service Division in EUR million	2018	2017	Change in %
Revenue	82.3	81.3	1.3
thereof, internal revenue	76.4	75.4	1.4
EBITDA	14.7	11.5	27.0
EBITDA margin in %	17.8	14.2	-
EBIT	2.0	(0.4)	550.8
EBIT margin in %	2.4	(0.5)	-
Investments	11.4	18.0	(36.9)
Employees	147	141	4.7

Risk and opportunity report

A formalised risk management system designed to identify, assess and manage all of the significant risk exposures for AMAG Group and its environment forms an integral element of the AMAG Group's business activities. We aim to identify risks at an early juncture and proactively counter them where possible, in order to limit risks to the greatest extent. On the other hand, we aim to exploit business opportunities on a targeted basis. A balanced approach to opportunity and risk management represents one of our Group's key success factors.

Risk management system

Our risk management is geared to ensuring a sustained positive trend in our financial position and performance as well as long-term growth in the AMAG Group's value, and to minimising negative influences on the environment. This system relies primarily on:

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

Risks are managed based on these standards and instructions, and concern all levels of the management hierarchy. Strategic and operative risks are reviewed annually, and any requisite business policy adjustments are implemented as part of an institutionalised process. Moreover, the standards and instructions, and the scope and amount of insurance cover, are subject to ongoing review and updated whenever necessary.

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

Internal control system

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

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

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

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

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

A standardised financial reporting system has been established throughout the AMAG Group. The management is updated on all important matters, including additional company-specific information where required. The AMAG Austria Metall AG Supervisory Board is informed at its Supervisory Board meetings, which occur at least every quarter, about current business progress, and also annually about the Group's operative planning and medium-term with these being approved by the Supervisory Board. The Supervisory Board is also informed directly in special cases. In addition, the audit committee meetings confer about the internal controlling system, the risk management system and anticorruption measures.

Personnel risks

Our employees form a key element in AMAG's success thanks to their expertise and commitment. In order to secure and strengthen this factor, investments in occupational safety ("consistently safe") and the promotion of health enjoy a very high priority. Various measures are in place in the accident prevention area, such as job evaluation and safe structuring, preventative measures and ongoing staff training. Moreover, we offer a performance-based remuneration scheme, and training and continuing education programs (such as the alu_akademie), the early identification and promotion of talent, and an attractive

incentive scheme for managers. We take the protection of our employees' personal data very seriously.

We have initiated corresponding HR measures and recruitment activities (such as AMAG job speed-dating) based on analyses of our future qualification requirements, especially in connection with our "AMAG 2020" expansion project.

Above and beyond this, we have focused on further areas to strengthen the employer brand in order to position AMAG as an attractive employer.

Operational risks

Production-related risks

At various stages in the value chain, the AMAG Group's operating companies are exposed to the risk of interruption of operations and risks relating to quality and occupational safety. Such risks are largely avoided thanks to comprehensive procedures established in production, quality management and occupational safety, including as part of our continuous improvement process (CIP), which encourages employees to assume personal responsibility. We also counter the risks of plant breakdown and energy supply interruption at AMAG through systematic preventative maintenance and ongoing risk-based maintenance (RBM), as well as regular evaluation of technical plant risk and through setting appropriate measures. Furthermore, we plan modernisation and replacement investments on a long-term basis. The investments in the new hot rolling and cold rolling mills, as well as the enhancement of our casting capacities, have increased the redundancy of state-of-the-art plants at the Ranshofen site. We continuously qualify new plants for the manufacturing of our products. We have prepared emergency plans for important products that enable quick transitioning to a substitute manufacturing route in the case of a plant standstill. Machine breakdown insurance provides additional security.

Technological development risks

In technologically advanced sectors such as aircraft, automotive engineering and sport, the risk exists of aluminium being displaced by the development of alternative lightweight materials offering comparable properties, such as carbon fibre composites, plastics, magnesium and advanced steels. Equally, some disruptive manufacturing processes such as 3D printing and technical upheaval in individual customer sectors might affect markets of relevance to us. We counter such risk potential through ongoing market monitoring and joint development work with our customers, as well as continuous enhancements to our aluminium materials' properties. At the same time, we work within the framework of partnerships on tapping new application areas for aluminium alloys, and on actively establishing applications of relevance to AMAG in potentially disruptive technologies.

We conduct failure mode and effects analyses (FMEAs) to identify potential sources of errors in product development, and to minimise risk accordingly.

Equally, we constantly monitor technological developments in the digitalisation area. In recent years, we have continuously expanded our activities in this area by hiring a digitalisation coordinator and by defining a digitalisation strategy with the three focus areas of "operational excellence", "product leadership" and "proximity to partners". We include topics of importance to us in the Digitalisation Compass, and implement them accordingly (e.g. Smart Factory, Digital Partner Excellence).

Natural hazard risks

We take appropriate measures to minimise natural hazard risks.

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

Environmental risks

The danger of environmental risks materialising, such as in relation to water, waste, soil contamination and air emissions, is reduced by the ISO 14001-certified environmental management system at the Group companies that are potentially exposed to related risks. Conventional energy sources such as diesel and natural gas release air emissions when they are combusted, which can exert a negative impact on the environment and the climate. More restrictive climate policies can increase the costs of fossil energy and electricity, or lead to the introduction of additional CO₂ fees. We implement measures to boost energy efficiency and monitor planned legislative changes in order to minimise such risk and the burden placed on the environment. We have secured and rectified past pollution from earlier utilisation of our Ranshofen site by promptly implementing remedial measures. The expected costs are otherwise covered by provisions. We exhaustively examine primary materials bearing pollution risks at the time of delivery, and reject them where necessary.

Information processing and security risks

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

This directive is structured to ensure that IT services meet requirements in relation to availability, reliability, disaster tolerance and response time, and that personnel and product resources are deployed effectively and efficiently in providing IT services.

Security and user authorisation systems have also been implemented. Back-up computer centres are available to reduce the risk of a system failure caused by defective hardware, data loss or data manipulation. With our data protection directive, we comply with the statutory

requirements deriving from the EU General Data Protection Regulation (GDPR).

We also hold regular IT security training sessions in order to raise our employees' awareness about such risks (e.g. cyber-attacks). Furthermore, we conduct regular external cyber-attack tests in order to check the efficacy of the measures we have implemented.

AMAG takes data protection very seriously and has already implemented additional measures to prevent data misuse. Moreover, we plan ISO 27001 information security management certification.

Risks arising from insufficient supervisory systems and fraudulent activities

We have established an extensive internal control system in order to identify risks at an early stage, and to monitor and avoid them. This system provides all of the instruments and procedures required for the avoidance and timely identification of risks, and for appropriate responses to any risk incidents.

Business risks

Procurement risks

To manufacture our products, we need raw materials from external sources that may be subject to price and availability risks.

Alumina is required for primary aluminium production. We are responsible for supplying the Canadian Alouette smelter with alumina in accordance with our 20 % interest. In addition to price, the availability of alumina also represents a significant risk. We further reduced such risk during the course of 2018 by expanding our group of suppliers and qualifying further alumina refineries. When selecting suppliers, we take care – as far as is possible in light of our company's industrial structure and size – to ensure that our suppliers act responsibly in order to minimise the environmental and social impact of bauxite mining.

The chief risk for our casthouses lies in a potential shortage of ample scrap metal of sufficient quality. We minimise such risk through long-term contracts with professional metals dealers (regular suppliers with which we have had business relationships over many years) and large-scale collection points, and by internationally diversified sourcing. We are gradually expanding the deployment spectrum through continuous investments in new sorting technologies, in order to further secure scrap supplies. The additional primary metal we require is a liquid commodity, available in the form of ingots or sows. AMAG purchases from recognised international suppliers with which the company maintains long-standing business relationships. We also have the option to purchase primary aluminium for the Ranshofen site directly from the Alouette smelter.

Our rolling mill sources most of its rolling slabs, which utilise a high proportion of recycled materials, from its own casthouse in Ranshofen. In order to secure the remaining smelter-based volumes we require,

we have concluded contracts with renowned international partners following a qualification process.

Compliance rules for AMAG suppliers include descriptions of codes of conduct connected with our particular responsibility in relation to society, shareholders, employees and business partners. Suppliers for the Ranshofen site are correspondingly obligated to comply with such rules. We assess our suppliers on a regular basis.

Market environment and sales risks

As an internationally operating company, the AMAG Group is exposed to macroeconomic risks. Examples of such risks include global economic trends, the political situation in individual sales regions, international trade restrictions and the introduction of customs tariffs. We constantly monitor trends in the global market environment and initiate appropriate measures as required.

The AMAG Group's broad product range ensures its independence from a few sales regions, customer sectors and major customers. In 2018, our top 10 customers accounted for 33 % of our revenue. Long-term agreements with key customers assist us in our endeavour to minimise our sales risks. At the same time, we are continuing to work on extending the product range and sales markets in attractive premium segments that require innovative solutions and top quality. The new hot and cold rolling mills, which expanded our product range towards larger dimensions, also made positive contributions in this context. Meeting the highest standards, particularly those of the automotive and aircraft industries, is of crucial importance to us. Our Rolling Division supplies to sectors entailing low-to-medium cyclical risk, such as the packaging and sports equipment industries, although it also supplies customers in cyclical industries such as construction, aircraft, automotive, and automotive suppliers. We maintain our flexibility through forward-looking planning and alternative production routes.

Our focus on premium products and a wide range of customer sectors ensures a balanced portfolio. We also secure our relationships with major customers through joint development projects and intensive customer service. Liquid aluminium supplies and the development and improvement of new alloys together with customers make an important contribution to greater customer loyalty in the Casting Division. Regular surveys test customer satisfaction. We deploy active hedging in order to minimise aluminium price and currency risks.

Project risks

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

Competitive and capital market risks

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

AMAG's compliance structure is divided into separate compliance areas. For example, respective compliance officers support the organisation through ongoing training measures, and supervise compliance with internal regulations. A compliance hotline also exists to report any compliance offences.

Research and development risks

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

As a consequence, when planning development activities, it is essential to review the current patent right situation and to evaluate and document the present status of research in Austria and abroad, in order to establish the extent of related risk, including implications for AMAG. Internal technical risks and the effects of the respective project on our company's financial performance must be presented when submitting a project proposal. An R&D steering group consisting of our senior management and an external group of renowned experts regularly reviews project proposals and the progress of existing projects, and the patent rights that can be derived from them for AMAG. Furthermore, joint research activities are always conducted with customers in all areas of relevance for AMAG, in order to minimise the risk of errors. In order to further minimise risk, the company conducts patent monitoring with external lawyers through all relevant databases as well as personal research conducted by AMAG staff, patent lawyers and members of the scientific advisory council. If third-party industrial property rights are relevant to us, we endeavour in advance either to license them at a favourable price or, if this proves impossible, to lodge corresponding appeals.

Legal risks

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

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

Compliance with legal obligations is subject to regular controls in the context of internal audits conducted as part of the management

systems that have been implemented (e.g. environmental law, employee protection).

Financial risks

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

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

The AMAG Group's metal management function registers all LME-related aluminium purchases and stocks centrally as well as all of the operating companies' LME-related aluminium sales, and constantly calculates the aluminium position's aluminium price risk exposure. The "metals book" – an SAP application developed at AMAG – comprises an important tool in managing exposure. Open aluminium positions are hedged against metal price risk through contracts with brokers and investment banks. As a consequence, the underlying transactions' market price risk is fully offset by countervailing hedge movements. All underlying and hedge transactions in the metals book are marked to market daily. As foundry alloys and LME prices are largely insufficiently price-correlated, we hedge foundry alloy sales by physical purchases of primary materials. We monitor this position continuously.

Potential margin requirements associated with hedging (liquidity risks) are covered with liquid funds or bank guarantees. We limit counterparty risks on derivatives reporting positive market values by carefully selecting international banks and brokers, and through implementing a limit policy for risk diversification.

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

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

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

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

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

We operate a payment process that is fully integrated into SAP. We minimise manipulation risk in payment transactions through eliminating possibilities to intervene manually at interfaces. All billing and payment approvals occur according to a multiple control principle secured through technical systems.

Risks from the interest in Aluminerie Alouette

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

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

The sales price for the primary aluminium produced at Alouette is mainly defined by the price on the London Metal Exchange, which we are consequently unable to influence. This investment's long-term and sustainable success profitability requires a beneficial cost position on an international comparison. The long-term electricity contract agreed since 2017, cost-optimised production, and logistical advantages through direct access to deep-sea harbours represent important cornerstones of this smelter's long-term competitiveness. We can also deploy strategic hedging instruments to reduce the risk of loss and the volatility of results.

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

As far as operative risks are concerned, a propriety risk management system and an extensive insurance concept also exist for the smelter. The risk of damages from events such as the loss of production owing to electrical power outages caused by bad weather is largely covered.

Operative risks such as occupational safety, the useful life of the refractory linings of smelter cells, electricity outages within the company's own operations, as well as personnel risks, are monitored constantly and minimised through corresponding measures. As far as electricity supplies are concerned, even greater supply security for electric power has existed since the end of 2015 thanks to the construction of a redundant power line.

Business opportunities

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

Our integrated site with foundries and rolling mills, and its geographic proximity to strong industrial regions foster further technological development and make intensive customer service easier. The re-acceptance and recycling of aluminium fabrication waste (closed-loop recycling) and liquid aluminium supplies additionally bolster customer loyalty. As a leading supplier of innovative products, we respond flexibly and rapidly to customers' requests on an individual basis. Thanks to our unique alloy and product diversity at a single site, we can offer our customers both innovative and customised products for very varied application areas. We also stand out clearly from our competitors with our extensive certifications in the areas of quality, sustainability and occupational safety. Certification according to the performance standard of the Aluminium Stewardship Initiative (ASI), which we achieved in 2018, enables us to demonstrate the responsible production and procurement of aluminium.

AMAG distinguishes itself by a very high proportion of specialty products compared to the overall sector. We will continue to augment our innovative strength in the coming years by expanding our research and development activities. Our employees' high level of specialist and technical expertise plays an important role in this context. We also make recourse to an extensive network of renowned universities and research institutions.

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

With the plant expansion at the Ranshofen site, we are expanding the aluminium rolled product portfolio towards larger dimensions (width, gauge), and significantly increasing capacity in aluminium rolled products. This enables us to tap new markets and expand existing customer relationships. In the 2018 financial year, we received important approvals from many customers. Productivity enhancement improves our cost position and competitiveness on the global market.

We are tapping additional growth potentials with investments to extend our vertical range of manufacture and with our investments in our foundry plant park.

We ascribe a high priority to the digitalisation of our processes. We have already created an appropriate framework for the integration of forward-looking digital technologies: we actively exploit the opportunities offered by digitalisation through a digitalisation coordinator, in order to closely coordinate strategy with our information processing and security area.

Considerable potential also exists for successful growth in marketing our high-quality products worldwide, which has led us to consistently expand our international sales network in recent years.

The two casthouses at Ranshofen offer the melting technologies for almost all types of scrap, high-level skills and expertise in scrap sorting, as well as a special plant for scrap processing. Over recent years, we have consistently expanded our Recycling Center Ranshofen.

A long-term trend towards greater sustainability has been observable for some years. In this context, the target of reducing CO₂ emissions plays an especially important role worldwide. We are very well positioned in the industry thanks to harnessing hydroelectric power at our Alouette smelter in Canada, renewable energy sources for electricity consumption at our Ranshofen site and our high recycling share. New sales opportunities arise thanks to this good net CO₂ impact. We will also benefit from the growing trend towards lightweight design in the automotive area. The deployment of aluminium rolled products in the automotive industry will increase significantly over the coming years in order to reduce weight and consequently vehicle emissions.

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

Corporate governance report

The corporate governance report of AMAG Austria Metall AG can be downloaded at www.amag.at > Investor Relations > Corporate Governance.

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

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

The share capital of AMAG Austria Metall AG amounts to EUR 35,264,000, and is divided into 35,264,000 nil par shares, each corresponding to EUR 1 of the share capital. All the shares confer the same rights and obligations. No shares exist that carry special control rights. Each share grants one vote at the general meeting of shareholders. No differing classes of shares exist. (GRI 102-5)

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

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

a participation agreement pursuant to Section 92 of the Austrian Stock Exchange Act (BörseG).

Direct or indirect holdings in the company representing ten percent or more of its capital are comprised as follows as of the end of 2018:

+ B&C Industrieholding GmbH	52.7 %
+ Raiffeisenlandesbank Oberösterreich Alu Invest GmbH	16.5 %
+ AMAG Arbeitnehmer Privatstiftung	11.5 %

(GRI 102-5)

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

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

Loans as part of two promissory loan notes issued, twelve bilateral loan agreements as well as four committed credit lines contain change-of-control clauses that grant the lending banks a right of termination in the case of a change of control at AMAG Austria Metall AG. AMAG Austria Metall AG has entered into no other material agreements that would come into effect, be modified or terminate as a result of a change of control at AMAG Austria Metall AG due to a takeover bid.

All Management Board members' contracts contain change of control clauses. As of December 31, 2018, no severance entitlements existed for the instance that a Management Board contract is dissolved for this reason. In the new Management Board contracts commencing from January 1, 2019, a severance payment claim in such a case is limited to the remaining term of the respective Management Board contract, albeit to a maximum of two years' total remuneration.

Approved share capital:

Pursuant to Section 4 (5) of the articles of incorporation of AMAG Austria Metall AG, the company's Management Board is authorised until May 12, 2020, to increase, with Supervisory Board approval, the company's share capital by up to EUR 17,500,000.00 (seventeen million five hundred thousand euros) through issuing 17,500,000 (seventeen million five hundred thousand) ordinary bearer shares (nil par value shares) in one or several tranches, including under full or partial exclusion of subscription rights, against cash or non-cash capital contributions, and to determine the issue amount, which cannot amount to less than the proportional amount of the ordinary shares in the share capital to date, as well as other issue terms by way of agreement with the Supervisory Board (Approved Capital 2015). Statutory subscription rights can be granted to the shareholders by transferring the new shares to a bank or a syndicate of banks with the obligation that they be offered to shareholders according to their subscription rights (indirect subscription rights). The Supervisory Board is authorised to approve amendments to the articles of incorporation resulting from the issue of shares from authorised capital.

Convertible bond issue

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

Conditional capital

The company's share capital is increased conditionally pursuant to Section 159 (2) Clause 1 of the Austrian Stock Corporation Act (AktG) by up to EUR 17,500,000.00 through issuing up to 17,500,000 ordinary nil par value ordinary bearer shares (nil par value shares) for issuing to holders of convertible bonds, for which the Management

Board was authorised by the Shareholders' General Meeting of April 16, 2015 (Convertible Bond 2015). The conditional capital increase can be implemented only to the extent that holders of these convertible bonds utilise their exchange and/or subscription rights in relation to the company's shares. The issue price and conversion ratio must be calculated in a recognised pricing process (basis on which the issue amount is calculated) in accordance with the interests of the company, existing shareholders and convertible bond subscribers, as well as generally accepted finance-mathematical methods, and the company's quoted share price; including by making recourse to expert third parties; the issue amount cannot lie below the proportional amount in the share capital. The newly issued shares from the conditional capital increase are to be dividend-entitled to the same extent as already existing shares in the company. The Supervisory Board is authorised to approve amendments to the articles of incorporation resulting from the issue of shares from conditional capital.

Share repurchase

At the Shareholders' Annual General Meeting of AMAG Austria Metall AG on April 17, 2018, the Management Board was authorised, in each case with Supervisory Board approval, to purchase the company's ordinary bearer shares in an extent of up to 10 % of the company's share capital during a validity period of 30 months from April 17, 2018, whereby the lowest consideration cannot lie more than 20 % below, and the highest consideration cannot lie more than 10 % above, the average stock market closing price of the last three stock market days before the purchase of the shares. Trading in treasury shares is excluded as the purpose of the purchase. The authorisation can be exercised wholly or in part, or in several partial amounts, and in pursuit of one or several objectives, by the company, a subsidiary (Section 189a of the Austrian Commercial Code [UGB]), or for the company's account by third parties. The purchase may be realised through the stock market in compliance with the statutory requirements, by way of a public offer or in any other legally permissible, appropriate manner, especially also off-bourse, or from individual shareholders willing to sell and also under exclusion of the proportionate disposal right that can be associated with such a purchase (reverse exclusion of subscription rights). The Management Board is also authorised to determine the respective repurchase conditions. Furthermore, the Management Board was authorised to withdraw without a further AGM resolution treasury shares purchased on the basis of the resolution pursuant to Section 1 of this agenda item. The authorisation can be exercised wholly or in several partial amounts, and in pursuit of one or several objectives, by the company, a subsidiary, or for the company's account by third parties. Furthermore, the Management Board is authorised, with Supervisory Board approval, pursuant to Section 65 (1b) of the Austrian Stock Corporation Act (AktG), for the period of five years from April 17, 2018, to determine for the disposal of treasury shares another legally permissible type of disposal than through the stock market or a public offering, including under exclusion of shareholders' repurchase rights (subscription rights exclusion), and to determine the terms of the disposal. The authorisation can be exercised wholly or in part, or in several partial amounts, and in pursuit of one or several objectives, by the company, a subsidiary (Section 189a of the Austrian Commercial Code [UGB]), or for the company's account by third parties.

Outlook

Economic outlook

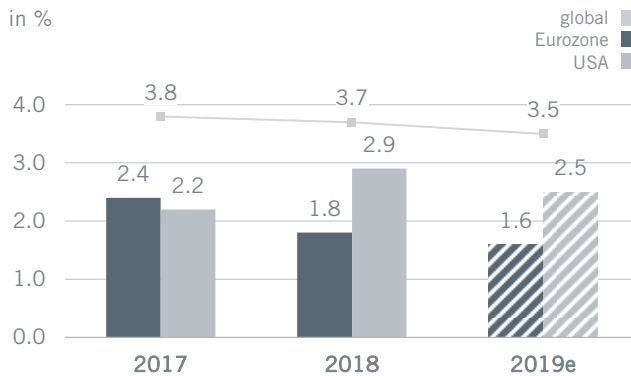
For 2019, IMF economists¹⁹ anticipate a slightly waning growth dynamic for the world economy, with growing uncertainties especially in connection with trade disputes, the UK's forthcoming withdrawal from the EU and Italy's debt crisis.

For 2019, the IMF forecasts global economic growth of 3.5 %, compared with an increase of 3.7 % in 2018.

A slowing pace of growth is forecast especially for industrialised nations. In the USA, the rate of expansion is forecast to amount to a total of 2.5 % in 2019 (2018: +2.9 %). Economic growth in the Eurozone is forecast at 1.6 % (2018: +1.8 %).

In the group of emerging and developing economies, the economy in 2019 is expected to expand by a total of 4.5 %, thereby reporting similar growth to the previous year (2018: +4.6 %). For China, a slightly lower year-on-year growth rate is anticipated (+6.2 %, compared with +6.6 % in 2018).

Real economic growth



Aluminium market outlook

The attractive market prospects for aluminium form a good basis for our growth track.

Attractive global demand growth can be expected in the next five years for both primary aluminium products and aluminium rolled products, according to the latest estimates of the CRU market research institute.

Medium-term market outlook until 2023

Global demand for primary aluminium²⁰ is set to grow by 3.3 % per year to reach 77.5 million tonnes by 2023, according to recent CRU forecasts. Almost all regions are expected to benefit from rising demand. The CRU expects Europe to grow by 1.9 % p.a., with a similar outlook for the USA, while annual growth rates of 3.7 % are forecast for China.

The CRU²¹ identifies a similarly positive trend for aluminium rolled products, with global demand set to continue to grow in the coming years to reach around 32.9 million tonnes in 2023, corresponding to an annual growth rate of 3.8 %. For our core markets of Western Europe and the USA, the CRU predicts annual growth of 2.2 % and 2.8 %, respectively. In Asia, demand is expected to grow by around 4.5 % annually.

From an industry perspective, the transport industry is likely to exhibit the highest percentage growth rate again in the coming years. Overall, the CRU expects demand in this sector to grow by 6.6 % annually until 2023. Firstly, demand is anticipated to benefit from rising production rates in the aircraft industry. Secondly, the automotive industry will develop into an increasingly stronger buyer of aluminium rolled products in order to achieve further savings in fuel consumption and CO₂ emission reductions based on lightweight construction solutions.

However, further demand growth can also be expected in other areas such as in the packaging, construction and engineering industries, with the CRU predicting annual growth rates of around 3 %.

Market outlook for 2019

For 2019, the CRU expects global demand for primary aluminium to grow by 3.4 % to 68.1 million tonnes. Positive growth rates are expected for all regions worldwide. Demand is expected to rise by 4.0 % in China and by 2.6 % and 1.8 % respectively in Europe and North America. Worldwide production is anticipated to increase to 66.8 million tonnes in 2019, with the CRU thereby anticipating a significant production deficit and a further decline in stocks worldwide in 2019.

European automotive industry trends are the main drivers for our Casting Division. IHS forecasts that European automobile production will grow by around 1 % in 2019.²²

Demand for aluminium rolled products will continue to report attractive growth in 2019, with the CRU forecasting an increase in worldwide demand of 3.9 % to 28.4 million tonnes. In our core markets of Western Europe and North America, demand is expected to expand by 2.2 % and 3.0 %, respectively.

19) See International Monetary Fund, World Economic Outlook, January 21, 2019

20) See CRU, Aluminium Market Outlook, October 2018

21) See CRU, Aluminium Rolled Products Market Outlook, November 2018

22) See IHS Automotive, Global Light Vehicle Production Summary, October 2018

Growth prospects in 2019 are also positive in all customer sectors of relevance for us.

Once again, the largest percentage growth is expected in the transport sector. Thanks to high demand for aluminium sheets for the automotive industry, demand for aluminium rolled products in the transport area is anticipated to increase from 4.6 million tonnes to 4.9 million tonnes, corresponding to a 6.7 % growth rate.

The 2019 business trend outlook

We aim to continue our successful growth and development over the coming years. Promising market growth, our sound balance sheet and the growth investments we have realised represent a good starting position for this.

In our Metal Division, we are very well positioned with our interest in the largest smelter in North and South America, and we will benefit from its long-term electricity contract based on hydroelectric power, as well as our good cost position – although the market is still partly influenced by special factors, the outcome of which is not foreseeable. For this reason, high price volatility for alumina and primary aluminium may also occur in 2019, which could have a significant impact on earnings in our Metal Division.

In our Casting Division, we can now fully use our new melting furnace in 2019, enabling us to benefit from productivity gains and volume growth, while conserving resources simultaneously. The current margin level is below the 2018 average.

We intend to continue charting the growth course of our Rolling Division. After having already achieved a large share of the targeted customer qualifications for the new plant, we expect shipment volumes to trend upwards in the 2019 financial year compared with the prior year. For the first time, we will also be able to offer contour cutted rolled plates on the market. Both factors are also anticipated to be reflected in a higher earnings contribution.

In the 2019 financial year, we will apply for the first time the new IFRS 16 "Leases". The first-time application of IFRS 16 will have no significant effects on the AMAG Group's EBITDA. In segment reporting, however, shifts are anticipated in relation to EBITDA – especially benefiting the Casting and Rolling divisions and to the detriment of the Service Division.

Experience shows that raw materials markets can exhibit high volatility, which can be further intensified by special factors. The direct risk connected with a potential disorderly exit of the UK from the EU is limited thanks to the UK sales market accounting for a low proportion of AMAG's total revenue. It is impossible to gauge the extent to which this can affect the overall European economy, and thereby also indirectly affect sales markets that are important to AMAG.

Due to the reasons outlined, it is still too early to provide an earnings forecast. However, we are convinced that we will continue to benefit from the growth track we have initiated.

Ranshofen, February 11, 2019

The Management Board



Helmut Wieser
Management Board Chairman
(Chief Executive Officer)



Helmut Kaufmann
Management Board member
(Chief Operating Officer)



Gerald Mayer
Management Board member
(Chief Financial Officer)

ANM

AAG

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position as of December 31, 2018

Assets in EUR thousand	Chapter J	December 31, 2018	December 31, 2017
Intangible assets	1	9,105	8,790
Property, plant and equipment	1	748,089	751,726
Investments in associates	2	1,761	1,395
Other non-current assets and financial assets	3	38,116	49,319
Deferred tax assets	4, K9	6,738	13,611
Non-current assets		803,810	824,840
Inventories	5	256,551	227,218
Trade receivables	6	126,127	120,404
Current tax assets		6,507	1,283
Other current assets	7	72,377	61,372
Cash and cash equivalents	8	295,871	169,752
Current assets		757,433	580,029
TOTAL ASSETS		1,561,243	1,404,869

Equity and liabilities in EUR thousand	Chapter J	December 31, 2018	December 31, 2017
Share capital	9	35,264	35,264
Capital reserves	9	377,661	379,337
Hedging reserve	9	(25,511)	(28,115)
Fair value reserve	9	64	(3,438)
Revaluation reserve	9	629	580
Revaluation of defined benefit plans	9	(27,914)	(27,232)
Share of other comprehensive income of associates	2	(27)	(11)
Exchange differences	9	43,922	36,647
Retained earnings	9	216,786	214,842
Equity		620,874	607,874
Non-current provisions	10, 11	92,300	91,762
Interest-bearing non-current financial liabilities	12	553,254	338,751
Other non-current liabilities and grants	13	67,837	83,349
Deferred tax liabilities	K9	0	0
Non-current liabilities		713,392	513,861
Current provisions	10, 11	15,711	16,977
Interest-bearing current financial liabilities	12	54,440	113,841
Trade payables	14	89,966	77,564
Current tax liabilities		75	1,036
Other current liabilities and grants	13	66,785	73,715
Current liabilities		226,977	283,134
TOTAL EQUITY AND LIABILITIES		1,561,243	1,404,869

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

Consolidated statement of profit or loss for the 2018 financial year

Acc. to the cost of sales method in EUR thousand	Chapter K	1-12/2018	1-12/2017
Revenue	1	1,101,564	1,036,238
Cost of sales	2	(954,198)	(880,022)
Gross profit		147,366	156,216
Other income	3	16,072	15,025
Selling and distribution expenses		(57,027)	(45,339)
Administrative expenses	6	(23,193)	(22,467)
Research and development expenses		(15,125)	(12,315)
Other expenses		(7,835)	(5,835)
Share of profit of associates	7	387	1,517
Earnings before interest and taxes (EBIT)		60,645	86,802
Net interest result		(7,148)	(6,446)
Other financial result		1,516	1,300
Net financial income (expenses)	8	(5,632)	(5,146)
Earnings before taxes (EBT)		55,013	81,657
Current taxes		(8,758)	(11,085)
Deferred taxes		(1,714)	(7,412)
Income taxes	9	(10,471)	(18,497)
Net income after taxes		44,541	63,160
Thereof			
Attributable to the equity holders of the parent		44,541	63,160
Total number of non-par-value shares		35,264,000	35,264,000
Earnings per share		1.26	1.79
Proposed dividend per non-par-value share (in EUR)	J9	1.20	1.20

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

Consolidated statement of comprehensive income for the 2018 financial year

in EUR thousand	1-12/2018	1-12/2017
Net income after taxes	44,541	63,160
Items that are or may be reclassified to profit or loss		
Currency translation differences	7,275	(23,186)
Changes in the hedging reserve		
Recognised (expenses) and income during the financial year	(5,951)	(29,322)
Reclassifications of amounts that have been recognised in the statement of profit or loss	12,129	12,765
Deferred taxes relating thereto	(2,307)	4,990
Currency translation differences	(1,268)	1,910
Changes in fair value reserve	4,669	(4,633)
Deferred taxes relating thereto	(1,167)	1,158
Items that will never be reclassified to profit or loss		
Changes in revaluation reserve	66	(38)
Deferred taxes relating thereto	(16)	9
Remeasurement of defined benefit plans	(200)	(13,461)
Deferred taxes relating thereto	(44)	3,489
Currency translation differences	(439)	1,259
Share of other comprehensive income of associates	(20)	(15)
Deferred taxes relating thereto	5	4
Other comprehensive income for the year net of income tax	12,732	(45,071)
Thereof		
Attributable to the equity holders of the parent	12,732	(45,071)
Total comprehensive income for the year	57,273	18,089

Consolidated statement of cash flows for the 2018 financial year

in EUR thousand	1-12/2018	1-12/2017
Earnings before taxes (EBT)	55,013	81,657
Interest income (expenses)	7,148	6,446
Share of profit of associates	(387)	(1,517)
Depreciation, amortisation and impairment losses/reversal of impairment losses on non-current assets	80,343	77,651
Losses/gains from the disposal of non-current assets	632	572
Proceeds from dividends	0	126
Other non-cash expenses/income	(995)	1,775
Changes in inventories	(27,961)	(31,170)
Changes in trade receivables	(9,816)	(16,843)
Changes in trade payables	22,421	7,459
Changes in provisions	1,540	713
Changes in derivatives	2,667	11,603
Changes in other receivables and liabilities	(16,003)	(18,477)
	114,601	119,993
Tax payments	(14,849)	(14,531)
Interest received	911	820
Interest paid	(6,375)	(4,441)
Cash flow from operating activities	94,288	101,841
Proceeds from disposals of non-current assets	713	787
Payments for investments in property, plant and equipment and intangible assets	(83,696)	(108,969)
Proceeds from grants for investments	217	0
Cash flow from investing activities	(82,766)	(108,182)
Repayments of borrowings	(111,513)	(31,144)
Proceeds from borrowings	267,004	107,770
Dividends paid	(42,317)	(42,317)
Cash flow from financing activities	113,174	34,309
Change in cash and cash equivalents	124,696	27,967
Cash and cash equivalents at the beginning of the period	169,752	149,833
Effect of exchange rate changes on cash and cash equivalents	1,423	(8,049)
Cash and cash equivalents at the end of the period	295,871	169,752

Consolidated statement of changes in equity for the 2018 financial year

in EUR thousand	Share capital	Capital reserves	Hedging reserve	Fair value reserve	Revaluation reserve	Revaluation of defined benefit plans	Share of other comprehensive income from associates	Exchange differences	Retained earnings	Equity
Balance as of January 1, 2017	35,264	379,337	(18,457)	0	0	(18,519)	0	59,833	193,003	630,460
IFRS 9 adjustment January 1, 2017				37	608				996	1,641
Balance as of January 1, 2017 after adjustment	35,264	379,337	(18,457)	37	608	(18,519)	0	59,833	193,999	632,101
Net income after taxes									63,160	63,160
Other comprehensive income for the year net of tax			(9,657)	(3,475)	(28)	(8,712)	(11)	(23,186)		(45,071)
Total comprehensive income for the year			(9,657)	(3,475)	(28)	(8,712)	(11)	(23,186)	63,160	18,089
Dividend distributions									(42,317)	(42,317)
Balance as of December 31, 2017 = January 1, 2018	35,264	379,337	(28,115)	(3,438)	580	(27,232)	(11)	36,647	214,842	607,874
IFRS 15 adjustment January 1									(280)	(280)
Balance as of January 1, 2018 after adjustment	35,264	379,337	(28,115)	(3,438)	580	(27,232)	(11)	36,647	214,562	607,594
Net income after taxes									44,541	44,541
Other comprehensive income for the year net of tax			2,604	3,502	49	(683)	(15)	7,275		12,732
Total comprehensive income for the year			2,604	3,502	49	(683)	(15)	7,275	44,541	57,273
Reversal of capital reserve		(1,676)								(1,676)
Dividend distributions									(42,317)	(42,317)
Balance as of December 31, 2018	35,264	377,661	(25,511)	64	629	(27,914)	(27)	43,922	216,786	620,874

Notes to the consolidated financial statements

A The company

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

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

B Basis of accounting

Conformity with IFRS

The consolidated financial statements for the 2018 financial year were prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as formulated by the International Accounting Standards Board (IASB) and adopted by the European Union, which require mandatory application in 2018, as well as in accordance with Section 245a of the Austrian Commercial Code (UGB).

Functional currency

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

Approval

The Management Board approved the consolidated financial statements on February 11, 2019 (previous year: February 9, 2018), and released them for examination by the Supervisory Board, for submission to the AGM, and for subsequent publication. The Supervisory Board can institute an amendment to the financial statements as part of the review incumbent upon it.

C Currency translation

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

Foreign currency transactions are recognised on the transaction date applying the exchange rate prevailing at that date. Monetary foreign currency positions are measured applying the rates as of the balance sheet date. Translation differences are recognised in profit or loss in the period in which they occur. Non-monetary items measured at historical cost in a foreign currency are translated applying the exchange rate at the transaction date. Non-monetary items measured at fair value in a foreign currency are translated applying the exchange rate at the date when the fair value was measured. In the year under review, translation differences of EUR 2,632 thousand were recognised in profit or loss (previous year: EUR -2,257 thousand).

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

Exchange rates per EUR	Closing rate			Annual average rate 1-12/2017
	December 31, 2018	December 31, 2017	1-12/2018	
U.S. Dollar (USD)	1.1450	1.1993	1.1815	1.1293
Canadian Dollar (CAD)	1.5605	1.5039	1.5302	1.4644
Pound Sterling (GBP)	0.8945	0.8872	0.8847	0.8761
Swiss Franc (CHF)	1.1269	1.1702	1.1549	1.1115
Japanese Yen (JPY)	125.8500	135.0100	130.4096	126.6546
Taiwan Dollar (TWD)	35.0527	35.5825	35.5552	34.3394
Chinese Yuan Renminbi (CNY)	7.8751	7.8044	7.8073	7.6264
Czech Koruna (CZK)	25.7240	25.5350	25.6432	26.3272
Norwegian Krone (NOK)	9.9483	9.8403	9.6006	9.3286
Danish Krone (DKK)	7.4673	7.4449	7.4653	7.4433

D Consolidation principles

Scope of consolidation and consolidation method

The scope of consolidation has not changed during the financial year under review.

As a consequence, as of December 31, 2018 the scope of consolidation of the AMAG Group, including AMAG Austria Metall AG as the parent company, includes 19 fully consolidated companies, one joint operation and one associated company.

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

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

The annual financial statements of the subsidiaries that are included in consolidation are based on uniform accounting policies. The reporting date of all these companies was December 31, 2018.

Intragroup transactions are eliminated on consolidation.

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

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

Group companies

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

The shareholdings are unchanged compared with the previous year. (GRI 102-45)

Business combinations

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

Jointly controlled operation

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

The consolidated financial statements as of December 31, 2018 comprise the following amounts for the jointly controlled operation of Aluminerie Alouette Inc.:

Amounts jointly controlled operations in EUR thousand	2018	2017
Non-current assets	159,765	157,315
Current assets	34,318	27,597
Non-current provisions and liabilities	99,177	115,709
Current provisions and liabilities	30,749	28,994
Expenses	124,191	124,503

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

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

E Accounting policies

First-time mandatorily or early adoption of standards

In the 2018 financial year, the following amended standards were applied for the first time as required, or were adopted early:

IFRS 15 "Revenue from Contracts with Customers"

In September 2016, the final version of IFRS 15 "Revenue from Contracts with Customers" was adopted into European law. In October 2017, the European union adopted the IFRS 15 clarification of matters arising from the consultation group's discussions about the transitional arrangement for revenue recognition.

