



Capital Markets Day
AMG Aluminum
June 3, 2014



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Introduction to AMG Aluminum



AMG Processing

- Vanadium
- Titanium alloys and coatings
- Superalloys
- Aluminum master alloys and grain refiners



AMG Engineering

- Capital equipment for high purity materials
- Heat treatment services

AMG Mining

- Silicon metal
- Natural graphite
- Antimony
- Tantalum & Niobium

Energy



Aerospace



Infrastructure



Specialty Metals & Chemicals



AMG provides high value-added specialty metal alloys and engineering systems related to CO₂ reduction and conservation of natural resources to growing markets

Introduction to AMG Aluminum



is a world-leading provider of aluminum master alloys and grain refiners for the aluminum industry

- Headquartered in Wayne, PA, USA
- Five ISO 9001 manufacturing plants
 - Global footprint
- Comprehensive range of products
- ~300 employees

- Management
 - Julien Crisnaire, President of AMG Aluminum
 - John McDermott, President of AMG Aluminum North America
 - Kevin Lawson, Managing Director of AMG Aluminum UK
 - Sérgio Hallak, General Manager of AMG Aluminum Brasil

AMG Aluminum Global Operations



Wenatchee, WA, USA



Rotherham, UK



Henderson, KY, USA



Jiaxing, China



São João del Rei, Brazil



- ★ Headquarters
- ★ Plants (5)

Strategic global footprint to manage global demand and provide superior customer service

A close-up photograph of industrial metal components, likely parts of a machine or engine. The components are made of dark, textured metal and are arranged in a complex, overlapping manner. The lighting is dramatic, highlighting the metallic surfaces and creating deep shadows. The word "Products" is overlaid in white text in the center of the image.

Products

AMG Aluminum Key Products

Grain Refiners

- Added to molten aluminum to provide fine and uniform as-cast grain structure
- Promotes increased aluminum casting speeds and improved mechanical properties
- Main refiners are titanium, boron and carbon based (TiBAI™, TIBOR®, TiCAI™, TICAR®)



Hardener Alloys

- Mixed with aluminum in alloying applications
- Improves mechanical & physical properties of alloys
- Alloying elements
 - Calcium (Ca)
 - Copper (Cu)
 - Chromium (Cr)
 - Manganese (Mn)
 - Magnesium (Mg)
 - Silicon (Si)
 - Vanadium (V)
 - Zirconium (Zr)



Specialty Alloys

- Modification of structure of certain alloy phases during solidification
- Conductivity improvement
- Alloying elements
 - Beryllium (Be)
 - Boron (B)
 - Scandium (Sc)
 - Strontium (Sr)

