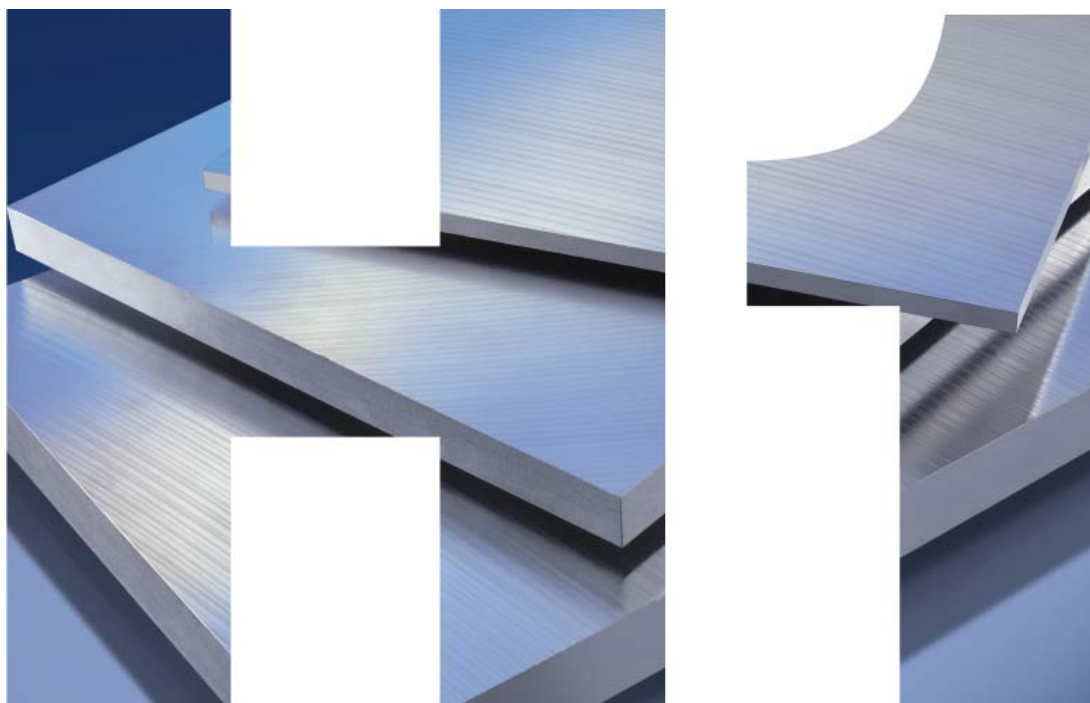


AMAG Austria Metall AG

# FINANCIAL REPORT

## 1st Half-Year of 2011



Competence in Aluminium

[www.amag.at](http://www.amag.at)

## Key figures for the AMAG Group

in mEUR	Q2/2011	Q2/2010 <sup>*)</sup>	Change in %	H1/2011	H1/2010 <sup>*)</sup>	Change in %	2010 <sup>*)</sup>
Sales	214.6	186.2	15 %	429.2	354.8	21 %	728.0
EBITDA	46.0	41.8	10 %	81.9	72.9	12 %	139.0
Depreciation, amortization and impairment losses	(11.2)	(11.4)	(2 %)	(22.4)	(22.6)	(1 %)	(45.1)
EBIT	34.9	30.4	15 %	59.5	50.3	18 %	93.8
Net income after taxes	28.5	20.5	39 %	48.1	37.3	29 %	75.7
Earnings per share (in EUR)	0.81			1.36			
Cash flow from operating activities	47.4	20.4	132 %	55.8	41.1	36 %	75.4
Cash flow from investing activities	(8.1)	(9.6)	(16 %)	(16.7)	(17.1)	(2 %)	(43.5)
Working Capital Employed <sup>1)</sup>				246.0	195.2	26 %	228.4
Capital Employed <sup>2)</sup>				492.3	464.1	6 %	466.6
Equity				475.9	497.0	(4 %)	514.2
Net financial debt <sup>3)</sup>				30.8	7.2	326 %	(4.7)
Employees <sup>4)</sup>	1,218	1,163	5 %	1,213	1,169	4 %	1,175

<sup>\*)</sup> the comparable values shown for the year 2010 refer to AMAG Holding GmbH and its subsidiaries

1) Inventories, trade receivables, trade payables (without trade payables for investments)

2) Annual average of equity, interest-bearing financial liabilities, cash and cash equivalents

3) Interest-bearing financial liabilities, plus non-interest bearing loan (Canada), minus cash and cash equivalents

4) Average general services staff (full time equivalent) including leasing personnel, without apprentices

AMAG's percentage personnel share out of the 20 % participation in smelter Alouette (approx. 200 employees) is not included in personnel count

### First half-year of 2011 – highlights

- First listing on the Vienna Stock Exchange on 8 April 2011
- Increase in sales by 21.0 % as compared with the comparable period of the prior year
- Increase in EBIT by +18.1 % as compared with the first half-year of 2010, to 59.5 mEUR
- At 55.8 mEUR, cash flow from operating activities is up 35.8 % from 41.1 mEUR generated in the first half-year of 2010

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## Dear Stockholders:

Also the second quarter of 2011 was characterized by consistent growth for the aluminium industry coupled with a continuous increase in demand, most notably in the area of AMAG's special products. Here, the positive trend in the automotive and aircraft industries should be mentioned in particular. The persisting insecurity on the capital markets caused by the crisis in Japan, the political instability in some countries in North Africa as well as the debt situation in the Eurozone and in the US also have not been able to curb the growth rate of the aluminium industry in the first half-year.

In this environment, AMAG Austria Metall AG (hereafter "AMAG", and together with its subsidiaries the "AMAG Group") in the first half of 2011 once more succeeded in increasing sales and earnings above the levels of the 2010 record year. Consistent concentration on special products for selected niche markets, combined with a focus on quality and customer requirements, was a major factor in this development.