IFRS 15 aggregates the revenue recognition regulations within one standard and replaces IAS 11 "Construction Contracts" and IAS 18 "Revenue" as well as all related interpretations. IFRS 15 is to be applied for the first time in the first reporting period of a financial year beginning on or after January 1, 2018. Early application did not occur. The modified retrospective approach was selected as a transition method, where all conversion effects relating to contracts not yet completely fulfilled as of January 1, 2018 are recognised in equity as an adjustment to retained earnings. This did not lead to any adjustments to the previous year's figures.

Contracts relating to the Metal, Rolling and Casting revenue streams have been evaluated in relation to their future recognition and measurement applying the five-step model (identification of the contract with the customer, identification of the separate performance obligations, determining the transaction price, allocation of the transaction price to the performance obligations, revenue recognition). The analysis showed that these represent date-related services. As a consequence, revenues are recognised as soon as the customer gains control over the transferred goods. Gaining power of control occurs in accordance with agreed Incoterms.

For the effects of the adjustments, please see section H Adjustments from the first-time application of IFRS 15. The accounting policies are presented in this section under accounting policies.

Miscellaneous amendments to standards

The following standards revised by the IASB have required mandatory application since January 1, 2018:

- + Amendment to IFRS 2 Share-based Payment – Classification and Measurement
- + Amendment to IFRS 4 Insurance Contracts
- + Amendment to IAS 40 Classification of Investment Property under Construction
- + Clarification of IFRIC 22 Foreign Currency Transactions and Advance Consideration
- + Annual Improvements to IFRS Cycle 2014-2016: Amendments to IFRS 1 and IAS 28

The remaining standards lead to no significant changes compared with the previous year, and they have no significant effects on the accounting policies applied within the AMAG Group.

Standards adopted, but not yet applied

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

Standard/ interpretation	Application mandatory	Endorsement status	Impact on the consolidated financial position of AMAG Group
IFRS 16 Leases	01/01/2019	31/10/2017	see below
Amendment to IFRS 9 Prepayment Features with Negative Compensation	01/01/2019	22/03/2018	currently no impact
Amendment to IAS 28 Long-term Interests in Associates and Joint Ventures	01/01/2019	-	see below
Amendment to IAS 19 Plan Amendment, Curtailment or Settlement	01/01/2019	-	see below
Amendment of IFRIC 23 Uncertainty over Income Tax Treatments	01/01/2019	23/10/2018	currently no impact
Annual Improvements to IFRS - Cycle 2015-2017: Amendment IFRS 3, IAS 12 and IAS 23	01/01/2019	-	currently no impact
Amendment of IFRS 3 Definition of business	01/01/2020	-	currently no impact
Amendment of IAS 1 and IAS 8 Definition of 'material'	01/01/2020	-	currently no impact
Amendments to References to the Conceptual Framework in IFRS Standards	01/01/2020	-	currently no impact
IFRS 17 Insurance Contracts	01/01/2021	-	currently no impact

Amendments to IFRS 16 "Leases"

The new IFRS 16, which was published in January 2016, replaces IAS 17 "Leases" and the related interpretation IFRIC 4 "Determining whether an arrangement is or contains a lease", SIC-15 "Operating Leases – Incentives" and SIC-27 "Evaluating the Substance of Transactions in the Legal Form of a Lease". For the lessee, the introduction of IFRS 16 dispenses in future with the differentiation between finance and operating leases as previously required by IAS 17. For leases, the lessee recognises on its balance sheet a lease liability for the obligation to render lease payments in the future. At the same time, the lessee capitalises a right to utilise the underlying asset (right-of-use asset). This corresponds, as a matter of principle, to the present value of the future lease payments plus directly attributable costs. During the lease contract term, the lease liability is carried forward on the balance sheet in a similar manner to IAS 17 regulations for finance leases. The right-of-use is amortised straight-line, resulting in higher expenses at the start of the lease contract term, as a matter of principle. Accounting simplifications apply to short-term leases and low-value leased assets.

The lessee must remeasure the lease liability if certain events occur (e.g. a change in the lease term, a change in future lease payments due to an index or price adjustment to which the lease payments are linked). The lessee generally makes this adjustment by remeasuring the lease liability and adjusting the right-of-use.

For the lessor, the new standard's regulations are similar to existing IAS 17 regulations. It also distinguishes between operating and finance leases.

IFRS 16, effective for financial years commencing on or after January 1, 2019, requires lessees and lessors to disclose more detailed information in the notes to the financial statements than is required by previous IAS 17 regulations.

Effects within the AMAG Group:

As of December 31, 2018, the Group reports payment obligations based on uncancellable rental and lease contracts. For more information, see the disclosures concerning operating leases in section J 1 Notes to the consolidated statement of financial position. These contracts concern the leasing of vehicles, rental of tanks and silos, as well as office rentals. The analyses show that such contracts mainly meet the definition of a lease pursuant to IFRS 16, and that a right-of-use asset is to be recognised as a consequence.

The modified retrospective approach has been selected as the transition method, whereby all conversion effects are recognised directly in equity as of January 1, 2019, as well as the previous year's figures are left unadjusted. Recognition occurs as a right-of-use asset and as a lease liability as of January 1, 2019.

The AMAG Group will utilise the exemptions relating to low-value leased assets and current lease contracts with a term of less than one year. On the transition date, leases with a remaining term of less than one year are classified as current leases. On the first-time application date, the right-of-use is recognised at the present value of the lease liability, and discounting is performed applying the marginal borrowing rate on the first-time application date.

Leased assets with a new purchase value not exceeding EUR 5,000 are categorised as low-value leased assets. This applies particularly to the asset classes telephones, photocopiers, fax machines and printers.

As part of assessing the potential effects, the fact that new assets and liabilities are to be recognised for operating leases within the Group was identified as the most significant effect. Furthermore, the type of expenses connected with such leases will change, as IFRS 16 replaces linear operating lease expenses with a depreciation expense for right-of-use assets and interest expenses for lease liabilities.

Effects on the consolidated balance sheet as of December 31, 2018

Property, plant and equipment in EUR thousand	
Buildings - developed land	1,918
Plant and machinery	91
Other fixtures and fittings, tools and equipment	43
Liabilities in EUR thousand	
Lease liabilities	2,052

The amended accounting treatment is expected to lead to a positive effect on Earnings before interest, taxes, depreciation and amortisation (EBITDA), as the lease expense will be replaced by the depreciation of the right-of-use asset as well as the interest expense for the corresponding liability.

Miscellaneous relevant amendments to standards

The amendment to IAS 19 states that after the amendment, curtailment or settlement of a defined benefit plan, current actuarial assumptions must be applied to recalculate current service cost and net interest for the remaining period. As of the date when the result of the amendment/curtailment/settlement is calculated, a recalculation must be performed for any claims remaining up to the end of the year. Measurement applying the old preview can no longer be performed. No amendment, curtailment or settlement of a defined benefit plan occurred in the financial year under review, as a consequence of which the application of this standard leads to no change.

The amendment to IAS 28 clarifies that IFRS 9 is to be applied to non-current interests in associates or joint ventures that are not associated companies. This leads to no adjustments within the AMAG Group, as IFRS 9 is already applied to non-current interests in associates and joint ventures as part of first-time application.

Significant accounting policies

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

Non-current and current assets and liabilities

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

Intangible assets and property, plant and equipment

Purchased intangible assets are measured at cost. Intangible assets of finite useful life are amortised over their economic useful life. Amortisation is applied straight-line over periods from 3-25 years. No intangible assets with indefinite useful lives exist at present.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Leases

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

Inventories

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

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

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

Primary financial assets and liabilities

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

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

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

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

Derecognition of financial assets

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

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

Other non-current financial assets and financial investments

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

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

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

Receivables

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

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

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

Contractually agreed bonuses and graduated prices reducing the transaction price are treated as variable payments according to IFRS 15 and offset with related customer receivables. Before the first-time application of IFRS 15, contractually agreed bonuses and graduated prices were recognised on the basis of IAS 37 Provisions.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short-term investments. Measurement is at amortised cost. The exemption to waive an analysis of a deterioration of credit risk if low credit risks are ascribed to the banks on the reporting date is utilised for all bank deposits, as the corresponding banks carry an investment-grade category rating and therefore exhibit low credit risk.

Liabilities

Liabilities are recognised at amortised cost in accordance with IFRS 9, applying the effective interest method. The effective interest method amortises the difference between the cost and the nominal value, applying the effective interest rate. The effective interest rate is the rate that discounts the estimated future cash flows until maturity, or the next market price-oriented interest rate adjustment date, to the current carrying amount of the financial asset or financial liability.

Derivative financial instruments

Derivative instruments that do not meet the criteria for hedge accounting as per IFRS 9 are recognised at fair value through profit and loss in accordance with IFRS 9. Where material, measurement takes into account counterparty credit risk as well as the company's own credit risk. For more information on the risk management strategy, please see the section M Financial instruments.

Cash flow hedges

In the case of a cash flow hedge, the effective portion of the change in fair value is recognised in other comprehensive income, under the hedging reserve item, whereas the ineffective portion is recognised immediately in profit or loss, under the cost of materials. However, if a hedge of a forecast transaction results in the recognition of a non-financial asset or liability, the amounts are recorded as part of the cost of that asset or liability at the time of recognition. In all other cases, amounts deferred in equity are recognised in profit or loss on the date, or dates, on which the hedged cash flows affect the result.

Interest rate swaps are used to hedge against interest rate risk. Fixed interest is paid on the notional value of the swap contract and, in return, the Group receives variable interest payments on the same principal amount. These interest rate swaps offset the impact of future changes in interest rates on the cash flows derived from the underlying variable-rate financial liabilities.

The Group 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 underlying transaction in relation to the hedged risk and the derivative hedging instrument are measured at fair value, and changes in the latter are recognised in profit or loss. Subsequent measurement is at market value, as a matter of principle.

Physical stocks are hedged against exchange rate and price movements (portfolio hedging of the aluminium price portion of inventories).

Firm commitment

When an off-balance-sheet firm commitment (customer order) is designated as a hedged item, the subsequent cumulative change in the fair value of the commitment attributable to the hedged risk is recognised as an asset or liability through profit or loss.

Embedded derivatives

Derivatives embedded in other financial instruments or host contracts are treated as separate derivatives if their risks and characteristics are not closely related to those of the host contracts, and they are in any case not measured at fair value.

Power supply contract concluded by Aluminerie Alouette Inc.

Alouette has a power contract with a state-owned utility that directly ties the rate to be paid by Alouette to the market price of aluminium under a contractual pricing formula.

As of October 11, 2016, a new electricity purchasing contract was concluded that regulates electricity supplies from January 1, 2017. The new contract contains an embedded derivative due to the dependency of the electricity price on the LME price. This derivative is designated as a hedging instrument as part of cash flow hedges. The fair value of the derivative is measured on the basis of a model. Given the monopolistic electricity market in Canada, no liquid electricity market exists in the conventional sense (a mark-to-market price is not directly observable). A forward price model is consequently employed to value the derivative, applying an electricity reference price, related yield curves, forward aluminium prices and forward foreign currency exchange rates.

In order to obtain a market-based valuation of the contract, the present value of future electricity payments is subsequently calculated applying forward aluminium prices plus a premium (Midwest premium) based on the expected term of the electricity contract and compared with the present value of future electricity payments based on Alouette's reference electricity price taking into account USD to CAD forward structures. The difference calculated in this manner provides a model-based valuation of the embedded derivative.

The derivative's positive fair value on initial measurement was classified as a public subsidy (from the Government of Québec), and reported under other non-current and current liabilities accordingly. The subsidy is released through profit or loss in line with the expenses as expected according to the terms in the contract.

Share capital

The subscribed share capital exclusively comprises ordinary shares securitising the same rights, and all of which are issued.

Capital reserves

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

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

Provisions for defined benefit pension plans and post-employment medical care plans, as well as severance payments and service anniversary bonuses obligations, are remeasured annually by independent actuaries.

The obligations and costs are measured applying the projected unit credit method, in accordance with IAS 19. The projected benefits are attributed to the entire period of employment. In the provisions for severance arrangements, the anticipated obligations are distributed over the period until the attainment of the individually maximum possible entitlement.

Provisions are measured based on the following financial and demographic assumptions:

Discounting rates are determined on a country-specific basis reflecting returns achieved on the market by top grade industrial bonds. The pension schemes of the Austrian companies are measured on the basis of yield trends as determined by MERCER Deutschland, and in accordance with the obligations' residual durations. In Canada, Fiera Capital's "CIA Method Accounting Discount Rate Curve" is applied as a reference in an analogous manner.

Salary growth is derived from the beneficiaries' wage and salary trends over recent years, taking expectations about the future into consideration. The consumer price index serves as the basis for pension adjustments in Austria. In Canada, cost trends for medical care services reflect the circumstances prevailing there.

The rate of staff turnover is calculated on a country-specific basis according to various criteria such as length of service and age. For more information see section J 10 Personnel provisions.

Actuarial gains and losses other than those related to service anniversary bonuses are stated under other comprehensive income.

The latest figures for salaried employees contained in the AVÖ 2018-P mortality tables published by the Austrian Actuaries Association (AVÖ) serve as the measurement basis. These are applied both for mortality as well as for invalidity and marriage probabilities. The figures and the tables were republished as AVÖ 2018-P in August of this year and applied for the first time in the 2018 financial year. The figures included in the AVÖ 2008-P tables were applied in the previous year. The effects arising from applying the new figures in the tables are presented in section J 10 Pension provisions. At the Canadian company Aluminerie Alouette Inc., the "CPM2014Priv projected with scale CPMB (2 dimensions)" tables are applied as the basis for mortality, with a reduction in the mortality rate of 2.5 % and 5 % respectively.

Where a pension plan qualifies for offsetting of the plan assets against the provision required by IAS 19, such offsetting is performed.

Current service cost and any past service cost are reported among personnel expenses, with the net interest expense on the measurement of the aforementioned obligations being reported in the net financial result.

Other provisions

Other provisions are formed if an obligation to third parties arises from a past event, utilisation is probable, and the prospective level of the provisioning amount can be estimated reliably on the balance sheet date.

Research and development expenses

Research costs are expensed in the period in which they are incurred. Development costs are expensed if the criteria for capitalisation as per IAS 38 are not met. A total of EUR 15,125 thousand were recognised as research and development expenses in the year under review (previous year: EUR 12,315 thousand).

Revenue from contracts with customers

All services rendered by the AMAG Group comprise time-related services. Revenue is recognised as soon as the customer obtains power of control over the transferred goods. Gaining power of control occurs in accordance with agreed Incoterms. Customer contracts with supply terms CIF (Cost, Insurance & Freight) comprise the only exception. In this case, transport services/insurance are invoiced in addition to the delivery. The corresponding expected transportation costs are deferred under revenue and receivables in such cases if the transport has not yet occurred as of the reporting date. The transaction price comprises the aluminium price, any premiums (for transportation etc) and markups for reprocessing and qualities. Payment targets are contractually agreed individually, but amount to a maximum of 180 days.

In accordance with IAS 18 in the financial year 2017 the revenue from deliveries was not recognised until the significant risks and rewards of ownership of the goods delivered were transferred to the buyer. In the AMAG Group, satisfaction of this criterion was primary based on contractually agreed Incoterms. Revenue from services was recognised if the service was rendered, the level of revenue was calculated reliably, and the economic benefit was likely to accrue to the Group.

Other revenue recognition

As a matter of principle, expense-related government grants are recognised as revenue on a scheduled basis over the period that is required to offset the expenses that they subsidise. In the 2018 financial year, expense-related government grants of EUR 19,304 thousand were recognised in profit or loss (previous year: EUR 22,294 thousand).

The interest is accrued pro rata at the respective interest rate. Dividends are recognised when shareholders' rights to receive payment are substantiated.

Borrowing costs

Borrowing costs comprise interest and other costs incurred in connection with borrowings. Borrowing costs that are directly attributable to the purchase, construction or manufacturing of an asset that necessarily takes a substantial period of time to make ready for its intended use or for sale are capitalised as part of the cost of the asset. All the other borrowing costs are expensed in the period in which they are incurred.

Income taxes

Tax assets and tax liabilities are offset when they relate to income taxes levied by the same taxation authority, and a right exists to set off such tax assets against tax liabilities. The income tax liability is based on the annual profit, taking deferred tax into account. Deferred tax is calculated applying the balance sheet liability method. Deferred tax reflects the tax effects of the temporary differences between the reported carrying amounts of assets and liabilities on the one hand, and the corresponding amounts based on respective tax regulations on the other. Deferred tax assets and liabilities are measured applying the tax rates (and tax regulations) that are expected to apply to the period when the deferred tax assets are expected to be realised or the liabilities settled.

Deferred taxes are recognised for all taxable temporary differences that give rise to deferred tax liabilities. Deferred tax assets are recognised only if it is probable that sufficient future taxable profit will be available for the deferred tax asset to be utilised. For this purpose, the carrying amounts of the deferred tax assets are reviewed at the end of each reporting period. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of the asset to be utilised.

Deferred tax is recognised directly in equity if the tax relates to items that are recognised directly in equity, and this tax is offset against or credited to equity in the same or a different period.

In Austria, dividend payouts from the Group companies to the Group parent company are free of tax. Pursuant to double taxation treaties between Canada and Austria, dividend payments rendered by Aluminium Austria Metall (Québec) Inc. incur 5 % withholding tax. If the entire net profit of the Canadian subsidiary of USD 75.2 million (previous year: USD 75.6 million) were to be distributed as a dividend, USD 3.8 million (previous year: USD 3.8 million) of withholding tax would be incurred. No dividend payment from Canada is currently planned.

F Accounting judgements and estimates

Accounting judgements

In the case of the interest held in the Canadian smelter Aluminerie Alouette Inc., Sept-Îles, a discretionary assessment was made as to whether this is to be classified as a jointly controlled operation (IFRS 11.15). Within the AMAG Group, the classification occurred mainly for the following reasons:

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

Assumptions and estimation uncertainties

When preparing the consolidated financial statements, it is to some extent necessary to make estimates and assumptions that influence the reported assets, provisions and liabilities, the disclosures of other commitments as at the end of the reporting period, and the presentation of income and expenses for the reporting period. Actual future results may differ from the estimates, and this may have a significant impact on the consolidated financial statements.

The Management Board of AMAG Austria Metall AG believes that it has made reasonable assumptions, such that the consolidated financial statements in all material respects give a true and fair view of the Group's financial position and performance.

The estimates and underlying assumptions are subject to considerable uncertainty, and their accuracy is scrutinised constantly as a consequence. Changes in the estimates are recognised in the periods in which they are made.

The following notes to the financial statements include information about assumptions and uncertainties relating to estimates which can generate a considerable risk that necessitates a significant adjustment during the following financial year:

Asset impairment tests

Concerning the extent to which assets retain their value at the level of a cash-generating unit, an annual review is conducted as to whether indications of impairment exist that would necessitate an impairment test. In the year under review, no indications existed of impairment to assets. In the case of intangible assets that cannot be utilised yet, impairment testing is also conducted even if related indications do not exist.

Financial asset impairment tests

When valuing financial assets, assumptions are to be made especially concerning the likelihood of default and the assessment of the impairment of receivables. This occurred based on analyses of the past, taking expected future developments into consideration. For more information see section M Financial instruments, in the section concerning credit risks.

Receivables, other liabilities and revenue

As part of applying IFRS 15, estimates and assumptions based on analyses of past data and taking into consideration expected future developments were made in relation to variable payments (contractually agreed bonuses and graduated prices) as well as in the deferral of expected transportation costs deriving from customer contracts with the CIF supply term.

Cash flow hedges

For the accounting treatment of cash flow hedge relationships, assumptions are to be made especially concerning the likelihood of the occurrence of future revenues. Here, uncertainties exist particularly in relation to the expected scope of future revenues and the assumption that expected cash flows will be received (default probability).

For the accounting treatment of the embedded derivative deriving from the electricity contracts, estimates were also to be made (e.g. expected term). For more information, please see section E Accounting policies and section M Financial instruments.

Personnel provisions

When measuring provisions for severance payments, pensions, medical care benefits and service anniversary bonuses, assumptions are to be made relating to financial parameters (discount rate, salary increases) and demographic parameters (staff turnover rate, calculation basis). The discount rate is determined on the basis of market yields achieved by top grade fixed-interest corporate bonds on the balance sheet date. In Austria, the data tables produced by MERCER Deutschland serve as the basis, and in Canada, Fiera Capital's "CIA (Canadian Institute of Actuaries) Method Accounting Discount Rate Curve". Derived from past years' trends, salary growth comprises expected future increases that are estimated annually depending on inflation and career trends (except pensions), among other factors. As of December 31, 2018, provisions of EUR 85,133 thousand were recognised for severance payments, pensions, medical care benefits and service anniversary bonuses (previous year: EUR 82,140 thousand). Further details can be found in section J Notes to the consolidated statement of financial position, subsection 10.

Deferred tax

To measure deferred tax assets on loss carryforwards, assumptions relating to future taxable income and the timing of realisation are to be made. Such assets are recognised in relation to tax loss carryforwards under the assumption that sufficient taxable income will be generated in the future to realise the tax loss carryforwards. For this, budgeted operating business results and earnings effects arising from the reversal of taxable temporary differences are taken into consideration. As the future trend of business is uncertain, and lies partially outside the Group's control, assumptions that are to be made in connection with the recognition of deferred tax assets are connected with uncertainties.

Deferred tax assets relating to non-forfeitable loss carryforwards are measured on the basis of medium-term planning for the coming five years, which is reconciled with the tax planning account. In the previous year, deferred tax assets were formed in relation to loss carryforwards. These were utilised in full in the financial year under review. Further details can be found in section J Notes to the consolidated statement of financial position, subsection 4.

Non-current provisions

Non-current provisions for other risks are formed if an obligation to third parties exists, an outflow of resources is probable, and the prospective obligation can be estimated reliably. The amount recognised as a provision comprises the best possible estimate of the obligation on the balance sheet date. Provisions with an original term of more than one year are recognised with the satisfaction amount discounted to the reporting date. Provisions are reviewed regularly, and adjusted to reflect new information or a change in circumstances.

Contingent liabilities

Contingent liabilities as per IFRS 3 deriving from previous years for environmental cleanup costs for potential hazardous sites exist in an amount of EUR 5,700 thousand (previous year: EUR 5,700 thousand). The recognised values were retained pursuant to IFRS 3.56, as neither the conditions for derecognition nor the criteria for a provision pursuant to IAS 37 were met as of the balance sheet date.

The AMAG Group is obligated to clean leachate deriving from a closed and sealed waste site to comply with prescribed consensus levels. This obligation was measured with the present value of the estimated operating costs until 2029. The congruent maturity interest rate deriving from the European government yield curve was applied as the interest rate. The carrying amount of the non-current portion of the provision stands at EUR 3,882 thousand (previous year: EUR 4,040 thousand).

Further details can be found in section J Notes to the consolidated statement of financial position, subsection 11.

G Contingent liabilities and assets

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

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

H Adjustments from the first-time application of IFRS 15

The modified retrospective approach was selected for the first-time application of IFRS 15. For this reason, the following retrospective adjustments were included as of January 1, 2018, for the consolidated financial statements of AMAG in accordance with the transition regulations.

Overview of the effects of the IFRS 15 adjustment on the statement of financial position:

in EUR thousand	December 31, 2017	Provision for customer bonus	Freight costs	January 1, 2018
Trade receivables	120,404	(3,723)	(373)	116,308
Deferred tax assets	13,611		93	13,704
TOTAL ASSETS	1,404,869	(3,723)	(280)	1,400,866
Retained earnings	214,842		(280)	214,562
Equity	607,874		(280)	607,594
Current provisions	16,977	(5,650)		11,327
Other current liabilities and grants	73,715	1,927		75,642
TOTAL EQUITY AND LIABILITIES	1,404,869	(3,723)	(280)	1,400,866

The adjustments derive from the modified presentation of the deferral of freight costs from customer contracts with the CIF Incoterm as well as provisions for bonuses. In the case of freight costs that are offset as a separate performance obligation in addition to the delivery, and in cases where transportation has not yet occurred as of the reporting date, revenue is deferred accordingly and is not realised until the delivery obligation has been satisfied. The bonus provisions comprise staggered rebates, which represent variable rate consideration and consequently reduce the transaction price. The bonus provisions are offset with the related customer receivables in accordance with IFRS 15. They are only reported under current liabilities in the instance of a net deficit. They have already been recognised as revenue reductions, but accounted for as provisions in accordance with IAS 37.

The following table shows the changes deriving as of December 31, 2018 from the application of IFRS 15:

in EUR thousand	IAS 18 December 31, 2018	Provision for customer bonus	Freight costs	IFRS 15 December 31, 2018
Trade receivables	129,860	(3,594)	(139)	126,127
Deferred tax assets	6,703		35	6,738
TOTAL ASSETS	1,564,941	(3,594)	(105)	1,561,243
Retained earnings	216,891		(105)	216,786
Equity	620,978	0	(105)	620,874
Current provisions	20,831	(5,120)		15,711
Other current liabilities and grants	65,260	1,526		66,785
TOTAL EQUITY AND LIABILITIES	1,564,941	(3,594)	(105)	1,561,243
in EUR thousand	December 31, 2018	Provision for customer bonus	Freight costs	December 31, 2018
Revenue	1,101,703		(139)	1,101,564
Earnings before interests and taxes (EBIT)	60,784		(139)	60,645
Earnings before taxes (EBT)	55,152		(139)	55,013
Income tax expense	(10,506)		35	(10,471)
Earnings after taxes	44,646		(105)	44,541

The modified recognition of revenue compared to the previous approach tends to shift revenue recognition to a later date.

I Segment reporting

Business divisions

Reporting by business divisions (the Metal, Casting, Rolling and Service divisions) conforms to the Group's organisational and management structure, and this serves as the basis for segment information.

Production of primary aluminium, management of metal production streams, hedging the aluminium price risk exposure of the operating subsidiaries of AMAG, and marketing primary aluminium fall under the Metal Division's remit.

The Casting Division is responsible for the production of high-quality cast aluminium alloys from aluminium scrap for use by various sectors, including the automotive sector and supply industry, as well as the engineering and electrical engineering sectors.

The Rolling Division comprises the manufacturing of high-quality aluminium rolled products such as sheets, strips and plates. These products are utilised in the automotive and aviation sectors, as well as in sports, engineering, transportation and industry. The division also specialises in bright products, customised cathode elements for zinc smelters, brazing materials, tread plate and high-strength alloys, as well as foil stock for the packaging industry. The portfolio is rounded out by foil stock materials for the packaging industry.

The Service Division provides all centralised services to the operating divisions AMAG at the Ranshofen facility, and overall management functions for the AMAG Group. Its tasks especially also include the entire building and space management at the Ranshofen site. In the financial year under review, the building values and depreciation for the production-relevant buildings were allocated to the Casting and Rolling divisions. 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 in order to create the four reportable divisions described above. The accounting principles applied to prepare the segment information for AMAG Austria Metall AG are based on the IFRSs applied in the preparation of the consolidated financial statements.

AMAG Austria Metall AG evaluates divisional performance on the basis of shipments and earnings before interest, tax, depreciation and amortisation (EBITDA), as well as earnings before interest and tax (EBIT), among other indicators.

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

Inter-divisional transactions

The revenue, expenses and income of each division include elimination of intragroup balances between business divisions and geographical segments. Interdivisional transfer pricing is based on comparable, standard market terms.

In the financial year 2019, there will be an amendment of the segments due to a change of the system of internal reporting.

Business divisions

2018 in EUR thousand	Metal	Casting	Rolling	Service	Consolidation	Group
Shipments in tonnes	114,854	86,898	222,885		(27,176)	397,460
thereof internal ¹⁾	1,871	25,305	0		(27,176)	0
Revenue						
External	216,324	105,532	773,801	5,907	0	1,101,564
Internal	569,260	8,662	118,621	76,418	(772,962)	0
	785,584	114,195	892,422	82,325	(772,962)	1,101,564
Gross profit	5,112	10,548	114,081	19,981	(2,355)	147,366
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	23,030	7,815	95,607	14,651	(116)	140,987
Depreciation and amortisation	23,487	1,685	42,476	12,694	0	80,343
Earnings before interest and taxes (EBIT)	(457)	6,130	53,131	1,957	(116)	60,645
Interest income	2,249	0	120	7,466	(8,924)	911
Interest expenses	(2,681)	(111)	(9,204)	(4,984)	8,920	(8,059)
Net interest income (expenses)	(432)	(111)	(9,084)	2,482	(4)	(7,148)
Other financial income (expenses)	1,221	0	(32)	23,323	(22,996)	1,516
Net financial income (expenses)	789	(111)	(9,116)	25,805	(23,000)	(5,632)
Earnings before taxes (EBT)	332	6,019	44,015	27,762	(23,116)	55,013
Income taxes	583	(1,501)	(9,957)	375	29	(10,471)
Net income after taxes	915	4,518	34,058	28,138	(23,087)	44,541
Balance sheet						
Division assets	437,720	31,760	623,587	1,019,568	(551,393)	1,561,243
Division liabilities	250,619	15,516	448,866	629,038	(403,670)	940,369
Other disclosures						
Investments (excluding financial investments)	19,140	3,557	38,479	11,379	0	72,554
Employees (FTE)	188	124	1,500	147	0	1,959

1) Internal volumes include material supplies from Alouette in the Metal Division, and reprocessing volumes in the Casting Division.

2017 in EUR thousand	Metal	Casting	Rolling	Service	Consolidation	Group
Shipments in tonnes	120,383	87,359	213,937		(25,778)	395,901
thereof internal ¹⁾	0	25,778	0		(25,778)	0
Revenue						
External	207,998	110,163	712,160	5,918	0	1,036,238
Internal	522,876	9,312	97,392	75,359	(704,939)	0
	730,873	119,475	809,552	81,277	(704,939)	1,036,238
Gross profit	21,048	8,344	111,788	16,870	(1,834)	156,216
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	41,330	5,657	105,933	11,533	0	164,453
Depreciation and amortisation	28,185	2,056	35,443	11,967	0	77,651
Earnings before interest and taxes (EBIT)	13,145	3,601	70,490	(434)	0	86,802
Interest income	1,961	0	157	4,823	(6,122)	820
Interest expenses	(2,262)	(102)	(6,467)	(4,556)	6,122	(7,266)
Net interest income (expenses)	(301)	(102)	(6,310)	267	0	(6,446)
Other financial income (expenses)	1,384	0	(78)	43,994	(44,000)	1,300
Net financial income (expenses)	1,083	(102)	(6,388)	44,261	(44,000)	(5,146)
Earnings before taxes (EBT)	14,228	3,500	64,102	43,827	(44,000)	81,657
Income taxes	(3,746)	(786)	(14,046)	81	0	(18,497)
Net income after taxes	10,482	2,714	50,056	43,908	(44,000)	63,160
Balance sheet						
Division assets	414,946	29,750	612,179	884,509	(536,515)	1,404,869
Division liabilities	258,054	15,318	415,410	476,093	(367,880)	796,995
Other disclosures						
Investments (excluding financial investments)	12,255	3,470	73,509	17,973	0	107,208
Employees (FTE)	190	127	1,424	141	0	1,881

1) Internal volumes include material supplies from Alouette in the Metal Division, and reprocessing volumes in the Casting Division.

Geographical divisions

2018 in EUR thousand	Production site Austria	Production site Canada	Total	Consolidation	Group
Revenue					
Austria revenue 1)	167,585	212,724	380,309	(212,724)	167,585
Western Europe	609,644	0	609,644	0	609,644
Other markets	330,396	0	330,396	(6,060)	324,335
	1,107,624	212,724	1,320,348	(218,784)	1,101,564
Earnings					
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	118,395	22,593	140,987	0	140,987
Earnings before interest and taxes (EBIT)	61,524	(879)	60,645	0	60,645
Balance sheet					
Non-current division assets	630,524	126,671	757,194	0	757,194
2017 in EUR thousand					
	Production site Austria	Production site Canada	Total	Consolidation	Group
Revenue					
Austria revenue 1)	156,727	194,054	350,782	(202,133)	148,648
Western Europe	594,674	0	594,674	0	594,674
Other markets	292,916	0	292,916	0	292,916
	1,044,317	194,054	1,238,372	(202,133)	1,036,238
Earnings					
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	125,946	38,265	164,211	242	164,453
Earnings before interest and taxes (EBIT)	76,465	10,096	86,560	242	86,802
Balance sheet					
Non-current division assets	634,777	125,738	760,516	0	760,516

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

The revenues were allocated to the respective sales markets based on the customers' headquarters.

J Notes to the consolidated statement of financial position

01 Consolidated statement of changes in non-current assets

Changes in historical cost

in EUR thousand	As of Jan. 1, 2018	Exchange differences	Additions	Disposals	Reclassifi- cations	As of Dec. 31, 2018
Intangible assets	12,102	204	1,746	(216)	19	13,855
Undeveloped land	17,449	0	0	(158)	0	17,291
Land - developed land	17,737	34	0	(0)	8	17,779
Buildings - developed land	229,944	1,915	7,098	(267)	772	239,462
Plant and machinery	911,527	13,208	36,173	(18,844)	15,356	957,420
Other fixtures and fittings, tools and equipment	47,733	133	5,113	(1,851)	415	51,542
Advance payments made and assets under construction	22,368	172	22,424	(158)	(16,570)	28,236
Property, plant and equipment	1,246,757	15,461	70,809	(21,278)	(19)	1,311,730

in EUR thousand	As of Jan. 1, 2017	Exchange differences	Additions	Disposals	Reclassifi- cations	As of Dec. 31, 2017
Intangible assets	9,797	(507)	2,947	(1)	(134)	12,102
Undeveloped land	17,450	0	0	(1)	0	17,449
Land - developed land	17,835	(99)	1	0	0	17,737
Buildings - developed land	181,242	(5,517)	12,339	(474)	42,354	229,944
Plant and machinery	767,471	(38,402)	65,652	(13,070)	129,876	911,527
Other fixtures and fittings, tools and equipment	42,602	(334)	6,282	(1,609)	792	47,733
Advance payments made and assets under construction	175,632	(316)	19,986	(47)	(172,888)	22,368
Property, plant and equipment	1,202,232	(44,668)	104,260	(15,201)	134	1,246,757

Changes in depreciation and amortisation

in EUR thousand	As of Jan. 1, 2018	Exchange differences	Additions	Disposals	Reclassifi- cations	As of Dec. 31, 2018
Intangible assets	3,312	35	1,413	(10)	0	4,750
Undeveloped land	0	0	0	0	0	0
Land - developed land	310	19	123	0	0	452
Buildings - developed land	83,612	1,236	9,966	(85)	(0)	94,729
Plant and machinery	381,559	8,471	62,708	(18,482)	0	434,256
Other fixtures and fittings, tools and equipment	29,549	93	6,136	(1,573)	0	34,204
Property, plant and equipment	495,031	9,818	78,933	(20,141)	(0)	563,641

in EUR thousand	As of Jan. 1, 2017	Exchange differences	Additions	Disposals	Reclassifi- cations	As of Dec. 31, 2017
Intangible assets	2,377	(63)	1,000	(1)	0	3,312
Undeveloped land	0	0	0	0	0	0
Land - developed land	177	(31)	164	0	0	310
Buildings - developed land	76,702	(3,298)	10,487	(280)	0	83,612
Plant and machinery	356,936	(23,042)	59,714	(12,048)	0	381,559
Other fixtures and fittings, tools and equipment	25,036	(237)	6,286	(1,535)	0	29,549
Property, plant and equipment	458,850	(26,608)	76,651	(13,862)	0	495,031

Carrying amounts

in EUR thousand	Historical cost Dec. 31, 2018	Accumulated amort./depr. Dec. 31, 2018	Book values Dec. 31, 2018	Book values Dec. 31, 2017
Intangible assets	13,855	4,750	9,105	8,790
Undeveloped land	17,291	0	17,291	17,449
Land - developed land	17,779	452	17,327	17,427
Buildings - developed land	239,462	94,729	144,733	146,332
Plant and machinery	957,420	434,256	523,164	529,968
Other fixtures and fittings, tools and equipment	51,542	34,204	17,337	18,183
Advance payments made and assets under construction	28,236	0	28,236	22,368
Property, plant and equipment	1,311,730	563,641	748,089	751,726

Advance payments made and assets under construction

During the course of the financial year, investments in the expansion project were recognised as additions to assets under construction, and will not be reclassified to the corresponding non-current asset categories until they are completed and commissioned.

Impairment losses and reversals of impairment losses

As in the previous year, in 2018 no impairment losses, or reversals of impairment losses, were applied to intangible assets or property, plant and equipment.

Specialist spare parts

In the year under review, specialist spare parts in an amount of EUR 106 thousand were recognised as assets (previous year: EUR 1,236 thousand).

Borrowing costs

In the 2018 financial year, borrowing costs in an amount of EUR 0 thousand were capitalised in relation to qualifying assets (previous year: EUR 225 thousand). The calculated effective interest rate for the financing of 0.00 % was applied as the basis (previous year: 0.33 %).

Finance leases

The other fixtures and fittings, tools and equipment item includes IT hardware qualifying as a finance lease, with a carrying amount of EUR 561 thousand (previous year: EUR 804 thousand).

Other additions to fixtures and fittings, tools and equipment include non-cash additions of EUR 237 thousand (previous year: EUR 144 thousand).

Payment obligations under finance leases in EUR thousand	2018	2017
Minimum lease payments		
Up to one year	378	574
More than one year up to five years	189	239
Over five years	0	0
less:		
Future finance costs	6	9
Present value of lease obligation		
Up to one year	373	566
More than one year up to five years	188	238
Over five years	0	0
	561	804

Finance lease payment obligations are reported under interest-bearing financial liabilities in the consolidated statement of financial position.

Operating leases

The Group has agreed various operating leases, mainly as a lessee of IT and telecoms hardware as well as silos.

They do not contain either extension clauses or purchase options, nor do they place any restrictions on the Group's activities with regard to dividends, additional borrowing or other leasing agreements.

Lease payments of EUR 729 thousand were expensed in the year under review (previous year: EUR 543 thousand).

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

Payment obligations under operating leases in EUR thousand	2018	2017
Up to one year	832	645
More than one year up to five years	1,168	1,129
Over five years	566	0
	2,566	1,774

Obligations arising from investments in plant

Obligations arising from investments in plant amounted to EUR 22,087 thousand as of December 31, 2018 (previous year: EUR 21,640 thousand).