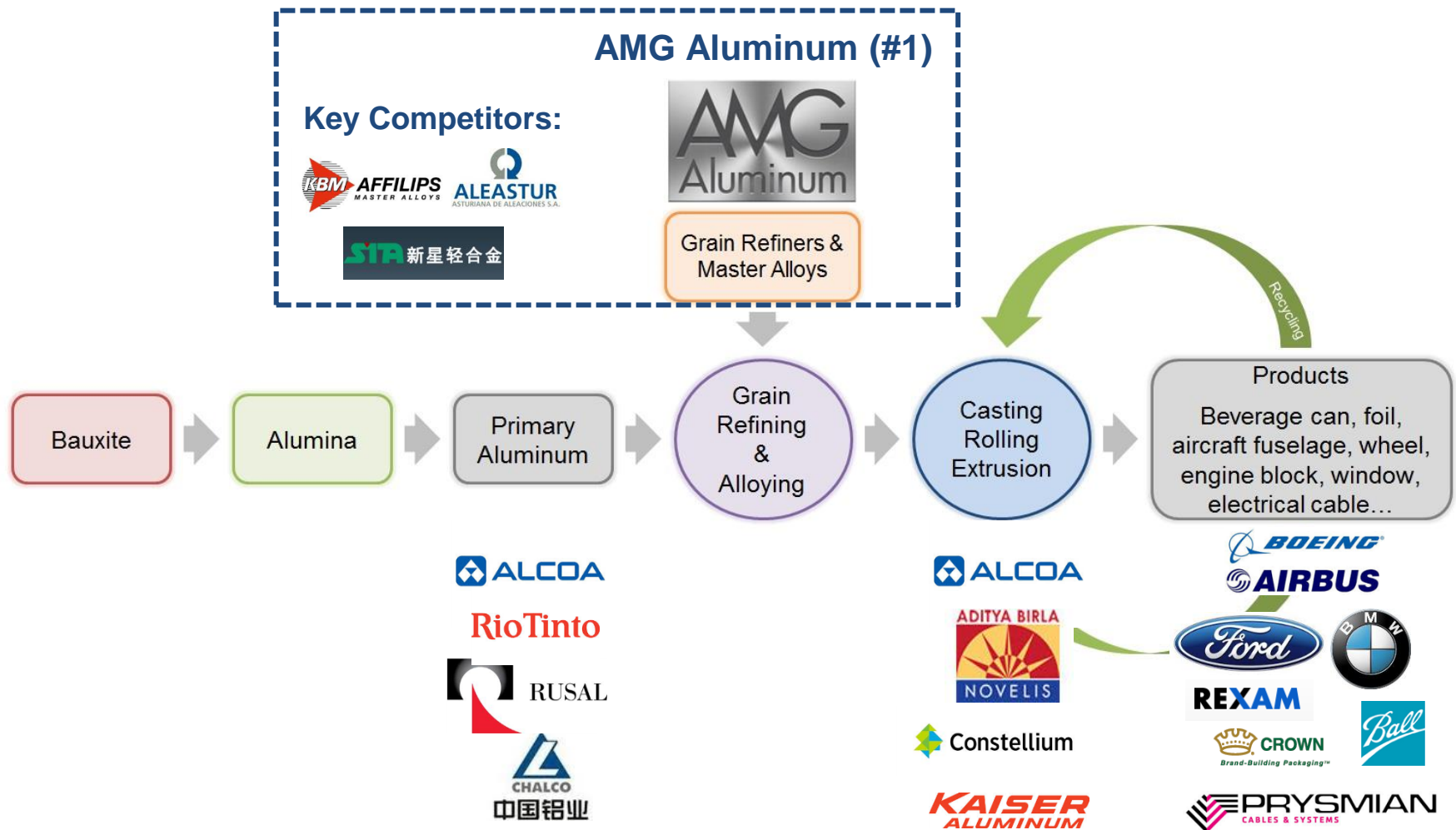


Alloying Tablets

- Mixed with aluminum in alloying applications
- Concentrated alloy form
- Rapid dissolution
- Alloying elements
 - Manganese (Mn)
 - Chromium (Cr)
 - Iron (Fe)
 - Titanium (Ti)
 - Copper (Cu)



AMG Aluminum Value Chain

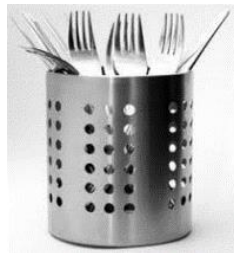
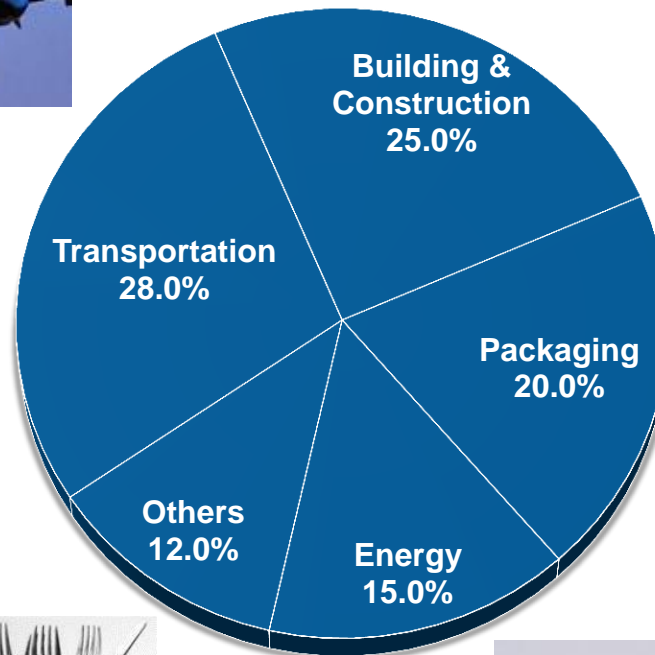