The enlargement of production capacities in Ranshofen is proceeding as scheduled. At the meeting held on 12 July 2011, AMAG's Supervisory Board approved investments of the order of 21 mEUR. The measures are part of the programme aimed at increasing production capacity at the Ranshofen plant by 20 % by 2014. This step involves building a new melting and casting furnace as well as increasing the capacity of the existing rolling slab caster with a view to supplying the company's own rolling mill. The focus will be on processing coated scraps in an environmentally friendly manner in order to produce aluminium alloys that meet the highest quality requirements while at the same time minimising energy use and thus CO<sub>2</sub> emissions. In the rolling mill, a new shear line for fabricating aluminium sheets is to be installed, with high cutting power and more precise cuts, so as to comply with tightest process tolerances.

Ranshofen, 29 July 2011

The Management Board

Handwritten signature of Gerhard Falch in blue ink.

Gerhard Falch  
CEO

Handwritten signature of Dr. Helmut Kaufmann in blue ink.

Dr. Helmut Kaufmann  
COO

Handwritten signature of Gerald Mayer in blue ink.

Gerald Mayer  
CFO

# Interim Management Report

## Course of business for the AMAG Group and economic environment

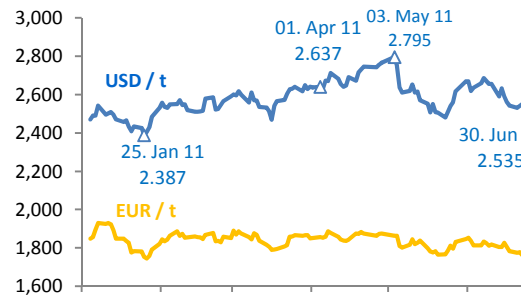
After a very dynamic start to the current year, the world economy, according to reports published by the German ifo<sup>1</sup>, lost some of its momentum in the second quarter. Since the spring of 2011, the world economy has been under the impact of the nuclear catastrophe in Japan, the political instability prevailing in some states in North Africa and the national indebtedness of some Eurozone countries as well as of the US. Against this backdrop, the operative business in the second quarter was characterized by continued satisfactory sales levels of primary aluminium, rolled products and recycling foundry alloys.

In a breakdown by country, the traditional primary markets of Austria, Germany, Italy, France and the US dominated. Business in the growth region of China continues its positive development. By taking part at "Aluminium China 2011", the leading trade fair of the aluminium industry in Asia, in July 2011 in Shanghai for the first time, AMAG took a further important step towards developing its business in China.

The aluminium price (3-month LME) went down in the second quarter of 2011 from a starting level of 2,637 USD/t in April to a level of 2,535 USD/t as of 30 June 2011. The highest price for the quarter was 2,795 USD/t, the lowest was 2,480 USD/t. The average price rose from 2,534 USD/t in the first quarter to 2,619 USD/t in the second quarter.

In the first half-year, the average price was at 2,576 USD/t. After being continuously on the rise since 2009, the price of aluminium in the first half-year saw a sideways movement within a price band ranging from 2,387 USD/t to 2,795 USD/t. Aluminium prices expressed in euros moved within a band of between 1,745 EUR/t and 1,930 EUR/t in the first half-year.

Development of aluminium price in H1 2011



Stocks kept in LME-registered warehouses continue to be at a high level, averaging 4.6 million tons (or about 10 % of the expected annual production). In the second quarter, stocks fluctuated between 4.5 and 4.7 million tons.

In the first half-year of 2011, the sales of the AMAG Group were 429.2 mEUR, or 21 % higher than in the corresponding period of the prior year (354.8 mEUR). Sales in the second quarter of 2011 amounted to 214.6 mEUR, thus exceeding the sales of the second quarter of 2010 by 28.4 mEUR. Major factors contributing to this were, in particular, the higher average aluminium price, as well as increased shipment volumes.

The earnings before interest, taxes, depreciation and amortization (EBITDA) for the Group in the first half-year were 81.9 mEUR; i.e. they were 9.0 mEUR (12 %) above the EBITDA for the comparable period in the prior year (72.9 mEUR). In the second quarter of 2011, the EBITDA was 46.0 mEUR, i.e., up 4.2 mEUR or approximately 10 % from the amount reported for the comparable period in the prior year.

<sup>1</sup> Institute for Economic Research at the University of Munich (Institut für Wirtschaftsforschung an der Universität München)

## Information by division

### Metal Division

Key figures for Metal Division in mEUR	Q2/2011	Q2/2010 <sup>*)</sup>	Change in %	H1/2011	H1/2010 <sup>*)</sup>	Change in %	2010 <sup>*)</sup>
Sales	153.4	130.1	18 %	301.2	247.2	22 %	513.4
of which internal	99.6	82.1	21 %	204.7	161.0	27 %	335.6
Shipments in tons <sup>1)</sup>	33,082	31,029	7 %	56,842	57,659	(1 %)	114,027
of which internal shipments in tons	4,021	2,160	86 %	5,546	4,157	33 %	7,563
EBITDA	24.8	29.4	(16 %)	34.5	45.7	(24 %)	75.8
EBIT	19.5	23.6	(18 %)	23.6	34.2	(31 %)	52.7
Employees <sup>2)</sup>	7	7	0 %	7	7	0 %	7

<sup>\*)</sup> the comparable values shown for the year 2010 refer to AMAG Holding GmbH and its subsidiaries

<sup>1)</sup> Shipments from Alouette only

<sup>2)</sup> Average general services staff (full time equivalent) including leasing personnel, without apprentices

AMAG's percentage personnel share out of the 20 % participation in smelter Alouette (approx. 200 employees) is not included in personnel

The worldwide production of primary aluminium in the first half-year of 2011 according to CRU<sup>2</sup> was about 22 million tons, as compared with 21 million tons in the comparable period of the prior year (+ 5.5 %). According to information from CRU, the consumption of primary aluminium rose from 20 million tons in the same period of the prior year to 22 million tons (+ 10 %) this first half-year. From a regional perspective, consumption of primary aluminium, as compared with the same half-year period of the prior year, rose +10.2 % in Europe, +7.3 % in North America, and +10.3 % in Asia, the latter including China with a growth rate of +11.5 %<sup>2</sup>.