02 Investments accounted for using the equity method

in EUR thousand	2018	2017
Book value as of January 1	1,395	0
Reclassification of book value	0	18
Additions	0	1,301
Share of profit of the year	387	216
Share of other comprehensive income	(20)	(15)
Share of dividends received	0	(126)
Book value as of December 31	1,761	1,395

The 25.1 % interest in Speditionsservice Ranshofen GmbH (SSR) was classified as material as of June 30, 2017. As a consequence, this company, which was previously recognised at amortised cost, was equity accounted as of June 30, 2017. SSR performs customs and dispatch processing for the Ranshofen site. The company is based in Ranshofen and its financial reporting date is December 31. The following section presents the company's financial information in the summarised form:

in EUR thousand	2018	2017
Current assets	6,188	5,584
Non-current assets	4,940	6,391
Equity	7,017	4,827
Current liabilities	3,215	6,323
Non-current liabilities	896	825
Revenue	8,159	6,809
Profit of the year	1,541	861
Other comprehensive income	(81)	(60)
Total comprehensive income	1,460	801
Dividends received	0	126

The deferred taxes incurred on the proportional result were not recognised, as AMAG itself can manage the corresponding reversal, and from today's perspective this is not to occur.

03 Other non-current assets and financial assets

in EUR thousand	2018	2017
Derivatives recognised as non-current assets	34,652	45,948
Securities measured at fair value resulting in neither profit nor loss	1,282	1,202
Other non-current assets	2,183	2,169
	38,116	49,319

This item includes binding commitments for government grants, and claims against the insurance due to undertakings from customers subject to insolvency or bankruptcy proceedings to pay receivables.

Information on derivatives is presented in section M Financial instruments, within the section on derivative financial instruments.

Securities measured at fair value resulting in neither profit nor loss include non-controlling interests of less than 20 % in three companies.

04 Deferred tax assets

in EUR thousand	2018	2017
Deferred tax assets affecting net income	(11,678)	(8,963)
Deferred tax assets not affecting net income	18,417	22,574
	6,738	13,611

In the previous year, deferred tax assets were formed in relation to loss carryforwards of AMAG Austria Metall AG in an amount of EUR 30,503 thousand, as well as in relation to AMAG Erste Beteiligungsverwaltungs GmbH in an amount of EUR 55 thousand, which were utilised in full in the financial year under review.

No deferred tax assets have been recognised for loss carryforwards in an amount of EUR 211 thousand, as it is unlikely that they can be realised (previous year: EUR 182 thousand). Furthermore, no deferred tax assets were recognised for the loss carryforwards of the Canadian company in an amount of EUR 11,616 thousand (previous year: EUR 11,090 thousand), as they cannot be utilised under the present circumstances.

An offsetting of EUR 2,336 thousand of deferred taxes was also applied at the level of the AMAG Austria Metall AG tax group in the year under review (previous year: EUR 4,370 thousand).

05 Inventories

in EUR thousand	2018	2017
Raw materials and consumables	130,926	110,713
Work in progress	58,599	55,367
Finished goods	66,299	60,543
Merchandise	727	594
	256,551	227,218

This item includes impairment losses of EUR 24,450 thousand (previous year: EUR 26,038 thousand). Of the change in the impairment loss, EUR 4,237 thousand (previous year: EUR 4,949 thousand) is attributable to additions EUR 5,984 thousand (previous year: EUR 657 thousand) to consumption, and the remainder relates to currency translation differences.

Inventories of EUR 671,532 thousand (previous year: EUR 589,723 thousand) were recognised in profit or loss in the period under review, EUR 670,900 thousand (previous year: EUR 589,295 thousand) of which were attributable to cost of sales.

06 Trade receivables

in EUR thousand	2018	2017
Trade receivables	126,112	120,382
Other receivables	15	23
Impairment trade receivables	0	0
	126,127	120,404

The changes in impairment losses were as follows:

Impairment losses in EUR thousand	2018	2017
As of January 1	0	1,699
IFRS 9 adjustment January 1	0	(942)
As of January 1 after adjustment	0	758
Addition	0	106
Reversal	0	(1)
Reclassification	0	(863)
As of Dec. 31	0	0

In the previous year, the reclassification concerned deferred discounts for customer receivables.

07 Other current assets

in EUR thousand	2018	2017
Other receivables and advanced payments	31,231	30,906
Derivatives recognised as current assets	40,573	29,982
Financial receivables - funds in transit	572	484
	72,377	61,372

Other receivables and prepayments include social security receivables and taxes of EUR 16,873 thousand (previous year: EUR 14,986 thousand), receivables of EUR 5,385 thousand (previous year: EUR 10,239 thousand) due from Alouette partners, EUR 1,895 thousand (previous year: EUR 0 thousand) of firm commitments, and EUR 1,078 thousand of current receivables from state grants (previous year: EUR 1,167 thousand).

Information on derivatives is presented in section M Financial instruments, in the section on derivative financial instruments.

The following tables show the figures both before and after offsetting. For further details, please refer to the notes to the consolidated statement of financial position, section 13.

Offsetting financial assets and liabilities 2018 in EUR thousand	Before offsetting	Offsetting	After offsetting
Derivatives recognised as current assets	84,630	(44,056)	40,573
Derivatives recognised as current liabilities	68,997	(44,056)	24,940

Offsetting financial assets and liabilities 2017 in EUR thousand	Before offsetting	Offsetting	After offsetting
Derivatives recognised as current assets	48,735	(18,753)	29,982
Derivatives recognised as current liabilities	52,373	(18,753)	33,620

08 Cash and cash equivalents

in EUR thousand	2018	2017
Cash in hand	368	162
Current account surplus	187,123	109,462
Assessments	108,380	60,128
	295,871	169,752

These items in the statement of financial position relate to the cash positions at the start and end of the reporting period that are contained in the consolidated statement of cash flows.

09 Equity

Changes in equity are presented in a separate table (consolidated statement of changes in equity).

Share capital

The share capital comprises 35,264,000 no par shares, each corresponding to EUR 1.00 of the share capital. All shares are fully paid in, and in circulation.

Capital reserves

The capital reserves amount to EUR 377,661 thousand (previous year: EUR 379,337 thousand), of which an amount of EUR 94,752 thousand (previous year: EUR 94,752 thousand) is attributable to appropriated capital reserves and an amount of EUR 282,909 thousand (previous year: EUR 284,585 thousand) is attributable to unappropriated capital reserves. The change relates to a release of deferred taxes in relation to equity costs and is shown under the "reversal of capital reserve" item in the statement of changes in equity.

Hedging reserve

The hedging reserve comprises gains and losses from the effective portion of cash flow hedges. Cumulative gains or losses from hedging transactions that are recognised under the hedging reserve are transferred to the statement of profit or loss only when the hedged transaction affects results. The change in the reserve in the year under review is primarily due to the change in the US dollar exchange rate as well as the measurement of the embedded derivative.

Fair value reserve

Changes in the fair values of options are recognised directly in the fair value reserve, without affecting profit or loss.

Revaluation reserve

The fair value adjustments to participating interests are recognised in the revaluation reserve. The disposal of the corresponding financial instrument also entails no recognition through profit or loss.

Revaluation of defined benefit pension plans

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

Equity investments – share of other comprehensive income

This item contains bookings recognised directly in equity relating to equity investments. This mainly concerns actuarial gains and losses on severance and work anniversary provisions.

Exchange differences

The reserves for exchange differences recognise differences arising from the translation of the financial statements of subsidiaries that report in a foreign currency. The change in the reserve in the year under review is primarily due to the change in the US dollar exchange rate.

Retained earnings

Retained earnings consist of cumulative retained earnings from both previous years and the financial year under review as well as adjustments arising from the first-time application of IFRS 9 and IFRS 15.

The company paid out a dividend of EUR 42,317 thousand in the financial year under review (EUR 1.20 per share).

The Management Board proposes that EUR 1.20 per share (a maximum of EUR 42,317 thousand in total) are distributed as a dividend to shareholders from the parent company's profit for the year.

Authorised capital

With a resolution by the annual general meeting of AMAG Austria Metall AG on April 16, 2015, the company's Management Board was authorised pursuant to Section 169 of the Austrian Stock Corporation Act (AktG) and subject to Supervisory Board approval, to increase the company's share capital by up to EUR 17,500,000.00 by issuing 17,500,000 individual bearer share certificates in one or more tranches within five years of the entry of the resolution in the company register, in other words, by April 16, 2020, against cash or non-cash capital contributions, including under whole or partial exclusion of subscription rights, and to determine the issue price – which may not be lower than the proportion of the current share capital represented by each individual share certificate – and the other terms and conditions of the issue after consultation with the Supervisory Board (Authorised Capital established by section 4 (5) of the articles of incorporation).

A conditional increase in the company's share capital was implemented pursuant to Section 159 (2) (1) of the Austrian Stock Corporation Act (AktG) to satisfy conversion and/or subscription rights in respect of convertible bonds issued in accordance with the authorisation conferred by the AGM resolution of April 16, 2015. A conditional capital increase may be implemented only if convertible bond holders exercise their right to exchange the bonds for and/or subscribe to the company's shares (conditional capital as defined by Section 4 (6) of the articles of incorporation). The number of shares actually issued or potentially capable of being issued in accordance with the conditions of the convertible bonds and the number of shares specified by the authorised capital may not exceed 17,500,000.

At the Shareholders' Annual General Meeting of AMAG Austria Metall AG on April 17, 2018, the Management Board was authorised, in each case with Supervisory Board approval, to purchase the company's ordinary bearer shares in an extent of up to 10 % of the company's share capital during a validity period of 30 months from April 17, 2018, whereby the lowest consideration cannot lie more than 20 % below, and the highest consideration cannot lie more than 10 % above, the average stock market closing price of the last three stock market days before the purchase of the shares. Trading in treasury shares is excluded as the purpose of the purchase. The authorisation can be exercised wholly or in part, or in several partial amounts, and in pursuit of one or several objectives, by the company, a subsidiary (Section 189a of the Austrian Commercial Code [UGB]), or for the company's account by third parties. The purchase may be realised through the stock market in compliance with statutory requirements, by way of a public offer or in any other legally permissible, appropriate manner, especially also off-bourse, or from individual shareholders willing to sell and also under exclusion of the proportionate disposal right that can be associated with such a purchase (reverse exclusion of subscription rights). The Management Board is also authorised to determine the respective repurchase conditions. Furthermore, the Management Board was authorised to withdraw without a further annual general meeting resolution treasury shares purchased on the basis of the resolution pursuant to Section 1 of this agenda item. The authorisation can be exercised wholly or in several partial amounts, and in pursuit of one or several objectives, by the company, a subsidiary, or for the company's account by third parties. Furthermore, the Management Board is authorised, with Supervisory Board approval, pursuant to Section 65 (1b) of the Austrian Stock Corporation Act (AktG), for a period of five years from April 17, 2018, to determine for the disposal of treasury shares another legally permissible type of disposal than through the stock market or a public offering, including under exclusion of shareholders' repurchase rights (subscription rights exclusion), and to determine the terms of the disposal. The authorisation can be exercised wholly or in part, or in several partial amounts, and in pursuit of one or several objectives, by the company, a subsidiary (Section 189a of the Austrian Commercial Code [UGB]), or for the company's account by third parties.

Restrictions

Following an internal review, the Management Board is not aware of any restrictions in the meaning of Section 243a Z2 of the Austrian Commercial Code (UGB).

Additional disclosures regarding capital management

AMAG is not subject to any capital requirements under its articles of association. Due to the volatile nature of the aluminium business and the high fixed assets ratio, the sound capital structure provides an important basis for financial flexibility.

The main aim of capital management at AMAG is to secure the Group's growth and further development, and to optimise returns for shareholders. The management exclusively regards consolidated equity as measured pursuant to IFRS as its equity capital. The capital structure is monitored constantly, and is as follows at the end of the reporting period:

Capital structure in EUR thousand	2018	2017
Total equity	620,874	607,874
Equity ratio	39.8%	43.3%
Balance sheet total	1,561,243	1,404,869

10 Personnel provisions

in EUR thousand	2018	2017
Provisions for severance payments	37,306	33,806
Provisions for pensions	31,379	32,978
Provisions for medical care benefits	7,900	8,705
Provisions for service anniversary bonuses	8,548	6,651
Total personnel provisions	85,133	82,140
Thereof non-current	80,272	79,143

Payments anticipated in the subsequent financial year are shown under current provisions.

Provisions for severance benefits

Employees of Austrian Group companies who joined the Group before January 1, 2003 are entitled to severance payments upon reaching retirement age or in the event that their employment contract is terminated. The entitlement is determined by years of service and final salary ("old severance"). These obligations are treated as defined benefit plans.

For employees who joined after January 1, 2003, contributions to employee benefit funds (MVKs) in an amount of EUR 962 thousand (previous year: EUR 847 thousand) have been made for severance entitlements in defined contribution plans.

The provisions for severance benefits changed as follows:

Provisions for severance benefits in EUR thousand	2018	2017
Present value of the obligation as of January 1	33,806	29,999
Current service cost	862	767
Interest cost	609	456
Payments	(1,216)	(1,124)
Expected value of the obligation as of Dec. 31	34,061	30,099
Present value of the obligation as of Dec. 31	37,306	33,806
Revaluation of the period (Other comprehensive income)	3,246	3,707
thereof from changes in demographic assumptions	1,056	(443)
thereof from changes in financial assumptions	1,950	3,652
thereof from changes in experience-based assumptions	240	497

The calculations were based on the following parameters:

Parameters	2018	2017
Increase in salary in %	4.50	4.00
Discount factor in %	2.00	1.90
Female retirement age/pension age (years)	65	60
Male retirement age/pension age (years)	65	65

Taking the probability of a payout into consideration, employee turnover is graduated by years of service and ranges, depending on period of service, between 0.50 and 7.50 % (previous year: between 0.00 and 4.40 %). The actuarial losses derive from the higher assumptions for salary increases and also reflect the new mortality tables. These were republished as AVÖ 2018-P in August 2018 and led to actuarial losses of EUR 1,056 thousand which were recognised in the financial year under review.

The average remaining duration of the obligations amounts to 14.4 years (previous year: 13.6 years).

Effects on earnings in EUR thousand	2018	2017
Included in personnel expenses		
Current service cost	(862)	(767)
Expenses for severance payments	(18)	(16)
Contributions to employee benefit funds	(962)	(847)
Expenses for severance payments and contributions to employee benefit funds	(1,842)	(1,630)
Included in net interest expenses		
Interest cost	(609)	(456)

For the following financial year, severance benefits of EUR 1,042 thousand (previous year: EUR 628 thousand) are to be expected, which are reported under other current provisions.

Sensitivity provisions for severance benefits (in %)	2018		2017	
	+ 0.25 %	- 0.25 %	+ 0.25 %	- 0.25 %
Effect of changes in salaries on the defined benefit obligation	3.5%	-3.3%	3.2%	-3.1%
Effect of changes to the discount factor on the defined benefit obligation	-3.4%	3.6%	-3.2%	3.4%

Provisions for pensions

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

The measurement of the Austrian subsidiaries' obligations to former managerial staff which derive from individual contractual commitments is based on biometric information drawn from AVÖ 2018-P tables for salaried employees, which were republished in August 2018 (previous year: AVÖ 2008-P). First-time application led to an actuarial loss of EUR 2,634 thousand. Entitlements are based on final salary and are index-linked. The group of beneficiaries largely comprises individuals who are already entitled to benefits, as well as former employees who are not yet entitled to benefits. A pensionable retirement age of 61.5 years is applicable to the latter within the scope of individual contractual arrangements, as a matter of principle. A staff turnover rate is not taken into consideration, as the present beneficiaries include hardly any active employees, and due to the obligation's short remaining term.

In Canada, a defined benefit scheme is in place for all employees who joined the Group before June 2012. The benefits are determined by years of service and average salary. Since June 2012, only production staff have received contracts that include defined benefit plans. The pensionable age for both men and women lies between 55 and 65 years. The measurement comprises a distribution over this period, with an ascending weighting. Staff turnover is included differentiated by age and gender.

The provisions for pensions changed as follows:

Provisions for pensions in EUR thousand	2018	2017
Present value of the obligation as of January 1	92,421	80,726
Exchange differences	(2,313)	(3,630)
Current service cost	2,480	2,171
Contributions to plan assets (employees)	699	694
Interest cost	2,470	2,534
Payments from plan assets	(2,904)	(2,828)
Past service cost	0	701
Expected value of the obligation as of Dec. 31	92,853	80,369
Present value of the obligation as of Dec. 31	85,583	92,421
Revaluation of the period (Other comprehensive income)	(7,270)	12,052
Fair value of plan assets as of January 1	59,443	56,395
Exchange differences	(1,615)	(2,611)
Expected return on plan assets	1,605	1,822
Contributions to plan assets (employer)	1,987	2,951
Contributions to plan assets (employees)	699	694
Payments from plan assets	(2,904)	(2,828)
Expected value of plan assets as of Dec. 31	59,214	56,423
Fair value of plan assets as of Dec. 31	54,204	59,443
Revaluation of the period (Other comprehensive income)	(5,010)	3,019
Provisions for pensions Dec. 31	31,379	32,978
Revaluation of the period (Other comprehensive income)	(2,261)	9,033
thereof from changes in demographic assumptions	2,633	0
thereof from changes in financial assumptions	(10,938)	10,574
thereof from changes in experience-based assumptions	6,044	(1,541)

The calculations were based on the following parameters:

Parameters	2018	2017
Austria		
Increase in salaries in %	2.00	2.00
Discount factor (%) in %	1.90	1.30
Canada		
Increase in salary in %	3.00	3.00
Discount factor (%) in %	4.00	3.25

The average residual duration of the obligations amounts to 11.9 years in Austria (previous year: 8.5 years), and to 20.9 years in Canada (previous year: 20.1 years).

In Austria, actuarial losses from applying the new mortality tables exceeded actuarial gains from the higher interest rate. In Canada, the increase in the interest rate led to actuarial gains, which more than offset the negative asset performance. Overall, especially the increase in the interest rate in Canada led to actuarial gains.

Effects on earnings in EUR thousand	2018	2017
Included in personnel expenses		
Current service cost (employer)	(3,179)	(2,865)
Contributions to plan assets (employees)	699	694
Included in net interest expenses		
Interest cost	(865)	(711)

Pension expenses are included in the following statement of profit or loss items:

in EUR thousand	2018	2017
Cost of sales	(3,685)	(3,251)
Selling and distribution expenses	(216)	(303)
Administrative expenses	145	(428)
Other expenses	(48)	(81)
	(3,804)	(4,065)

Plan assets are invested in Austria with APK Pensionskasse AG, in different investment and risk classes (VRG) depending on the respective structure of the obligations. Assets relating to pensions drawn by retired employees are invested in VRG2, which has an investment and risk strategy based on significantly shorter maturities than those applied under VRG19, which manages assets related to projected benefit obligations. The Group is obligated to meet any funding shortfalls only in the event that returns do not cover the funding requirements for ongoing pension payments from APK.

In the following financial year, supplementary payments of EUR 1,830 thousand (previous year: EUR 417 thousand) are anticipated and are reported under current provisions.

In Canada, the individual pension schemes are invested in each case in their own pension funds that are all held under joint asset management (Fiducie Desjardins), for whose management Letko Brosseau & Associates and Aberdeen Asset Management Inc. are responsible.

Employer contributions to the plan assets of the Canadian company will amount prospectively to EUR 1,530 thousand in the following year (previous year: EUR 1,588 thousand); these expected payments are also reported under current provisions.

The change in plan assets in Austria and Canada is as follows:

Fair value of plan assets in EUR thousand	2018		2017	
	Austria	Canada	Austria	Canada
Fair value of plan assets as of January 1	14,557	44,886	14,897	41,498
Exchange differences	0	(1,615)	0	(2,611)
Expected return on plan assets	180	1,425	188	1,635
Contributions to plan assets	484	2,202	527	3,118
Payments from plan assets	(1,719)	(1,186)	(1,697)	(1,131)
Actuarial (gains)/losses	(719)	(4,291)	642	2,378
Fair value of plan assets as of Dec. 31	12,782	41,422	14,557	44,886

The investment structure is outlined below:

Investment to plan assets as of Dec. 31 (in %)	2018		2017	
	Austria	Canada	Austria	Canada
Classes of assets				
Shares	29.0	64.0	32.6	66.0
Bonds	53.6	27.1	51.1	27.4
Real estate	4.9	0.0	4.2	0.0
Cash	7.2	0.0	8.5	0.0
Other	5.3	8.9	3.7	6.6
Total	100.0	100.0	100.0	100.0

The plan assets predominantly comprise assets whose prices are quoted on active markets. Of the equity instruments in Austria, approximately one third reflects euro equities, one third US equities and one third Asian equities. The debt securities in Austria comprise approximately 56 % government bonds, of which around one half derived from the OECD area. The rest are corporate bonds. The debt instruments in the Canadian plan assets comprise exclusively foreign currency securities (non-euro). Of the equity instruments, 19 % are denominated in euros and 78 % in foreign currencies, with 3 % deriving from emerging markets.

Sensitivity for pensions (in %)	2018		2017	
	+ 0.25 %	- 0.25 %	+ 0.25 %	- 0.25 %
Effect of changes in salaries on the defined benefit obligation	2.0%	-1.9%	2.2%	-2.2%
Effect of changes to the discount factor on the defined benefit obligation	-3.8%	4.1%	-4.4%	4.7%

Defined contribution plans:

In Austria, managers and employees are also entitled to defined contribution plans after they have been employed by the company for a certain period of time. The Group companies make payments into a pension scheme depending on salary.

In Canada, payments are made into defined contribution plans for administrative staff, managers and senior employees of Aluminerie Alouette Inc.

The total amount of such payments in the year under review stood at EUR 1,182 thousand (previous year: EUR 1,066 thousand), which were expensed. No further obligations arising from this exist.

Provisions for medical care benefits

Defined benefit supplementary health insurance has been taken out for employees of Aluminerie Alouette Inc. who joined the company before April 1, 2009. The benefits are determined by years of service and average salary. The pensionable age for both men and women lies between 55 and 65 years. The measurement comprises a distribution over this period, with an ascending weighting. Staff turnover is included differentiated by age and gender.

The provisions changed as follows:

Provisions for medical care in EUR thousand	2018	2017
Present value of the obligation as of January 1	8,705	8,174
Exchange differences	(311)	(511)
Current service cost	143	141
Interest cost	285	306
Payments	(138)	(126)
Expected value of the obligation as of Dec. 31	8,685	7,984
Present value of the obligation as of Dec. 31	7,900	8,705
Revaluation of the period (Other comprehensive income)	(785)	721
thereof from changes in demographic assumptions	0	0
thereof from changes in financial assumptions	(975)	986
thereof from changes in experience-based assumptions	190	(265)

The calculations were based on the following parameters:

Parameters	2018	2017
Salary increase in %	3.00	3.00
Increase in costs in %	4.60	4.60
Discount rate in %	4.00	3.25

The average remaining duration of the obligations amounts to 16.8 years (previous year: 16.4 years).

Effects on earnings in EUR thousand	2018	2017
Included in personnel expenses		
Current service cost	(143)	(141)
Included in net interest expenses		
Interest cost	(285)	(306)

In the following year, employer contributions are expected to amount to EUR 152 thousand (previous year: EUR 117 thousand) and are reported under current provisions.

The effects of a change of 0.25 % percentage points in the projected movement of medical care benefits costs were as follows:

Sensitivity provisions for medical care (in %)	2018		2017	
	+ 0.25 %	- 0.25 %	+ 0.25 %	- 0.25 %
Effect on the defined benefit obligation	3.6 %	(3.4 %)	3.9 %	(3.7 %)

Provisions for service anniversary bonuses

The provision for service anniversary bonuses relates to the provisions that Group companies in Austria form for payments under collective agreements and/or works agreements, depending on length of service. As of December 31, 2018, a provision of EUR 8,548 thousand (previous year: EUR 6,651 thousand) is recognised.

Of the obligation, the service anniversary bonuses anticipated in the subsequent year amount to EUR 307 thousand (previous year: EUR 246 thousand), which are reported as current provisions.

The calculations were based on the following parameters:

Parameters	2018	2017
Increase in salaries in %	4.50	4.00
Discount factor (%) in %	2.00	1.90
Female retirement age/pension age (years)	65	60
Male retirement age/pension age (years)	65	65

Taking the probability of the payout into consideration, employee turnover is graduated by years of service and ranges, depending on period of service, between 0.50 and 7.50 % (previous year: between 0.00 and 4.40 %). This also resulted in actuarial losses that are included in personnel expenses.

The average remaining duration amounts to 15.2 years (previous year: 14.4 years).

Effects on earnings in EUR thousand	2018	2017
Included in personnel expenses		
Current service cost	(467)	(414)
Actuarial gains/(losses)	(1,565)	(401)
Included in net interest expenses		
Interest cost	(120)	(91)

11 Other provisions

in EUR thousand	2018	2017
Other non-current provisions	12,028	12,619
Other current provisions	10,850	13,980
	22,878	26,599

Other provisions 2018 in EUR thousand	Post-closure care	Contract risks	Customer bonus	Customer complaints	Others	Total
Book value as of January 1	14,093	1,261	5,650	2,611	2,984	26,599
IFRS 15 adjustment January 1			(5,650)			(5,650)
Book value as of January 1 after adjustment	14,093	1,261	0	2,611	2,984	20,949
Exchange differences	159	30	0	0	7	196
Utilisation	(929)	(254)	0	(304)	(1,496)	(2,983)
Reversal	0	0	(0)	(2,138)	(495)	(2,633)
Addition	291	2,959	0	2,701	1,299	7,250
Addition/deduction of accrued interest	99	0	0	0	0	99
Book value as of Dec. 31, 2018	13,713	3,996	0	2,871	2,299	22,878
Thereof current	1,835	3,996	0	2,871	2,148	10,850

Other provisions 2017 in EUR thousand	Post-closure care	Contract risks	Customer bonus	Customer complaints	Others	Total
Book value as of January 1	14,355	2,185	4,833	4,244	2,481	28,097
Exchange differences	(440)	(24)	0	0	(29)	(493)
Utilisation	(740)	(1,016)	(2,914)	(204)	(1,428)	(6,302)
Reversal	(263)	(303)	(252)	(3,770)	(317)	(4,905)
Addition	1,004	419	3,983	2,341	2,234	9,982
Addition/deduction of accrued interest	177	0	0	0	0	177
Reclassification from non-current provisions	0	0	0	0	43	43
Book value as of Dec. 31, 2017	14,093	1,261	5,650	2,611	2,984	26,599
Thereof current	1,615	1,261	5,650	2,611	2,843	13,980

Provisions for post-closure care comprise the following items:

Aluminerie Alouette Inc. is required to dispose professionally of contaminated furnace linings of electrolysis cells at the end of their expected operational lives. Provisions are formed for the estimated disposal costs at their present value as of the commissioning date. The discounting factor is calculated based on five-year maturity Canadian government bonds. The carrying amount of the non-current portion of the provision stands at EUR 1,918 thousand (previous year: EUR 2,345 thousand).

This item also includes a provision for leachate cleaning at a waste site, which is described in more detail in section F Accounting judgements and estimates.

Provisions for contract risk include the provision for pending losses on onerous contracts. All customer orders are investigated for losses. This entails comparing estimated costs, taking inflation into account, with agreed prices. If the costs exceed the expected revenues, the difference

is discounted applying a congruent maturity interest rate (congruent maturity European government yield curve on euro-denominated government bonds), and a provision is formed.

Under reclaims, all open reclaim cases are measured in relation to their estimated expenses, and recognised as provisions. As of the balance sheet date, bonus agreements with customers also exist, which set out the terms and conditions of a rebate that is not to be paid until after the purchase of certain volumes. In the previous year, a provision was formed for this obligation under customer bonuses. The presentation of these obligations has changed as part of the first-time application of IFRS 15 (for more details see section H Adjustments from the first-time application of IFRS 15).

12 Interest-bearing financial liabilities

in EUR thousand	2018	2017
Interest-bearing non-current financial liabilities	553,254	338,751
Interest-bearing current financial liabilities	54,440	113,841
	607,694	452,591

Details about changes to financial liabilities are presented in section L Notes to the consolidated statement of cash flows.

13 Other liabilities and grants

in EUR thousand	2018	2017
Other non-current liabilities and grants	67,837	83,349
Other current liabilities and grants	66,785	73,715
	134,623	157,064

Other non-current liabilities and grants include the non-current portion of the grant in connection with concluding Alouette's electricity contract in an amount of EUR 59,368 thousand (previous year: EUR 70,768 thousand), non-current derivatives with a negative fair value in an amount of EUR 5,517 thousand (previous year: EUR 7,472 thousand), other liabilities against employees in an amount of EUR 940 thousand (previous year: EUR 2,768 thousand) and other liabilities in an amount of EUR 2,011 thousand (previous year EUR 2,341 thousand).

Information on derivatives is presented in section M Financial instruments, within the section on Derivative financial instruments.

Other current liabilities and grants in EUR thousand	2018	2017
Derivatives recognised as current liabilities	24,940	33,620
Liabilities due to employees	15,861	15,356
Other tax liabilities	3,237	3,574
Liabilities due to social security carriers	2,886	2,741
Deferred income	0	21
Grant power contract	14,756	14,029
Sundry other liabilities	5,104	4,373
	66,785	73,715

Details about derivatives are summarised in the section M Financial instruments, within the section derivative financial instruments. Details about offsetting derivatives are presented in the Notes to the consolidated statement of financial position, in section J 7.

14 Trade payables

in EUR thousand	2018	2017
Trade payables	89,966	77,564
	89,966	77,564

Of the trade payables, EUR 16,014 thousand are attributable to investment liabilities (previous year: EUR 27,355 thousand).

K Notes to the consolidated statement of profit or loss

The AMAG Group prepares its statement of profit or loss applying the cost of sales method.

01 Revenue

The revenue streams of the AMAG Group derive from the sale of primary aluminium (Metal Division), sales of aluminium rolled products (Rolling Division) aluminium cast alloys (Casting Division) and services connected with building and space management, works services etc at its Ranshofen site (Service Division), whereby external revenue generated from services plays a subordinate role (0.54% of total revenue, previous year: 0.57%). The segment report includes further information about sales revenues. Remaining performance obligations are not listed, as the exemption provision pursuant to IFRS 15.122 is utilised.

As the AMAG Group operates in several business segments, this reduces the risk of dependency on a small number of customers. Its ten largest customers account for 32.8 % of sales revenue (previous year: 31.5 %), and the largest single customer, which is attributable to the Rolling Division, accounts for 8.8 % (previous year: 8.6 %).

Revenues are comprised as follows:

in EUR thousand	2018	2017
Revenue from third parties	1,109,022	1,045,947
Revenue from services	5,907	5,918
Result derivatives	(13,365)	(15,627)
	1,101,564	1,036,238

The revenue results entirely from contracts with customers. The result from derivatives includes expenses from derivatives designated as in a cash flow hedge pursuant to IFRS 9. Only the Service Division generates revenue from services.

The AMAG Group recognises revenue in the following regions:

in EUR thousand	Metal	Casting	Rolling	Service	Group
Western Europe (without Austria)	47,263	72,205	356,121	2	475,591
Austria	1,200	25,671	134,809	5,905	167,585
Rest of Europe	48,589	7,253	78,211	0	134,053
North America	115,725	403	151,265	0	267,393
Asia, Oceania and other	3,547	0	53,396	0	56,942
	216,324	105,532	773,801	5,907	1,101,564

02 Cost of materials and services

All cost of materials and purchased services are included in the following items of the statement of profit and loss:

in EUR thousand	2018	2017
Cost of sales	739,258	686,510
Selling and distribution expenses	29	65
Administrative expenses	1,491	383
Research and development expenses	740	586
Other expenses	940	588
	742,459	688,131

Details about the derivatives' effects on the cost of materials are presented in the section M Financial instruments, within the section Derivative financial instruments.

03 Other income

in EUR thousand	2018	2017
Grants and government subsidies	5,064	7,494
Income from currency translation	1,606	1,663
Other income	9,402	5,868
	16,072	15,025

Sundry other income mainly comprises income from maintenance services and received compensation payments.

04 Personnel expenses

in EUR thousand	2018	2017
Wages	68,779	65,012
Salaries	45,655	44,097
Expenses for severance payments and contributions to employee benefit funds	1,842	1,630
Retirement benefit obligation	3,804	4,065
Expenses for social security contributions	27,455	25,050
Other expenses for social benefits	405	378
	147,940	140,232

Pension expenses are included in the following profit and loss statement items:

Classification of personnel expenses in EUR thousand	2018	2017
Cost of sales	113,709	106,398
Selling and distribution expenses	11,450	10,904
Administrative expenses	11,079	12,155
Research and development expenses	9,461	8,694
Other expenses	2,240	2,081
	147,940	140,232

Management Board members and senior employees

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 approximately 65 % to 35 % (previous year: approximately 68 % to 32 %). Management Board compensation stood at EUR 2,389 thousand in the 2018 financial year (previous year: EUR 2,234 thousand). A provision totalling EUR 600 thousand was formed for a long-term performance-based component (previous year: EUR 1,549 thousand). A defined benefit pension commitment also exists for one Management Board member due to previous activity for AMAG. An amount of EUR 120 thousand was recognised for this directly in equity in the financial year under review (previous year: EUR 268 thousand).

Group executive staff received EUR 6,905 thousand of compensation (previous year: EUR 7,870 thousand).

Expenses for severance payments and contributions to employee benefit funds are comprised as follows:

Expenses for severance payments and contributions to employee benefit funds acc. to function in EUR thousand	2018	2017
Board members	36	36
Executive employees	59	59
Other employees	1,748	1,535
	1,842	1,630

Of this amount, employee benefit funds account for EUR 962 thousand (previous year: EUR 847 thousand).

Pension expenses are comprised as follows:

Pension expenses according to function in EUR thousand	2018	2017
Board members	123	123
Executive employees	263	232
Other employees	3,418	3,710
	3,804	4,065

This includes payments to pension funds in an amount of EUR 1,182 thousand (previous year: EUR 1,066 thousand).

A premium of EUR 38 thousand (previous year: EUR 38 thousand) was paid for D&O liability insurance.

The pension scheme for Management Board members and managing directors of consolidated companies is comprised entirely of defined contribution plans. The Group has no obligation to meet any funding shortfalls.

Supervisory Board

Compensation of EUR 705 thousand was paid to the Supervisory Board of AMAG Austria Metall AG in 2018 (previous year: EUR 602 thousand).

Remuneration for members of the Supervisory Board is determined by the Annual General Meeting, in consideration of responsibility borne, and activities undertaken, by the Supervisory Board. In particular, the company's size and organisational structure, and the scope of decisions made by the Supervisory Board, are taken into consideration. In contrast with Management Board compensation, the company's financial position is not relevant to the remuneration of the Supervisory Board and for this reason is not taken into consideration in its remuneration.

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

Headcount

Average number of employees (full-time equivalents)	2018	2017
Industrial workers	1,302	1,268
Salaried employees	657	613
	1,959	1,881

In 2018, the headcount includes a 20 % share of the average workforce at the Aluminerie Alouette joint operation, or 181 employees (129 industrial workers, 52 salaried employees) (previous year: 182 employees: 132 industrial workers, 50 salaried employees).

05 Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses are allocated among the profit and loss statement items as follows:

in EUR thousand	2018	2017
Cost of sales	77,413	74,693
Selling and distribution expenses	303	301
Administrative expenses	1,357	1,449
Research and development expenses	682	686
Other expenses	588	521
	80,343	77,651

06 Administrative expenses

Other expenses (administrative expenses) include costs for the audit of the separate financial statements in accordance with local law, as well as of the individual Group companies' IFRS packages, and of the AMAG Austria Metall AG consolidated financial statements by the Group auditor Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

in EUR thousand	2018	2017
Audits	260	260
Other certification services	32	56
Other services	56	21

07 Result from equity accounted investments

in EUR thousand	2018	2017
Result from first-time consolidation	0	1,301
Attributable earnings	387	216
	387	1,517

08 Net financial result

in EUR thousand	2018	2017
Interest income	911	820
Interest expenses	(8,059)	(7,266)
Other financial income (expenses)	1,516	1,300
	(5,632)	(5,146)

Interest expenses in EUR thousand	2018	2017
Interest expenses from financial liabilities at amortised cost	(4,656)	(4,337)
Interest expenses from provisions	(1,978)	(1,742)
Interest expenses from non-financial liabilities	(1,425)	(1,187)
	(8,059)	(7,266)

Interest expenses from provisions include the net interest expense from provisions for employee benefits, as well as the unwinding of discounts applied to non-current provisions.

The other net financial result includes, among other items, income from non-consolidated participating interests and shares in an amount of EUR 280 thousand (previous year: EUR 184 thousand) and translation effects from financing in an amount of EUR 1,221 thousand (previous year: EUR -1,604 thousand). Details about the derivatives' effects on the net financial result are presented in the section M Financial instruments, within the section Derivative financial instruments.

09 Income taxes

Income taxes comprise income taxes paid and payable, as well as deferred tax. Parts of AMAG Group companies are assessed as tax groups.

Tax reconciliation

in EUR thousand	2018	2017
Earnings before taxes (EBT)	55,013	81,657
Tax expenses at 25 %	13,753	20,414
Not deductible expenses	284	711
Tax-free income	(1,537)	(2,112)
Other tax rates	(26)	1,057
Minimum corporate tax	2	7
Tax expenses previous years	(66)	(1,591)
Adjustment deferred taxes previous year	5	0
Utilisation of unrecognised losses carried forward	(1,687)	0
Allocation and release of deferred taxes on losses carried forward	0	47
Tax benefit	(271)	0
Effects of tax audit	(52)	0
Other	66	(37)
Current tax expenses	10,471	18,497
Tax payments	14,849	14,531

Deferred tax

in EUR thousand	Deferred taxes 2018		Deferred taxes 2017	
	Assets	Liabilities	Assets	Liabilities
Property, plant and equipment	15	21,660	3	25,215
Other non-current assets and financial assets	9	3,001	7	6,748
Inventories	3,865	456	744	1,713
Receivables	11,176	10,125	12,714	7,922
Provisions	20,567	2,110	19,864	31
Liabilities	17,385	8,947	16,130	1,919
Losses carried forward/minimum corporate tax	22	0	7,696	0
	53,039	46,300	57,158	43,547
Offsetting towards the same taxation authority	46,300	46,300	43,547	43,547
Net deferred tax assets and liabilities	6,738	0	13,611	0

Deferred tax at the level of the Austria Metall AG tax group was offset (see also section J 4 Deferred tax assets).