AMG Aluminum provides grain refiners and master alloys used during melting and casting of aluminum and aluminum alloys





A close-up, slightly angled photograph of a computer keyboard. The keys are a light beige or off-white color, showing some signs of wear and dust. The letters 'A', 'M', and 'G' are visible on several keys in a grid pattern. The word 'Markets' is superimposed in the center of the image in a white, sans-serif font.

Markets

AMG Aluminum End Markets



AMG Aluminum End Markets

Key End Market	Global Growth Trend ¹	
Transportation – Aerospace	 8% - 9%	<ul style="list-style-type: none">Increasing demand on lighter aircraft to reduce fuel costs in times of rising energy costs
Transportation – Automotive	 1% - 4%	<ul style="list-style-type: none">Push for lighter vehicles to improve fuel economy (CAFE) and reduce emissionsAluminum is the perfect material to achieve the goals (e.g. Ford F-150)
Beverage Can Packaging	 2% - 3%	<ul style="list-style-type: none">Increasing use of Aluminum in emerging markets for consumer goods packaging as the middle class develops
Building & Construction	 4% - 6%	<ul style="list-style-type: none">Rise in wages among working- and middle-class families in BRIC/emerging countries has increased demand for construction materials

This is consistent with AMG's strategy to obtain a significant market position and potential for long-term growth exceeding global GDP.

End Market Example – Packaging

In 2012, approximately 300 billion beverage cans (using 4-5 million tons) were manufactured globally

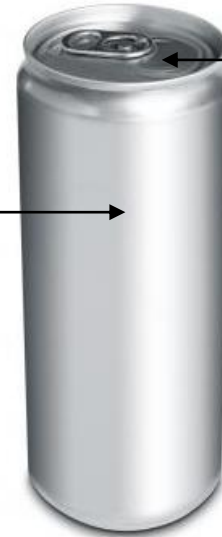
AMG Aluminum provides these "ingredients"

Alloy 3104

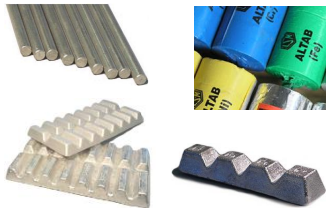
97% Al
1.1% Mg
1.1% Mn
0.8% (Fe, Si, Cu)