In the first half of 2011, sales in the Metal Division were 301.2 mEUR after 247.2 mEUR in the first half of 2010, which translates to a 22 % increase. One of the main reasons for this boost was the increase in average aluminium prices.

EBITDA rose from 9.7 mEUR to 24.8 mEUR as compared with the first quarter of 2011. EBITDA decreased from 45.7 mEUR in the same period of the prior year to 34.5 mEUR in this half-year. The major contributing factors were, in particular, the positive effects, from the valuation of hedging instruments (options), contained in the comparable period in 2010. The higher cost of raw materials as well as effects from currency translation also had a negative effect, while the higher aluminium price had a positive effect.

<sup>2</sup> CRU: Commodity Research Unit, July 2011

## Casting Division

Key figures for Casting Division in mEUR	Q2/2011	Q2/2010 <sup>*)</sup>	Change in %	H1/2011	H1/2010 <sup>*)</sup>	Change in %	2010 <sup>*)</sup>
Sales	33.4	28.0	20 %	68.4	53.7	27 %	114.5
of which internal	1.5	1.2	24 %	2.5	2.7	(9 %)	4.9
Shipments in tons	19,566	19,863	(1 %)	38,891	39,526	(2 %)	75,929
of which internal shipments in tons	3,391	4,602	(26 %)	5,134	7,842	(35 %)	12,461
EBITDA	2.5	1.5	74 %	4.7	2.7	75 %	5.6
EBIT	2.0	0.9	112 %	3.6	1.7	119 %	3.6
Employees <sup>1)</sup>	115	112	3 %	114	113	1 %	112

<sup>\*)</sup> the comparable values shown for the year 2010 refer to AMAG Holding GmbH and its subsidiaries

<sup>1)</sup> Average general services staff (full time equivalent) including leasing personnel, without apprentices

The business trend in the Casting Division is generally driven by the development of the automotive industry and its suppliers. Here, above all, the development of passenger car production in Germany is relevant, and this, according to the half-year report of the VDA (*Verband der Automobilindustrie* or Automotive Industry Association) grew by 5 % from a production level of approx. 2.9 million units in the first six months of the last year to 3.0 million units produced in the first six months of 2011. This includes an increase in exports from 2.2 to 2.3 million units (+ 6 %).

The Casting Division's sales rose in comparison with the same half-year period in the prior year from 53.7 mEUR to 68.4 mEUR. Despite a slight decline in shipments, EBITDA increased from 2.7 mEUR to 4.7 mEUR, i.e. + 75 %, as compared with the same half-year period of the prior year. In comparison with the same quarter of the prior year, EBITDA at 2.5 mEUR was 74 % up from the prior year's level of 1.5 mEUR. In addition to a change in the product mix to higher-priced products, the improvement in price levels taking place in the first half-year of 2011 also contributed to this trend.

## Rolling Division

Key figures for Rolling Division in mEUR	Q2/2011	Q2/2010 <sup>*)</sup>	Change in %	H1/2011	H1/2010 <sup>*)</sup>	Change in %	2010 <sup>*)</sup>
Sales	144.5	123.1	17 %	297.4	240.5	24 %	493.6
of which internal	15.6	11.5	35 %	30.7	22.9	34 %	53.1
Shipments in tons	37,125	37,172	(0 %)	79,787	76,195	5 %	148,435
EBITDA	18.7	10.7	76 %	41.0	23.1	78 %	55.0
EBIT	15.1	7.3	108 %	33.9	16.3	108 %	41.7
Employees <sup>1)</sup>	987	937	5 %	983	942	4 %	947

<sup>\*)</sup> the comparable values shown for the year 2010 refer to AMAG Holding GmbH and its subsidiaries

<sup>1)</sup> Average general services staff (full time equivalent) including leasing personnel, without apprentices

In Europe and, above all, Germany, the mechanical engineering and plant engineering and construction sectors alongside the strong German automotive industry were material drivers of the demand for rolled aluminium products.

Demand from the European and US construction industries showed a somewhat restrained development. Demand from the US transport and mechanical engineering sectors continued to be good.

Demand from the aircraft industry also developed well, with positive impulses being provided by the Paris Airshow of June 2011. Positive reports about numerous orders from airlines – Airbus alone reports 600 new orders as of June 2011 – give reason to expect a further upturn in demand from the aircraft industry.

The Rolling Division's sales rose from 240.5 mEUR to 297.4 mEUR in the first half-year of 2011. In addition to higher aluminium prices, the factors responsible for this are higher shipments, higher price levels and a shift in the product mix.

In the first-half year, EBITDA increased from 23.1 mEUR to 41.0 mEUR, i.e. by 78 %. In comparison with the same quarter of the prior year, EBIT at 18.7 mEUR was 76 % up from the prior year's level of 10.7 mEUR. Here, too, the reasons were higher shipments, higher price levels, and a shift in the product mix to higher-valued products. In order to handle the higher production quantities and shipment volumes, the number of employees increased to 983 (+ 4 % in comparison to the first half-year of the prior year).

### Service Division

Key figures for Service Division in mEUR	Q2/2011	Q2/2010 <sup>*)</sup>	Change in %	H1/2011	H1/2010 <sup>*)</sup>	Change in %	2010 <sup>*)</sup>
EBITDA	0.0	0.3	(113 %)	1.7	1.5	12 %	2.5
EBIT	-1.7	-1.5	17 %	-1.7	-1.9	(12 %)	-4.2
Employees <sup>1)</sup>	109	107	2 %	109	107	2 %	109

<sup>\*)</sup> the comparable values shown for the year 2010 refer to AMAG Holding GmbH and its subsidiaries  
<sup>1)</sup> Average general services staff (full time equivalent) including leasing personnel, without apprentices

The Service Division includes the holding of developed properties at the Ranshofen location and provides centrally-organized services, such as facility management, energy supply and various "shared services".