The following table shows the changes and distribution of changes in deferred tax among those components that are recognised in profit or loss, and those recognised directly in equity:

Change of deferred taxes in EUR thousand	Deferred tax assets	Deferred tax liabilities
As of Dec. 31, 2016	23,406	13,066
IFRS 9 adjustment	0	(203)
As of Jan. 1, 2017	23,406	12,863
Profit and loss changes	(25,510)	(20,528)
Cash flow hedges	10,114	4,383
Revaluation of defined benefit pension plans	2,227	(1,262)
Currency translation differences	(996)	173
Not recognised in profit or loss	11,346	3,295
Offsetting on tax group level	4,370	4,370
As of Dec. 31, 2017	13,611	0
IFRS 15 adjustment	0	(93)
As of Jan. 1, 2018	13,611	(93)
Profit and loss changes	(3,955)	(1,147)
Cash flow hedges	(5,212)	(481)
Revaluation of defined benefit pension plans	(659)	(615)
Currency translation differences	617	0
Not recognised in profit or loss	(5,254)	(1,096)
Offsetting on tax group level	2,336	2,336
As of Dec. 31, 2018	6,738	0

L Notes to the consolidated statement of cash flows

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

The other non-cash expenses and income included in cash flow from operating activities primarily comprise valuation effects from currency translation.

The item "Payments for investments in property, plant and equipment and intangible assets" includes the change in investment liabilities of EUR -11,355 thousand (previous year: EUR -765 thousand).

Cash and cash equivalents comprise cash on hand of EUR 368 thousand (previous year: EUR 162 thousand) and short-term investments amounting to EUR 295,503 thousand (previous year: EUR 169,590 thousand).

Cash flow from financing activities includes the following changes in financial liabilities:

in EUR thousand	As of Jan. 1, 2018	Cash flows		Exchange differences	Non-cash changes		Valuation effects	As of Dec. 31, 2018
		Acquisition	Amortisation		New leases			
Borrowings	451,787	267,004	(111,034)	(546)		(78)	607,134	
Finance lease	804		(480)	0	237	0	561	
Financial liabilities	452,591	267,004	(111,513)	(546)	237	(78)	607,694	

in EUR thousand	As of Jan. 1, 2017	Cash flows		Exchange differences	Non-cash changes		Valuation effects	As of Dec. 31, 2017
		Acquisition	Amortisation		New leases			
Borrowings	374,923	107,770	(30,604)	(1,272)		970	451,787	
Finance lease	1,200		(541)	0	144	0	804	
Financial liabilities	376,124	107,770	(31,144)	(1,272)	144	970	452,591	

M Financial instruments

Risk management strategies

AMAG Austria Metall AG is exposed to risks arising from changes in exchange rates, interest rates and quoted share prices, which can have an impact on assets, liabilities and planned transactions. The handling of such risks is regulated in Group-wide valid guidelines that are updated constantly and adjusted to reflect changes in circumstances. The aim of financial risk management is to limit market risk by means of the Group's ongoing operating and financial activities. Derivative instruments are deployed solely for hedging purposes.

Liquidity risks

Liquidity risk refers to the risk that the company will not enjoy uninterrupted access to funding in order to settle its financial obligations. Accordingly, the Group takes steps to ensure that sufficient cash and cash equivalents are available, and that financing requirements can be met through credit facilities. Liquidity risks are determined by liquidity planning, which is conducted across the Group on the basis of different currencies. Capital measures for the Group companies are planned on the basis of these results.

In order to protect against liquidity risk, committed credit lines are available to the AMAG Group. The Group also has at its disposal credit guarantee lines.

AMAG Austria Metall AG has issued the following assurances to financing partners in connection with various facilities:

Committed lines undrawn as of December 31, 2018 with a total volume of EUR 80 million and a term ending 2019-2023, arranged by means of bilateral contracts with several house banks, include assurances relating to the consolidated equity ratio not exceeding 30 % and a net financial debt to EBITDA ratio not exceeding 3.5 to 4.0 respectively.

A committed line, undrawn as of December 31, 2018, which can be used alternatively for cash advances and/or guarantees, with a total volume of EUR 50 million and with final maturity in 2019, arranged with a house bank, includes assurances relating to the consolidated equity ratio not exceeding 30 % and a net financial debt to EBITDA ratio not exceeding 4.0.

A refinancing framework from OeKB (KRR) undrawn as of December 31, 2018 with a total volume of EUR 30 million, arranged by means of bilateral contracts with two house banks, include assurances relating to the consolidated equity ratio not exceeding 30 % and a net financial debt to EBITDA ratio not exceeding 4.0.

A drawn OeKB facility refinancing two financing rounds with a total volume of EUR 300 million and terms ending in 2024 and 2026 respectively, arranged by means of bilateral contracts with several house banks, includes assurances relating to the consolidated equity ratio not exceeding 30 % and a net financial debt to EBITDA ratio not exceeding 3.5 and 4.0 respectively.

A TLTRO facility with a volume of EUR 50 million and term ending in 2020, arranged by means of a bilateral contract with a house bank, includes assurances relating to the consolidated equity ratio not exceeding 30 % and a net financial debt to EBITDA ratio not exceeding 3.0 and 4.0 respectively.

A EUR 200 million promissory loan note issued in 2018 with terms ending in 2023, 2025 and 2028 includes assurances relating to the consolidated equity ratio exceeding 30 %.

In the aforementioned financing lines, valuation effects from a long-term electricity contract of Alouette are excluded from the calculation of these financial covenants.

The last sub-tranche of a borrower's note loan issued in 2012 with a remaining volume of EUR 14 million and a term ending in 2019 includes assurances relating to the consolidated equity ratio not exceeding 30 % and the net debt to EBITDA ratio not exceeding 3.5.

Failure to comply with a covenant entitles the lender to terminate the respective financing agreement. All assurances were complied with both in relation to the respective cut-off dates and also during the course of the year.

The residual terms of the liabilities are as follows:

Residual terms of liabilities 2018 in EUR thousand	Book value	Undiscounted cash flow	With a residual term of less than 1 year	With a residual term of more than 1 but less than 5 years	With a residual term of more than 5 years
Financial liabilities	607,694	642,444	46,639	327,652	268,153
Other non-current liabilities and grants without derivatives	2,011	2,011	0	2,011	0
Derivatives recognised as non-current liabilities	5,517	5,517	0	4,657	860
Trade payables	89,966	89,966	89,966	0	0
Sundry other liabilities without derivatives	5,104	5,104	5,104	0	0
Derivatives recognised as current liabilities	24,940	24,940	24,940	0	0
	735,233	769,983	166,649	334,321	269,013

Residual terms of liabilities 2017 in EUR thousand	Book value	Undiscounted cash flow	With a residual term of less than 1 year	With a residual term of more than 1 but less than 5 years	With a residual term of more than 5 years
Financial liabilities	452,591	487,787	67,054	228,048	192,685
Other non-current liabilities and grants without derivatives	2,341	2,341	0	1,847	494
Derivatives recognised as non-current liabilities	7,472	7,472	0	7,472	0
Trade payables	77,564	77,564	77,564	0	0
Sundry other liabilities without derivatives	4,373	4,373	4,373	0	0
Derivatives recognised as current liabilities	33,620	33,620	33,620	0	0
	577,962	613,157	182,611	237,367	193,179

Credit risks

Credit risk and the risk of default by contractual partners is managed by way of credit assessments, credit limits and routine checks. Where appropriate, the Group obtains government export guarantees or guarantees from private credit insurers in order to minimise default risk.

The Group operates exclusively with financial partners with good credit ratings, which also serves to reduce credit risk.

The following risk categories exist at present:

Risk category	Description	Expected loan default
1. Without risk	Low default risk and past counterparty payments on time.	12m ECL
2. Doubtful	Amount is more than 30 days overdue or a significant increase in default risk has occurred since first recognition.	Lifetime ECL
3. In default	Diminished credit standing due to bankruptcy or start of insolvency proceedings.	Lifetime ECL
4. Adjustment	No realistic prospect of recovery. Payment not expected to be collected.	Will be written off

With regard to assets, the reported values of the relevant primary financial instruments represent the maximum credit or default risk. Provisions are formed for all identified risks. The management is of the opinion that no other credit risks above and beyond these will arise.

Trade receivables that are not yet due are owed mainly by long-term business partners. Creditworthiness is assessed on the basis of internal guidelines. Defaults over the last five years were evaluated at AMAG to calculate the impairment requirement. The analysis showed that no significant risk exists for receivables with a certain overdue status and the management is of the opinion, that this estimation is applicable for the following years. Receivables due from companies in insolvency were written off (EUR 7 thousand, previous year: EUR 8 thousand). Credit insurance has been arranged with an insurance company for a significant proportion of the trade receivables (84.2 %, previous year: 83.4 %). An excess is payable in the event of a claim. A maximum of the deductible is recognised as an impairment for an expected credit loss on such receivables. An elevated default risk on receivables more than 90 days overdue was not determined based on an analysis of past experience. For this reason, overdue status beyond 90 days is not regarded as an indicator of a default event having occurred, which would require allocating the receivables to Level 3.

The following table shows the risk profile of trade receivables based on the impairment matrix:

Maturities of receivables in EUR thousand	2018	2017
Not yet due	102,688	102,895
Overdue receivables	23,438	17,510
Less than 30 days overdue	18,481	15,406
More than 30 days, but less than 60 days overdue	3,678	1,263
More than 60 days, but less than 90 days overdue	309	403
More than 90 days overdue	971	438
	126,127	120,404

None of the other financial receivables are overdue.

Market risks**Currency risks**

Currency risk refers to the risk that the value of a financial instrument may change due to exchange rate fluctuations. The Group concludes exchange futures and options transactions (cash flow hedges) 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 forward transactions and options.

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 when the respective contract is entered into, 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 incurred mainly in euros, although also in US dollars. Any imbalance between expenses and revenue is hedged. Costs at the Canadian plant are incurred in US dollars and Canadian dollars, although sales revenue is realised primarily in US dollars. Items not covered by natural hedges are hedged in accordance with the risk position and risk horizon.

Differences in the value-determining risk factors between the underlying transaction and the hedging instrument creates sources of ineffectiveness. Ineffectivenesses can arise in connection with expected premiums for the embedded derivative, which are to be taken into consideration accordingly. No sources for ineffectiveness exist above and beyond this. As the basis values of the underlying transaction and the hedging instrument always converge, the accounting hedge ratio always amounts to 1:1. In other words, the designated quantity or designated volume of the hedging instrument corresponds to the designated quantity or designated volume of the underlying transaction. The hedge ratio is adjusted if the hedge ratio exhibits a disequilibrium which would result in ineffectiveness, creating an accounting consequence irreconcilable with the purpose of hedge accounting. No ineffectivenesses exist as a consequence.

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:

	Currency	2018		2017	
		in EUR thousand	Share	in EUR thousand	Share
Non-derivative financial instruments/assets					
	EUR	344,507	79.1 %	216,047	70.1 %
	USD	79,780	18.3 %	85,869	27.8 %
	CAD	8,488	1.9 %	3,229	1.0 %
	GBP	3,144	0.7 %	3,056	1.0 %
	DKK	25	0.0 %	78	0.0 %
	NOK	31	0.0 %	18	0.0 %
	Other	350	0.1 %	166	0.1 %
		436,326	100.0 %	308,462	100.0 %
Non-derivative financial instruments/liabilities					
	EUR	699,961	99.4 %	504,834	94.1 %
	USD	4,579	0.6 %	11,808	2.2 %
	CAD	156	0.0 %	20,167	3.8 %
	GBP	26	0.0 %	62	0.0 %
	Other	55	0.0 %	0	0.0 %
		704,776	100.0 %	536,870	100.0 %

Interest rate risks

This refers to risks associated with changes in the net interest result or present value. Due to the interaction between these types of risks, interest rate risk cannot be eliminated entirely. The Group's exposure to risks related to present value affects interest-bearing financial instruments and assets, while net interest income-related risks have an impact on interest expense and income.

At the end of the reporting period the Group had entered into euro-denominated interest rate swaps that qualified as cash flow hedges. AMAG Austria Metall AG pays fixed interest on the notional value of the swap contract and, in return, receives variable interest payments on the same principal amount.

These interest rate swaps offset the impact of future changes in interest rates on the cash flows derived from the underlying variable-rate financial liabilities. The interest rate swaps are reported at fair value in the statement of financial position.

Changes in the fair value of interest rate swaps designated as cash flow hedges are recognised in equity under the hedging reserve item. Once interest payments are received in relation to the hedged underlying transaction, the hedging reserve is reclassified and recognised in profit or loss under net interest income/expense.

The economic connection between underlying transaction and hedging instrument is established by comparing the value-determining risk factors. Given complete or approximate convergence of the main value-determining risk factors of the underlying transaction and the hedging instrument, evidence of the economic connection is rendered based on the critical terms match method. In all other cases, depending on the extent of the divergence of the value-determining risk factors in each case, either sensitivity analyses or the characteristics of the dollar offset methods are utilised to evidence the economic connection.

Differences in the value-determining risk factors between the underlying transaction and the hedging instrument creates sources of ineffectiveness. In the case of designated hedges in the interest rate risk area, no potential sources of ineffectiveness existed at present. As the basis values of the underlying transaction and the hedging instrument always converge, and the intrinsic value is always designated when deploying options as hedging instruments, the accounting hedge ratio always amounts to 1:1. In other words, the designated quantity or designated volume of the hedging instrument corresponds to the designated quantity or designated volume of the underlying transaction. The hedge ratio is adjusted if the hedge ratio exhibits a disequilibrium which would result in ineffectiveness, creating an accounting consequence irreconcilable with the purpose of hedge accounting. No ineffectivenesses exist for this reason.

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, 2018

Position	Rate type	Average	Bank accounts	Current	Non-current
Deposits	Fixed	-	-	-	-
	Variable	0.16 %	0.33 %	0.16 %	-
	Average	0.16 %	0.33 %	0.16 %	-
Financial liabilities	Fixed	1.20 %	-	3.22 %	1.10 %
	Variable	0.27 %	-	0.14 %	0.28 %
	Average	0.86 %	-	1.37 %	0.82 %

Interest rate summary as of Dec. 31, 2017

Position	Rate type	Average	Bank accounts	Current	Non-current
Deposits	Fixed	-	-	-	-
	Variable	0.30 %	0.06 %	0.30 %	-
	Average	0.30 %	0.06 %	0.30 %	-
Financial liabilities	Fixed	1.03 %	-	0.96 %	1.08 %
	Variable	0.15 %	-	0.92 %	0.15 %
	Average	0.72 %	-	0.96 %	0.63 %

Commodity price risks

In the commodities area, AMAG Austria Metall AG is particularly exposed to price risks arising from aluminium. These derive from the fact that the AMAG Group produces and processes aluminium.

Resultant purchasing and sales risks relating to price-change risks for future purchases and stocks of raw materials as well as sales of aluminium products (primary aluminium, foundry alloys, rolled products) of raw materials listed on the London Metal Exchange (LME) are hedged deploying marketable forward commodity transactions and commodity options as hedging instruments.

The aluminium price traded on the London Metal Exchange (LME) comprises a separately identifiable price component in the case of both products manufactured at AMAG (primary aluminium, foundry products, rolled products) as well as raw materials employed such as primary aluminium and aluminium scrap. This is contractually agreed as a separate component, plus any premiums (for transport etc), and markups for processing as well as grades and grade discounts (in the case of scrap). Such identifiability also remains for products in the production process (inventories). This component can be valued reliably thanks to the listing of the aluminium price on the LME. This is the most important component exposed to price risks. The share of value changes in the aluminium price as a proportion of changes to the fair value of inventories cannot be estimated, as the aluminium price can be subject to very sharp fluctuations (including on the relevant reporting date).

Hedges of future cash flows from the sale of aluminium products of Aluminerie Alouette Inc. are classified as cash flow hedges.

All stocks of aluminium components are hedged against aluminium price risk by means of either derivative financial instruments or customer contracts. The price change risk resulting from such stocks is managed in a dynamic process, as aluminium stocks change constantly due to new additions and disposals. AMAG reports the dynamic hedging of its stocks hedged by derivative financial instruments as fair value hedges in its financial statements, to reduce the P&L volatility resulting from the constant measurement of the derivative financial instruments deployed. Fair value hedges are designated with a one-month period and the designated hedges are re-designated after each month to reflect the month-on-month change in the aluminium stock as an underlying transaction together with the volume change in hedging instruments as part of hedge accounting.

Differences in the value-determining risk factors between the underlying transaction and the hedging instrument creates sources of ineffectiveness. In the case of designated hedges in the raw materials risk area, no potential sources of ineffectiveness exist at present, apart from the potential ineffectiveness from taking into consideration the LME premium expectation (as described above). As the basis values of the underlying transaction and the hedging instrument always converge, and the intrinsic value is always designated when deploying options as hedging instruments, the accounting hedge ratio always amounts to 1:1. In other words, the designated quantity or designated volume of the hedging instrument corresponds to the designated quantity or designated volume of the underlying transaction. The hedge ratio is adjusted if the hedge ratio exhibits a disequilibrium which would result in ineffectiveness, creating an accounting consequence irreconcilable with the purpose of hedge accounting.

Derivatives recognised at fair value through profit or loss cannot be classified as cash flow or fair value hedges under current accounting standards, although they serve as hedges against the Group's operating risk exposures.

Due to the long risk horizon in some cases, such risks are hedged for periods of up to three years (up to six years in the case of derivatives not forming part of hedges). In the commodities price hedging area, too, derivatives are deployed only to hedge raw material price risk if they can be clearly accounted for and measured.

For risks based on fluctuating premiums in connection with aluminium purchasing, premium derivatives are arranged as required. For commodity price risk connected with copper purchases, copper derivatives are arranged to hedge the future copper purchase where required. For commodity price risk connected with alumina purchases, alumina derivatives are arranged to hedge the future alumina purchase where required. Such derivatives are recognised as cash flow hedges.

Sensitivity analysis

Sensitivity analyses as of Dec. 31, 2018 (in EUR thousand)

	Change	EUR	USD	Other	Total
Foreign exchange rate risks					
Change in net financial liabilities due to an exchange rate reduction by	10 %	0	3,533	(1,505)	2,029
Effect to profit or loss from foreign currency transactions due to an exchange rate reduction by	10 %	(383)	0	0	(383)
Effect to other comprehensive income from foreign currency transactions due to an exchange rate reduction by	10 %	(36,833)	3,688	5,537	(27,608)
Interest rate risks					
Change in net interest income (expenses) due to an interest rate increased by	1 %	824	341	79	1,244
Effect to other comprehensive income from interest rate swap due to an interest rate increased by	1 %	600	0	0	600
Commodity price risks					
Change in inventory write-down due to an LME aluminium price reduction by	10 %	0	0	(6,508)	(6,508)
Effect to profit or loss from commodity price hedging due to an LME reduction by	10 %	0	0	133	133
Effect to other comprehensive income from commodity price hedging due to an LME reduction by	10 %	0	0	8,437	8,437

Sensitivity analyses as of Dec. 31, 2017 (in EUR thousand)

	Change	EUR	USD	Other	Total
Foreign exchange rate risks					
Change in net financial liabilities due to an exchange rate reduction by	10 %	0	3,362	(1,017)	2,345
Effect to profit or loss from foreign currency transactions due to an exchange rate reduction by	10 %	(402)	0	0	(402)
Effect to other comprehensive income from foreign currency transactions due to an exchange rate reduction by	10 %	(32,889)	2,514	5,031	(25,344)
Interest rate risks					
Change in net interest income (expenses) due to an interest rate increased by	1 %	(215)	336	24	145
Effect to other comprehensive income from interest rate swap due to an interest rate increased by	1 %	600	0	0	600
Commodity price risks					
Change in inventory write-down due to an LME aluminium price reduction by	10 %	0	0	(7,065)	(7,065)
Effect to profit or loss from commodity price hedging due to an LME reduction by	10 %	0	0	21	21
Effect to other comprehensive income from commodity price hedging due to an LME reduction by	10 %	0	0	22,694	22,694

The table shows the effect of a generally possible exchange rate reduction of 10 % on periodic earnings, as well as the sensitivities of the hedges.

The table also shows sensitivity given a one percentage point increase in the interest rate, as well as the effect of the hedges.

Finally, the table also shows the effects of a 10 % change in the aluminium price on inventory values, and the sensitivity of the commodities hedges.

Primary financial instruments

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

Cash and cash equivalents

The carrying amounts correspond to market values.

Securities held as non-current and current assets

The securities are equity instruments (interests in other companies below 20 %), which are measured at fair value through profit or loss.

Derivative financial instruments

Exclusively standard market instruments with sufficient market liquidity and from business partners with low default risk are utilised for hedging.

Cash flow hedges

Foreign exchange derivatives are employed to hedge cash flows from outstanding and anticipated foreign currency transactions. Additionally, raw material price risks (in relation to aluminium and, to a minor extent, copper) arising from expected and highly probable forecast transactions are hedged using commodity derivatives. Euro-denominated interest rate swaps serve as a hedge against interest rate risk. The fair value of interest rate derivatives reflects changes in the yield curve since the start of the instruments' terms.

In the case of options, only the intrinsic value of the derivative is designated as a hedging instrument. A change in the fair value of this intrinsic value is recognised in the hedging reserve, and changes in the fair value of the derivative are carried directly to equity in the fair value reserve. When hedging transaction-related underlying transactions, on the date when the hedge transaction occurs the fair value reserve is either released against the purchase costs of the non-financial asset or in other cases reclassified in profit or loss through other comprehensive income. If periodic underlying transactions are hedged, the fair value reserve is released systematically in profit or loss over the designation period, as a matter of principle. In accordance with IFRS 9B6.5.31, systematic release in profit or loss is waived if the amount of the fair value reserve is attributable to combinations of call and put options whose fair value amounted to zero on the designation date.

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

Currency or commodity		2018			2017		
		Longest term	Nominal values 1)	Market values in EUR thousand	Longest term	Nominal values 1)	Market values in EUR thousand
Currency derivatives							
Foreign exchange forwards							
USD	Sale	03/2025	435,191	(3,608)	02/2024	411,806	14,911
GBP	Sale	10/2019	1,240	(1)	02/2019	850	(1)
CAD	Buy	02/2022	84,000	(2,347)	01/2021	68,000	1,578
USD	Buy	12/2019	42,312	(230)	12/2018	30,207	(349)
Commodity derivatives							
Forward contracts							
AL	Sale	12/2020	7,838	2,092	12/2020	25,500	(4,849)
CU	Buy	12/2019	600	(40)	12/2018	450	164
TE	Buy	01/2019	2,000	60			
PR	Buy	01/2021	4,100	(179)			
Options							
AL	Sale	12/2020	51,000	2,676	12/2023	192,000	(8,923)
Interest rate derivatives							
Interest rate swaps							
EUR		12/2024	60,000	(863)	12/2024	60,000	(561)
Embedded derivative							
AL	Sale	12/2023	113,516	39,525	12/2023	136,206	38,129

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

	2018			2017		
	Receivable	Liability	Total	Receivable	Liability	Total
Currency derivatives	2,557	(8,743)	(6,186)	18,426	(2,288)	16,139
Commodity derivatives	5,802	(1,194)	4,608	1,539	(15,147)	(13,608)
Interest rate derivatives		(863)	(863)		(561)	(561)
Embedded derivative	39,525		39,525	38,129		38,129
Total	47,884	(10,800)	37,083	58,094	(17,995)	40,099

Currency or commodity		Term of 1 year		Term of 1 to 3 years		Term of more than 3 years	
		Nominal ¹⁾	Average forward rate	Nominal ¹⁾	Average forward rate	Nominal ¹⁾	Average forward rate
Currency derivatives							
Foreign exchange forwards							
USD	Sale	180,392	1.1805	122,881	1.2193	131,918	1.2701
GBP	Sale	1,240	0.8996				
CAD	Buy	47,000	1.3025	35,000	1.2900	2,000	1.3376
USD	Buy	42,312	1.1405				
Commodity derivatives							
Forward contracts							
AL	Sale	4,838	1,603	3,000	1,629		
CU	Buy	600	5,134				
TE	Buy	2,000	363				
PE	Buy	2,150	120	1,950	120		
Options							
AL	Sale	33,000	1,612	18,000	1,629		
Interest rate derivatives							
Interest rate swaps							
EUR		10,000	0.66%	20,000	0.66%	30,000	0.32%
Embedded derivative							
AL	Sale					113,516	2.014 USD/tonne

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

The following underlying transactions were hedged:

Risk	2018		2017	
	Change in value of underlying transaction	Amount of reserve	Change in value of underlying transaction	Amount of reserve
Currency risks				
Future sale	(3,609)	3,609	14,910	(14,910)
Future purchase	(2,577)	2,577	1,229	(1,229)
Commodity price risks				
Future sale	44,292	26,848	24,357	54,268
Future purchase	(160)	160	164	(164)
Interest rate risks				
Future interest paid	(863)	863	(561)	561
less deferred tax from hedging reserve		(8,546)		(10,412)
Total	37,083	25,511	40,098	28,115

The cumulative valuation adjustment of the underlying transaction from the cash flow hedge accounting is consistent with the value change of the derivative plus the ineffectiveness. The change in value of the embedded derivative corresponds to the level of the reserve less the ineffectiveness and the initial measurement amount.

The table below shows the changes in the hedging reserve (gross) in accordance with IFRS 9.

Hedging reserve 2018 in EUR thousand	Commodity derivatives	Currency derivatives	Interest rate derivatives	Embedded derivative	Total
Change in fair value recognised directly in other comprehensive income (OCI)	11,810	(22,699)	(677)	5,615	(5,951)
Reclassification from OCI recognised through profit or loss	365	2,616	0	9,148	12,129
Revenue	2,040	3,748	0	4,574	10,362
Materials	(1,675)	(1,675)	0	4,574	1,224
Other operating expenses		169	0	0	169
Net financial income (expenses)		374			374
Hedging reserve 2017 in EUR thousand	Commodity derivatives	Currency derivatives	Interest rate derivatives	Embedded derivative	Total
Change in fair value recognised directly in other comprehensive income (OCI)	(18,167)	43,756	557	(55,468)	(29,321)
Reclassification from OCI recognised through profit or loss	6,344	1,414	0	5,007	12,765
Revenue	6,344	(595)	0	2,504	8,253
Materials	0	2,109	0	2,504	4,613
Other operating expenses	0	(100)	0	0	(100)

Fair value hedges

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 materials and consumables used.

The following derivative financial instruments qualify as fair value hedges, and are recognised in profit or loss:

Currency or commodity		Longest term	Nominal values ¹⁾	2018	Longest term	Nominal values ¹⁾	2017
				Market values in EUR thousand			Market values in EUR thousand
Commodity derivatives							
Forward contracts							
AL	Sale	02/2019	63,442	7,656	01/2018	55,000	(9,024)
AL	Buy	12/2020	18,217	(1,955)	03/2018	975	188
Hedged firm commitments							
AL	Sale	02/2019	18,217	1,955	03/2018	975	(188)
AL	Buy	12/2020	63,442	(7,656)	01/2018	55,000	9,024

1) Commodities' nominal value stated in tons of aluminium (AL)

	2018			2017		
	Receivable	Liability	Total	Receivable	Liability	Total
Commodity derivatives	9,611	(9,611)	0	9,212	(9,212)	0

The following underlying transactions were hedged:

Risk	2018		2017	
	Change in value of hedged item	Book value of hedged item	Change in value of hedged item	Book value of hedged item
Commodity price risks				
Inventories	(9,874)	101,678	7,414	99,698

The cumulative valuation adjustment of the underlying transaction from the fair value hedge accounting concurs with the value change of the hedge.

Fair value reserve

	2018	2017
As of Dec. 31	(3,438)	0
First-time application of IFRS 9	0	37
Changes in fair value	3,502	(3,475)
As of Dec. 31	64	(3,438)

Derivative financial instruments

Foreign exchange and commodity (aluminium) derivatives that meet the requirements for hedge accounting under IFRS 9 in terms of documentation and effectiveness must be classified as measured at fair value. Fair value changes in these derivative financial instruments are recognised in profit or loss.

Derivative financial instruments qualifying as measured at fair value through profit or loss:

Currency or commodity		Longest term	Nominal values ¹⁾	2018	Longest term	Nominal values ¹⁾	2017
				Market values in EUR thousand			Market values in EUR thousand
Currency derivatives							
Foreign exchange forwards							
GBP	Sale	01/2020	2,990	3	04/2018	3,100	(5)
JPY	Sale	02/2019	49,000	(9)	03/2018	59,000	7
NOK	Sale	01/2019	990	3	01/2018	884	2
Commodity derivatives							
Forward contracts							
AL	Buy	11/2023	532,208	(61,388)	12/2023	277,975	34,327
AL	Sale	10/2019	532,208	63,374	07/2018	277,975	(30,755)

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

The nominal values comprise the gross sum of the purchase and 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 London Metal Exchange (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 performed on the basis of generally accepted mathematical measurement models.

A hedge's term is determined by that of its underlying transaction, as a matter of principle.

Additional disclosures about financial instruments pursuant to IFRS 7:

2018			Mandatorily at fair value through profit or loss
Financial instruments pursuant to IFRS 7 in EUR thousand	Fair value hedge	Cash flow hedge	loss
Assets			
Other non-current assets and financial assets	0	34,612	40
Trade receivables	0	0	0
Current tax assets	0	0	0
Other current assets	7,656	13,272	19,645
Cash and cash equivalents	0	0	0
Liabilities			
Interest-bearing non-current financial liabilities	0	0	0
Other non-current liabilities and grants	61	5,232	224
Interest-bearing current financial liabilities	0	0	0
Trade payables	0	0	0
Current tax liabilities	0	0	0
Other current liabilities and grants	1,895	5,569	17,477

2017			Mandatorily at fair value through profit or loss
Financial instruments pursuant to IFRS 7 in EUR thousand	Fair value hedge	Cash flow hedge	loss
Assets			
Other non-current assets and financial assets	0	45,414	534
Trade receivables	0	0	0
Current tax assets	0	0	0
Other current assets	188	12,681	17,114
Cash and cash equivalents	0	0	0
Liabilities			
Interest-bearing non-current financial liabilities	0	0	0
Other non-current liabilities and grants	0	7,472	0
Interest-bearing current financial liabilities	0	0	0
Trade payables	0	0	0
Current tax liabilities	0	0	0
Other current liabilities and grants	9,024	10,524	14,072

*) Loans and receivables at amortised cost

	Equity investments at fair value through OCI	At amortised cost	Not a financial instrument	Book value as of Dec. 31, 2018	Fair value as of Dec. 31, 2018
	1,292	2,112	61	38,116	38,116
	0	126,127	0	126,127	126,127
	0	0	6,507	6,507	6,507
	0	10,924	20,879	72,377	72,377
	0	295,871	0	295,871	295,871
	0	553,254	0	553,254	544,155
	0	2,011	60,309	67,837	67,837
	0	54,440	0	54,440	58,983
	0	89,966	0	89,966	89,966
	0	0	75	75	75
	0	5,104	36,741	66,786	66,786

	Equity investments at fair value through OCI	At amortised cost	Not a financial instrument	Book value as of Dec. 31, 2017	Fair value as of Dec. 31, 2017
	1,226	2,145	0	49,319	49,319
	0	120,404	0	120,404	120,404
	0	0	1,283	1,283	1,283
	0	14,935	16,455	61,372	61,372
	0	169,752	0	169,752	169,752
	0	338,751	0	338,751	333,500
	0	2,341	73,537	83,349	83,349
	0	113,841	0	113,841	114,249
	0	77,564	0	77,564	77,564
	0	0	1,036	1,036	1,036
	0	4,373	35,722	73,715	73,715

Cash and cash equivalents, financial instruments, and trade receivables and other assets generally have short terms. As a result, the carrying amounts for these items are approximately the same as the respective fair value. Financial instruments not categorised in accordance with IFRS 7 include financial assets and liabilities measured at fair value as well as those recognised at amortised cost.

In general, trade payables and other current liabilities have terms of less than one year, and the recognised values are approximations of their respective fair value.

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

The measurement categories are as follows:

Measurement categories in EUR thousand	2018				2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
ASSETS								
Other non-current assets and financial assets	0	4,757	31,187	35,944	0	14,367	32,807	47,174
Other current assets	0	30,943	9,630	40,573	0	23,434	6,548	29,982
LIABILITIES								
Interest-bearing non-current financial liabilities	0	544,155	0	544,155	0	333,500	0	333,500
Other non-current liabilities and grants	0	5,517	0	5,517	0	7,472	0	7,472
Interest-bearing current financial liabilities	0	58,983	0	58,983	0	114,249	0	114,249
Other current liabilities and grants	0	24,940	0	24,940	0	33,620	0	33,620

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: methods in which all inputs that have a material effect on the reported fair value are directly or indirectly observable. The transactions outlined below are recognised at this level:

Forward currency transactions:

In forward currency transactions, a specified amount of a certain currency is exchanged for an amount in another currency at an agreed exchange rate on a particular date. Both of the 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 of the forward currency transaction comprises the difference between the two cash flows discounted to their present value and translated into the reporting currency applying the exchange rates. The exchange rates and the yield curve are applied as inputs.

Interest rate swap:

Interest rate swaps involve the exchange of a floating interest rate for a fixed rate. Measurement entails calculating the present value of the variable interest payments and the present value of the fixed interest payments. The present value of the interest rate swap is the difference of the two cash flows discounted to present value over the term of the transaction. The inputs comprise 3-month Euribor and the yield curve.

Commodity futures:

The value of these futures is the difference between the contract price and the aluminium price quoted on the London Metal Exchange (LME) at the maturity date of the transaction. The LME quoted aluminium price including the term structure, and the euro/US dollar futures curve comprise the inputs.

Commodity options:

The Black-Scholes model is applied in the valuation of commodity options. The key inputs are the LME quoted aluminium price including the term structure, the euro/US dollar futures curve, and aluminium price volatility data.

Alumina and premium derivatives:

The valuation of the alumina and premium business derives from the difference between the contract price and the final quotation of the alumina or premium price according to the broker on the respective due date of the transaction. The closing prices of the alumina or premium price according to the broker and the currency forward structure curve (USD to EUR) are applied as inputs.

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

The measurement of the participating interests was not based on observable data, but instead on company estimates, and is consequently allocated to Level 3.

The fair value of the embedded derivative in the electricity purchasing contract of Aluminerie Alouette Inc. is based on Level 3 fair value measurement. For more details please refer to section E. The change in the value of the embedded derivative is shown below:

Development of embedded derivative in EUR thousand	2018	2017
As of Jan. 1	38,129	115,236
Currency translation differences	1,796	(5,029)
Changes in fair value	5,614	(55,468)
Recycling	(6,014)	(16,158)
Ineffectiveness	0	(453)
As of Dec. 31	39,525	38,129
Thereof current	9,630	6,548

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

Sensitivity in EUR thousand	2018		2017	
	+10 %	-10 %	+10 %	-10 %
Other non-current assets and financial assets	(16,840)	16,840	(20,905)	20,905
Other current assets	(3,727)	3,727	(3,904)	3,904

The impact of a change in the derivative's term on measurement is outlined below:

Sensitivity in EUR thousand	2018		2017	
	1 year longer	1 year shorter	1 year longer	1 year shorter
Other non-current assets and financial assets	5,557	(6,355)	6,364	(6,316)
Other current assets	0	0	0	0

The derivatives are divided into the following categories in accordance with IFRS 9:

Derivatives with positive fair value in EUR thousand	2018		2017	
	Long-term	Short-term	Long-term	Short-term
Derivatives, mandatorily at fair value through profit or loss	40	19,645	534	17,114
Fair value hedge derivatives	0	7,656	0	188
Cash flow hedge derivatives	34,612	13,272	45,414	12,681
Total	34,652	40,573	45,948	29,982

Derivatives with negative fair value in EUR thousand	2018		2017	
	Long-term	Short-term	Long-term	Short-term
Derivatives, mandatorily at fair value through profit or loss	224	17,477	0	14,072
Fair value hedge derivatives	61	1,895	0	9,024
Cash flow hedge derivatives	5,232	5,569	7,472	10,524
Total	5,517	24,940	7,472	33,620

Derivatives with positive fair values are reported on the statement of financial position under the other assets item, and derivatives with negative fair values are reported under other liabilities and grants.

Net gains and losses by measurement categories

Net gains (losses) on financial instruments in EUR thousand	2018	2017
Hedging instruments mandatorily at fair value through profit or loss	352	2,980
Fair value through other comprehensive income	280	184
Liabilities at amortised costs	2,632	(2,257)
	3,265	908

The net profit/loss from financial instruments includes dividends received, but not profit attributable to non-controlling interests, or interest expense and interest received. Impairment losses and reversals of impairment losses, foreign exchange gains and losses, gains and losses on disposals, and other changes in the fair values of financial instruments recognised in profit or loss are included in the calculation of net profit/loss from financial instruments.

Gains and losses from derivative financial instruments used to hedge operating risk, which are offset by expenses under raw material and consumables and by revenue, are not included in net profit/loss from financial instruments.

N Contingent liabilities and guarantees

Legal proceedings

As at the end of the reporting period, no legal proceedings were pending that represented risks beyond those arising from normal business operations. In addition, the Group was unaware as of the reporting date of any legally relevant circumstances which could lead to the instigation of such proceedings.

Supplementary information

in EUR thousand	2018	2017
Sureties and guarantees	6,479	6,864
	6,479	6,864

The sureties and guarantees item relates mainly to bank guarantees for public amenities of EUR 4,541 thousand, compared with EUR 4,635 thousand in the previous reporting period. A provision of EUR 463 thousand (previous year: EUR 356 thousand) was recognised in relation to this arrangement.

O Related party disclosures

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

The composition of the Management Board has remained unchanged compared with the previous year.

The Management Board contracts include a long-term performance-based component. The long-term variable performance bonus is calculated for each Management Board member until the end of the respective contract term. It is based on the future trend in the value of the company's equity.

The following remuneration, including the change in provisions, was granted to Supervisory and Management board members, and to managing directors.

Remuneration 2018 in EUR thousand	Supervisory Board members	Management Board members	Directors	Total
Short-term benefits	705	2,230	1,766	4,701
Long-term benefits	0	-949	0	-949
Benefits upon termination of employment	0	0	0	0
Post-employment benefits	0	159	152	310
	705	1,440	1,918	4,063

Remuneration 2017 in EUR thousand	Supervisory Board members	Management Board members	Directors	Total
Short-term benefits	602	2,343	2,193	5,138
Long-term benefits	0	-101	0	-101
Benefits upon termination of employment	0	0	0	0
Post-employment benefits	0	159	155	314
	602	2,401	2,347	5,350

No loans have been extended to Management and Supervisory board members, 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.