Alloy 5182

95.2% Al
4.5% Mg
0.3% Mn



3-4% of the weight of a can is AMG Aluminum products



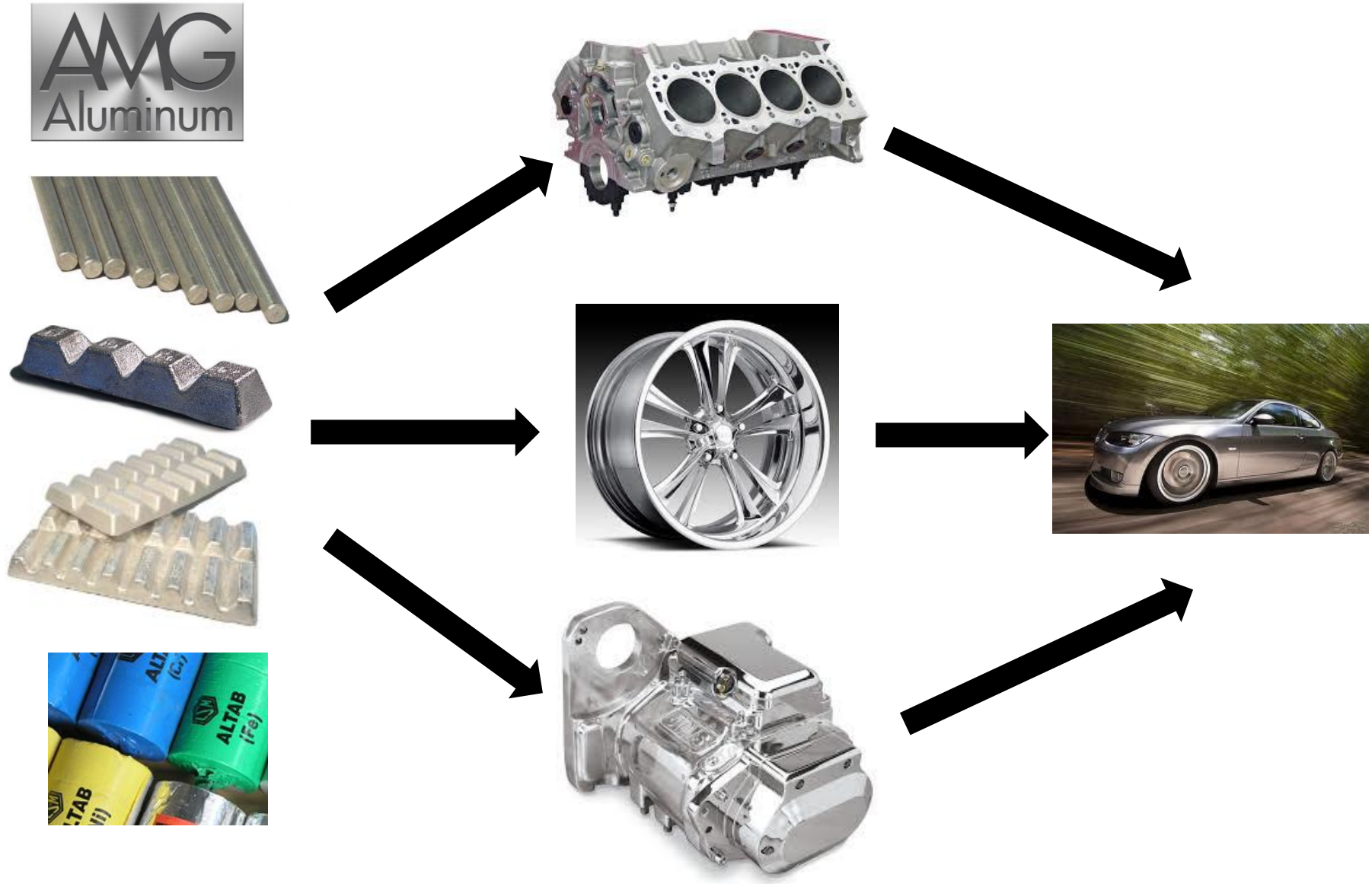
Ti3B1
Ca10
Cu33
Si36
Mn85
Fe80



REXAM



End Market Example – Automotive



End Market Example – Light Weight Vehicle

Base Technology

Steel Vehicle Panels



Aluminum Door Panel



ENABLING TECHNOLOGY

Enhanced Technology

Aluminum Vehicle Panels



GRAIN REFINERS FOR ALUMINUM IN VEHICLE PANELS

Series 5xxx, 6xxx and 7xxx (Military Grade) aluminum alloys utilized in new vehicles reduce weight and increase fuel efficiency

New 2015 Ford F-150 – estimated 520,000 units per year
Improved fuel efficiency estimated at 20% (from 18 to 21 mpg)

Potential 685,000 mt CO₂ Savings per Year

A photograph of two workers in a warehouse. On the left, a woman with short red hair wears a yellow hard hat, safety glasses, and a black zip-up jacket with the 'AMG Aluminum' logo. On the right, a man wears a white hard hat, safety glasses, orange earplugs, and an orange high-visibility jacket. They are both looking down at a document or object they are holding together. The background is filled with stacks of wooden pallets and industrial equipment, creating a warm, orange-toned environment.