EBITDA was 1.7 mEUR in the first half-year of 2011 after 1.5 mEUR in the comparable period of the prior year.

### Outlook

The German ifo in its current assessment of the general economic situation expects that, after a dynamic start to the current year, growth will show a slight slackening in the second half of 2011. From the start of the year, economic development has been characterized by continued insecurity in connection with the nuclear catastrophe and its consequences in Japan, political instability in some countries in North Africa, the sovereign debts of individual Eurozone countries as well as the continued discussion concerning the sovereign debt in the US.

In Germany, it is expected that although the basic economic trend will be positive, the highly dynamic growth seen since 2010 cannot be continued on quite the same level. Thus, a growth in GDP of about 3 % is being forecast for Germany for this year.

The forecasts concerning the consumption of primary aluminium or aluminium rolled products have not changed fundamentally since the first quarter. For primary aluminium, expectations within the sector are that consumption will rise by between 9 % and not more than 12 % in 2011.

In its current forecast, the German ifo in light of the above anticipates that in 2011 the gross domestic product (GDP) for the Eurozone will grow by 2 %.



For the global consumption of rolled products, CRU continues to expect about 20 million tons (+8 %) for 2011 after 18.5 million tons in 2010.

Against this backdrop, and based on the satisfactory order situation, AMAG expects that the positive business development as regards quantities shipped and prices will continue in the second half of this year. On account of maintenance work scheduled at the Ranshofen location, a slight reduction in quantities shipped is to be expected for the second half-year.

### **Risk management and significant risks in the fiscal year**

The risk management of the AMAG Group is oriented toward securing sustained, positive growth in the asset, financial and earnings positions, as well as a long-term increase in the value of the Group as a whole.

The system is primarily based on

- the regulation of operating processes by means of group guidelines, in order to assure the recognition, analysis, valuation and communication of risks, and thus active control of the handling of risks and opportunities,
- active hedging of the specific risks (volatility of the price of aluminium and USD/CAD as well as USD/EUR),
- the covering of certain risks by means of insurance policies as part of a comprehensive insurance concept.

The significant risks in AMAG's business in the remaining part of the fiscal year are, in particular, in the general economic trend, and in the macroeconomic setting.

The resulting uncertainty in the market may lead to declining demand for cast and rolled aluminium products. Additionally, higher pressure on sales prices may have a negative effect on AMAG's sales and earnings positions. Similarly, any volatility in aluminium prices and in the USD/EUR and USD/CAD exchange rates as well as rising prices of the raw materials required for the smelter would have a delayed effect on AMAG's sales and earnings development. A comprehensive description of the risks may be found in the 2010 Consolidated Financial Statements of AMAG Holding GmbH.

## Interim Consolidated Financial Statements according to IAS 34

### Consolidated Balance Sheet (Statement of Financial Position)

Values in kEUR	30.06.2011	31.12.2010 <sup>*)</sup>
Intangible assets	155	90
Property, plant and equipment	369,425	388,258
Other non-current assets and financial assets	20,894	27,342
Deferred tax assets	21,144	20,572
<b>Non-current assets</b>	<b>411,618</b>	<b>436,262</b>
Inventories	207,107	198,478
Trade receivables	95,948	71,438
Current tax receivables	4,284	4,613
Other receivables	42,092	108,853
Cash and cash equivalents	216,355	9,139
<b>Current assets</b>	<b>565,786</b>	<b>392,521</b>
<b>TOTAL ASSETS</b>	<b>977,404</b>	<b>828,783</b>
Values in kEUR	30.06.2011	31.12.2010 <sup>*)</sup>
Capital stock	35,264	35
Additional paid-in capital	378,926	97,141
Hedging reserve	5,831	3,700
Actuarial gains / losses	(6,072)	(3,790)
Currency translation differences	(1,399)	6,466
Retained earnings	63,337	217,341
<b>Equity attributable to equity holders</b>	<b>475,887</b>	<b>320,893</b>
Non-controlling interests	0	193,281
<b>Equity</b>	<b>475,887</b>	<b>514,174</b>
Provisions	66,062	68,922
Interst-bearing financial liabilities	90,172	21,842
Other non-current liabilities	30,492	34,495
Deferred tax liabilities	33,994	33,912
<b>Non-current provisions and liabilities</b>	<b>220,720</b>	<b>159,171</b>
Current provision	21,247	20,227
Interest-bearing financial liabilities	141,413	23,526
Trade payables	62,762	46,033
Current tax liabilities	4,297	1,609
Other liabilities	51,078	64,043
<b>Current provisions and liabilities</b>	<b>280,797</b>	<b>155,438</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>977,404</b>	<b>828,783</b>

\*) the comparable values shown for the year 2010 refer to AMAG Holding GmbH and its subsidiaries