Supplier relationships

in EUR thousand

Company					2018
	RLB Oberösterreich AG	Speditionsservice Ranshofen Ges.m.b.H.	unit-IT Dienstleistungs GmbH & Co KG	Others	Total
Received	504	19,970	2,728	665	23,867
Provided	0	354	296	1	652
Status of receivables	55,114	14	68	0	55,197
Status of payables	43,604	2,638	341	179	46,761

in EUR thousand

Company					2017
	RLB Oberösterreich AG	Speditionsservice Ranshofen Ges.m.b.H.	unit-IT Dienstleistungs GmbH & Co KG	Others	Total
Received	477	16,718	2,019	1,246	20,460
Provided	0	331	274	1	606
Status of receivables	16,042	23	36	0	16,100
Status of payables	27,931	2,126	262	167	30,486

The services purchased at Speditionsservice Ranshofen Ges.m.b.H., relate to freight and dispatch services, and at unit-IT Dienstleistungs GmbH & Co KG to IT services. At both companies, the rendered services concern rentals of operating buildings. The services procured at RLB Oberösterreich AG derive from interest payments and commissions for loans granted.

Furthermore, committed credit lines of RLB Oberösterreich exist in an amount of EUR 30,000 thousand (previous year: EUR 30,000 thousand). The guarantees of RLB Oberösterreich expired as of December 31, 2018 (previous year: EUR 5,625 thousand).

P Supplementary information

Events after the balance sheet date

No significant events occurred after the balance sheet date.

Ranshofen, February 11, 2019

The Management Board



Helmut Wieser
Management Board Chairman
(Chief Executive Officer)



Helmut Kaufmann
Management Board member
(Chief Operating Officer)



Gerald Mayer
Management Board member
(Chief Financial Officer)

Declaration of the Management Board under Section 124 (1) of the Austrian Stock Exchange Act (BörseG 2018)

The Management Board hereby declares that to the best of its knowledge the consolidated annual financial statements of AMAG Austria Metall AG, prepared in accordance with the applicable accounting standards, give a true and fair view of the Group's financial position and performance. The Group operating and financial review likewise as far as possible gives a true and fair view of the financial position and performance of the AMAG Group, and provides information on the course of business, results and position of the Group, and describes the risks and uncertainties to which the Group is exposed.

Ranshofen, February 11, 2019

The Management Board



Helmut Wieser
Management Board Chairman
(Chief Executive Officer)



Helmut Kaufmann
Management Board member
(Chief Operating Officer)



Gerald Mayer
Management Board member
(Chief Financial Officer)

Audit opinion

Report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of AMAG Austria Metall AG, Ranshofen, and its subsidiaries (the Group), consisting of the consolidated statement of financial position as of December 31, 2018, the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the financial year ending on this reporting date, as well as the notes to the consolidated financial statements.

Based on the results of our audit, in our opinion the attached consolidated financial statements conform to the greatest possible extent with legal regulations, and present a true and fair view of the Group's financial position as of December 31, 2018, as well as its financial performance and cash flows for the financial year ending as of this date, in accordance with the International Financial Reporting Standards as applicable in the EU (IFRS), and the additional requirements of Section 245a of the Austrian Commercial Code (UGB).

Basis for the audit opinion

We conducted our audit in accordance with EU Regulation No. 537/2014 (hereinafter referred to as the "EU Regulation") and with Austrian generally accepted auditing principles. These principles require the application of the International Standards on Auditing (ISAs). Our responsibilities in accordance with such regulations and standards are described in greater detail in the section entitled "Auditor's responsibilities for the auditing of the consolidated financial statements". We are independent of the Group in accordance with Austrian corporation law and professional law regulations, and we have fulfilled our other professional duties in accordance with such requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a sound basis for our audit opinion.

Particularly important audit matters

Particularly important audit matters comprise such matters that in our judgement were the most important for our audit of the consolidated financial statements for the financial year under review. Such matters were taken into consideration in connection with our audit of the consolidated financial statements as a whole and when forming our audit opinion on these financial statements, and we do not issue a separate audit opinion on such matters.

Below, we present the audit matter we consider particularly important:

Power supply contract concluded by Aluminerie Alouette Inc.

Description:

In October 2016, Aluminerie Alouette Inc., Canada, ("AAI") – according to IFRS 11 a joint arrangement to be included proportionally in the consolidated financial statements of AMAG Austria Metall AG – arranged a power supply contract with the Canadian government, where the agreed electricity price is tied to the LME market price of aluminium. Based on this link, the power supply contract includes an embedded derivative, which is to be recognised separately. The embedded derivative was designated as a hedging instrument for future primary aluminium sales, representing the underlying transaction in a cash flow hedge. As of the date when the agreement was concluded, the derivative's fair value also constitutes a government grant.

The derivative, amounting to EUR 39.5 million, is included under other non-current and current assets in the consolidated statement of financial position of AMAG Austria Metall AG as of December 31, 2018. The amount recognised for the government grant stands at EUR 74.1 million and is reported under the other non-current and current liabilities and grants. Of the overall change in the derivative of EUR 1.4 million, EUR 7.4 million was recognised directly in equity and EUR -6.0 million was recognised in profit or loss.

The assessment of this matter requires significant assumptions and estimates by the management concerning the related valuation, as the embedded derivative reflects various value-determining risk factors and valuation parameters. The company continues to calculate the derivative's fair value applying a forward price model utilising a reference electricity price, corresponding yield curves and the forward prices and rates for aluminium and foreign currencies. The estimate of the expected duration of the power supply contract is significant in this context.

The corresponding information from the company is explained in in the notes to the consolidated financial statements of AMAG Austria Metall AG in sections "E Accounting policies", "J03 Other non-current assets and financial assets", "J07 Other current assets", "J13 Other liabilities and grants" and "M Financial instruments".

How we addressed this matter as part of the audit:

We critically scrutinised the management's assumptions and estimates, which included conducting the following audit actions:

- + Assessing the extent to which the hedge's risk management objective is consistent with AMAG's risk management strategy, and whether changes have arisen during the financial year under review;
- + Auditing the numerical correctness of the forward price model and appraisal of the valuation parameters applied;
- + Assessing whether the management's assessment of the expected term of the electricity contract is still valid;
- + Auditing the correct presentation in the IFRS consolidated financial statements;
- + we made recourse to IFRS accounting and valuation specialists to perform the audit actions.

Responsibilities of the legal representatives and the Audit Committee for the consolidated financial statements

The legal representatives are responsible for the preparation of the consolidated financial statements, and for the fact that, in accordance with IFRS as applicable in the EU and the additional requirements of Section 245a of the Austrian Commercial Code (UGB), they convey to the greatest possible extent a true and fair view of the Group's financial position and performance. Moreover, the legal representatives are responsible for the internal controls they deem necessary to enable consolidated financial statements to be prepared free of misrepresentations, whether intended or unintended.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's capacity as a going concern, for stating matters connected with the Group as a going concern – where relevant – as well as for applying the going concern accounting principle, unless the legal representatives intend to either liquidate the Group or discontinue the company's operations or have no realistic alternative to such options.

The Audit Committee is responsible for monitoring the Group financial accounting process.

Auditor's responsibilities for auditing the consolidated financial statements

Our objectives are to gain sufficient certainty as to whether the consolidated financial statements as a whole are free of significant misrepresentations, whether intended or unintended, and to issue an audit certificate containing our audit opinion. Sufficient certainty refers to a high degree of certainty, but provides no guarantee that an audit of financial statements conducted in accordance with the EU Regulation and Austrian proper auditing principles and requiring the application of ISA always exposes an important misrepresentation if such a misrepresentation exists. Misrepresentations can arise from fraudulent actions or errors, and are deemed significant if they could reasonably be expected, either individually or in their entirety, to affect business decisions made by users on the basis of these consolidated financial statements.

As part of the auditing of financial statements in accordance with the EU Regulation and Austrian proper auditing principles requiring the application of ISAs, we exercise due professional discretion during the entire audit and maintain a fundamentally critical stance.

The following also applies:

- + We identify and assess the risks of significant – intended or unintended – misrepresentations in the consolidated financial statements, plan audit activities as a response to such risks, implement them and obtain audit evidence that is sufficient and appropriate to serve as the basis for our audit opinion. The risk that significant misrepresentations arising from fraudulent actions remain undisclosed is greater than a risk arising from errors, as fraudulent actions can comprise fraudulent collaboration, falsifications, intentionally incomplete documentation, misleading presentations or the overriding of internal controls.
- + We gain an understanding of the internal control system of relevance for the audit in order to plan audit actions that are appropriate in the given circumstances, although not with the aim of issuing an audit opinion on the efficacy of the Group's internal control system.
- + We evaluate the appropriateness of the accounting policies the legal representatives apply, as well as the justifiability of the estimated figures the legal representatives present in the financial accounting and related disclosures.
- + We draw conclusions about the suitability of the legal representatives' application of the going concern principle, as well as – based on the audit evidence obtained – whether significant uncertainty exists in connection with events or circumstances that can raise considerable doubts about the Group's capability as a going concern. If we draw the conclusion that significant uncertainty exists, we are obligated to draw attention in our audit opinion to the related disclosures in the consolidated financial statements, or, if such disclosures are unsuitable, to amend our audit opinion. We draw our conclusions on the basis of audit evidence obtained up until the date of our audit opinion. Future events or circumstances, however, can result in the Group no longer comprising a going concern.
- + We appraise the overall presentation, the structure and content of the consolidated financial statements, including the disclosures, as well as whether the consolidated financial statements reproduce the underlying business transactions and events in a manner that as far as possible presents a true and fair view.

- + We obtain sufficient suitable audit evidence concerning the financial information of the units or operating activities within the Group to issue an audit opinion on the consolidated financial statements. We are responsible for directing, supervising and conducting the audit of the consolidated financial statements. We bear sole responsibility for our audit opinion.

We communicate with the Audit Committee, including concerning the planned scope and planned time-allocation for the audit of the financial statements, as well as about important audit findings, including any significant defects in the internal control system that we identify during our audit.

We also issue a statement to the Audit Committee that we have complied with the relevant professional conduct requirements relating to independence, and communicate with it about all relationships and other matters of which it could be reasonably assumed that they affect our independence and – where relevant – related protective measures.

Of those matters about which we communicated with the Audit Committee, we determine those that were most significant for the audit of the consolidated financial statements in the financial year under review, and consequently comprise particularly important audit matters. We describe such matters in our audit opinion, unless legislation and other legal regulations prevent the public disclosure of the matter, or we determine in extremely rare cases that a matter should not be communicated in our audit opinion because it is reasonably assumed that the negative consequences of such a communication would exceed its benefits for the public interest.

Other statutory and other legal requirements

Report on the Group management report

Based on Austrian corporation law regulations, the Group management report is to be audited as to whether it is consistent with the consolidated financial statements and whether it was prepared in accordance with applicable legal requirements.

In relation to the consolidated non-financial declaration included in the Group management report, it is our responsibility to audit whether it was prepared, to read it and consider whether it significantly contradicts the consolidated financial statements in light of information gained from the audit, or otherwise appears to entail a significant misrepresentation.

The legal representatives are responsible for the preparation of the Group management report in accordance with Austrian corporation law regulations.

We conduct our audit in compliance with professional principles relating to the auditing of group management reports.

Opinion

In our opinion, the Group management report has been prepared in accordance with the applicable legal requirements, includes appropriate disclosures pursuant to Section 243a of the Austrian Commercial Code (UGB), and is consistent with the consolidated financial statements.

Statement

Given the findings from the audit of the consolidated financial statements and the understanding gained about the Group and its environment, no significant erroneous disclosures were found in the Group management report.

Other information

The legal representatives are responsible for the other information. Other information includes all information in the annual report apart from the consolidated financial statements, the Group management report and the audit opinion. The annual report will be made available to us prospectively after the date of the audit opinion. Our audit opinion on the consolidated financial statements does not cover such other information, and we will not issue any type of assurance in relation to it.

In combination with our audit of the consolidated financial statements, it is our responsibility to read such other information as soon as it is made available, and consider whether it significantly contradicts the consolidated financial statements in light of information gained from the audit, or otherwise appears to entail a significant misrepresentation.

Additional disclosures pursuant to Article 10 of the EU Regulation

The Annual General Meeting on April 17, 2018, elected us as the auditors of the financial statements. The Supervisory Board issued its engagement to us on June 13, 2018. We have been the auditor of the financial statements since 2017.

We declare that the audit opinion in the section "Report on the consolidated financial statements" is consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Regulation.

We declare that we have not rendered any prohibited non-auditing services (Article 5 (1) of the EU Regulation) and that we have maintained our independence from the audited company in performing our audit of the financial statements.

Auditor responsible for the mandate

Mr. Mag. Thomas Haerdtl is the certified public auditor responsible for the mandate to audit the financial statements.

Vienna, February 11, 2019

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Gerhard Schwartz h.c.
Certified Public Auditor

Mag. Thomas Haerdtl h.c.
Certified Public Auditor

AM



AAG

JAHRESABSCHLUSS PER 31. DEZEMBER 2018 (in German)

Bilanz

AMAG Austria Metall AG, Ranshofen
Bilanz zum 31. Dezember 2018

	EUR	Tsd. EUR
	31.12.2018	31.12.2017
AKTIVA		
A. Anlagevermögen		
I. Immaterielle Vermögensgegenstände		
1. Konzessionen, Schutzrechte, Lizenzen	110.369,65	130
2. Geleistete Anzahlungen und immaterielle Vermögensgegenstände in Erstellung	0,00	30
	110.369,65	160
II. Sachanlagen		
Betriebs- und Geschäftsausstattung	201.477,37	367
III. Finanzanlagen		
Anteile an verbundenen Unternehmen	540.551.270,00	540.551
	540.863.117,02	541.078
B. Umlaufvermögen		
I. Forderungen und sonstige Vermögensgegenstände		
1. Forderungen aus Lieferungen und Leistungen	0,00	4
davon mit einer Laufzeit von mehr als einem Jahr	0,00	0
2. Forderungen gegenüber verbundenen Unternehmen	563.501.324,71	513.193
davon mit einer Laufzeit von mehr als einem Jahr	0,00	0
3. Sonstige Forderungen und Vermögensgegenstände	5.292.113,00	2.942
davon mit einer Laufzeit von mehr als einem Jahr	0,00	0
	568.793.437,71	516.139
II. Guthaben bei Kreditinstituten	251.423.091,12	133.006
	820.216.528,83	649.145
C. Rechnungsabgrenzungsposten	22.540,91	23
D. Aktive latente Steuern	278.997,80	7.822
Summe AKTIVA	1.361.381.184,56	1.198.067

AMAG Austria Metall AG, Ranshofen
Bilanz zum 31. Dezember 2018

PASSIVA

	EUR	Tsd. EUR
	31.12.2018	31.12.2017
A. Eigenkapital		
I. Eingefordertes, einbezahltes und gezeichnetes Grundkapital	35.264.000,00	35.264
II. Kapitalrücklagen		
1. Gebundene Kapitalrücklage	94.752.000,00	94.752
2. Nicht gebundene Kapitalrücklage	540.511.618,00	540.512
	635.263.618,00	635.264
III. Gewinnrücklagen		
1. Gesetzliche Rücklage	3.526.400,00	3.526
2. Andere Rücklagen (Freie Rücklagen)	11.242.565,67	10.440
	14.768.965,67	13.966
IV. Bilanzgewinn	42.316.800,00	42.317
davon Gewinnvortrag	0,00	0
	727.613.383,67	726.811
B. Rückstellungen		
1. Rückstellungen für Abfertigungen	546.213,00	489
2. Sonstige Rückstellungen	2.385.811,37	3.658
	2.932.024,37	4.147
C. Verbindlichkeiten		
1. Verbindlichkeiten gegenüber Kreditinstituten	574.000.000,00	414.000
davon mit einer Restlaufzeit von bis zu einem Jahr	49.000.000,00	100.000
davon mit einer Restlaufzeit von mehr als einem Jahr	525.000.000,00	314.000
2. Verbindlichkeiten aus Lieferungen und Leistungen	141.950,00	323
davon mit einer Restlaufzeit von bis zu einem Jahr	141.950,00	323
3. Verbindlichkeiten gegenüber verbundenen Unternehmen	56.095.510,25	52.298
davon mit einer Restlaufzeit von bis zu einem Jahr	56.095.510,25	52.298
4. Sonstige Verbindlichkeiten	598.316,27	489
davon mit einer Restlaufzeit von bis zu einem Jahr	598.316,27	489
davon aus Steuern	11.979,70	11
davon mit einer Restlaufzeit von bis zu einem Jahr	11.979,70	11
davon im Rahmen der sozialen Sicherheit	53.767,01	50
davon mit einer Restlaufzeit von bis zu einem Jahr	53.767,01	50
Summe Verbindlichkeiten	630.835.776,52	467.110
davon mit einer Restlaufzeit von bis zu einem Jahr	105.835.776,52	153.110
davon mit einer Restlaufzeit von mehr als einem Jahr	525.000.000,00	314.000
Summe PASSIVA	1.361.381.184,56	1.198.067
Haftungsverhältnisse	4.984.100,00	4.966

Gewinn- und Verlustrechnung

AMAG Austria Metall AG, Ranshofen
für das Geschäftsjahr vom
01. Jänner 2018 bis 31. Dezember 2018

	EUR	Tsd. EUR
	1-12/2018	1-12/2017
1. Umsatzerlöse	6.048.342,90	4.220
2. sonstige betriebliche Erträge:		
a) Erträge aus dem Abgang vom Anlagevermögen mit Ausnahme der Finanzanlagen	4.102,00	0
b) Erträge aus der Auflösung von Rückstellungen	0,00	46
c) übrige	75.127,05	79
	79.229,05	125
3. Aufwendungen für bezogene Leistungen	-2.711.846,73	-1.993
4. Personalaufwand		
a) Gehälter	-3.350.697,31	-3.916
b) soziale Aufwendungen		
aa) Aufwendungen für Altersversorgung	-171.554,31	-154
bb) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen	-113.023,67	-58
cc) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-510.111,24	-529
dd) Sonstige Sozialaufwendungen	-10.664,98	-10
	-4.156.051,51	-4.666
5. Abschreibungen		
auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen	-210.139,71	-238
6. sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Z 13 fallen	-14.294,56	-8
b) übrige	-4.479.606,61	-5.046
	-4.493.901,17	-5.055
7. Zwischensumme aus Z 1 bis 6 (Betriebserfolg)	-5.444.367,17	-7.608
8. Erträge aus Beteiligungen	46.000.000,00	48.000
davon aus verbundenen Unternehmen 46.000.000,00 EUR (VJ 48.000 Tsd. EUR)		
9. sonstige Zinsen und ähnliche Erträge	7.445.813,01	6.808
davon aus verbundenen Unternehmen 7.432.098,10 EUR (VJ 6.781 Tsd. EUR)		
10. Zinsen und ähnliche Aufwendungen	-5.588.201,77	-4.811
davon betreffend verbundene Unternehmen 0,00 EUR (VJ 4 Tsd. EUR)		
11. Zwischensumme aus Z 8 bis 10 (Finanzerfolg)	47.857.611,24	49.998
12. Ergebnis vor Steuern (Zwischensumme aus Z 7 und 11)	42.413.244,07	42.390
13. Steuern vom Einkommen und vom Ertrag		
a) Laufende Steuern	8.248.970,11	-3
davon Verrechnung an Gruppenmitglieder 14.969.975,27 EUR (VJ 2 Tsd. EUR)		
b) Latente Steuern	-7.542.566,92	1.199
	706.403,19	1.195
14. Ergebnis nach Steuern = Jahresüberschuss	43.119.647,26	43.585

Anhang zum Jahresabschluss

1. ALLGEMEINE ANGABEN ZU DEN BILANZIERUNGS- UND BEWERTUNGSMETHODEN

Der Jahresabschluss per 31. Dezember 2018 wurde nach den Vorschriften des UGB in der geltenden Fassung unter Anwendung der Grundsätze ordnungsmäßiger Buchführung und Bilanzierung, sowie der Beachtung der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft zu vermitteln, erstellt. Dabei wurde von der Fortführung der Gesellschaft (Going Concern-Prinzip) ausgegangen.

Die Gliederungen im Jahresabschluss erfolgten gemäß § 224 und § 231 Abs. 2 UGB in der Fassung nach dem RÄG 2014.

Die Bewertung der Fremdwährungsforderungen und -verbindlichkeiten erfolgt mit dem Referenzkurs der Europäischen Zentralbank zum 31. Dezember 2018.

2. BILANZIERUNGSMETHODEN

In den Methoden der Bilanzierung traten gegenüber 2017 keine Änderungen ein.

3. BEWERTUNGSMETHODEN

Die Gegenstände des abnutzbaren Anlagevermögens werden mit den Anschaffungskosten, vermindert um die Abschreibung, angesetzt. Die Abschreibungen erfolgen linear unter Berücksichtigung der wirtschaftlichen Nutzungsdauer.

	Nutzungsdauer
Immaterielle Vermögenswerte	5 Jahre
Betriebs- und Geschäftsausstattung	2 bis 10 Jahre

Es wurden im Geschäftsjahr keine Zinsen gemäß § 203 Abs. 4 UGB aktiviert.

Finanzanlagen werden zu Anschaffungswerten oder, falls ihnen am Bilanzstichtag ein niedrigerer Wert beizumessen ist, mit diesem angesetzt.

Forderungen werden mit den Anschaffungskosten, gegebenenfalls vermindert um Abschreibungen, angesetzt.

Rückstellungen werden entsprechend dem Grundsatz der Vorsicht gebildet und mit dem Erfüllungsbetrag angesetzt, welcher bestmöglich geschätzt wird.

Verbindlichkeiten werden zum Erfüllungsbetrag angesetzt.

4. ERLÄUTERUNGEN ZUR BILANZ

ANLAGEVERMÖGEN

Der Wert der Beteiligung an der AMAG Erste Beteiligungsverwaltungs GmbH, in Höhe von 540.551 Tsd. EUR, resultiert aus dem Jahr 2011 aus Anschaffungskosten und einer Kapitaleinzahlung von insgesamt 40 Tsd. EUR sowie aus durchgebuchten Einbringungsvorgängen in die AMAG Erste Beteiligungsverwaltungs GmbH.

FORDERUNGEN

Es bestehen keine wechselfähig verbrieften Forderungen und es wurden keine Pauschalwertberichtigungen (§ 226 Abs. 5 UGB) vorgenommen.

Die Forderungen gegenüber verbundenen Unternehmen resultieren mit 511.157 Tsd. EUR (Vorjahr: 465.193 Tsd. EUR) aus Finanzierung, mit 6.344 Tsd. EUR (Vorjahr: 0 Tsd. EUR) aus Gruppenbesteuerung und mit 46.000 Tsd. EUR (Vorjahr: 48.000 Tsd. EUR) aus phasengleicher Gewinnausschüttung.

LATENTE STEUERN

Bei der Berechnung der latenten Steuern wird ein Steuersatz von 25 % verwendet.

in EUR	Latente Steuern 2018		Latente Steuern 2017	
	Aktiva	Passiva	Aktiva	Passiva
Sachanlagen	14.061,25	-3.313,75	2.863,25	-3.015,50
Forderungen	174.545,55	0,00	88.556,87	0,00
Verlustvortrag	0,00	0,00	7.656.240,97	0,00
Rückstellungen	93.704,75	0,00	76.919,13	0,00
Summe	282.311,55	-3.313,75	7.824.580,22	-3.015,50
Saldierung	-3.313,75	3.313,75	-3.015,50	3.015,50
	278.997,80		7.821.564,72	

Aktive latente Steuern werden gemäß § 198 Abs. 9 und 10 UGB i.d.F. des RÄG 2014 angesetzt.

Der zum 31.12.2017 vorhandene Verlustvortrag wurde im abgelaufenen Geschäftsjahr zur Gänze verrechnet und die vorhandenen anrechenbaren Mindestkörperschaftsteuern wurden in Abzug gebracht.

EIGENKAPITAL

in EUR	Stand 01.01.2018	Ergebnis nach Steuern	Zuführung	Ausschüttung	Stand 31.12.2018
EIGENKAPITAL					
I. Eingefordertes, einbezahltes und gezeichnetes Grundkapital	35.264.000,00	0,00	0,00	0,00	35.264.000,00
II. Kapitalrücklagen					
1. Gebundene Kapitalrücklage	94.752.000,00	0,00	0,00	0,00	94.752.000,00
2. Nicht gebundene Kapitalrücklage	540.511.618,00	0,00	0,00	0,00	540.511.618,00
Summe Kapitalrücklagen	635.263.618,00	0,00	0,00	0,00	635.263.618,00
III. Gewinnrücklagen					
1. Gesetzliche Rücklage	3.526.400,00	0,00	0,00	0,00	3.526.400,00
2. Andere Rücklagen (Freie Rücklagen)	10.439.718,41	0,00	802.847,26	0,00	11.242.565,67
Summe Gewinnrücklagen	13.966.118,41	0,00	802.847,26	0,00	14.768.965,67
IV. Bilanzgewinn	42.316.800,00	43.119.647,26	-802.847,26	42.316.800,00	42.316.800,00
Summe EIGENKAPITAL	726.810.536,41	43.119.647,26	0,00	42.316.800,00	727.613.383,67

Das Grundkapital der Gesellschaft beträgt 35.264.000,00 EUR und ist auf 35.264.000 auf Inhaber lautende Stückaktien zu jeweils 1,00 EUR unterteilt.

Mit Beschluss der Hauptversammlung der AMAG Austria Metall AG vom 16. April 2015 wurde der Vorstand der Gesellschaft gemäß § 169 AktG ermächtigt, innerhalb von fünf Jahren ab Eintragung des Beschlusses in das Firmenbuch, sohin bis zum 16. April 2020, mit Zustimmung des Aufsichtsrates das Grundkapital der Gesellschaft um bis zu 17.500.000,00 EUR durch Ausgabe von bis zu 17.500.000 auf Inhaber lautende Stückaktien in einer oder mehreren Tranchen, auch unter gänzlichem oder teilweise Ausschluss des Bezugsrechts, gegen Bar- oder Sacheinlage zu erhöhen und den Ausgabebetrag, der nicht unter dem anteiligen Betrag der Stückaktien am bisherigen Grundkapital liegen darf, sowie die sonstigen Ausgabebedingungen im Einvernehmen mit dem Aufsichtsrat festzulegen (genehmigtes Kapital gemäß § 4 Abs. 5 der Satzung).

Zur Bedienung von Umtausch- und/oder Bezugsrechten aus Wandelschuldverschreibungen, die auf Basis der Ermächtigung des Hauptversammlungsbeschlusses vom 16. April 2015 begeben werden, wurde das Kapital der Gesellschaft gemäß § 159 Abs. 2 Z 1 AktG bedingt erhöht. Die bedingte Kapitalerhöhung darf dabei nur soweit durchgeführt werden, als die Gläubiger der Wandelschuldverschreibung von ihrem Umtausch- und/oder Bezugsrecht auf Aktien der Gesellschaft Gebrauch machen (bedingtes Kapital gemäß § 4 Abs. 6 der Satzung). Schließlich darf die Summe der Anzahl der nach den Bedingungen der Wandelschuldverschreibungen aktuell oder potentiell auszugebenden Bezugsaktien und der Anzahl der aus dem genehmigten Kapital auszugebenden Aktien 17.500.000 Stück nicht überschreiten.

In der Hauptversammlung der AMAG Austria Metall AG vom 17. April 2018 wurde der Vorstand ermächtigt, jeweils mit Zustimmung des Aufsichtsrats auf den Inhaber lautende Stückaktien der Gesellschaft im Ausmaß von bis zu 10 % des Grundkapitals der Gesellschaft während einer Geltungsdauer von 30 Monaten ab 17. April 2018 zu erwerben, wobei der niedrigste Gegenwert nicht mehr als 20 % unter und der höchste Gegenwert nicht mehr als 10 % über dem durchschnittlichen Börsenschlusskurs der letzten drei Börsentage vor Erwerb der Aktien liegen darf. Der Handel in eigenen Aktien ist als Zweck des Erwerbs ausgeschlossen. Die Ermächtigung kann ganz oder teilweise oder auch in mehreren Teilbeträgen und in Verfolgung eines oder mehrerer Zwecke durch die Gesellschaft, durch ein Tochterunternehmen (§ 189a UGB) oder für Rechnung der Gesellschaft durch Dritte ausgeübt werden. Der Erwerb kann unter Beachtung der gesetzlichen Vorgaben über die Börse, durch ein öffentliches Angebot oder auf eine sonstige gesetzlich zulässige, zweckmäßige Art erfolgen, insbesondere auch außerbörslich, oder von einzelnen, veräußerungswilligen Aktionären und auch unter Ausschluss des quotenmäßigen Veräußerungsrechts, das mit einem solchen Erwerb einhergehen kann (umgekehrter Bezugsrechtsausschluss). Der Vorstand wird weiters ermächtigt, die jeweiligen Rückkaufsbedingungen festzusetzen. Der Vorstand wurde ferner ermächtigt, die auf Grundlage des Beschlusses gemäß Punkt 1 dieses Tagesordnungsordnungspunktes erworbenen eigenen Aktien ohne weiteren Hauptversammlungsbeschluss einzuziehen. Die Ermächtigung kann ganz oder in mehreren Teilbeträgen und in Verfolgung eines oder mehrerer Zwecke durch die Gesellschaft, durch ein

Tochterunternehmen oder für Rechnung der Gesellschaft durch Dritte ausgeübt werden. Der Vorstand wurde ferner für die Dauer von fünf Jahren ab dem 17. April 2018 ermächtigt, mit Zustimmung des Aufsichtsrats, gemäß § 65 Abs. 1b AktG für die Veräußerung eigener Aktien eine andere gesetzlich zulässige Art der Veräußerung als über die Börse oder ein öffentliches Angebot, auch unter Ausschluss des Wiederkaufsrechts der Aktionäre (Bezugsrechtsausschluss), zu beschließen und die Veräußerungsbedingungen festzusetzen. Die Ermächtigung kann ganz oder teilweise oder auch in mehreren Teilbeträgen und in Verfolgung eines oder mehrerer Zwecke durch die Gesellschaft, durch ein Tochterunternehmen (§ 189a UGB) oder für Rechnung der Gesellschaft durch Dritte ausgeübt werden.

Die gebundene Kapitalrücklage gemäß § 229 Abs. 2 Z 1 UGB über 94.752 Tsd. EUR resultiert aus dem Mehrbetrag des Ausgabebetrages über dem Nennbetrag, der bei der in 2011 erfolgten Ausgabe von 5.264.000 neuen Stückaktien erzielt wurde.

Die nicht gebundenen Kapitalrücklagen von 540.512 Tsd. EUR resultieren mit 1 Tsd. EUR aus einem Gesellschafterzuschuss und mit 540.510 Tsd. EUR aus der Durchbuchung von Einbringungsvorgängen (Großmutterzuschüssen) in 2011. Von den nicht gebundenen Kapitalrücklagen unterliegt ein Betrag von 171.678 Tsd. EUR einer Ausschüttungssperre.

Für die aktivierten latenten Steuern in Höhe von 278.997,80 EUR (Vorjahr 7.822 Tsd. EUR) besteht gemäß § 235 Abs. 2 UGB eine Ausschüttungssperre.

Vom Vorstand wird vorgeschlagen, aus dem Bilanzgewinn 1,20 EUR je Aktie, somit einen Maximalbetrag von 42.317 Tsd. EUR, als Dividende auszuschütten.

RÜCKSTELLUNGEN

Posten (in EUR)	Vortrag	Umgliederung	Verbrauch inkl.	Auflösung	Dotierung	Stand
	01.01.2018		Überrechnung			
Abfertigungen	488.820,78	0,00	0,00	0,00	57.392,22	546.213,00
Sonstige	3.657.751,00	0,00	-1.857.066,77	-1.086.631,49	1.671.758,63	2.385.811,37
Jubiläumsgelder	70.578,29	0,00	-85,55	0,00	23.312,26	93.805,00
Nicht konsumierte Urlaube	260.640,63	0,00	-260.640,63	0,00	161.052,09	161.052,09
Personal sonstige	2.624.532,08	0,00	-894.340,59	-1.086.631,49	746.394,28	1.389.954,28
Übrige	702.000,00	0,00	-702.000,00	0,00	741.000,00	741.000,00
Summe Rückstellungen	4.146.571,78	0,00	-1.857.066,77	-1.086.631,49	1.729.150,85	2.932.024,37

Die Rückstellung für Abfertigungen wurde, ebenso wie die Rückstellung für Jubiläumsgelder, versicherungsmathematisch auf Basis der „Projected Unit Credit Method“ ermittelt, wobei unterstellt wird, dass dem Arbeitnehmer sein Anspruch jährlich gleichmäßig verteilt bis zur maximalen Abfertigungsdauer, die bis zum Pensionsalter erreicht werden kann, zuwächst. Die Verteilung der Jubiläumsgeldansprüche erfolgt vom Eintritt bis zum jeweiligen Jubiläum. Auf alle anfallenden Jubiläumsgelder werden Lohnnebenkosten in Höhe von 7 % berücksichtigt. Zusätzlich werden die ab 2016 neu anfallenden Sozialversicherungsabgaben individuell in Höhe von 22 % für den Anteil eines Jubiläumsgeldes mitbewertet, der gemeinsam mit den Sonderzahlungen (Modell: zwei Jubiläumsgeldbemessungsgrundlagen) die doppelte Höchstbeitragsgrundlage nicht übersteigt. Die zur Bewertung verwendeten biometrischen Berechnungsgrundlagen wurden im August als AVÖ 2018-P ANG neu veröffentlicht. Aus der erstmaligen Anwendung zum 31.12.2018 ergibt sich ein einmaliger ergebniswirksamer Effekt in Höhe von -27 Tsd. EUR, welcher im Berichtsjahr berücksichtigt wurde. Gemäß den geltenden Regeln für die gesetzliche Pensionsversicherung wurde das Standard-Pensionsalter als gesetzliches Pensionsalter laut Pensionsreform Herbst 2014, ohne Einrechnung der Korridorpension berücksichtigt.

Bei der Bewertung werden folgende Parameter verwendet:

	31.12.2018		31.12.2017	
	Abfertigungen	Jubiläumsgelder	Abfertigungen	Jubiläumsgelder
Rechenzinssatz	2,00 %	2,00 %	1,90 %	1,90 %
Lohn- und Gehaltstrend	4,50 %	4,50 %	4,00 %	4,00 %

Der Fluktuationsabschlag für Abfertigungen und Jubiläumsgelder wird nach Dienstjahren berechnet und beträgt unter Berücksichtigung der Auszahlungswahrscheinlichkeit 0,5 % bis 7,5 % (Vorjahr: 0,0 % bis 4,4 %).

VERBINDLICHKEITEN

Am Bilanzstichtag bestanden weder Verbindlichkeiten aus der Annahme gezogener und der Ausstellung eigener Wechsel. Verbindlichkeiten gegenüber Kreditinstituten haben Restlaufzeiten bis 2028. Die Verbindlichkeiten mit einer Restlaufzeit von mehr als 5 Jahren betragen 220.000 Tsd. EUR (Vorjahr: 116.667 Tsd. EUR).

Die Verbindlichkeiten gegenüber verbundenen Unternehmen resultieren mit 55.716 Tsd. EUR (Vorjahr: 52.298 Tsd. EUR) aus Finanzierung und mit 379 Tsd. EUR (Vorjahr: 0 Tsd. EUR) aus Gruppenbesteuerung.

Die unter den sonstigen Verbindlichkeiten enthaltenen Aufwendungen, die erst 2019 zahlungswirksam werden, betreffen im Wesentlichen Zinsaufwand in Höhe von 525 Tsd. EUR (Vorjahr: 425 Tsd. EUR).

FINANZINSTRUMENTE

Variable Zinszahlungen für eine Nominale von 60,0 Mio. EUR von aufgenommenen Darlehen, mit Laufzeiten bis 2024, werden durch Zins-Swaps in fixe Zinszahlungen gedreht. Die Swaps zur Zinssicherung sowie das Grundgeschäft bilden eine Bewertungseinheit. Der nicht bilanzierte Marktwert der Zins-Swaps beträgt -863 Tsd. EUR (Vorjahr: -561 Tsd. EUR). Es liegt eine effektive Sicherungsbeziehung vor.

Prospektiv wurde die Effektivität durch Vergleich der entscheidenden Konditionen gemessen. Da alle Parameter des Grund- und des Absicherungsgeschäftes, die das Ausmaß der Wertänderung bestimmen, identisch aber gegenläufig sind, ist eine vollständige Effektivität gegeben. Retrospektiv wurde für das Darlehen ein hypothetisches Derivat erzeugt und dessen kumulierter Marktwert mit jenem des Sicherungsderivats verglichen.

HAFTUNGSVERHÄLTNISSSE UND SONSTIGE FINANZIELLE VERPFLICHTUNGEN

Haftungen und Garantien in Höhe von 20.000 Tsd. EUR (Vorjahr: 20.000 Tsd. EUR) wurden gegenüber Dritten für Kredite und Haftungen für verbundene Unternehmen abgegeben. Zum Bilanzstichtag waren diese zugrunde liegenden Kredite und Haftungen bei verbundenen Unternehmen in Höhe von 4.984 Tsd. EUR (Vorjahr: 4.966 Tsd. EUR) ausgenutzt. Es wurden wie in den Vorjahren weder Pfandrechte noch dingliche Sicherheiten eingeräumt.

Die sonstigen finanziellen Verpflichtungen betragen:

in Tsd. EUR	31.12.2018		31.12.2017	
	für das nächste Geschäftsjahr	für die nächsten 5 Geschäftsjahre	für das nächste Geschäftsjahr	für die nächsten 5 Geschäftsjahre
Sonstige finanzielle Verpflichtungen	137	443	138	498
davon gegenüber verbundenen Unternehmen	65	311	73	374
davon Verpflichtungen aus der Nutzung von nicht in der Bilanz ausgewiesenen Sachanlagen	86	345	90	391
davon gegenüber verbundenen Unternehmen	65	311	73	374

5. ERLÄUTERUNGEN ZUR GEWINN- UND VERLUSTRECHNUNG

UMSATZERLÖSE

Die Umsatzerlöse resultieren im Wesentlichen aus verrechneten Dienstleistungen an Tochtergesellschaften am Standort Ranshofen.

PERSONALAUFWAND

Die Aufwendungen für Altersversorgung betreffen Pensionskassenbeiträge für Pensionsvorsorgen in Höhe von 172 Tsd. EUR (Vorjahr: 154 Tsd. EUR).

Der Posten Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeiterversorgungskassen beinhaltet Abfertigungsaufwand mit 48 Tsd. EUR (Vorjahr: Aufwand 2 Tsd. EUR) sowie Beträge an betriebliche Mitarbeiterversorgungskassen mit 65 Tsd. EUR (Vorjahr: 57 Tsd. EUR).

Aufgrund von Veränderungen des Rechnungszinssatzes und von Wahrscheinlichkeiten (versicherungsmathematisches Ergebnis) ist der Personalaufwand mit 62 Tsd. EUR belastet (Vorjahr: 3 Tsd. EUR entlastet).

In den Gehältern sind Aufwendungen aus der Veränderung der Jubiläumsgeldrückstellung in Höhe von 21 Tsd. EUR (Vorjahr: Erträge 3 Tsd. EUR) enthalten.