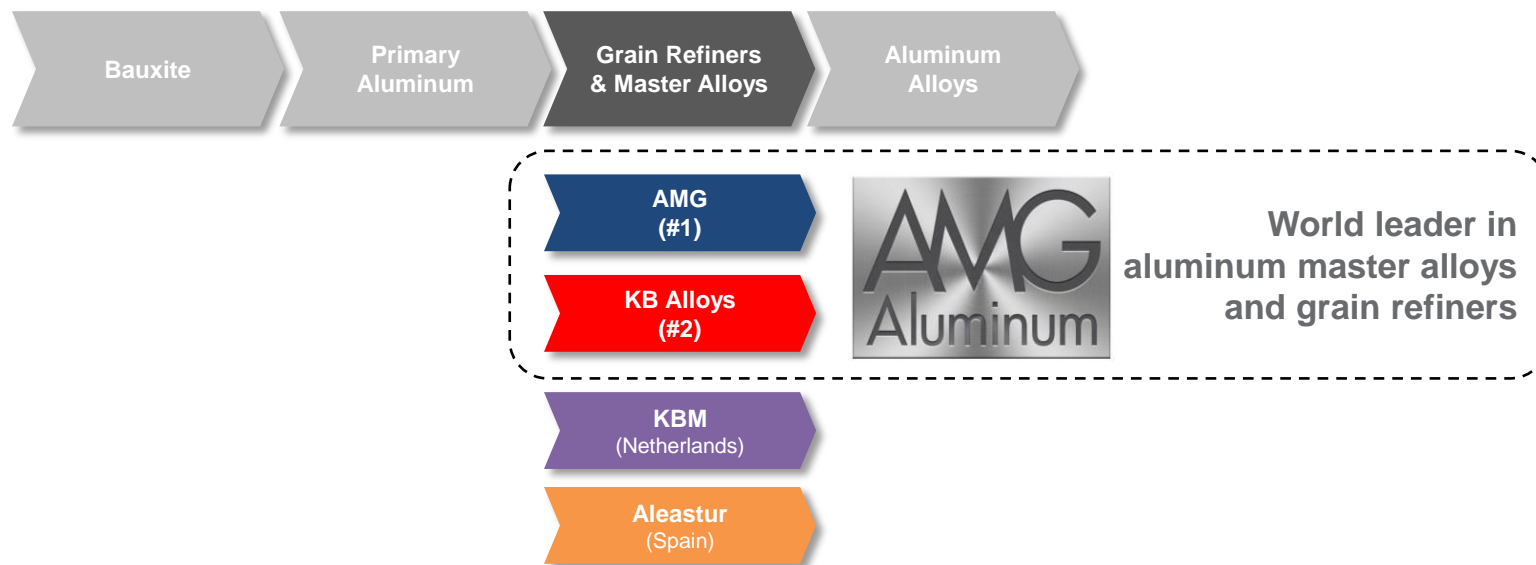
Operations

Operations

- Implemented a new leadership team in 2012 post KB acquisition
- Streamlined operations to reduce cost structure and provide seamless service to its global customers
 - Optimized production at its global facilities
 - Consolidated China operations
 - Sold its 45% equity interest in YKB Alloys
 - Reduced working capital through inventory management
- Rationalized products to focus on higher margin products
- Curtailed its aluminum alloys capacity by 5,000 metric tons, or approximately 10% of global demand
- **All with the goal to improve ROCE and increase operating cash flow**

AMG Aluminum's Industry Consolidation

- AMG acquired KB Alloys in February 2011 for approximately \$23.5 million



- Substantial integration activities and operations improvement post acquisition
- Compared to pre-acquisition
 - SG&A down 12%
 - EBITDA up 130%
 - Working capital down 60%
 - ROCE substantially higher than AMG's cost of capital
- 3 Year payback on investment**
- Added an indicative €1.20 per share to AMG's share price**



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