## Consolidated Statement of Income

Values in tEUR	Q2/2011	Q2/2010 <sup>*)</sup>	H1/2011	H1/2010 <sup>*)</sup>	2010 <sup>*)</sup>
<b>Sales</b>	<b>214,589</b>	<b>186,234</b>	<b>429,152</b>	<b>354,794</b>	<b>727,970</b>
Changes in inventories of finished goods and work in progress	(7,230)	(6,574)	5,078	(3,739)	7,744
Own work capitalized	102	44	359	82	604
	<b>207,461</b>	<b>179,704</b>	<b>434,589</b>	<b>351,137</b>	<b>736,318</b>
Other operating income	206	3,032	7,108	9,672	18,207
Cost of materials	(125,261)	(105,609)	(283,435)	(214,406)	(468,211)
Personnel expenses	(25,845)	(22,384)	(49,992)	(44,403)	(91,540)
Other operating expenses	(10,512)	(12,952)	(26,360)	(29,082)	(55,823)
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>46,049</b>	<b>41,791</b>	<b>81,910</b>	<b>72,918</b>	<b>138,951</b>
Depreciation, amortization and impairment losses	(11,159)	(11,410)	(22,426)	(22,591)	(45,126)
<b>Earnings before interest and taxes (EBIT)</b>	<b>34,890</b>	<b>30,381</b>	<b>59,484</b>	<b>50,327</b>	<b>93,825</b>
Interest income (expenses)	(1,670)	(1,378)	(2,796)	(2,564)	(4,232)
Other financial income (expenses)	2	349	(103)	(98)	(280)
<b>Net financial income (expenses)</b>	<b>(1,668)</b>	<b>(1,029)</b>	<b>(2,899)</b>	<b>(2,662)</b>	<b>(4,512)</b>
<b>Earnings before taxes (EBT)</b>	<b>33,222</b>	<b>29,352</b>	<b>56,585</b>	<b>47,665</b>	<b>89,313</b>
Current taxes	(1,917)	(733)	(5,025)	(1,529)	(2,897)
Deferred taxes	(2,843)	(8,109)	(3,510)	(8,886)	(10,761)
<b>Taxes on income</b>	<b>(4,760)</b>	<b>(8,842)</b>	<b>(8,535)</b>	<b>(10,415)</b>	<b>(13,658)</b>
<b>Net income after taxes</b>	<b>28,462</b>	<b>20,510</b>	<b>48,050</b>	<b>37,250</b>	<b>75,655</b>
Of which:					
Attributable to non-controlling interests	0 <sup>**) </sup>	7,603	2,116 <sup>**) </sup>	13,893	28,474
Attributable to the equity holders of the parent	28,462	12,907	45,934	23,357	47,181
Earnings per share in EUR	0.81		1.36		

<sup>\*)</sup> the comparable values shown for the year 2010 refer to AMAG Holding GmbH and its subsidiaries

<sup>\*\*)</sup>  Simultaneously with the IPO, the AMAG Employee Private Foundation ceased to be a shareholder in Austria Metall GmbH and became a shareholder in AMAG Austria Metall AG.

## Consolidated Statement of Comprehensive Income according to IFRS

Values in kEUR	Q2/2011	Q2/2010 <sup>*)</sup>	H1/2011	H1/2010 <sup>*)</sup>	2010 <sup>*)</sup>
<b>Net income after taxes</b>	<b>28,462</b>	<b>20,510</b>	<b>48,050</b>	<b>37,250</b>	<b>75,655</b>
Costs for equity instruments	(5,209)	0	(5,438)	0	0
Costs for equity instruments	(6,946)	0	(7,251)	0	0
Deferred taxes relating thereto	1,737	0	1,813	0	0
Changes in the hedging reserve	7,726	10,257	(95)	6,415	560
Gains/(losses) due to changes in fair value	12,602	19,251	2,472	15,086	7,716
Deferred taxes relating thereto	(3,142)	(4,983)	(477)	(3,363)	(3,219)
Recognized in the statement of income	(2,214)	(5,028)	(2,705)	(6,525)	(6,773)
Deferred taxes relating thereto	480	1,017	615	1,217	2,836
Currency translation differences	(2,303)	13,517	(10,847)	21,811	8,801
Changes in actuarial gains/losses	0	(113)	0	(113)	(2,522)
Changes in actuarial gains/losses	0	(113)	0	(113)	(4,665)
Deferred taxes relating thereto	0	0	0	0	2,143
<b>Other comprehensive income for the year net of taxes</b>	<b>214</b>	<b>23,661</b>	<b>(16,380)</b>	<b>28,113</b>	<b>6,839</b>
Of which:					
Attributable to non-controlling interests	0	8,891	(1,637)	10,564	2,566
Attributable to equity holders of the parent	214	14,770	(14,743)	17,549	4,273
<b>Total comprehensive income (expenses) for the year</b>	<b>28,676</b>	<b>44,171</b>	<b>31,670</b>	<b>65,363</b>	<b>82,494</b>

\*) the comparable values shown for the year 2010 refer to AMAG Holding GmbH and its subsidiaries