Von der Veränderung der Personalrückstellungen werden 11 Tsd. EUR (Vorjahr: 9 Tsd. EUR) im Zinsaufwand ausgewiesen.

ERTÄGE AUS BETEILIGUNGEN

Die Erträge aus Beteiligungen beinhalten mit 46.000 Tsd. EUR (Vorjahr: 48.000 Tsd. EUR) eine phasengleiche Gewinnausschüttung der Tochtergesellschaft.

AUFWENDUNGEN FÜR DIE ABSCHLUSSPRÜFER

Eine Aufschlüsselung der Aufwendungen für die Abschlussprüfer unterbleibt, und ist dem Konzernabschluss zu entnehmen, der beim Landesgericht Ried im Innkreis veröffentlicht wird.

6. BEZIEHUNGEN ZU VERBUNDENEN UNTERNEHMEN

Der Konzernabschluss der Gesellschaft wird beim Landesgericht Ried im Innkreis hinterlegt. Mutterunternehmen mit dem Konzernabschluss für den größten Kreis von Unternehmen ist die B & C Holding Österreich GmbH, die ihren Sitz in Wien hat. Der Konzernabschluss wird in der Wiener Zeitung veröffentlicht.

Dienstleistungen der Finanzabteilung, des Rechnungswesens, der IT-Abteilung, der Personalabteilung, der Rechtsabteilung, des Einkaufs und der Logistik, der Forschung und Entwicklung einschließlich Werkstoffprüfung, der Werksdienste, der Medienversorgung und Abfallentsorgung, der Instandhaltung und der Liegenschaftsvermietung werden am Standort Ranshofen zentral erbracht und aufgrund von Dienstleistungsverträgen durch die AMAG Austria Metall AG erbracht bzw. bezogen.

AMAG Austria Metall AG fungiert seit 1. Juli 2011 als Organträger einer Umsatzsteuerorganschaft gemäß § 2 Abs. 2 UstG 1994 für die Organmitglieder AMAG Erste Beteiligungsverwaltungs GmbH, Austria Metall GmbH, AMAG casting GmbH, AMAG metal GmbH, AMAG rolling GmbH und AMAG service GmbH. Die Umsatzsteuerorganschaft mit AMAG Erste Beteiligungsverwaltungs GmbH wurde im Dezember 2017 begründet.

Weiters ist AMAG Austria Metall AG seit 1. Jänner 2012 Gruppenträger einer Unternehmensgruppe gemäß § 9 Abs. 8 KStG 1988 mit der AMAG Erste Beteiligungsverwaltungs GmbH. Mit Vertrag vom 30. Juli 2018 wurde die Unternehmensgruppe um die Austria Metall GmbH, AMAG casting GmbH, AMAG metal GmbH, AMAG rolling GmbH und AMAG service GmbH erweitert. An den Gruppenträger ist eine Umlage in jener Höhe zu entrichten, die einer Steuer entspricht, die ohne eine Unternehmensgruppe anfallen würde.

7. BETEILIGUNGSUNTERNEHMEN

Beteiligungen	Sitz	Beteiligungsanteil			Währung	Eigenkapital in Tsd.	Ergebnis des Geschäftsjahres 2018 in Tsd.
		in %	über				
Direkte Beteiligung:							
AMAG Erste Beteiligungsverwaltungs GmbH	Ranshofen, A	100	-		EUR	754.448	25.009
Indirekte Beteiligungen:							
Austria Metall GmbH	Ranshofen, A	100	AMAG Erste		EUR	284.096	25.542
AMAG casting GmbH	Ranshofen, A	100	AMAG GmbH		EUR	57.178	20.128
AMAG metal GmbH	Ranshofen, A	100	AMAG GmbH		EUR	55.997	1.276
AMAG rolling GmbH	Ranshofen, A	100	AMAG GmbH		EUR	134.070	17.466
AMAG service GmbH	Ranshofen, A	100	AMAG GmbH		EUR	23.584	4.925
Aluminium Austria Metall (Québec) Inc.	Montréal, CAN	100	AMAG GmbH		USD	144.677	-318
					EUR	126.355	-269
Metallwerk Furth GmbH	Furth im Wald, D	100	AMAG GmbH		EUR	116	-29
AMAG Asia Pacific Ltd.	Taipei City, TW	100		ROL	TWD	6.450	883
					EUR	184	25
AMAG Benelux B.V.	Delft, NL	100		ROL	EUR	104	14
AMAG China Ltd.	Shanghai, CN	100		ROL	CNY	272	105
					EUR	35	13
AMAG Deutschland GmbH	Duisburg, D	100		ROL	EUR	85	50
AMAG Eastern Europe, s.r.o.	Prag, CZ	100		ROL	CZK	883	483
					EUR	34	19
AMAG France S.A.R.L.	Suresnes, F	100		ROL	EUR	78	34
AMAG Rolling Iberia S.L.	Barcelona, ES	100		ROL	EUR	36	18
AMAG Italia S.r.l.	Milano, IT	100		ROL	EUR	58	28
AMAG U.K. Ltd.	Great Bookham, Surrey, GB	100		ROL	GBP	82	32
					EUR	92	37
AMAG USA Corp.	Upper Saddle River, New Jersey, USA	100		ROL	USD	329	98
					EUR	287	83
Ausbildungszentrum Braunau Ges.m.b.H. ¹⁾	Braunau, A	20	AMAG GmbH		EUR	45	-72
Aluminerie Alouette Inc. ²⁾	Sept-Iles, CAN	20	AAM		USD	2.364.094	
					EUR	2.064.711	
Speditionsservice Ranshofen Ges.m.b.H. ¹⁾	Ranshofen, A	25	SER		EUR	5.631	766

¹⁾ Werte per 31.12.2017²⁾ Das anteilige Ergebnis der Aluminerie Alouette Inc. wird in der Aluminium Austria Metall (Québec) Inc. erfasst

8. ORGANE, ARBEITNEHMER

Durchschnittliche Zahl der Arbeitnehmer:

Angestellte: 22 (Vorjahr: 25)

Aufwendungen für Pensionen und Abfertigungen (in Tsd. EUR):

Vorstand und leitende Angestellte: 105 (Vorjahr: 182)
Andere Arbeitnehmer: 191 (Vorjahr: 38)

Die Gesamtbezüge des Vorstands einschließlich der Aufwendungen für Pensionen und Abfertigungen betragen im Geschäftsjahr 2.389 Tsd. EUR (Vorjahr: 2.502 Tsd. EUR). Für eine langfristige erfolgsabhängige Komponente besteht eine Rückstellung von insgesamt 600 Tsd. EUR (Vorjahr: 1.549 Tsd. EUR). Von einem anderen verbundenen Unternehmen wurden 120 Tsd. EUR (Vorjahr: 268 Tsd. EUR) für eine leistungsorientierte Pensionsverpflichtung aufgewendet.

An die Aufsichtsratsmitglieder wurden im Geschäftsjahr Vergütungen von 705 Tsd. EUR (Vorjahr: 602 Tsd. EUR) geleistet.

Organmitglieder:

Aufsichtsrat:

- Dr. Josef Krenner
Vorsitzender des Aufsichtsrates
- Dr. Hanno M. Bästlein
Erster stellvertretender Vorsitzender des Aufsichtsrates
- Dipl.-Ing. Gerhard Falch
Stellvertretender Vorsitzender des Aufsichtsrates
(bis 17. April 2018)
- Dr. Heinrich Schaller
Stellvertretender Vorsitzender des Aufsichtsrates
- Otto Höfl
(bis 17. April 2018)
- Dr. Franz Gasselsberger, MBA
- Dipl.-Ing. Herbert Ortner
(ab 17. April 2018)
- Mag. Patrick F. Prügger
- Prof. Dr. Sabine Seidler
- Dipl.-Ing. Franz Viehböck
- Martin Aigner (vom Betriebsrat entsandt)
- Max Angermeier (vom Betriebsrat entsandt)
- Robert Hofer (vom Betriebsrat entsandt)
- Günter Mikula (vom Betriebsrat entsandt)

Vorstand:

- Dipl.-Ing. Helmut Wieser
Vorsitzender des Vorstandes
- Priv. Doz. Dipl.-Ing. Dr. Helmut Kaufmann
Mitglied des Vorstandes, Technikvorstand
- Mag. Gerald Mayer
Mitglied des Vorstandes, Finanzvorstand

9. EREIGNISSE NACH DEM ABSCHLUSSSTICHTAG

Nach dem Abschlussstichtag sind keine berichtspflichtigen Ereignisse eingetreten.

Ranshofen, 11. Februar 2019

Der Vorstand



Dipl.-Ing. Helmut Wieser



Priv. Doz. Dipl.-Ing. Dr. Helmut Kaufmann



Mag. Gerald Mayer

Anlagenspiegel

AMAG Austria Metall AG, Ranshofen

Werte in EUR	Stand	Anschaffungswerte			Stand
	01.01.2018	Zugänge	Abgänge	Umbuchungen	31.12.2018
ANLAGEVERMÖGEN					
I. Immaterielle Vermögensgegenstände					
1. Konzessionen, Schutzrechte, Lizenzen	249.924,00	5.279,94	206,29	29.900,00	284.897,65
2. Geleistete Anzahlungen und immaterielle Vermögensgegenstände in Erstellung	29.900,00	0,00	0,00	-29.900,00	0,00
Summe Immaterielle Vermögensgegenstände	279.824,00	5.279,94	206,29	0,00	284.897,65
II. Sachanlagen					
Betriebs- und Geschäftsausstattung	919.076,45	11.184,42	58.854,35	0,00	871.406,52
III. Finanzanlagen					
Anteile an verbundenen Unternehmen	540.551.270,00	0,00	0,00	0,00	540.551.270,00
Summe Anlagevermögen	541.750.170,45	16.464,36	59.060,64	0,00	541.707.574,17

Werte in EUR	Stand	Abschreibungen			Stand
	01.01.2018	Zugänge	Abgänge	Umbuchungen	31.12.2018
ANLAGEVERMÖGEN					
I. Immaterielle Vermögensgegenstände					
1. Konzessionen, Schutzrechte, Lizenzen	119.700,00	55.034,29	206,29	0,00	174.528,00
2. Geleistete Anzahlungen und immaterielle Vermögensgegenstände in Erstellung	0,00	0,00	0,00	0,00	0,00
Summe Immaterielle Vermögensgegenstände	119.700,00	55.034,29	206,29	0,00	174.528,00
II. Sachanlagen					
Betriebs- und Geschäftsausstattung	552.439,08	155.105,42	37.615,35	0,00	669.929,15
III. Finanzanlagen					
Anteile an verbundenen Unternehmen	0,00	0,00	0,00	0,00	0,00
Summe Anlagevermögen	672.139,08	210.139,71	37.821,64	0,00	844.457,15

AMAG Austria Metall AG, Ranshofen

Werte in EUR	Anschaffungswerte 31.12.2018	Kumulierte Abschreibungen 31.12.2018	Buchwert 31.12.2018	Buchwert 31.12.2017
ANLAGEVERMÖGEN				
I. Immaterielle Vermögensgegenstände				
1. Konzessionen, Schutzrechte, Lizenzen	284.897,65	174.528,00	110.369,65	130.224,00
2. Geleistete Anzahlungen und immaterielle Vermögensgegenstände in Erstellung	0,00	0,00	0,00	29.900,00
Summe Immaterielle Vermögensgegenstände	284.897,65	174.528,00	110.369,65	160.124,00
II. Sachanlagen				
Betriebs- und Geschäftsausstattung	871.406,52	669.929,15	201.477,37	366.637,37
III. Finanzanlagen				
Anteile an verbundenen Unternehmen	540.551.270,00	0,00	540.551.270,00	540.551.270,00
Summe Anlagevermögen	541.707.574,17	844.457,15	540.863.117,02	541.078.031,37

Erklärung des Vorstandes gem. § 124 (1) BörseG 2018

Der Vorstand der AMAG Austria Metall AG bestätigt nach bestem Wissen, dass der im Einklang mit den maßgebenden Rechnungslegungsstandards aufgestellte Jahresabschluss des Mutterunternehmens ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens vermittelt, dass der Lagebericht den Geschäftsverlauf, das Geschäftsergebnis und die Lage des Unternehmens so darstellt, dass ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage entsteht, und dass der Lagebericht die wesentlichen Risiken und Ungewissheiten beschreibt, denen das Unternehmen ausgesetzt ist.

Ranshofen, am 11. Februar 2019



Dipl.-Ing.
Helmut Wieser
Vorsitzender des Vorstandes



Priv. Doz. Dipl.-Ing.
Dr. Helmut Kaufmann
Technikvorstand



Mag.
Gerald Mayer
Finanzvorstand

Bestätigungsvermerk

Bericht zum Jahresabschluss

Prüfungsurteil

Wir haben den Jahresabschluss der AMAG Austria Metall AG, Ranshofen, bestehend aus der Bilanz zum 31. Dezember 2018, der Gewinn- und Verlustrechnung für das an diesem Stichtag endende Geschäftsjahr und dem Anhang, geprüft.

Nach unserer Beurteilung entspricht der beigelegte Jahresabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage zum 31. Dezember 2018 sowie der Ertragslage der Gesellschaft für das an diesem Stichtag endende Geschäftsjahr in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Grundlage für das Prüfungsurteil

Wir haben unsere Abschlussprüfung in Übereinstimmung mit der EU-Verordnung Nr. 537/2014 (im Folgenden EU-VO) und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung durchgeführt. Diese Grundsätze erfordern die Anwendung der International Standards on Auditing (ISA). Unsere Verantwortlichkeiten nach diesen Vorschriften und Standards sind im Abschnitt "Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses" unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von der Gesellschaft unabhängig in Übereinstimmung mit den österreichischen unternehmensrechtlichen und berufsrechtlichen Vorschriften, und wir haben unsere sonstigen beruflichen Pflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen.

Besonders wichtige Prüfungssachverhalte

Besonders wichtige Prüfungssachverhalte sind solche Sachverhalte, die nach unserem pflichtgemäßen Ermessen am bedeutsamsten für unsere Prüfung des Jahresabschlusses des Geschäftsjahres waren. Diese Sachverhalte wurden im Zusammenhang mit unserer Prüfung des Jahresabschlusses als Ganzem und bei der Bildung unseres Prüfungsurteils hierzu berücksichtigt, und wir geben kein gesondertes Prüfungsurteil zu diesen Sachverhalten ab.

Nachfolgend stellen wir den aus unserer Sicht besonders wichtigen Prüfungssachverhalt dar:

Bewertung von Anteilen an verbundenen Unternehmen sowie Forderungen gegenüber verbundenen Unternehmen

Beschreibung

Im Jahresabschluss der AMAG Austria Metall AG zum 31. Dezember 2018 sind in wesentlichem Umfang Anteile an verbundenen Unternehmen (540,6 Mio €) sowie Forderungen gegenüber verbundenen Unternehmen (563,5 Mio €) ausgewiesen.

Die Beurteilung der Werthaltigkeit von Anteilen an verbundenen Unternehmen sowie von Forderungen gegenüber verbundenen Unternehmen erfordert wesentliche Annahmen und Schätzungen der gesetzlichen Vertreter zur Beurteilung, ob eine Wertminderung zum Geschäftsjahresende vorliegt sowie gegebenenfalls zur Quantifizierung solcher Wertminderungen.

Das wesentliche Risiko besteht dabei in der Schätzung der zukünftigen Cash-Flows der (mittelbaren) Tochterunternehmen, welche zur Feststellung der Werthaltigkeit dieser Bilanzpositionen herangezogen werden. Diese Cash-Flow Schätzungen beinhalten Annahmen, die von zukünftigen Markt- und Wirtschaftsentwicklungen beeinflusst werden.

Die Angaben der Gesellschaft zu Anteilen sowie Forderungen gegenüber verbundenen Unternehmen sind im Jahresabschluss der AMAG Austria Metall AG im Anhang in den Abschnitten "3. Bewertungsmethoden", "4. Erläuterungen zur Bilanz", "7. Beteiligungsunternehmen" sowie im Anlagenspiegel zum 31. Dezember 2018 erläutert.

Wie wir den Sachverhalt im Rahmen der Prüfung adressiert haben:

Um dieses Risiko zu adressieren, haben wir die Annahmen und Schätzungen des Managements kritisch hinterfragt und dabei unter anderem die folgenden Prüfungshandlungen durchgeführt:

- + Beurteilung von Konzeption und Ausgestaltung des Prozesses und Prüfung der angewandten Methodik zur Bewertung von Anteilen an verbundenen Unternehmen sowie von Forderungen gegenüber verbundenen Unternehmen;
- + Überprüfung der Anteile an verbundenen Unternehmen sowie sämtlicher Forderungen gegenüber verbundenen Unternehmen auf Indikationen zur Wertminderung anhand aktueller Jahresabschlüsse;
- + Durchsicht der vom Aufsichtsrat genehmigten Planungsunterlagen sowie Plausibilisierung ausgewählter Werttreiber (Ergebnisplanung unter Berücksichtigung der Umsatzerlöse und Aufwendungen).

Verantwortlichkeiten der gesetzlichen Vertreter und des Prüfungsausschusses für den Jahresabschluss

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses und dafür, dass dieser in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie als notwendig erachten, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen - beabsichtigten oder unbeabsichtigten - falschen Darstellungen ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen, Sachverhalte im Zusammenhang mit der Fortführung der Unternehmenstätigkeit - sofern einschlägig - anzugeben, sowie dafür, den Rechnungslegungsgrundsatz der Fortführung der Unternehmenstätigkeit anzuwenden, es sei denn, die gesetzlichen Vertreter beabsichtigen, entweder die Gesellschaft zu liquidieren oder die Unternehmenstätigkeit einzustellen oder haben keine realistische Alternative dazu.

Der Prüfungsausschuss ist verantwortlich für die Überwachung des Rechnungslegungsprozesses der Gesellschaft.

Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses

Unsere Ziele sind, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen — beabsichtigten oder unbeabsichtigten — falschen Darstellungen ist, und einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil beinhaltet. Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, durchgeführte Abschlussprüfung eine wesentliche falsche Darstellung, falls eine solche vorliegt, stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn von ihnen einzeln oder insgesamt vernünftigerweise erwartet werden könnte, dass sie die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Nutzern beeinflussen.

Als Teil einer Abschlussprüfung in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, üben wir während der gesamten Abschlussprüfung pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung.

Darüber hinaus gilt:

Wir identifizieren und beurteilen die Risiken wesentlicher — beabsichtigter oder unbeabsichtigter — falscher Darstellungen im Abschluss, planen Prüfungshandlungen als Reaktion auf diese Risiken, führen sie durch und erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass aus dolosen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als ein aus Irrtümern resultierendes, da dolose Handlungen betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen oder das Außerkraftsetzen interner Kontrollen beinhalten können.

- + Wir gewinnen ein Verständnis von dem für die Abschlussprüfung relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit des internen Kontrollsystems der Gesellschaft abzugeben.
- + Wir beurteilen die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte in der Rechnungslegung und damit zusammenhängende Angaben.
- + Wir ziehen Schlussfolgerungen über die Angemessenheit der Anwendung des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit durch die gesetzlichen Vertreter sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die erhebliche Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen kann. Falls wir die Schlussfolgerung ziehen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, in unserem Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch die Abkehr der Gesellschaft von der Fortführung der Unternehmenstätigkeit zur Folge haben.
- + Wir beurteilen die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse in einer Weise wiedergibt, dass ein möglichst getreues Bild erreicht wird.

Wir tauschen uns mit dem Prüfungsausschuss unter anderem über den geplanten Umfang und die geplante zeitliche Einteilung der Abschlussprüfung sowie über bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Abschlussprüfung erkennen, aus.

Wir geben dem Prüfungsausschuss auch eine Erklärung ab, dass wir die relevanten beruflichen Verhaltensanforderungen zur Unabhängigkeit eingehalten haben, und tauschen uns mit ihm über alle Beziehungen und sonstigen Sachverhalte aus, von denen vernünftigerweise angenommen werden kann, dass sie sich auf unsere Unabhängigkeit und - sofern einschlägig - damit zusammenhängende Schutzmaßnahmen auswirken.

Wir bestimmen von den Sachverhalten, über die wir uns mit dem Prüfungsausschuss ausgetauscht haben, diejenigen Sachverhalte, die am bedeutsamsten für die Prüfung des Jahresabschlusses des Geschäftsjahres waren und daher die besonders wichtigen Prüfungssachverhalte sind. Wir beschreiben diese Sachverhalte in unserem Bestätigungsvermerk, es sei denn, Gesetze oder andere Rechtsvorschriften schließen die öffentliche Angabe des Sachverhalts aus oder wir bestimmen in äußerst seltenen Fällen, dass ein Sachverhalt nicht in unserem Bestätigungsvermerk mitgeteilt werden sollte, weil vernünftigerweise erwartet wird, dass die negativen Folgen einer solchen Mitteilung deren Vorteile für das öffentliche Interesse übersteigen würden.

Sonstige gesetzliche und andere rechtliche Anforderungen

Bericht zum Lagebericht

Der Lagebericht ist auf Grund der österreichischen unternehmensrechtlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob er nach den geltenden rechtlichen Anforderungen aufgestellt wurde.

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Lageberichts in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Wir haben unsere Prüfung in Übereinstimmung mit den Berufsgrundsätzen zur Prüfung des Lageberichts durchgeführt.

Urteil

Nach unserer Beurteilung ist der Lagebericht nach den geltenden rechtlichen Anforderungen aufgestellt worden, enthält zutreffende Angaben nach § 243a UGB, und steht in Einklang mit dem Jahresabschluss.

Erklärung

Angesichts der bei der Prüfung des Jahresabschlusses gewonnenen Erkenntnisse und des gewonnenen Verständnisses über die Gesellschaft und ihr Umfeld wurden wesentliche fehlerhafte Angaben im Lagebericht nicht festgestellt.

Sonstige Informationen

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen beinhalten alle Informationen im Geschäftsbericht, ausgenommen den Jahresabschluss, den Lagebericht und den Bestätigungsvermerk. Der Geschäftsbericht wird uns voraussichtlich nach dem Datum des Bestätigungsvermerks zur Verfügung gestellt. Unser Prüfungsurteil zum Jahresabschluss deckt diese sonstigen Informationen nicht ab und wir werden keine Art der Zusicherung darauf geben.

In Verbindung mit unserer Prüfung des Jahresabschlusses ist es unsere Verantwortung diese sonstigen Informationen zu lesen, sobald diese vorhanden sind und abzuwägen, ob sie angesichts des bei der Prüfung gewonnenen Verständnisses wesentlich in Widerspruch zum Jahresabschluss stehen, oder sonst wesentlich falsch dargestellt erscheinen.

Zusätzliche Angaben nach Artikel 10 der EU-VO

Wir wurden von der Hauptversammlung am 17. April 2018 als Abschlussprüfer gewählt. Wir wurden am 13. Juni 2018 vom Aufsichtsrat beauftragt. Wir sind seit 2017 Abschlussprüfer.

Wir erklären, dass das Prüfungsurteil im Abschnitt "Bericht zum Jahresabschluss" mit dem zusätzlichen Bericht an den Prüfungsausschuss nach Artikel 11 der EU-VO in Einklang steht.

Wir erklären, dass wir keine verbotenen Nichtprüfungsleistungen (Artikel 5 Abs 1 der EU-VO) erbracht haben und dass wir bei der Durchführung der Abschlussprüfung unsere Unabhängigkeit von der geprüften Gesellschaft gewahrt haben.

Auftragsverantwortlicher Wirtschaftsprüfer

Der für die Abschlussprüfung auftragsverantwortliche Wirtschaftsprüfer ist Herr Mag. Thomas Haerdtl.

Wien, am 11. Februar 2019

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Gerhard Schwartz eh

Wirtschaftsprüfer

Mag. Thomas Haerdtl eh

Wirtschaftsprüfer

Lagebericht zum Jahresabschluss

1. Geschäftsverlauf

1.1 Überblick über das Unternehmen

Die AMAG Austria Metall AG fungiert als Holdinggesellschaft der AMAG-Gruppe. Ihr Geschäftsverlauf ist im Wesentlichen von der Entwicklung ihrer Tochtergesellschaften abhängig.

Die Tätigkeitsfelder der AMAG-Gruppe sind:

- + Erzeugung von Primärmetall
- + Erzeugung von hoch qualitativen Walzprodukten
- + Erzeugung von Gusslegierungen in Form von Masseln, Sows und Flüssigmetall sowie von Walzbarren

1.2 Wirtschaftliches Umfeld

Primäraluminium

Die weltweite Nachfrage nach Primäraluminium setzte auch im Jahr 2018 ihren Wachstumstrend fort. Mit insgesamt 65,9 Mio. Tonnen erreichte sie nach Angaben des Marktforschungsinstituts CRU einen neuen historischen Rekord. Im Vergleich zum Vorjahr entspricht dies einem Plus von 3,8 %.¹

Wachstum konnte hierbei in allen Regionen der Welt verzeichnet werden: In China erhöhte sich die Nachfrage um 4,7 % auf 36,0 Mio. Tonnen. Dies entspricht rund 55 % des globalen Bedarfs. In Europa stieg die Nachfrage um 2,9 % auf 9,4 Mio. Tonnen. In Nordamerika wurde ein Plus von 1,8 % auf 6,7 Mio. Tonnen registriert.

Demgegenüber erhöhte sich die weltweite Produktion im Jahr 2018 nur um 1,1 % auf 64,1 Mio. Tonnen. Sie lag damit rund 1,7 Mio. Tonnen niedriger als die Nachfrage, wodurch sich die weltweiten Bestände nach CRU-Schätzungen von 12,7 Mio. Tonnen im Jahr 2017 auf 10,9 Mio. Tonnen reduzierten. Die Bestände an Primäraluminium in den LME-registrierten Lagerhäusern stiegen im Vergleich zum Vorjahresresultimo von 1,1 Mio. Tonnen auf 1,3 Mio. Tonnen an.

Insgesamt wurde das wirtschaftliche Umfeld im Jahr 2018 von mehreren Sonderthemen maßgeblich beeinflusst. Die Einführung der US-Importzölle auf Aluminium führte zu einem deutlichen Anstieg der Prämien in den USA. Die behördlich angeordnete Produktionskürzung der weltweit größten Tonerderaffinerie in Brasilien sowie die US-Sanktionen gegen einen der weltweit größten Tonerde- und Primäraluminiumproduzenten aus Russland ließen den Preis für Tonerde markant ansteigen.

Beim Aluminiumpreis (3-Monats-LME) setzte nach einer sehr volatilen Entwicklung in der ersten Jahreshälfte 2018 tendenziell eine Abwärtsbewegung ein. Im Vergleich zum Jahresende 2017 reduzierte er sich um 18,0 % auf 1.846 USD/t. Im Jahresdurchschnitt lag er mit 2.115 USD/t noch über dem Vorjahresmittel von 1.980 USD/t.

Walzprodukte

Nachfrageentwicklung in 2018

Die weltweite Nachfrage nach Aluminiumwalzprodukten entwickelte sich im Jahr 2018 positiv und erreichte mit 27,3 Mio. Tonnen einen neuen Rekordwert. Im Vergleich zum Vorjahr entspricht dies einem Zuwachs von 4,0 %.

In unseren Kernmärkten Westeuropa und Nordamerika stieg die Nachfrage nach Aluminiumwalzprodukten um 2,1 bzw. 3,6 %. Auch im asiatischen Markt war mit einem Plus von 4,5 % eine attraktive Wachstumsdynamik zu beobachten. Einen wesentlichen Beitrag hierzu lieferte China, wo die Nachfrage um 5,9 % im Vergleich zum Vorjahr zulegen konnte.

Nach Angaben des Marktforschungsinstituts CRU² entwickelte sich die Nachfrage in allen Branchen positiv. Der Bedarf in der Verpackungsindustrie stieg im Jahr 2018 um 3,9 % auf 13,8 Mio. Tonnen. Auch die Bau- sowie die Maschinenbauindustrie verzeichneten mit 3 bzw. 2 % jeweils ein attraktives Wachstum.

Die Transportindustrie war im Jahr 2018 erneut der größte Wachstumstreiber im Bereich der Aluminiumwalzprodukte. Die Nachfrage verzeichnete ein Plus von 6,9 % auf 4,6 Mio. Tonnen. Neben der Luftfahrtindustrie, die sich durch jährlich steigende Produktionsraten auszeichnet, ist vor allem die Automobilindustrie ein stark wachsender Nachfrager nach Aluminiumwalzprodukten. Insbesondere im Bereich der

1) Vgl. CRU Aluminium Market Outlook, Oktober 2018

2) Vgl. CRU Aluminium Rolled Products Market Outlook, November 2018

Außenhutanwendungen – wie zum Beispiel Motorhauben, Türen und Kotflügel – werden immer öfter Bleche aus Aluminium eingesetzt. Grund für die Substitution von Stahl durch Aluminium ist dessen geringeres spezifisches Gewicht, gepaart mit einer guten Festig- und Umformbarkeit. Durch Leichtbau mit Aluminium können das Gewicht und damit auch der Treibstoffverbrauch sowie die CO₂-Emissionen bei PKW spürbar gesenkt werden.

Gussprodukte

Der für die AMAG casting GmbH relevante Markt bezieht sich im Wesentlichen auf die Länder Deutschland und Österreich sowie weitere Nachbarländer. Der Automobilbereich, einschließlich dessen Zulieferindustrie, stellt die größte Kundenbranche dar. Folglich wird das relevante wirtschaftliche Umfeld vor allem von der Entwicklung der europäischen Automobilindustrie geprägt.

Die Nachfrage nach neuen PKW in der Europäischen Union³ war im Vergleich zum Vorjahr nahezu unverändert hoch. Insgesamt wurden im Jahr 2018 rund 15,2 Mio. Einheiten neu zugelassen. In Deutschland lagen die Neuzulassungen mit 3,4 Mio. Einheiten auf dem Vorjahresniveau. In Frankreich stieg die Anzahl von Neuzulassungen um 3,0 % auf 2,2 Mio. Einheiten. In Österreich verzeichnete die Nachfrage einen Rückgang um 3,5 %.

Nach den jüngsten Prognosen des IHS⁴ lagen die Produktionszahlen der europäischen Automobilindustrie in etwa auf dem Niveau des Vorjahres. In Deutschland, dem wichtigsten Markt der AMAG casting GmbH, ging die Automobilproduktion um 9 % auf 5,1 Mio. Einheiten zurück.⁵

1.3 Ertragslage

Die Umsatzerlöse resultieren aus Verrechnungen erbrachter Leistungen an die Tochtergesellschaften am Standort Ranshofen und lagen im Geschäftsjahr bei 6.048 Tsd. EUR (Vorjahr: 4.220 Tsd. EUR).

Der Betriebserfolg (EBIT) beträgt -5.444 Tsd. EUR (Vorjahr: -7.608 Tsd. EUR). Der Betriebserfolg vor Abschreibungen (EBITDA) beläuft sich auf -5.234 Tsd. EUR (Vorjahr: -7.370 Tsd. EUR). Die Veränderung resultiert vor allem aus dem höheren Umsatz, einem geringeren Personalaufwand und niedrigeren sonstigen Aufwendungen.

Der Finanzerfolg von 47.858 Tsd. EUR (Vorjahr: 49.998 Tsd. EUR) setzt sich aus Beteiligungserträgen in Höhe von 46.000 Tsd. EUR (Vorjahr: 48.000 Tsd. EUR), aus Zinsen und ähnlichen Erträgen mit 7.446 Tsd. EUR (Vorjahr: 6.808 Tsd. EUR) und aus Zinsen und ähnlichen Aufwendungen in Höhe von -5.588 Tsd. EUR (Vorjahr: -4.811 Tsd. EUR) zusammen.

Das Ergebnis vor Steuern lag mit 42.413 Tsd. EUR auf dem Niveau des Vorjahres von 42.390 Tsd. EUR.

Werte in Tsd. EUR	2018	2017
Umsatzerlöse	6.048	4.220
EBITDA	-5.234	-7.370
Finanzerfolg	47.858	49.998
Ergebnis vor Steuern	42.413	42.390

Die Kennzahl EBITDA berechnet sich aus dem Betriebserfolg zuzüglich Abschreibung laut Gewinn- und Verlustrechnung.

3) Vgl. ACEA (European Automobile Manufacturers Association),
Presseaussendung vom 16. Jänner 2019

4) Vgl. IHS Automotive, Global Light Vehicle Production Summary,
Oktober 2018

5) Vgl. VDA (Verband der Automobilindustrie), Pressemitteilung vom 4. Jänner 2019

1.4 Vermögenslage

Das Gesamtvermögen der Gesellschaft beträgt zum Bilanzstichtag 1.361.381 Tsd. EUR und setzt sich wie folgt zusammen:

Werte in Tsd. EUR	2018	2017
Immaterielles- und Sachanlagevermögen	312	527
Finanzanlagen	540.551	540.551
Forderungen und sonstige Vermögensgegenstände, Rechnungsabgrenzungsposten	568.816	516.161
Zahlungsmittel und Zahlungsmitteläquivalente	251.423	133.006
Aktive latente Steuer	279	7.822
Summe Aktiva	1.361.381	1.198.067

Die Finanzanlagen betreffen den Beteiligungsbuchwert der Anteile an der AMAG Erste Beteiligungsverwaltungs GmbH.

In den Forderungen und sonstigen Vermögensgegenständen sind Forderungen aus Finanzierung und Clearing in Höhe von 511.157 Tsd. EUR (Vorjahr: 465.193 Tsd. EUR) enthalten. Weiters sind phasengleiche Dividendenerträge in Höhe von 46.000 Tsd. EUR (Vorjahr: 48.000 Tsd. EUR), sonstige Forderungen und Vermögensgegenstände in Höhe von 5.292 Tsd. EUR (Vorjahr: 2.942 Tsd. EUR), Forderungen aus der Gruppenbesteuerung in Höhe von 6.344 Tsd. EUR (Vorjahr: 0 Tsd. EUR) sowie Rechnungsabgrenzungsposten in Höhe von 23 Tsd. EUR (Vorjahr: 23 Tsd. EUR) enthalten.

Finanziert werden die Vermögenswerte durch:

Werte in Tsd. EUR	2018	2017
Eigenkapital	727.613	726.811
Fremdkapital	633.768	471.256
Summe Passiva	1.361.381	1.198.067

Die Eigenkapitalquote zum 31. Dezember 2018 beträgt 53,4 % (Vorjahr: 60,7 %).

1.5 Finanzlage

Werte in Tsd. EUR	2018	2017
Netto-Geldfluss aus laufender Geschäftstätigkeit (OCF)	-2.664	35.037
Netto-Geldfluss aus Investitionstätigkeit (ICF)	-20	-432
Netto-Geldfluss aus Finanzierungstätigkeit (FCF)	121.101	41.313
Zahlungswirksame Veränderung des Finanzmittelbestandes	118.417	75.918
Finanzmittelbestand am Ende der Periode	251.423	133.006

Der Geldfluss aus der laufenden Geschäftstätigkeit betrifft vor allem die Dividendenzahlungen für das jeweilige Vorjahr. Der Geldfluss aus Finanzierungstätigkeit hängt insbesondere mit der Aufnahme von Krediten und Darlehen in der Höhe von 250.000 Tsd. EUR, der Tilgung von Krediten und Darlehen in der Höhe von 100.000 Tsd. EUR und der Dividendenzahlung an die Eigentümer zusammen. Der Finanzmittelbestand zeigt die Guthaben bei Kreditinstituten.

1.6 Prognosebericht

Wirtschaftlicher Ausblick

Nach Angaben des Internationalen Währungsfonds IWF⁶ wies die Weltwirtschaft im Jahr 2018 mit einem Plus von 3,7 % ein ähnliches Wachstum aus wie im Vorjahr (2017: 3,8 %). Infolge der zunehmenden Handelskonflikte, insbesondere zwischen den USA und China, sind die Risiken für die globale Konjunktur jedoch gestiegen. Unsicherheiten für die Wirtschaft bestehen zudem im Zusammenhang mit dem Austritt Großbritanniens aus der EU und der Schuldenkrise in Italien.

In den Industriestaaten lag das Wachstum 2018 bei 2,3 %, nach 2,4 % im Vorjahr. Die Konjunktur in der Eurozone wies im Jahr 2018 mit einem Plus von 1,8 % ein niedrigeres Wachstum auf als im Vorjahr (2017: +2,4 %). In Deutschland wurde nach Einschätzung des IWF ein Wirt-

6) Vgl. Internationaler Währungsfonds, World Economic Outlook, 21. Jänner 2019

schaftswachstum von 1,5 % erzielt (2017: 2,5 %). Österreichs Konjunktur verzeichnete laut dem Österreichischen Institut für Wirtschaftsforschung (Wifo) ein Plus von 2,7 % (2017: 2,6 %).⁷ In den USA wuchs die Wirtschaft deutlich dynamischer als im Vorjahr. Nach IWF-Einschätzung betrug das Plus im Berichtsjahr 2,9 % (2017: 2,2 %).

Die Wirtschaft in der Gruppe der Schwellen- und Entwicklungsländer expandierte 2018 um 4,6 % nach einem Plus von 4,7 % im Vorjahr. Für China errechnete der IWF ein Wachstum von 6,6 % (2017: 6,9 %).

Ausblick Aluminiummarkt

Die attraktiven Marktaussichten für Aluminium bilden eine gute Grundlage für unseren Wachstumskurs.

Nach den aktuellen Einschätzungen des Marktforschungsinstitut CRU kann sowohl bei Primäraluminium als auch bei Aluminiumwalzprodukten in den kommenden fünf Jahren weltweit mit einem attraktiven Nachfragewachstum gerechnet werden.

Marktausblick 2019

Für das Jahr 2019 erwartet CRU bei Primäraluminium ein globales Nachfragewachstum von 3,4 % auf 68,1 Mio. Tonnen. Dabei wird für alle Regionen weltweit mit positiven Wachstumsraten gerechnet. In China soll die Nachfrage um 4,0 % steigen, in Europa und Nordamerika um 2,6 % bzw. 1,8 %. Die weltweite Produktion soll 2019 auf 66,8 Mio. Tonnen steigen. Damit rechnet CRU auch für 2019 mit einem deutlichen Produktionsdefizit und einem weiteren Rückgang bei den weltweiten Beständen.

Für die AMAG casting GmbH ist vor allem die Entwicklung der europäischen Automobilindustrie maßgeblich. IHS erwartet für 2019 eine Steigerung der europäischen Automobilproduktion um rund 1 %.⁸

Die Nachfrage nach Aluminiumwalzprodukten wird auch im Jahr 2019 ein attraktives Wachstum aufweisen. CRU rechnet für die weltweite Nachfrage mit einem Plus von 3,9 % auf 28,4 Mio. Tonnen. In unseren Kernmärkten Westeuropa und Nordamerika soll die Nachfrage um 2,2 % bzw. 3,0 % steigen.