## Consolidated Statement of Cash Flows

Values in kEUR	Q2/2011	Q2/2010 *)	H1/2011	H1/2010 *)	2010 *)
<b>Earnings before taxes (EBT)</b>	<b>33,222</b>	<b>29,352</b>	<b>56,585</b>	<b>47,665</b>	<b>89,313</b>
Interest income (expenses)	1,670	1,378	2,796	2,564	4,230
Depreciation, amortization and impairment losses/reversals of impairment losses on investment assets	11,159	11,410	22,426	22,591	45,668
(Gains)/losses from the disposal of investment assets	(116)	353	(110)	364	773
Other non-cash (income)/expenses	267	(284)	525	(281)	177
Changes in inventories	(4,604)	8,681	(10,769)	7,315	(33,098)
Changes in trade receivables	5,077	(4,191)	(25,860)	(29,166)	(19,752)
Changes in other receivables	2,710	3,332	680	3,350	6,867
Changes in derivatives	(11,323)	(24,357)	(10,182)	(27,095)	(19,820)
Changes in provisions (current and non-current)	86	(1,550)	(510)	(2,417)	(5,807)
Changes in trade payables	8,552	(2,819)	16,752	13,403	8,855
Changes in other liabilities	2,470	1,447	7,892	6,317	1,770
	<b>49,170</b>	<b>22,752</b>	<b>60,225</b>	<b>44,610</b>	<b>79,176</b>
Tax payments	(482)	(1,472)	(2,336)	(1,863)	(1,164)
Interest received	654	118	764	240	747
Interest paid	(1,969)	(964)	(2,806)	(1,861)	(3,346)
<b>Cash flow from operating activities</b>	<b>47,373</b>	<b>20,434</b>	<b>55,847</b>	<b>41,126</b>	<b>75,413</b>
Proceeds from disposals of investment assets	656	57	724	84	130
Payments for property, plant and equipment and intangible assets	(8,747)	(9,690)	(17,429)	(17,175)	(43,609)
<b>Cash flow from investing activities</b>	<b>(8,091)</b>	<b>(9,633)</b>	<b>(16,705)</b>	<b>(17,091)</b>	<b>(43,479)</b>
Changes in interest-bearing financial liabilities	(11,045)	(6,012)	188,967	(5,725)	(18,339)
Cash proceeds from capital contributions	92,765	0	122,695	0	0
Dividends paid by Austria Metall GmbH	0	(68,000)	(200,000)	(68,000)	(68,000)
<b>Cash flow from financing activities</b>	<b>81,720</b>	<b>(74,012)</b>	<b>111,662</b>	<b>(73,725)</b>	<b>(86,339)</b>
<b>Change in cash and cash equivalents</b>	<b>121,002</b>	<b>(63,211)</b>	<b>150,804</b>	<b>(49,690)</b>	<b>(54,405)</b>
Effect of exchange rate changes on cash and cash equivalents	(89)	284	(413)	465	209
Cash and cash equivalents at the beginning of the period	95,442	133,862	65,964	120,160	120,160
Cash and cash equivalents at the end of the period	216,355	70,935	216,355	70,935	65,964
<b>Change in cash and cash equivalents</b>	<b>121,002</b>	<b>(63,211)</b>	<b>150,804</b>	<b>(49,690)</b>	<b>(54,405)</b>

## Consolidated Statement of Changes in Equity

Values in tEUR	Equity attributable to the equity holders						Total	Non controlling interests	Equity
	Capital stock	Addt. paid-in capital	Hedging-reserve	Currency translation differences	Actuarial gains/losses	Retained earnings			
<b>Balance as of 1 January 2010 *)</b>	<b>35</b>	<b>290,141</b>	<b>3,350</b>	<b>420</b>	<b>(2,216)</b>	<b>20,156</b>	<b>311,886</b>	<b>187,794</b>	<b>499,680</b>
Total comprehensive income and expenses for the first half year 2010	0	0	4,004	11,004	(71)	25,969	<b>40,906</b>	24,457	<b>65,363</b>
Dividend distributions	0	0	0	0	0	(42,447)	<b>(42,447)</b>	(25,553)	<b>(68,000)</b>
<b>Balance as of 30 June 2010 *)</b>	<b>35</b>	<b>290,141</b>	<b>7,354</b>	<b>11,424</b>	<b>(2,287)</b>	<b>3,678</b>	<b>310,345</b>	<b>186,698</b>	<b>497,043</b>
<b>Balance as of 1 January 2011</b>	<b>35</b>	<b>97,141</b>	<b>3,700</b>	<b>6,466</b>	<b>(3,790)</b>	<b>217,341</b>	<b>320,893</b>	<b>193,281</b>	<b>514,174</b>
Total comprehensive income and expenses for the first half year 2011	0	(5,438)	687	(9,993)	0	45,935	<b>31,191</b>	479	<b>31,670</b>
Enlargement of group companies	35	1	0	0	0	61	<b>97</b>	0	<b>97</b>
Capital injections	35,194	94,752	0	0	0	0	<b>129,946</b>	0	<b>129,946</b>
Acquisition of remaining non-controlling interests	0	192,470	1,444	2,128	(2,282)	0	<b>193,760</b>	(193,760)	<b>0</b>
Dividend distributions	0	0	0	0	0	(200,000)	<b>(200,000)</b>	0	<b>(200,000)</b>
<b>Balance as of 30 June 2011</b>	<b>35,264</b>	<b>378,926</b>	<b>5,831</b>	<b>(1,399)</b>	<b>(6,072)</b>	<b>63,337</b>	<b>475,887</b>	<b>0</b>	<b>475,887</b>

\*) the comparable values shown for the year 2010 refer to AMAG Holding GmbH and its subsidiaries

## Notes to the Interim Consolidated Financial Statements

### General comments

AMAG Austria Metall AG (5282 Ranshofen, Lamprechtshausnerstraße 61, registry number FN 310593f at the Regional Court of Ried) is an Austrian holding company that, with its group affiliates, is engaged in the production and distribution of primary aluminium, rolled products (sheets and plates) and recycling foundry alloys.

### Legal foundations and methods

The Interim Consolidated Financial Statements for the reporting period from 1 January to 30 June 2011 were prepared in accordance with IAS 34 Interim Financial Reporting. The Interim Consolidated Financial Statements do not include all information and data included in the Consolidated Financial Statements as of 31 December 2010 of AMAG Holding GmbH and should be read together with those.

Accounting methods used in the preparation of the Interim Consolidated Financial Statements correspond to those for the Consolidated Financial Statements as of 31 December 2010, and the valuation methods as of 31 December 2010 used in the AMAG Holding GmbH remain unchanged. The Interim Consolidated Financial Statements are reported in thousands of Euros. In adding rounded amounts and percentages, the use of automated calculations may result in rounding differences. Unless otherwise indicated, the comparable data refers to the first half of the 2010 fiscal year (closing date 30 June 2010) for AMAG Holding GmbH.

The Management Board of AMAG Austria Metall AG is persuaded that the Interim Consolidated Financial Statements represent a true and fair picture of the actual asset, financial, and earnings positions. The Interim Consolidated Financial Statements were subjected to neither a complete audit nor a review by an auditor.

### Changes in the scope of consolidation

The Interim Consolidated Financial Statements for the comparable period in 2010 concern AMAG Holding GmbH and its subsidiaries. In the Interim Consolidated Financial Statements as of 30 June 2011, AMAG Austria Metall AG, AMAG Erste Beteiligungsverwaltungs GmbH and Sulipo Dritte Beteiligungsverwaltungs GmbH were included in the scope of consolidation, with AMAG Austria Metall AG serving as the controlling company of the AMAG Group now.

### Accounting standards

With respect to the restructuring measures carried out in the first half-year of 2011, these are mergers of companies under common control ("Transactions under common control") according to IFRS 3. Such restructuring measures do not fall under the scope of application of IFRS 3, nor are they governed by other IFRSs. To the extent that processes are not governed by IFRS, IAS 8.10-12 offers references to further handling, according to which, in the absence of a standard, management must decide which accounting and valuation method represents a true and fair picture of the economic content of the factual relationships. On this basis, the AMAG management has determined an accounting method according to which, for restructuring measures of companies under common control, the book values of the existing AMAG IFRS Consolidated Financial Statements form the basis for accounting for the restructuring measures. In this manner, no revaluation to the current market values is performed and consequently no differential amounts (goodwill) result from the restructuring measures.

With respect to the IFRS accounting standards used, no changes occurred as compared with the Consolidated Financial Statements of AMAG Holding GmbH as of 31 December 2010.

### Seasonal and cyclical fluctuations

The course of business for AMAG Austria Metall AG is not generally characterized by substantial seasonal fluctuations. In 2011, the scheduled maintenance measures at the Ranshofen location will be performed in the second half-year.

### Notes to the Consolidated Balance Sheet

As of 30 June 2011, the balance sheet total for the AMAG Group rose to 977.4 mEUR (31 December 2010: 828.8 mEUR).

Property, plant and equipment decreased from 388.3 mEUR to 369.4 mEUR. In addition to negative currency differences due to USD/EUR conversion, depreciations exceeding the asset additions of the period also contributed to this decrease.

Other receivables decreased from 108.9 mEUR as of 31 December 2010 to 42.1 mEUR as of 30 June 2011 primarily due to the dissolution in March 2011 of the cash pooling relationship with the Constantia Packaging Group. Because of this return flow and on account of the capital injections made in the first half-year, cash and cash equivalents of the AMAG Group increased from 9.1 mEUR to 216.4 mEUR.

Non-current interest-bearing financial liabilities rose from 21.8 mEUR to 90.2 mEUR. The main reason for this increase was the conclusion of a loan agreement under which an amount of 80.0 mEUR becomes due and payable after more than one year.

Equity (including non-controlling shares) was reduced from 514.2 mEUR by 38.3 mEUR to 475.9 mEUR. The decline resulted in particular from a profit distribution of 200.0 mEUR. The increase in equity was mainly due to a capital increase in February 2011 in the amount of 29.9 mEUR, a capital injection of 100.0 mEUR made in connection with the IPO as well as comprehensive income (expenses) in the amount of 31.7 mEUR in the first half-year.

In connection with the IPO, on 8 April 2011, 19.3 million shares of AMAG Austria Metall AG were placed with institutional investors and Austrian private investors. This included an increase of the capital stock of AMAG Austria Metall AG by 5,264,000 shares. Simultaneously with the IPO, the AMAG Employees Private Foundation ceased to be a shareholder in Austria Metall GmbH and became a shareholder in AMAG Austria Metall AG. This transaction was reported at book values according to IAS 27.31.

### Notes to the Consolidated Statement of Income

In the first half-year of 2011, the sales of the AMAG Group were 429.2 mEUR, or 21.0 % higher than in the corresponding period of the prior year (354.8 mEUR). Sales in the second quarter of 2011 amounted to 214.6 mEUR, thus exceeding the sales of the second quarter of 2010 by 28.4 mEUR. Major factors contributing to this were, in particular, the higher average aluminium price, as well as increased shipment volumes. The earnings before interest, taxes, depreciation and amortization (EBITDA) for the Group in the first half-year were 81.9 mEUR; i.e. they were 9.0 mEUR or 12 % above the EBITDA for the comparable period in the prior year (72.9 mEUR). In the second quarter of 2011, the EBITDA was 46.0 mEUR, i.e., up 4.2 mEUR or approximately 10 % from the amount reported for the comparable period in the prior year.

### Notes to the Consolidated Cash Flow Statement

In the first half-year of 2011, the cash flow from operating activities was 55.8 mEUR, or 14.7 mEUR up from the prior-year level (first half-year of 2010: 41.1 mEUR). This increase is primarily due to the higher earnings achieved in the current fiscal year. The cash flow from operating activities generated in the second quarter of 2011 was 47.4 mEUR, or approximately 27 mEUR up from the comparable value of the prior year. A significant contributor to this trend was in particular the positive development concerning the working capital.

At -16.7 mEUR (Q2 2011: -8.1 mEUR), the cash flow from investing activities generated in the first six months of the current year was approximately at the same level as in the comparable period of the prior year at -17.1 mEUR (Q2 2010: -9.6 mEUR).

Most of the funds were invested in replacement and extension projects at the Ranshofen location, and approximately one third of the investments is attributable to the Canadian smelter.

## Business divisions

Key figures for Metal Division in mEUR	Q2/2011	Q2/2010 <sup>*)</sup>	H1/2011	H1/2010 <sup>*)</sup>	2010 <sup>*)</sup>
Sales	153.4	130.1	301.2	247.2	513.4
of which internal	99.6	82.1	204.7	161.0	335.6
EBIT	19.5	23.6	23.6	34.2	52.7
Key figures for Casting Division in mEUR	Q2/2011	Q2/2010 <sup>*)</sup>	H1/2011	H1/2010 <sup>*)</sup>	2010 <sup>*)</sup>
Sales	33.4	28.0	68.4	53.7	114.5
of which internal	1.5	1.2	2.5	2.7	4.9
EBIT	2.0	0.9	3.6	1.7	3.6
Key figures for Rolling Division in mEUR	Q2/2011	Q2/2010 <sup>*)</sup>	H1/2011	H1/2010 <sup>*)</sup>	2010 <sup>*)</sup>
Sales	144.5	123.1	297.4	240.5	493.6
of which internal	15.6	11.5	30.7	22.9	53.1
EBIT	15.1	7.3	33.9	16.3	41.7
Key figures for Service Division in mEUR	Q2/2011	Q2/2010 <sup>*)</sup>	H1/2011	H1/2010 <sup>*)</sup>	2010 <sup>*)</sup>
EBIT	-1.7	-1.5	-1.7	-1.9	-4.2

<sup>\*)</sup> the comparable values shown for the year 2010 refer to AMAG Holding GmbH and its subsidiaries

## Business relationships with affiliated companies

Balances and transactions between AMAG Austria Metall AG and its subsidiaries were eliminated as part of the consolidation and are not further explained here.