Die Wachstumsaussichten sind auch im Jahr 2019 für alle für uns relevanten Abnehmerbranchen positiv. Das größte prozentuelle Wachstum wird abermals im Transportbereich erwartet. Aufgrund der hohen Nachfrage nach Aluminiumblechen für die Automobilindustrie soll die Nachfrage nach Aluminiumwalzprodukten im Transportbereich von 4,6 Mio. Tonnen auf 4,9 Mio. Tonnen steigen. Dies entspräche einer Wachstumsrate von 6,7 %.

Mittelfristiger Marktausblick bis 2023

Laut den aktuellen CRU-Prognosen soll der weltweite Bedarf an Primäraluminium⁹ bis 2023 um jährlich 3,3 % auf 77,5 Mio. Tonnen wachsen. Dabei dürften nahezu alle Regionen von einer steigenden Nachfrage profitieren. Für Europa erwartet CRU ein Plus von 1,9 % p.a., ebenso wie für Nordamerika. Für China werden jährliche Steigerungsraten von 3,7 % prognostiziert.

Für Aluminiumwalzprodukte zeigt sich laut CRU¹⁰ ein ähnlich positiver Trend: Die weltweite Nachfrage soll in den kommenden Jahren weiter wachsen und im Jahr 2023 rund 32,9 Mio. Tonnen erreichen. Dies entspräche einer jährlichen Wachstumsrate von 3,8 %. Für unsere Kernmärkte Westeuropa und Nordamerika prognostiziert CRU einen jährlichen Anstieg von 2,2 % bzw. 2,8 %. In Asien soll die Nachfrage jährlich um rund 4,5 % steigen.

In der branchenbezogenen Betrachtung dürfte die Transportindustrie auch in den kommenden Jahren das größte prozentuelle Wachstum aufweisen. Insgesamt erwartet CRU für diese Branche bis 2023 ein jährliches Nachfragewachstum von 6,6 %. Zum einen sollte die Nachfrage von den steigenden Produktionsraten in der Luftfahrtindustrie profitieren können. Zum anderen wird sich die Automobilindustrie zu einem immer größeren Abnehmer von Aluminiumwalzprodukten entwickeln, um mittels Leichtbaulösungen weitere Einsparungen bei Treibstoffverbrauch und CO₂-Emissionen zu erzielen.

Aber auch in den anderen Bereichen wie zum Beispiel der Verpackungs-, Bau- und Maschinenbauindustrie können weitere Nachfragesteigerungen erwartet werden. CRU rechnet mit jährlichen Wachstumsraten um die 3 %.

Die Ergebnisentwicklung der AMAG Austria Metall AG ist vor allem von der Entwicklung der Gesellschaften am Standort Ranshofen beeinflusst.

7) Vgl. Wifo, Konjunkturprognose Dezember 2018

8) Vgl. IHS Automotive, Global Light Vehicle Production Summary, Oktober 2018

9) Vgl. CRU, Aluminium Market Outlook, Oktober 2018

10) Vgl. CRU, Aluminium Rolled Products Market Outlook, November 2018

2. Risikobericht

Integraler Bestandteil der Geschäftstätigkeit der AMAG-Gruppe ist ein systematisches Risikomanagementsystem, das auf die Identifizierung, Beurteilung und Kontrolle aller wesentlichen Risiken und Chancen für die AMAG-Gruppe und ihr Umfeld abzielt. Wir wollen Risiken frühzeitig erkennen und ihnen nach Möglichkeit proaktiv begegnen, um sie weitestgehend begrenzen zu können. Andererseits möchten wir auch unternehmerische Chancen gezielt nutzen. In diesem Sinn stellt ein ausgewogenes Chancen- und Risikomanagement einen wesentlichen Erfolgsfaktor für unsere Unternehmensgruppe dar.

Risikomanagementsystem

Das Risikomanagement der AMAG ist auf die Sicherstellung einer nachhaltig positiven Entwicklung der Vermögens-, Finanz- und Ertragslage, eine nachhaltige Wertsteigerung der AMAG-Gruppe und auf die Minimierung der negativen Einflüsse auf das Umfeld ausgerichtet. Das System fußt im Wesentlichen auf

- + der Regelung betrieblicher Abläufe mittels Konzernrichtlinien, um die Erkennung, Analyse, Bewertung und Kommunikation von Risiken und damit eine aktive Steuerung des Umgangs mit Risiken und Chancen sicherzustellen,
- + dem aktiven Hedging der spezifischen Risiken (Volatilität des Aluminiumpreises, Währungen),
- + der Abdeckung bestimmter Risiken durch Versicherungen im Rahmen eines umfassenden Versicherungskonzeptes.

Die Steuerung der Risiken erfolgt auf Basis dieser Richtlinien und Anweisungen und betrifft alle Hierarchieebenen. Bezüglich der strategischen und operativen Risiken erfolgt eine jährliche Überprüfung und allfällige Neuausrichtung im Rahmen eines institutionalisierten Prozesses. Darüber hinaus werden sowohl die Richtlinien und Anweisungen als auch das Versicherungskonzept (vor allem hinsichtlich Umfang und Deckung) laufend überprüft und gegebenenfalls aktualisiert.

Zusätzlich erfolgen anlassbezogene Evaluierungen der Funktionsfähigkeit des internen Kontrollsystems für ausgewählte Unternehmensbereiche durch einen externen Wirtschaftsprüfer.

Internes Kontrollsystem

Das interne Kontrollsystem sowie das Risikomanagement der AMAG-Gruppe und somit auch für die Austria Metall GmbH orientieren sich an den Maßstäben des international bewährten Regelwerks für interne Kontrollsysteme (COSO – Internal Control and Enterprise Risk Managing Frameworks des Committee of Sponsoring Organizations of the Treadway Commission) und an ISO 31000:2010. Ziel ist das bewusste Erkennen und Steuern von latenten Risiken durch das jeweils verantwortliche Management.

Wesentliche Merkmale des internen Kontroll- und Risikomanagementsystems in Hinblick auf den Rechnungslegungsprozess

Die Einrichtung eines angemessenen internen Kontroll- und Risikomanagementsystems in Hinblick auf den Rechnungslegungsprozess bzw. die Finanzberichterstattung liegt grundsätzlich in der Verantwortung der jeweiligen Geschäftsführung. In der AMAG-Gruppe wurden hinsichtlich Risikomanagement sowohl für die wesentlichen Geschäftsrisiken als auch für den Finanzberichterstattungsprozess gruppenweit verbindlich anzuwendende Standards verabschiedet. Diese werden von der Geschäftsführung der Gesellschaften angewandt und - soweit erforderlich - ergänzt.

Das Rechnungswesen mit der darin integrierten Finanzbuchhaltung wird für den Standort Ranshofen zentral durch die Austria Metall GmbH durchgeführt. Durch entsprechende organisatorische Maßnahmen wird sichergestellt, dass die gesetzlichen Vorgaben – die vollständige, richtige, zeitgerechte und geordnete Eintragung in die Bücher und sonstige Aufzeichnungen – erfüllt werden. Der gesamte Prozess von der Beschaffung bis zur Zahlung unterliegt strengen Regeln und Richtlinien, welche jegliches damit in Zusammenhang stehende Risiko vermeiden sollen.

Zu diesen Maßnahmen und Regeln zählen unter anderem Funktionstrennungen, Unterschriftenordnungen, ausschließlich kollektive und auf wenige Personen eingeschränkte Zeichnungsermächtigungen für Zahlungen sowie systemunterstützte Prüfungen durch die verwendete Software (SAP). Die verwendeten Finanzbuchhaltungssysteme sind überwiegend Standard-Software, die gegenüber unbefugten Zugriffen geschützt sind.

In der AMAG-Gruppe ist ein standardisiertes Finanzberichtswesen etabliert. Ergänzt um gesellschaftsspezifische Themen wird die Geschäftsführung laufend über alle relevanten Sachverhalte informiert. Der Aufsichtsrat der AMAG Austria Metall AG wird in zumindest einer pro Quartal stattfindenden Aufsichtsratssitzung über den laufenden Geschäftsgang und zusätzlich jährlich über die operative Planung sowie die mittelfristige Strategie des Konzerns unterrichtet bzw. werden diese durch den Aufsichtsrat genehmigt. In besonderen Fällen wird der Aufsichtsrat auch unmittelbar informiert. In den Prüfungsausschusssitzungen werden unter anderem auch das interne Kontrollsystem, das Risikomanagementsystem sowie die Maßnahmen zur Korruptionsprävention behandelt.

Personalrisiken

Die Mitarbeiter der AMAG-Gruppe sind durch ihre Kompetenz und ihr Engagement ein maßgeblicher Faktor für den Erfolg der AMAG. Zur Sicherung und Stärkung dieses Faktors haben Investitionen in die Arbeitssicherheit („konsequent sicher“) und die Förderung der Gesundheit einen sehr hohen Stellenwert. Im Bereich Unfallschutz werden umfangreiche Maßnahmen wie die Arbeitsplatzevaluierung und sichere Gestal-

tung, Präventivmaßnahmen und laufende Schulung der Mitarbeiter gesetzt. Darüber hinaus bietet die AMAG ein leistungsgerechtes Entlohnungssystem, Aus- und Weiterbildungsprogramme (z.B. alu_akademie), die frühzeitige Identifikation und Förderung von Potenzialträgern und ein attraktives Anreizsystem für Führungskräfte. Der Schutz der persönlichen Daten der Mitarbeiter wird sehr ernst genommen.

Basierend auf Analysen des zukünftigen Qualifikationsbedarfs, insbesondere in Zusammenhang mit der Erweiterungsinvestition, wurden entsprechende Personalmaßnahmen getätigt und Rekrutierungsaktivitäten verstärkt.

Darüber hinaus wurden im Bereich „Employer Branding“ weitere Akzente zur Stärkung der Arbeitgebermarke gesetzt, um die AMAG als attraktiven Arbeitgeber zu positionieren.

Operative Risiken

Risiken aus der Produktion

Innerhalb des Wertschöpfungsprozesses sind die operativen Gesellschaften der AMAG-Gruppe der Gefahr von Betriebsunterbrechung sowie Risiken in Bezug auf Qualität oder Arbeitssicherheit ausgesetzt. Durch umfassende Verfahrensanweisungen in den Bereichen Produktion, Qualität und Arbeitssicherheit sowie durch die im Wege des KVP-Prozesses begünstigte hohe Eigenverantwortlichkeit der Mitarbeiter werden diese Risiken weitgehend vermieden. Dem Ausfallrisiko der Anlagen und der Energieversorgung im Einflussbereich der AMAG wird auch durch systematische vorbeugende Instandhaltung und laufende RBM-Überwachung (Risk Based Maintenance) sowie eine regelmäßige Evaluierung des technischen Anlagenrisikos und dem Setzen geeigneter Maßnahmen begegnet. Modernisierungs- und Ersatzinvestitionen werden zudem langfristig geplant. Mit den Investitionen in das neue Warm- und Kaltwalzwerk sowie in den Gießkapazitäten erhöht sich die Redundanz der Anlagen mit modernster Technik am Standort Ranshofen. Für wichtige Produkte wurden Notfallpläne erstellt, die im Falle eines Anlagenstillstands ein rasches Umstellen auf eine Ersatz-Herstellroute ermöglichen. Eine zusätzliche Absicherung ist durch die Maschinenbruch-Versicherung gegeben.

Risiken aus technologischen Entwicklungen

Der Werkstoff Aluminium ist gerade in den technisch anspruchsvollen Bereichen wie Luftfahrt, Automobilbau und Sport möglicher Substitution durch alternative „Leicht“-Werkstoffe mit vergleichbaren Materialeigenschaften wie Carbonfaser-Composites, Kunststoffen, Magnesium und weiterentwickelten Stahlqualitäten ausgesetzt. Ebenso könnten neue, teils disruptive Herstellungsprozesse (z.B. 3D-Druck) oder technologische Umbrüche in einzelnen Abnehmerbranchen Einfluss auf die für die AMAG relevanten Märkte haben. Durch laufende Marktbeobachtung und Entwicklungsarbeiten gemeinsam mit Kunden sowie die kontinuierliche Verbesserung der Eigenschaften der angebotenen Aluminiumwerkstoffe wirkt die AMAG-Gruppe diesem Gefährdungspotenzial entgegen. Gleichzeitig wird daran gearbeitet, neue Anwendungsgebiete für Aluminiumlegierungen zu erschließen und in Kooperationen aktiv AMAG-relevante Anwendungen in potentiell disruptiven Technologien zu etablieren.

Zur Erkennung von potenziellen Fehlerquellen bei der Produktentwicklung und zur entsprechenden Risikominimierung werden in der AMAG Fehlermöglichkeits- und -einflussanalysen (FMEA) durchgeführt.

Ebenso werden die technologischen Entwicklungen im Bereich der Digitalisierung laufend beobachtet. Durch die Einstellung eines Digitalisierungskordinators und die Festlegung einer Digitalisierungsstrategie mit den drei Schwerpunkten „operative Exzellenz“, „Produktführerschaft“ und „Partnernähe“ haben wir unsere Aktivitäten in diesem Bereich in den letzten Jahren kontinuierlich ausgebaut. Für die AMAG wesentliche Themen werden in den Digitalisierungskompass mit aufgenommen und entsprechend umgesetzt (z.B. Smart Factory, Digital Partner Excellence).

Elementarrisiken

Entsprechend den Erfordernissen werden ausgewählte Maßnahmen zur Minimierung von Elementarrisiken getroffen.

- + Brandschutz: Bauliche, technische und organisatorische Brandschutz-Maßnahmen werden je nach Gefahrenpotenzial realisiert: z.B. Betriebsfeuerwehr, Brandabschnitte, Brandmeldeanlage, CO₂-Schutzanlagen, Abschluss von Feuerversicherungen sowie Bau von Sprinkleranlagen im neuen Warm- und Kaltwalzwerk, der neuen Plattenfertigung und in sensiblen Technikräumen der Walzbarrengeßerei
- + Hochwasser sowie andere Elementarrisiken: laufende Anpassung der Präventivmaßnahmen (z.B. Ausbau der Regenwasserversickerung)

Umweltrisiken

Die Gefahr des Eintritts von Umweltrisiken z.B. betreffend Wasser, Abfall, Bodenkontamination und Luftemissionen wird durch das nach ISO 14001 zertifizierte Umweltmanagementsystem in den Konzerngesellschaften mit Gefährdungspotenzial gemindert. Konventionelle Energieträger wie Diesel und Erdgas setzen bei ihrer Verbrennung Luftemissionen frei, die sich negativ auf die Umwelt und das Klima auswirken können. Eine restriktivere Klimapolitik kann die Kosten für fossile Energie und Strom erhöhen oder zur Einführung von zusätzlichen CO₂-Abgaben führen. Um dieses Risiko und die Umweltbelastung zu minimieren, treffen wir Maßnahmen zur Steigerung unserer Energieeffizienz und verfolgen geplante Gesetzesänderungen. Altlasten aus der früheren Nutzung unseres Betriebsgeländes in Ranshofen wurden durch rasche Umsetzung der Sanierungspflichten gesichert bzw. behoben oder sind durch Rückstellungen abgedeckt. Vormaterialien mit einem Kontaminationsrisiko werden bereits bei Anlieferung umfangreich untersucht und gegebenenfalls abgewiesen.

Risiken der Informationsverarbeitung

In diesem sensiblen Bereich liegt unser Hauptaugenmerk auf Datensicherheit, Kompatibilität sowie Effizienz der Systeme, Zugriffssicherheit, Manipulations- und Schadsoftwareschutz sowie Betriebssicherheit. Die konzernweite Steuerung der IT-Aktivitäten erfolgt durch den Bereichsleiter Informationstechnologie auf Basis einer IT-Richtlinie.

Die in dieser Richtlinie festgelegten Vorgaben sind so gestaltet, dass die IT-Leistungen die gestellten Anforderungen an Verfügbarkeit, Zuverlässigkeit, Disaster-Toleranz und Service-Zeit erfüllen und die Personal- und Produktressourcen beim Erbringen der IT-Leistungen wirkungsvoll, effizient und effektiv genutzt werden.

Weiters sind Sicherheits- und Berechtigungskonzepte implementiert und es stehen örtlich getrennte Ausweichrechenzentren zur Verfügung, um das Risiko eines Systemausfalls durch Hardwaredefekt, Datenverlust oder Manipulation zu reduzieren. Mit unserer Datenschutzrichtlinie entsprechen wir den gesetzlichen Anforderungen aus der Datenschutzgrundverordnung.

Darüber hinaus finden regelmäßige IT-Sicherheitsschulungen statt, um unsere Mitarbeiter in Hinblick auf solche Risiken (z.B. Cyberattacken) zu sensibilisieren. Ebenso werden regelmäßig externe Angriffstests durchgeführt, um die Wirksamkeit der getroffenen Maßnahmen zu überprüfen.

Datenschutz wird in der AMAG sehr ernst genommen. Zusätzliche Maßnahmen zur Vermeidung der missbräuchlichen Datenverwendung wurden bereits implementiert. Des Weiteren planen wir die Zertifizierung nach „ISO 27001 - IT Sicherheitsmanagement“.

Risiken aus unzulänglichen Überwachungssystemen und betrügerischen Handlungen

Zur Früherkennung, Überwachung und Vermeidung von Risiken ist ein umfassendes internes Kontrollsystem institutionalisiert. Dieses umfasst adäquate Instrumente und Abläufe zur Vermeidung, Früherkennung und zur sinnvollen Reaktion auf eintretende Risikofälle.

Geschäftsrisiken

Beschaffungsrisiken

Zur Herstellung unserer Produkte benötigen wir Rohstoffe aus externen Quellen, die einem Preis- und Verfügbarkeitsrisiko unterliegen können. Für die Produktion von Primäraluminium wird Tonerde benötigt. Zur Versorgung der kanadischen Elektrolyse Alouette mit Tonerde sind wir entsprechend unseres 20%igen Anteils verantwortlich. Neben dem Preis ist auch die Verfügbarkeit von Tonerde ein wesentliches Risiko. Dieses wurde im Laufe des Jahres 2018 durch die Erweiterung des Lieferantenkreises und die Qualifizierung weiterer Tonerderaffinerien weiter reduziert. Bei der Lieferantenauswahl achten wir, soweit es aufgrund der Industriestruktur und der Größenverhältnisse möglich ist, auf eine verantwortungsvolle Vorgehensweise unserer Lieferanten, um die ökologischen und sozialen Auswirkungen durch den Bauxitabbau möglichst gering zu halten.

Bei unseren Gießereien liegt das Hauptrisiko in einer hinreichenden quantitativen und qualitativen Schrottversorgung. Durch Rahmenverträge mit professionellen Metallhändlern (Stammlieferanten mit langjähriger Geschäftsbeziehung) und größeren Entfallstellen sowie durch internationale Streuung der Bezugsquellen minimieren wir dieses Risiko. Mit kontinuierlichen Investitionen in neue Sortiertechnologien erweitern wir das Einsatzspektrum sukzessive, um die Schrottversorgung weiter abzusichern. Das zusätzlich benötigte Primärmetall in Form von Massen oder Sows ist ein liquides Commodity und wird von renommierten Lieferanten, mit denen langjährige Geschäftsbeziehungen bestehen, bezogen. Zudem haben wir die Möglichkeit, Primäraluminium für den Standort Ranshofen direkt von der Elektrolyse Alouette zu beziehen.

Unser Walzwerk erhält die Walzbarren mit hohem Recyclinganteil zum Großteil aus der eigenen Gießerei in Ranshofen. Zur Sicherung der restlichen benötigten elektrolysebasierten Mengen haben wir nach einem Qualifikationsprozess Verträge mit renommierten internationalen Partnern abgeschlossen.

In den Compliance-Regeln für AMAG-Lieferanten sind Verhaltensgrundsätze in Zusammenhang mit der besonderen Verantwortung gegenüber der Gesellschaft, Aktionären, Mitarbeitern und Geschäftspartnern beschrieben. Lieferanten für den Standort Ranshofen sind verpflichtet, diese Regeln entsprechend einzuhalten. Eine Beurteilung unserer Lieferanten erfolgt regelmäßig.

Marktumfeld- und Absatzrisiken

Die AMAG-Gruppe ist als internationales Unternehmen makroökonomischen Risiken ausgesetzt. Hierzu zählen beispielsweise die Entwicklung der weltweiten Konjunktur, die politische Lage in einzelnen Absatzregionen, internationale Handelsrestriktionen sowie die Einführung von Zöllen. Die Entwicklung des weltweiten Marktumfelds wird laufend beobachtet und bei Bedarf entsprechende Maßnahmen initiiert.

Die breit gefächerte Produktpalette der AMAG-Gruppe gewährleistet die Unabhängigkeit von einigen wenigen Absatzregionen, Abnehmerbranchen oder Großabnehmern. Im Jahr 2018 betrug der Umsatzanteil der Top-10-Kunden 33 %. Langfristige Rahmenverträge mit Schlüsselkunden unterstützen unser Streben nach der Minimierung von Absatzrisiken. Gleichzeitig erfolgt die Erweiterung der Produktpalette und der Absatzmärkte in attraktiven Premiumsegmenten, in denen innovative Lösungen und höchste Qualität gefragt sind. Positiv tragen hierzu auch das neue Warm- und Kaltwalzwerk bei, wodurch wir unsere Produktpalette hin zu größeren Dimensionen erweitern konnten. Das Erreichen der insbesondere im Automobil- und Luftfahrtbereich erforderlichen Kundenqualifikationen ist für uns von wesentlicher Bedeutung. Unser Segment Walzen liefert an Kundenbranchen mit geringer bis mittlerer Zyklizität, wie etwa an die Verpackungs- und Sportgeräteindustrie, aber auch an zyklische Branchen wie die Bau-, Luftfahrt-, Automobil- und deren Zulieferindustrie. Unsere Flexibilität halten wir durch eine vorausschauende Planung und alternative Fertigungsrouten ein.

Durch eine konsequente Ausrichtung auf Premium-Produkte sowie durch die breite Palette von Kundenbranchen wird ein Ausgleich geschaffen. Die Beziehung zu Großkunden sichern wir zudem durch gemeinsame Entwicklungsprojekte und eine intensive Kundenbetreuung ab. Auch die Lieferung von Flüssigaluminium und die Entwicklung und Verbesserung von neuen Legierungen gemeinsam mit Kunden tragen in der AMAG casting wesentlich zu einer verstärkten Kundenbindung bei. Die Kundenzufriedenheit wird mit regelmäßigen Befragungen untersucht. Aluminiumpreis- und Währungsrisiken minimieren wir durch aktives Hedging.

Projektrisiken

Die Risiken von Großprojekten werden in regelmäßigen Projektaufichtssitzungen überwacht. Dabei legen wir besonderes Augenmerk auf Termine und Kosten sowie den technischen Projektfortschritt. Weiters werden die Inbetriebnahme- und Hochlaufplanung, die Erreichung der für die neuen Anlagen notwendigen Qualifikationen sowie die Absatz- und Beschaffungsrisiken verbunden mit den zusätzlichen Produktionsmengen verfolgt. Eine wesentliche Aufgabe der Projektauficht ist die laufende Definition und Überwachung der Umsetzung von risikominimierenden Maßnahmen.

Wettbewerbsrechtliche Risiken und Kapitalmarktrisiken

Die AMAG-Gruppe bekennt sich ohne jede Einschränkung zum fairen Wettbewerb und zur fairen Vertragsgestaltung mit ihren Geschäftspartnern im Rahmen der rechtlichen Bestimmungen sowie zu den Kapitalmarktregeln. Dieses Bekenntnis ist durch die Einführung entsprechender Richtlinien (z.B. Kartellrecht-Richtlinie, Emittenten-Compliance-Richtlinie und Richtlinie zur Korruptionsprävention) sowie durch unseren Verhaltenskodex (Code of Conduct) institutionalisiert.

Die Compliance-Struktur der AMAG ist in einzelne Compliance-Felder gegliedert. Die jeweiligen Compliance-Verantwortlichen unterstützen die Organisation zum Beispiel durch laufende Schulungen und überwachen die Einhaltung der internen Regelungen. Zusätzlich besteht eine Compliance Line, über die etwaige Verstöße gemeldet werden können.

Risiken aus der Forschung und Entwicklung

Ein Risiko für die Entwicklungsarbeiten besteht in der generellen Zunahme an Anmeldungen für „Intellectual Properties“, insbesondere befördert durch die fortschreitende Konsolidierung der Aluminiumkonzerne.

Zur Abklärung dieses Risikopotenzials sind daher bei der Planung von Entwicklungsarbeiten verpflichtend die aktuelle Schutzrechtssituation zu ermitteln und der Stand der nationalen wie internationalen Forschung zu erheben sowie zu dokumentieren, inklusive der Auswirkungen auf unser Unternehmen. Interne technische Risiken sowie die Auswirkungen des jeweiligen Projektes auf die wirtschaftliche Entwicklung unseres Unternehmens sind bei Beantragung in einem Projektantrag darzustellen. Ein F&E-Steuerkreis aus unserem Top-Management und einem renommierten externen Expertengremium beurteilt regelmäßig die Projektanträge und Projektfortschritte sowie daraus ableitbare Schutzrechte für die AMAG. Darüber hinaus werden stets gemeinsame Forschungsaktivitäten mit Kunden in allen AMAG-relevanten Bereichen durchgeführt, um das Risiko von Fehlentwicklungen zu minimieren. Der Risikominimierung dienen zudem eine Patentüberwachung mit externen Anwälten über alle gängigen Datenbanken sowie die persönliche Recherche von AMAG-Mitarbeitern, Patentanwälten und den Mitgliedern des wissenschaftlichen Beirats. Falls erteilte Schutzrechte Dritter für uns relevant sind, wird im Vorfeld bereits versucht, diese entweder günstig zu lizenzieren oder falls nicht möglich, entsprechende Einsprüche geltend zu machen.

Rechtliche Risiken

Die AMAG-Gruppe ist aufgrund ihres internationalen Kundenportfolios einer Reihe von rechtlichen Risiken ausgesetzt. Sie verfügt über eine spezialisierte Rechtsabteilung, die je nach Anforderung und Jurisdiktion die rechtlichen Risiken intern oder unter Einbeziehung von externen Anwälten prüft und bewertet. In der Vertragsgestaltung werden Risiken durch die Implementierung von Haftungslimits mitigiert.

Risiken durch mögliche Schäden aufgrund von Produkthaftung werden durch Qualitätssicherungsmaßnahmen minimiert. Verbleibende Restrisiken sind überdies durch Betriebshaftpflichtversicherungen gedeckt. In der AMAG-Gruppe stehen einheitliche Liefer- und Verkaufsbedingungen für Kunden und einheitliche Einkaufsbedingungen für Lieferanten zur Verfügung. In der Regel werden diese auch in den einzelnen operativen Gesellschaften angewandt.

Die Einhaltung der rechtlichen Verpflichtungen wird im Zuge von internen Audits, die im Rahmen der implementierten Managementsysteme durchgeführt werden, und durch externe Prüfungen regelmäßig Kontrollen unterzogen (z.B. Umweltrecht, Arbeitnehmerschutz).

Finanzwirtschaftliche Risiken

Als Produzent und Verarbeiter von Aluminium unterliegt die AMAG-Gruppe vor allem dem Metallpreis- und Währungsrisiko. Aluminium wird an der LME in US-Dollar gehandelt, und die volatilen Verläufe sowohl der Aluminiumnotierung als auch des Dollarkurses hätten ohne entsprechende Sicherungsmaßnahmen direkte Auswirkungen auf unsere Ertragslage. In den verbindlichen Konzernrichtlinien „Metallmanagementrichtlinie“ und „Finanzmanagementrichtlinie“ sind die Vorgangsweisen zur Erfassung dieser beiden Hauptrisiken und deren Absicherung geregelt.

Zur Stabilisierung der Ergebnisse der Elektrolysebeteiligung können Verkaufspreise von Teilen der Produktion rollierend nach vorne durch Terminverkäufe und Optionen abgesichert werden. Ausschlaggebende Entscheidungskriterien sind neben der aktuellen Marktsituation unsere Einschätzung der zukünftigen Aluminiumpreisentwicklung und der damit einhergehenden Produktionskosten. Am Standort Ranshofen werden Aluminiumpreisschwankungsrisiken grundsätzlich abgesichert.

Das Metallmanagement in der AMAG-Gruppe erfasst zentral alle LME-korrelierten Aluminiumeinkäufe und -bestände sowie die LME-korrelierten Aluminiumverkäufe der operativen Gesellschaften und ermittelt laufend die dem Kursrisiko ausgesetzte Aluminiumposition. Diese Aluminium-Positionsführung erfolgt mit dem „Metallbuch“, einer in SAP abgebildeten Software-Eigenentwicklung. Die offenen Aluminiumpositionen werden durch Kontrakte mit Brokern und Investmentbanken gegen das Metallpreisrisiko abgesichert. Das Marktpreisrisiko der Grundgeschäfte wird in der Folge vollständig durch gegenläufige Bewegungen der Sicherungsgeschäfte ausgeglichen. Alle im Metallbuch enthaltenen Grund- und Sicherungsgeschäfte werden täglich gegen den Markt bewertet. Da bei Gusslegierungen größtenteils keine ausreichende Preiskorrelation mit der LME-Notierung gegeben ist, sichern wir die Verkäufe der Gusslegierungsgießerei durch physische Einkäufe des Einsatzmaterials ab. Die Position wird kontinuierlich überwacht.

Für die mit den derivativen Sicherungsaktivitäten potenziell verbundenen Einschussverpflichtungen (Liquiditätsrisiko) wird durch vorhandene Liquiditätsreserven und Bankgarantien vorgesorgt. Das Kreditrisiko, das durch die Nichterfüllung durch Kontrahenten von Derivaten mit positivem Marktwert besteht, begrenzen wir durch die sorgfältige Auswahl internationaler Banken und Broker sowie eine Limitpolitik zur Risikostreuung.

Bei den Forderungen begrenzen die operativen Gesellschaften der AMAG-Gruppe das Ausfallsrisiko durch den Abschluss von Kreditversicherungen und bankmäßigen Sicherheiten wie Garantien und Akkreditiven.

Die Finanzierungs- und Veranlagungsaktivitäten, deren Absicherung sowie das Fremdwährungsmanagement werden für die gesamte Unternehmensgruppe zentral gesteuert. Unsere Betriebsmittelfinanzierung basiert auf einer kurzfristigen Liquiditätsplanung. Durch ein zentrales Euro-Pooling erfolgt auf täglicher Basis ein konzerninterner Finanzausgleich zwischen den Gesellschaften.

Die mittel- und langfristige Unternehmensfinanzierung erfolgt auf Basis von Vorschau- und Budgetdaten. Zinsänderungsrisiken variabler Finanzierungen können quotenmäßig mittels Swaps oder Caps abgesichert werden.

Das Kontrahentenrisiko aus Guthaben bei Kreditinstituten wird durch Vergabe interner Veranlagungslimits und, sofern vorhanden, unter Beachtung externer Ratings und regelmäßiger Kontrolle der CDS Spreads gemanagt.

Soweit nicht durch Zahlungseingänge und -ausgänge in gleicher Fremdwährung ein natürlicher Risikoausgleich bei Kursschwankungen gegeben ist, werden Wechselkursrisiken der wesentlichen Fremdwährungspositionen durch Devisentermingeschäfte und gegebenenfalls Optionen quotenmäßig gesichert.

Wir verfügen über einen vollständig in SAP integrierten Zahlungsprozess. Durch die Eliminierung von manuellen Eingriffsmöglichkeiten an den Schnittstellen haben wir das Manipulationsrisiko im Zahlungsverkehr auf ein Minimum reduziert. Alle Rechnungs- und Zahlungsfreigaben erfolgen nach einem systemtechnisch abgesicherten Mehraugenprinzip.

Risiken aus dem Anteil an der Elektrolyse Alouette

Die wesentlichen Vereinbarungen zur gemeinschaftlichen Tätigkeit an der Elektrolyse Alouette sind in einem Eigentümervertrag geregelt. Für die wesentlichen Entscheidungen hinsichtlich der Geschäftstätigkeit der Alouette sind Beschlüsse mit 90 % Zustimmung erforderlich. Bei der derzeitigen und auch im Falle einer sich ändernden Eigentümerstruktur besteht das Risiko von divergierenden Interessen und damit möglichen Konflikten zwischen den Anteilseignern der Alouette.

Gemäß dem bestehenden Eigentümervertrag gibt es Verpflichtungen, die für den laufenden Produktionsbetrieb von essenzieller Bedeutung sind. Eine Nichterfüllung dieser Verpflichtungen könnte zu einem Verlust der Mitbestimmungsrechte führen und eine Haftung der AMAG für mögliche Schäden implizieren. Dies betrifft unter anderem die für die Produktion notwendige anteilige Beschaffung der Tonerde.

Der Verkaufspreis für das in der Alouette hergestellte Primäraluminium wird im Wesentlichen durch den Preis an der London Metal Exchange definiert und kann daher von unserer Seite nicht beeinflusst werden. Für den langfristigen und nachhaltigen Erfolg dieser Beteiligung ist eine vorteilhafte Kostenposition im internationalen Vergleich notwendig. Der seit 2017 gültige langfristige Stromvertrag, eine kostenoptimierte Produktion und die logistischen Vorteile durch die direkte Anbindung an den Hochseehafen sind wesentliche Eckpfeiler für die langfristige Konkurrenzfähigkeit dieser Elektrolyse. Darüber hinaus können strategische Hedginginstrumente eingesetzt werden, um das Verlustrisiko und die Ergebnisvolatilität zu reduzieren.

Aufgrund der Bilanzierungsvorschriften nach IFRS ergibt sich aus der Strompreisformel des neuen Stromvertrags ein eingebettetes Derivat, dessen Bilanzierung temporär Einfluss auf das ausgewiesene Eigenkapital der AMAG-Gruppe haben kann.

Hinsichtlich der operativen Risiken bestehen auch für die Elektrolyse ein eigenes Risikomanagement und ein umfangreiches Versicherungskonzept. Hierin sind beispielsweise auch Schäden aus Produktionsausfällen infolge witterungsbedingter Stromausfälle in hohem Umfang gedeckt. Die operativen Risiken, wie zum Beispiel Arbeitssicherheit, die Nutzungsdauer der Ausmauerung der Elektrolysezellen, innerbetriebliche Stromausfälle sowie Personalrisiken werden laufend überwacht und durch entsprechende Maßnahmen minimiert. In Zusammenhang mit der Stromversorgung besteht seit Ende 2015 aufgrund der Errichtung einer redundanten Stromleitung eine noch höhere Versorgungssicherheit für elektrische Energie.

3. Nachhaltigkeit

Das Nachhaltigkeitsmanagement der AMAG beruht auf folgenden Grundsätzen:

- + **Vorsorge:** Um Belastungen für Mensch und Umwelt bestmöglich zu vermeiden, werden Gefahren für Mensch und Umwelt frühzeitig und vorausschauend behandelt. Dazu verfügen wir über zertifizierte Managementsysteme mit den Schwerpunkten Arbeitssicherheit, Qualität, Umwelt und Energieeffizienz sowie ein umfassendes Risikomanagement und ein internes Kontrollsystem.
- + **Effizienz:** Bei der Entwicklung unserer Anlagen, Prozesse und Produkte achten wir auf Ressourcen- und Energieeffizienz sowie auf die Minimierung von Umweltauswirkungen. Damit orientieren wir uns am Leitmotiv „Wertschöpfung durch Wertschätzung“.
- + **Ausgewogenheit:** Unsere breite Aufstellung nach Branchen und Produkten sowie geografischen Märkten sorgt für ein hohes Maß an Ausgewogenheit und Stabilität. Eine ausgewogene Balance an Nachhaltigkeitsaktivitäten in den unterschiedlichen Unternehmensbereichen stellt sicher, dass wir unsere Nachhaltigkeitsziele erreichen.
- + **Wesentlichkeit:** Wir konzentrieren uns auf die wesentlichen wirtschaftlichen, ökologischen und gesellschaftlichen Auswirkungen unserer Geschäftstätigkeit und stehen zur Bestimmung der wesentlichen Themen im laufenden Dialog mit unseren Stakeholdern.
- + **Vollständigkeit:** In der internen und externen Unternehmenskommunikation sind die Grundsätze der Transparenz, Aktualität und Vollständigkeit oberste Prämisse. Wir kommunizieren zeitgerecht und umfassend zu den wesentlichen Themen unserer Geschäftstätigkeit.
- + **Flexibilität:** Änderungen des wirtschaftlichen und gesellschaftlichen Umfelds sowie neue Anforderungen unserer Kunden und Märkte sehen wir als Chance und begegnen ihnen mit hoher Flexibilität.
- + **Innovationsgeist:** Die Forschung zu technologisch herausfordernden Fragen, die Entwicklung marktauglicher Anwendungen sowie die kontinuierliche Verbesserung von Prozessen und Produkten sind Ausdruck unseres Innovationsgeistes.

4. Umweltschutz

Als nachhaltiges Unternehmen wollen wir unsere Umwelleistung stetig verbessern. Die Zertifizierung unseres Umwelt- und Energiemanagementsystems nach EN ISO 14001 und EN ISO 50001 sowie die Zertifizierung nach dem ASI Performance Standard der Aluminium Stewardship Initiative tragen neben dem KVP-System zur kontinuierlichen Verbesserung und Ressourcenschonung bei. Ein AMAG-weites Energie- und Umweltprogramm fasst Ziele und Maßnahmen zur Reduktion von Luftemissionen, Abwässern, Abfällen sowie Energie- und Ressourcenverbrauch zusammen. Mit modernsten Anlagen halten wir zudem Emissionen so gering wie möglich.

Unser Umwelt- und Energiemanagementsystem ist in einem Managementhandbuch abgebildet, in dem die Aufbau- und Ablauforganisation sowie Zuständigkeiten und detaillierte Verfahrensanweisungen festgelegt sind. Die Verantwortung dafür liegt in der Abteilung Managementsysteme, deren Leiter an den Technikvorstand berichtet.

Das Umweltmanagementsystem beinhaltet:

- + Einhaltung aller gesetzlichen Vorschriften und behördlichen Auflagen
- + Kontinuierliche Verbesserung des betrieblichen Umweltschutzes durch Vermeidung bzw. Verringerung von Umweltbelastungen
- + Jährliche Festlegung und Überprüfung von Umwelt- und Energiezielen
- + Periodische interne Audits definierter Bereiche zur Sicherstellung der Wirksamkeit des Managementsystems
- + Systematische Bewertung relevanter Umweltaspekte und -auswirkungen
- + Schulung und nachfolgende Eigenverantwortung der Mitarbeiter

Die Mitarbeiter leisten darüber hinaus im Rahmen des kontinuierlichen Verbesserungsprozesses (KVP) wertvolle Beiträge zum Umweltschutz und zur effizienten Nutzung von Energie.