Within the scope of the business operations, there are business relationships for the provision of goods and services with affiliated companies within the AMAG Group. These transactions take place exclusively at market conditions. There were no fundamental changes in transactions with affiliated companies and persons as represented in the Consolidated Financial Statements of AMAG Holding GmbH as of 31 December 2010 and

that significantly influenced the company's financial position or operating profit/loss during the first six months of the current fiscal year. No loans were granted to members of the Management Board or Supervisory Board, nor were liabilities entered into on their behalf. No other types of transactions, particularly purchase agreements for significant assets, were concluded.

## Significant events after the balance sheet date

In July 2011, financial liabilities in the amount of 120 mEUR were repaid.



## Statement by the Management Board

We confirm that, to the best of our knowledge, the Interim Consolidated Financial Statements prepared in accordance with the regulations for interim financial statements of the International Financial Reporting Standards (IFRS) represent a true and fair picture of the asset, financial and earnings positions of AMAG Austria Metall AG.

We furthermore confirm that the mid-year management report represents a true and fair picture of the asset, financial and earnings position of AMAG Austria Metall AG in respect of the major events during the first six months of the fiscal year and their effect on the Interim Consolidated Financial Statements, of the significant risks and uncertainties in the remaining six months of the fiscal year, and of the transactions to be disclosed as significant transactions with affiliated companies and persons.

Ranshofen, 29 July 2011

The Management Board



Gerhard Falch  
CEO



Dr. Helmut Kaufmann  
COO



Gerald Mayer  
CFO

## Financial calendar

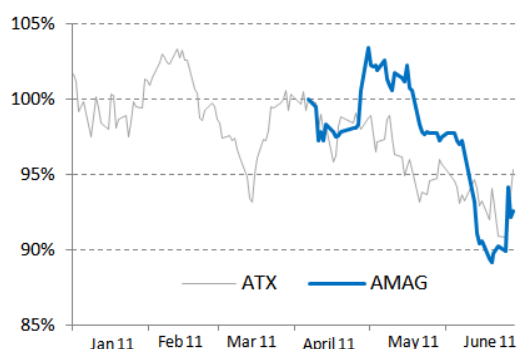
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Report on the 1st-3rd quarters 2011

4 November 2011

## Information on the Stock

Price development of the AMAG share in relation to the ATX in the period from 8 April 2011 to 30 June 2011 (100 % = 8 April 2011, first day of trading).



Source: Vienna Stock Exchange

### Performance of AMAG stock

The shares of AMAG have been traded since Friday, 8 April 2011, under the trading symbol "AMAG" and the ISIN (International Securities Identification Number) AT00000AMAG3 on the official market (Prime Market) of the Vienna Stock Exchange.

On the first day of trading, 8 April 2011, the closing price was 17.89 EUR. The highest closing price in the period from 8 April 2011 to 30 June 2011 was 18.50 EUR (2 May 2011), and the lowest closing price amounted to 15.95 EUR (21 June 2011). The average quotation for the share in this period was 17.43 EUR. The annual high amounted to 18.94 EUR.

### Data in respect of AMAG stock

Bloomberg Ticker	AMAG AV
International Securities Identification Number (ISIN)	AT00000AMAG3
Date of admission	8 April 2011
Class of shares	Ordinary share
Stock market	Vienna (Prime Market)
Total number of non-par value shares issued	35,264,000
Issue price IPO April 2011	19 EUR
Closing price on 30 June 2011	16.57 EUR
Earnings per share Q2 2011 *	0.81 EUR

\* based on 35,264,000 shares (including the capital increase carried out in the context of the IPO)

Market capitalisation was 614.8 mEUR on average, with the highest value, 652.4 mEUR, being reported on 2 May 2011 and the lowest, 562.5 mEUR, on 21 June 2011.

### Trading volume

In the period from 8 April 2011 to 30 June 2011, the average daily volume of trade (double counting) in AMAG stock amounted to 177,419 shares. The highest trading volume, 4,747,134 shares, was seen on the first day of trading, and the lowest trading volume was generated on 11 May 2011, at 8,378 shares.

### Investor Relations

In the course of a roadshow made in the second quarter of 2011, numerous talks with investors were held in Paris, London and Vienna. Furthermore, AMAG presented itself at the following events:

- Börseexpress roadshow held in Vienna on 18 April 2011 (approx. 170 visitors)
- Stock exchange information days held by the Vienna Stock Exchange in Innsbruck on 17 June 2011 (approx. 50 visitors)
- Stock exchange information evening held by Raiffeisenlandesbank Oberösterreich on 29 June 2011 (approx. 900 visitors)

## Cautionary statements

The forecasts, plans and forward-looking assessments and statements contained in this report are based on the information currently available to us. Should the assumptions on which the forecasts have been based fail to occur, the targets not be met or risks materialize, then the actual results may deviate from the results currently anticipated. We undertake no obligation to update publicly any such forecasts in light of new information or future events.

We have exercised the utmost diligence in preparing this report and have checked the data contained therein. However, rounding, transmission and printing errors cannot be ruled out. This report is also available in German. In case of doubt, the German version prevails.

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