5. Sozialbericht

Gegenseitige Wertschätzung, Vertrauen und Fairness im Umgang mit unseren Mitarbeiter und regionalen Partnern sind die Eckpfeiler unseres Handelns. Kompetente und motivierte Mitarbeiter sind ein wesentlicher Schlüssel unseres Erfolgs. Durch stete Weiterentwicklung in den Bereichen Arbeitssicherheit und Gesundheitsschutz sowie maßgeschneiderte Aus- und Weiterbildungsangebote schaffen wir die erforderlichen Grundlagen und optimale Rahmenbedingungen für unsere Mitarbeiter. Eine offene Kommunikationskultur und die konsequente Einbindung unserer Mitarbeiter u.a. durch wiederkehrende Mitarbeiterzufriedenheitsbefragungen sind dabei wesentliche Bestandteile der AMAG-Personalpolitik.

Beschäftigte

Der Gesamtpersonalstand der AMAG Austria Metall AG betrug am Ende des Jahres 21 Mitarbeiter/-innen. Die Fluktuationsrate in der AMAG-Gruppe ist seit Jahren auf einem sehr niedrigen Niveau und betrug zum Stichtag 31.12.2018 6,9 %. Darin inkludiert sind sämtliche Abgänge (exklusive Pensionierungen und Lösungen des Dienstverhältnisses in der Probezeit).

Betriebszugehörigkeit der Mitarbeiter

Die erwähnten Maßnahmen für die Mitarbeiterentwicklung und Gesundheitsförderung, eine leistungsorientierte Gehaltsstruktur und ein positives soziales Klima sind Grundsteine einer hohen Zufriedenheit und Kontinuität bei den Mitarbeitern. In der AMAG Austria Metall AG sind 61,9 % der Mitarbeiter bis 10 Jahre, 19,0 % zwischen 10 und 20 Jahren und 19,1 % über 20 Jahre im Unternehmen tätig. Das Durchschnittsalter der Mitarbeiter in der Austria Metall GmbH beträgt 49,8 Jahre.

Personaleinkauf

Offene Positionen besetzen wir unter Berücksichtigung von langfristigen Perspektiven. Durch die Nutzung moderner Recruiting-Kanäle und verstärkte Employer Branding-Maßnahmen stieg die Anzahl der eingehenden Bewerbungen deutlich an. Die 2017 initiierte Bewerberdatenbank trägt zur Steigerung der Transparenz in den Bewerbungsprozessen bei – sämtliche interne und externe Ausschreibungen werden digital verwaltet.

Durch unsere intensive Zusammenarbeit mit Universitäten und Fachhochschulen sowie das erfolgreiche Rekrutieren von hochqualifiziertem Personal hat sich die Anzahl an Akademikern bei der AMAG innerhalb der letzten zehn Jahre prozentuell verdoppelt. Die Betreuung von Diplomarbeiten und Dissertationen bietet die Chance zur frühzeitigen Bindung von potenziellen Mitarbeitern. Im Berichtsjahr erfolgte erstmalig eine Studentenkursion österreichischer und deutscher Universitäten nach Ranshofen. Zudem haben wir zahlreiche Gespräche mit Studenten auf Karrieremessen wie der ORTE an der TU Freiberg, der IKOM an der TU München, der Teconomy an der Montanuniversität Leoben und der TU Graz sowie der Contact in Erlangen geführt. Die Teilnahme an Informationsabenden der jeweiligen Hochschulen fördert darüber hinaus den Kontakt zu den Studenten.

Eine innovative Maßnahme zur Rekrutierung von Produktionsmitarbeitern haben wir 2018 mit „Job-Speed-Datings“ in Form von jeweils 10-minütigen Vorstellungsgesprächen vor Ort in Ranshofen umgesetzt.

Durch unsere Präsenz auf Online-Jobportalen und Social Media-Plattformen stärken wir die Arbeitgebermarke. Zudem ist die AMAG in höherbildenden Schulen wie der HTL Braunau präsent, um junge Talente zu gewinnen.

Chancengleichheit & Diversität

Fairness und Respekt sind wesentliche Bestandteile unserer Unternehmenskultur. Dazu gehört, dass die im AMAG-Verhaltenskodex definierten Standards eingehalten werden. Jegliche Benachteiligung insbesondere aufgrund von Alter, Geschlecht, Hautfarbe, sexueller Orientierung, Herkunft, Religion oder Behinderung lehnen wir ab. Alle Mitarbeiter werden über das Richtlinienwesen zur Einhaltung dieser Richtlinie geschult. Wir orientieren uns dabei an der UN-Charta sowie an der Europäischen Konvention für Menschenrechte. Alle Mitarbeiter haben die Möglichkeit, einen Verdacht auf Ungleichbehandlung dem Compliance-Verantwortlichen oder über eine Compliance-Hotline zu melden. Im Berichtsjahr wurden keine Diskriminierungsfälle gemeldet.

Aus- und Weiterbildung

Bestens ausgebildete Mitarbeiter sind ein entscheidender Faktor für nachhaltigen Unternehmenserfolg. Die gezielte Förderung von Mitarbeitern erhöht ihre Motivation und Leistungsbereitschaft und schafft zudem Zukunftsperspektiven für den Mitarbeiter selbst, um im Berufsleben konkurrenzfähig zu bleiben. Die Fähigkeiten und Kompetenzen der Arbeitskräfte gewinnen im Zeitalter der digitalen Revolution immer größere Bedeutung. Eine schnelle Wissensaufnahme und der nachhaltige Wissenstransfer stellen enorme Wettbewerbsvorteile sowohl aus persönlicher als auch aus unternehmerischer Sicht dar.

Unsere Personalstrategie ist darauf ausgerichtet, den zukünftigen Personalbedarf sowohl qualitativ als auch quantitativ abzudecken. Sie orientiert sich an den Unternehmenszielen, die vom Vorstand verabschiedet werden. Im Personalbereich sind dazu Richtlinien und Instrumente implementiert. Diese umfassen bewährte Prozesse für die Rekrutierung, die Einführungsphase, die Karriereplanung, die Personalentwicklung und die Nachfolgeplanung von Mitarbeitern. Der Leiter der Personalabteilung berichtet an den Vorstandsvorsitzenden. Die Vertretung der Arbeitnehmenden obliegt dem Betriebsrat, der mit vier Vertretern im Aufsichtsrat der AMAG Austria Metall AG vertreten ist.

Konkretes Feedback ist die Grundlage für die persönliche Entwicklung. Mit dem jährlichen Mitarbeiter-Zielsetzungs- und Entwicklungsgespräch, kurz MAZEG, haben wir ein wichtiges Instrument für die gemeinsame Entwicklung von Mitarbeitern und Unternehmen etabliert. Im gemeinsamen Gespräch zwischen Führungskraft und Mitarbeiter wird auf das vergangene Jahr zurückgeblickt und beidseitiges Feedback eingeholt. Des Weiteren werden der Schulungsbedarf identifiziert und entsprechende Aus- und Weiterbildungsmaßnahmen vereinbart. Die Beteiligung der Mitarbeiter, für die das MAZEG verpflichtend ist, beträgt 100 %. Lehrlinge, Mitarbeiter mit Abwesenheitsgründen (beispielsweise Präsenz-/Zivildienst, Mutterschutz, Karenz) und Mitarbeiter, deren Dienstverhältnis kürzer als sechs Monate besteht, sind davon ausgenommen.

Um unseren Bedarf an Facharbeitskräften zu decken, bieten wir fundierte Ausbildungen in zehn Lehrberufen an. Per 31. Dezember 2018 befanden sich 67 AMAG Lehrlinge in Ausbildung, davon 57 gewerbliche und 10 kaufmännische. Die AMAG bildet ihre Lehrlinge in Zusammenarbeit mit dem Ausbildungszentrum Braunau (ABZ) in modernsten Werkstätten anwendungsorientiert aus. Neben den theoretischen und

praktischen Ausbildungsabschnitten in den Werkstätten des ABZ und der AMAG wird besonderer Wert auf die Förderung der sozialen Kompetenz gelegt. Lehrlingen wird zudem die Möglichkeit zum Abschluss der Lehre mit Matura geboten.

Der Kontinuierliche Verbesserungsprozess (KVP)

Die besondere Stärke der AMAG steckt im kreativen Potenzial und im Engagement unserer Mitarbeiter. Mit dem kontinuierlichen Verbesserungsprozess (KVP) geben wir ihnen die Möglichkeit, aktiv Arbeitsabläufe mitzugestalten. Im Falle der erfolgreichen Umsetzung ihrer Verbesserungsvorschläge erhalten sie Prämien, die sich am Nettonutzen des Vorschlags orientieren. Damit fördern wir aktiv die Kultur der Veränderung und stetigen Verbesserung. Im Jahr 2018 wurden insgesamt 14.522 Vorschläge eingereicht, rund 77 % davon wurden umgesetzt.

In der AMAG Austria Metall AG wurde in 2018 ein Vorschlag eingereicht.

Arbeitssicherheit und Gesundheitsschutz

Als einer der größten Arbeitgeber in der Region Innviertel tragen wir eine besondere Verantwortung gegenüber unseren Mitarbeitern. Zwei Drittel unserer Belegschaft arbeiten im Produktionsbereich. Der Erhalt der psychischen und physischen Gesundheit sowie der Leistungsfähigkeit sind uns daher besonders wichtig. Neben Gefahren für die Gesundheit ihrer Mitarbeiter können Unternehmen mit einem funktionierenden Arbeitssicherheitssystem auch Reputationsrisiken reduzieren. Unternehmen und Arbeitnehmer profitieren daher gleichermaßen von einem sicheren Arbeitsumfeld.

Die AMAG gewährleistet höchste Sicherheitsstandards in der Produktion. Am Hauptsitz Ranshofen evaluieren und verbessern wir kontinuierlich die Voraussetzungen in Hinblick auf Arbeitssicherheit. Dazu tragen Zertifizierungen und Arbeitsschutzausschüsse ebenso bei wie Richtlinien und Sicherheitsanweisungen. Arbeitssicherheit ist Bestandteil des Bereichs Managementsysteme und fußt auf den vier Säulen Arbeitsplatzevaluierung, Zwischenfalls-/Sicherheitsauditdatenbank, Rechtskonformität und Maschinensicherheit. Zum Schutz der Mitarbeiter von Fremdfirmen haben wir jeweils eine allgemeine und bereichsspezifische digitale Sicherheitsunterweisung mit Selbsttest auf unserer Website erstellt, die von den operativen Mitarbeitern der Fremdfirmen nachweislich durchzuführen sind.

Unsere Prozesse und Standards im Bereich Arbeitssicherheit wurden im September 2018 nach der neuen, internationalen ISO 45001 Norm ausgerichtet, zertifiziert und in das bestehende Managementsystem integriert. Parallel dazu wurden wir 2018 nach den unverändert gültigen Occupational Health and Safety Assessment Series (OHSAS 18001) zertifiziert. 100 % der Mitarbeiter werden durch formelle Arbeitgeber-Mitarbeiter-Ausschüsse für Arbeitssicherheit und Gesundheitsschutz vertreten. Unter der Leitung des Vorstands wird im sogenannten Sicherheitslenkungsausschuss (SILAS) die Wirksamkeit unseres Arbeits- und Gesundheitsschutzes überprüft. Mitglieder sind die Geschäftsführungen der operativen Gesellschaften, verantwortliche Beauftragte für Arbeitssicherheit und Sicherheitsfachkräfte, die Arbeitsmedizin, die Personalabteilung sowie der Konzernbetriebsrat. Ergänzt wird dieses System durch regelmäßige Sicherheitsaudits.

Mit der Initiative „Konsequent sicher“ verfolgen wir das Ziel von null Unfällen. Umfangreiche Sicherheitsanweisungen und Schulungsmaßnahmen, Sicherheitsaudits sowie Workshops im Rahmen des kontinuierlichen Verbesserungsprozesses (KVP) dienen der Zielerreichung. Um Gefährdungen zu minimieren, analysieren wir laufend die Ursachen der aufgezeichneten Zwischenfälle sowie die Umsetzung und Wirksamkeit der daraufhin getroffenen Gegenmaßnahmen.

Die gesundheitsorientierten Maßnahmen für unsere Mitarbeiter am Standort Ranshofen wirken vor allem in den Bereichen Arbeitssicherheit, Ergonomie, Ernährung und psychosoziale Gesundheitsvorsorge. Jeder Mitarbeiter kann sich mit Vorschlägen und Lösungsansätzen zu gesundheitsrelevanten Themen im Rahmen des KVP-Prozesses (Kontinuierlicher Verbesserungsprozess) und von Arbeitsschutzausschüssen einbringen. Im Februar 2018 wurde der AMAG zum vierten Mal in Folge das Gütesiegel für Betriebliche Gesundheitsförderung (BGF) verliehen. Das BGF ist eine der höchsten nationalen Auszeichnungen für Unternehmen und würdigt das Engagement des Unternehmens im Bereich Mitarbeitergesundheit. Die AMAG-Arbeitsmedizin, als Teil der Personalabteilung, ist zentraler Ansprechpartner bei allen gesundheitsrelevanten Themen wie Erste Hilfe, ärztliche Untersuchung, Gesundheitsförderung und Beratung.

In 2018 gab es keinen Arbeitsunfall in der AMAG Austria Metall AG.

6. Forschungsbericht

Die Forschungsstrategie der AMAG zielt auf die Steigerung der Wettbewerbsfähigkeit durch die Entwicklung kundenspezifischer Problemlösungen ab und leistet somit einen wesentlichen Beitrag zu unserer Wachstumsstrategie. Ein hoher Grad an Spezialisierung, modernste Produktionstechnologien sowie eine weitreichende Digitalisierung spielen dabei eine maßgebliche Rolle. Auch die Optimierung von Materialeigenschaften sowie der effiziente Materialeinsatz gehören zu unseren F&E-Aktivitäten. Dabei setzen wir insbesondere auf die Zusammenarbeit mit Schlüsselkunden aus technologisch herausfordernden Branchen mit hohem Innovationspotenzial (z.B. Automobil, Luftfahrt).

Innovation ist eine wesentliche Säule, um Produkte für eine nachhaltige Zukunft zu entwickeln und technologische Herausforderungen entlang der Aluminiumwertschöpfungskette zu meistern. Viele unserer Produktinnovationen adressieren direkt oder indirekt aktuelle und globale gesellschaftliche bzw. ökologische Themen – wie die Verknappung fossiler Ressourcen, Kreislaufwirtschaft, Klimawandel und Mobilität. Besonderes

Augenmerk gilt dabei Lösungen, die Closed-Loop-Konzepte mit Kunden ermöglichen, Umweltauswirkungen reduzieren (z.B. Leichtbauteile) und neue sowie verbesserte Anwendungsmöglichkeiten bieten.

Die Verantwortung für Forschung und Entwicklung liegt im Fachbereich Corporate Technology, der für die Erarbeitung und Umsetzung unserer F&E-Strategie, die Neu- und Weiterentwicklung von Produkten und Prozessen sowie die anwendungsorientierte Werkstoffentwicklung zuständig ist. Dessen Leiter berichtet an den Technikvorstand. In den operativen Gesellschaften sind zudem Technologiebereiche installiert. In der Gießerei liegen die Schwerpunkte auf Metallurgie und Metallanalytik. Im Walzwerk liegen die Schwerpunkte auf der branchenspezifischen Materialentwicklung, der Prozessoptimierung und der Materialprüfung. Die akkreditierte Prüfstelle mit den Abteilungen Metallografie/Physik, Oberflächentechnologie, Chemische Analyse/Umwelt und Materialprüfung liefert sowohl die für die Zertifizierungen erforderlichen Prüfzeugnisse als auch die zur Beurteilung der F&E-Versuchsergebnisse erforderlichen Kenngrößen.

Seit vielen Jahren arbeiten wir mit Universitäten und Forschungseinrichtungen an der Weiterentwicklung unserer Produkte und Prozesse. Seit zehn Jahren unterstützt uns dabei ein wissenschaftlich-technologischer Beirat. Das Gremium beschäftigt sich mit der Entwicklung von Aluminium-Produkten, aber auch damit, die nachhaltige Entwicklung eines Expertenpools im Unternehmen sicherzustellen. Im Beiratsgremium sind insgesamt sechs Professoren der Montanuniversität Leoben, der Technischen Universität Wien und der Technischen Universität Graz sowie des Max-Planck-Instituts in Düsseldorf und damit alle Kompetenzen entlang der Prozesskette vertreten, die für eine Abdeckung der aktuellen Fachthemen erforderlich sind. Forschungsk Kooperationen reichen von der Grundlagenforschung, klassischer Auftragsforschung bis hin zur Entwicklung von konkreten Produkten. Wir unterstützen Master- und Dissertationsprojekte, sind Partner im Christian Doppler Labor für Al-Legierungsentwicklung und wirken an COMET-Kompetenzzentren mit. Nicht zuletzt finanzieren wir eine Stiftungsprofessur an der Montanuniversität Leoben. Diese Maßnahmen dienen sowohl dem Aufbau von Know-how als auch der Personalentwicklung. Weitere Kooperationen bestehen mit der Montanuniversität Leoben, den Technischen Universitäten Wien und Graz, der ETH Zürich, der Friedrich-Alexander-Universität Erlangen-Nürnberg, der Johannes Kepler Universität Linz, dem LKR Leichtmetallkompetenzzentrum Ranshofen, dem COMET-Zentrum Pro²Future und dem Max-Planck-Institut für Eisenforschung in Düsseldorf.

Auch weltweite Kooperationen im Bereich der Prüftechnik sind etabliert und werden konsequent genutzt. Eine wichtige Aktivität stellt die Mitarbeit in Komitees und Arbeitsgruppen dar, z.B. bei European Aluminium und in verschiedensten Normungsgremien, wie z.B. im Austrian Standards Institut, im Deutschen Institut für Normung, im ÖGfZP (Österreichische Gesellschaft für zerstörungsfreie Prüfung). Auch an der Initiative „A2LT-Austrian Advanced Lightweight Technology“, mit führenden Firmenvertretern der österreichischen Wirtschaft, ist die AMAG als Gründungsmitglied maßgeblich beteiligt. Diese Initiative hat sich die Stärkung und Weiterentwicklung des Leichtbaus zum Ziel gesetzt.

Als Unternehmen mit Fokus auf Spezialprodukte im Halbzeuggbereich ist Forschung und Entwicklung für uns von höchster Bedeutung. Dies wird durch eine unabhängige Stelle - den „EU Survey on Industrial R&D Investment Trends“ der EU – bestätigt, bei dem sich die AMAG seit Jahren bei der Forschungsrate unter den Top 3 der Aluminiumhalbzeugunternehmen befindet.¹¹

Im Geschäftsjahr 2018 betragen die Aufwendungen für Forschung und Entwicklung 15,1 Mio. EUR (2017: 12,3 Mio. EUR). Insgesamt waren im Jahr 2018 rund 129 Personen (Vollzeitäquivalent) mit F&E- sowie Innovationsaufgaben beschäftigt. Dies entspricht einem Zuwachs von 17 % im Vergleich zum Vorjahr.

Digitalisierung gilt als einer der wachstumsstärksten Technologietrends und wird von uns als kontinuierlicher Prozess verstanden. Die aus unserer Unternehmensstrategie abgeleitete Digitalisierungsstrategie beinhaltet die drei Schwerpunkte „operative Exzellenz“, „Produktführerschaft“ und „Partnernähe“. Alle darin festgelegten Digitalisierungsaktivitäten müssen einen klaren ökonomischen, ökologischen und sozialen Nutzen aufweisen.

Im Berichtsjahr 2018 haben wir unsere Aktivitäten im Bereich Digitalisierung weiter verstärkt. Unser Fokus lag dabei auf der durchgängigen und systemübergreifenden Datenanbindung aller relevanten Anlagen und Systeme sowie auf dem vollintegrierten, automatischen Informations- und Materialfluss. Des Weiteren wurde zur Stärkung der „Partnernähe“ der automatisierte Informationsaustausch mit Kunden und Lieferanten weiter vorangetrieben. Dies erfolgte beispielsweise durch die erfolgreiche Entwicklung einer einheitlichen Electronic Data Interchange (EDI)-Schnittstelle für den elektronischen Austausch von Auftragsdaten. Auch an der Ausweitung der Simulationskompetenz und der Weiterentwicklung des digitalen Zwillings entlang der Wertschöpfungskette haben wir gearbeitet. Wir sind damit in der Lage, das digitale Prozessabbild zu detaillieren und auf diese Weise unsere Produktqualität und Produktivität weiter zu steigern.

Ein weiterer Fokus lag neben der physikalischen Modellierung relevanter Prozesse verstärkt auf der statistischen Auswertung unserer Prozesse und der damit verbundenen Steigerung der „Produktführerschaft“. Ausgehend von den „AMAG Big Data Days“, bei denen im April des Jahres namhafte Anbieter ihre Lösungskompetenzen im Bereich Big Data und Data Science präsentierten, werden aktuell Big Data Lösungen ausgewählt und umgesetzt. Dieser Ausbau der Dateninfrastruktur trägt dazu bei, große Datenmengen im Produktionsbereich effizient zu speichern,

11) Vgl. EU R&D Survey, <http://iri.jrc.ec.europa.eu/survey17.html>

aufzubereiten und zu verarbeiten. Basierend auf diesen Datenmengen werden bereits heute in Zusammenarbeit mit wissenschaftlichen Partnern der TU Graz im Rahmen der Teilnahme am COMET-Zentrum ProFuture visuelle und prädiktive Analysemodelle entwickelt.

Als Leuchtturmaktivität der AMAG Digitalisierung sehen wir den Aufbau einer Smart Factory zur Probenfertigung- und -prüfung. Gemeinsam mit Partnern haben wir ein Konzept entwickelt, welches eine vollautomatisierte Produktions- und Prüflinie nach Industrie 4.0-Paradigmen umfasst. Die Realisierung dieser Smart Factory versetzt uns in die Lage, flexibel auf die hohe Probenvielfalt (z.B. bei Produkten für die Luftfahrtindustrie) gepaart mit dem breiten Produktspektrum reagieren zu können und somit die „operative Exzellenz“ der AMAG voranzutreiben.

Weitere Fokusthemen im Zuge unserer Digitalisierungsaktivitäten sind das maschinelle Lernen und die Computer Vision. Zur Erkennung eingesetzter Maschinenteile sowie zur automatisierten Erkennung der AMAG-Zwischenprodukte im Walzbarrenlager wurden prototypische Lösungen getestet, die sowohl für Menschen als auch für Maschinen lesbar sind.

Im Zuge der Werkstoffentwicklung und zur Steigerung der Materialeffizienz haben wir 2018 eine neue Versuchsgießanlage in Betrieb genommen. Mit ihr können nun Versuchswalzbarren in denselben Formaten wie Walzbarren für die Produktion gegossen werden. Dadurch sind eine schnellere und effizientere Legierungs- und Prozessentwicklung möglich, außerdem können kleinere Mengen flexibel in die Produktion übergeführt werden. Erste Erfolge dazu wurden bereits realisiert. Im Bereich Spezialprodukte wurden u.a. in Kooperation mit Kunden verbesserte Legierungen für die Automobilindustrie entwickelt, woraus zwei Patentanmeldungen entstanden sind.

Im Jahr 2018 betragen die Aufwendungen für Forschung und Entwicklung in der AMAG Austria Metall AG 341 Tsd. EUR (Vorjahr: 70 Tsd. EUR). Zum Stichtag 31.12.2018 waren 2 Personen (Vollzeitäquivalent) beschäftigt, deren Aufgabe es ist, alle F&E Arbeiten der AMAG-Gruppe zu koordinieren. Die tatsächlichen F&E-Aufwendungen für praktische Forschungs- und Entwicklungstätigkeiten fallen in der AMAG rolling GmbH und der AMAG casting GmbH an.

7. Zweigstellenbericht

Die Gesellschaft hat weder im Inland noch im Ausland Zweigniederlassungen.

8. Angaben zu § 243a Abs. 1 UGB

Gemäß § 243a Unternehmensgesetzbuch (UGB) sind folgende Informationen anzugeben:

Das Grundkapital der AMAG Austria Metall AG beträgt EUR 35.264.000 und setzt sich aus 35.264.000 nennbetragslosen Stückaktien mit einem anteiligen Wert am Grundkapital von 1 EUR pro Aktie zusammen. Alle Aktien haben die gleichen Rechte und Pflichten. Jede Aktie gewährt in der Hauptversammlung eine Stimme. Es gibt keine unterschiedlichen Aktiegattungen.

Dem Vorstand sind folgende Vereinbarungen zwischen Gesellschaftern bekannt:

- + **Beteiligungsvereinbarung zwischen B&C Industrieholding GmbH und Oberbank AG:** In der Beteiligungsvereinbarung haben die B&C Industrieholding GmbH und die Oberbank AG, neben Vereinbarungen über die Ausübung der Stimmrechte aus Aktien an der AMAG, die zu einer Zurechnung aller im Eigentum der Oberbank Industrie- und Handelsbeteiligungsholding GmbH stehenden Aktien zur B&C-Gruppe führen, vereinbart, dass die B&C Industrieholding GmbH ein Recht auf Erwerb von im Eigentum der Oberbank Industrie- und Handelsbeteiligungsholding GmbH stehenden Stammaktien an der AMAG hat, wenn (i) die Oberbank Industrie- und Handelsbeteiligungsholding GmbH beabsichtigt, die in ihrem Eigentum stehenden Stammaktien (oder Teile hiervon) an einen Rechtsträger, der nicht zur Oberbank-Gruppe („Oberbank AG und alle Gesellschaften, an denen die Oberbank AG 100 % am Kapital und an den Stimmrechten hält“) gehört, zu veräußern oder (ii) jene Gesellschaft, die Eigentümer dieser Stammaktien an der AMAG ist, nicht mehr Teil der Oberbank Gruppe sein sollte. Dieses Vorkaufs- und Aufgriffsrecht der B&C Industrieholding GmbH endet zwei Jahre nach Beendigung der Beteiligungsvereinbarung, frühestens jedoch am 31. Dezember 2019. Gemäß der Mitteilung durch die Oberbank AG am 17. Oktober 2014 hat die Oberbank AG 1.729.737 Stammaktien an die B&C-Gruppe verkauft. Für die im Eigentum der Oberbank AG verbleibenden 36.264 Stammaktien (entspricht 0,1 % am Aktienkapital) bleibt die Beteiligungsvereinbarung weiterhin aufrecht.
- + **Beteiligungsvertrag zwischen B&C Industrieholding GmbH und Raiffeisenlandesbank Oberösterreich Aktiengesellschaft vom 1. April 2015:** Aufgrund dieses Beteiligungsvertrags mit der Raiffeisenlandesbank Oberösterreich Aktiengesellschaft gemäß § 92 BörseG sind der B&C Industrieholding GmbH weitere 5.818.560 Stück Aktien der AMAG, die im Eigentum der RLB OÖ Alu Invest GmbH stehen, und ebenso viele Stimmrechte zuzurechnen. Ebenso sind gemäß dieses Beteiligungsvertrags der Raiffeisenlandesbank Oberösterreich Aktiengesellschaft zusätzlich zu den Stimmrechten aus den im Eigentum der RLB OÖ Alu Invest GmbH befindlichen Aktien außerdem aufgrund eines Beteiligungsvertrages gemäß § 92 BörseG weitere 18.588.631 Stück Aktien der AMAG, die im Eigentum der B&C-Gruppe stehen, und ebenso viele Stimmrechte zuzurechnen.

Die direkten oder indirekten Beteiligungen am Kapital, die zumindest zehn Prozent betragen, setzen sich wie folgt zusammen:

B&C Industrieholding GmbH	52,7 %
Raiffeisenlandesbank Oberösterreich Alu Invest GmbH	16,5 %
AMAG Arbeitnehmer Privatstiftung	11,1 %

Die Stimmrechte der von der AMAG Arbeitnehmer Privatstiftung an der AMAG Austria Metall AG gehaltenen Aktien werden durch den aus drei Mitgliedern bestehenden Vorstand der AMAG Arbeitnehmer Privatstiftung ausgeübt. Die Art der Ausübung des Stimmrechtes bedarf jedoch der Zustimmung des Beirats der AMAG Arbeitnehmer Privatstiftung. Entscheidungen werden in gemeinsamen Sitzungen des Vorstands und des Beirats getroffen. Über die Zustimmung wird mit einfacher Mehrheit beschlossen. Der Beirat setzt sich aus drei Mitgliedern, die vom Konzernbetriebsrat nominiert werden, zusammen. Dem Vorsitzenden des Vorstands steht ein Dirimierungsrecht zu. Die Mitarbeiter am Standort Österreich sind die Begünstigten der Privatstiftung.

Eine Änderung der Satzung der Gesellschaft kann mit einfacher Mehrheit der Stimmen und des Kapitals beschlossen werden, soweit gesetzlich nicht zwingend eine höhere Mehrheit vorgeschrieben ist. Mitglieder des Aufsichtsrats können mit einfacher Stimmenmehrheit vorzeitig abberufen werden.

Kredite im Rahmen von zwei begebenen Schuldscheindarlehen, zwölf bilaterale Darlehensvereinbarungen sowie vier kommittierte Kreditlinien enthalten „Change of Control“-Klauseln, die im Falle eines Kontrollwechsels in der AMAG Austria Metall AG den kreditgewährenden Banken ein Kündigungsrecht einräumen. Mit Ausnahme der angeführten Verträge bestehen keine bedeutenden Finanzierungsvereinbarungen, an welchen die AMAG Austria Metall AG beteiligt ist und die bei einem Kontrollwechsel in der AMAG Austria Metall AG infolge eines Übernahmeangebotes wirksam werden, sich ändern oder enden.

Für alle Vorstandsmitglieder besteht eine „Change of Control“-Klausel. Einen Abfindungsanspruch im Falle einer Auflösung eines Vorstandsvertrags bestand für die Verträge per 31. Dezember 2018 nicht. In den neuen, ab 1. Jänner 2019 beginnenden, Vorstandsverträgen ist ein Abfindungsanspruch in einem solchen Fall auf die Restlaufzeit des jeweiligen Vorstandsvertrags, maximal aber in Höhe von zwei Jahresgesamtvergütungen limitiert.

Genehmigtes Kapital:

Gemäß § 4 (5) der Satzung der AMAG Austria Metall AG ist der Vorstand bis 12. Mai 2020 ermächtigt, mit Zustimmung des Aufsichtsrats das Grundkapital der Gesellschaft um bis zu EUR 17.500.000,-- (Euro siebzehn Millionen fünfhunderttausend) durch Ausgabe von bis zu 17.500.000 (siebzehn Millionen fünfhunderttausend) auf Inhaber lautende Stückaktien in einer oder mehreren Tranchen, auch unter ganzlichem oder teilweise Ausschluss des Bezugsrechts, gegen Bar- oder Sacheinlage zu erhöhen und den Ausgabebetrag, der nicht unter dem anteiligen Betrag der Stückaktien am bisherigen Grundkapital liegen darf, sowie die sonstigen Ausgabebedingungen im Einvernehmen mit dem Aufsichtsrat festzulegen (Genehmigtes Kapital 2015). Das gesetzliche Bezugsrecht kann den Aktionären in der Weise eingeräumt werden, dass die neuen Aktien von einem Kreditinstitut oder einem Konsortium von Kreditinstituten mit der Verpflichtung übernommen werden, sie den Aktionären entsprechend ihrem Bezugsrecht anzubieten (mittelbares Bezugsrecht). Der Aufsichtsrat ist ermächtigt, Änderungen der Satzung, die sich durch die Ausgabe von Aktien aus dem genehmigten Kapital ergeben, zu beschließen.

Wandelschuldverschreibung

Mit Beschluss der Hauptversammlung der AMAG Austria Metall AG vom 16. April 2015 wurde der Vorstand gemäß § 174 AktG ermächtigt, binnen fünf Jahren ab Datum der Fassung dieses Beschlusses, sohin bis zum 16. April 2020, mit Zustimmung des Aufsichtsrats Wandelschuldverschreibungen, die auch das Umtausch- und/oder Bezugsrecht auf bis zu 17.500.000 auf Inhaber lautende Stammaktien ohne Nennwert (Stückaktien) der Gesellschaft mit einem anteiligen Betrag am Grundkapital von bis zu 17.500.000 EUR gewähren beziehungsweise vorsehen, auch unter ganzlichem oder teilweise Ausschluss des Bezugsrechts, in einer oder mehreren Tranchen auszugeben (Wandelschuldverschreibung 2015). Der Ausgabebetrag und das Umtauschverhältnis sind unter Wahrung der Interessen der Gesellschaft, der bestehenden Aktionäre sowie der Zeichner der Wandelschuldverschreibungen nach Maßgabe anerkannter finanzmathematischer Methoden und eines allfälligen Börsenkurses der Aktien der Gesellschaft – auch unter Einbindung sachverständiger Dritter – in einem anerkannten Preisfindungsverfahren zu ermitteln (Grundlagen der Berechnung des Ausgabetrags). Der Ausgabebetrag und alle sonstigen Ausgabebedingungen sowie der etwaige (auch teilweise) Ausschluss des Bezugsrechts der Aktionäre auf die Wandelschuldverschreibungen sind vom Vorstand mit Zustimmung des Aufsichtsrats festzusetzen. Der Ausgabebetrag der Wandelschuldverschreibungen darf nicht unter dem anteiligen Betrag am Grundkapital liegen. Der Vorstand ist ferner ermächtigt, das gesetzliche Bezugsrecht mit Zustimmung des Aufsichtsrats in der Weise zu gewähren, dass die Wandelschuldverschreibungen von einem Kreditinstitut oder einem Konsortium von Kreditinstituten mit der Verpflichtung übernommen werden, sie den Aktionären entsprechend ihrem Bezugsrecht anzubieten. Die Bedienung der Umtausch- und/oder Bezugsrechte kann durch bedingtes Kapital oder durch eigene Aktien oder durch eine Kombination daraus erfolgen.

Bedingtes Kapital

Das Grundkapital der Gesellschaft ist gemäß § 159 Abs. 2 Z 1 AktG um bis zu EUR 17.500.000,-- durch Ausgabe von bis zu 17.500.000 Stück auf Inhaber lautende neue Aktien ohne Nennwert (Stückaktien) zur Ausgabe an Gläubiger von Wandelschuldverschreibungen, zu der der Vorstand in der Hauptversammlung vom 16. April 2015 ermächtigt wurde (Wandelschuldverschreibung 2015), bedingt erhöht (Bedingtes Kapital 2015). Die bedingte Kapitalerhöhung darf nur soweit durchgeführt werden, als die Gläubiger dieser Wandelschuldverschreibungen von

ihrem Umtausch- und/oder Bezugsrecht auf Aktien der Gesellschaft Gebrauch machen Der Ausgabebetrag und das Umtauschverhältnis sind unter Wahrung der Interessen der Gesellschaft, der bestehenden Aktionäre sowie der Zeichner der Wandelschuldverschreibungen nach Maßgabe anerkannter finanzmathematischer Methoden und eines allfälligen Börsenkurses der Aktien der Gesellschaft – auch unter Einbindung sachverständiger Dritter – in einem anerkannten Preisfindungsverfahren zu ermitteln (Grundlagen der Berechnung des Ausgabebetrags); der Ausgabebetrag darf nicht unter dem anteiligen Betrag am Grundkapital liegen. Die neu ausgegebenen Aktien der bedingten Kapitalerhöhung sind in gleichem Maße wie die bereits bestehenden Aktien der Gesellschaft dividendenberechtigt. Der Aufsichtsrat ist ermächtigt, Änderungen der Satzung, die sich durch die Ausgabe von Aktien aus dem bedingten Kapital ergeben, zu beschließen.

Aktienrückwerb

In der Hauptversammlung der AMAG Austria Metall AG vom 17. April 2018 wurde der Vorstand ermächtigt, jeweils mit Zustimmung des Aufsichtsrats auf den Inhaber lautende Stückaktien der Gesellschaft im Ausmaß von bis zu 10 % des Grundkapitals der Gesellschaft während einer Geltungsdauer von 30 Monaten ab 17. April 2018 zu erwerben, wobei der niedrigste Gegenwert nicht mehr als 20 % unter und der höchste Gegenwert nicht mehr als 10 % über dem durchschnittlichen Börsenschlusskurs der letzten drei Börsentage vor Erwerb der Aktien liegen darf. Der Handel in eigenen Aktien ist als Zweck des Erwerbs ausgeschlossen. Die Ermächtigung kann ganz oder teilweise oder auch in mehreren Teilbeträgen und in Verfolgung eines oder mehrerer Zwecke durch die Gesellschaft, durch ein Tochterunternehmen (§ 189a UGB) oder für Rechnung der Gesellschaft durch Dritte ausgeübt werden. Der Erwerb kann unter Beachtung der gesetzlichen Vorgaben über die Börse, durch ein öffentliches Angebot oder auf eine sonstige gesetzlich zulässige, zweckmäßige Art erfolgen, insbesondere auch außerbörslich, oder von einzelnen, veräußerungswilligen Aktionären und auch unter Ausschluss des quotenmäßigen Veräußerungsrechts, das mit einem solchen Erwerb einhergehen kann (umgekehrter Bezugsrechtsausschluss). Der Vorstand wird weiters ermächtigt, die jeweiligen Rückkaufsbedingungen festzusetzen. Der Vorstand wurde ferner ermächtigt, die auf Grundlage des Beschlusses gemäß Punkt 1 dieses Tagesordnungspunktes erworbenen eigenen Aktien ohne weiteren Hauptversammlungsbeschluss einzuziehen. Die Ermächtigung kann ganz oder in mehreren Teilbeträgen und in Verfolgung eines oder mehrerer Zwecke durch die Gesellschaft, durch ein Tochterunternehmen oder für Rechnung der Gesellschaft durch Dritte ausgeübt werden. Der Vorstand wurde ferner für die Dauer von fünf Jahren ab dem 17. April 2018 ermächtigt, mit Zustimmung des Aufsichtsrats, gemäß § 65 Abs. 1b AktG für die Veräußerung eigener Aktien eine andere gesetzlich zulässige Art der Veräußerung als über die Börse oder ein öffentliches Angebot, auch unter Ausschluss des Wiederkaufsrechts der Aktionäre (Bezugsrechtsausschluss), zu beschließen und die Veräußerungsbedingungen festzusetzen. Die Ermächtigung kann ganz oder teilweise oder auch in mehreren Teilbeträgen und in Verfolgung eines oder mehrerer Zwecke durch die Gesellschaft, durch ein Tochterunternehmen (§ 189a UGB) oder für Rechnung der Gesellschaft durch Dritte ausgeübt werden.

Ranshofen, 11. Februar 2019

Der Vorstand



Dipl.-Ing. Helmut Wieser
Vorsitzender des Vorstandes



Priv. Doz. Dipl.-Ing.
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