



LEADING THE CRITICAL MATERIALS REVOLUTION



CEO Update
Annual General Meeting of Shareholders
May 4, 2016

A nighttime cityscape with light trails from traffic and illuminated buildings. A large blue semi-transparent overlay covers the left and bottom-left portions of the image. The text 'TABLE OF CONTENTS' is positioned on the blue overlay.

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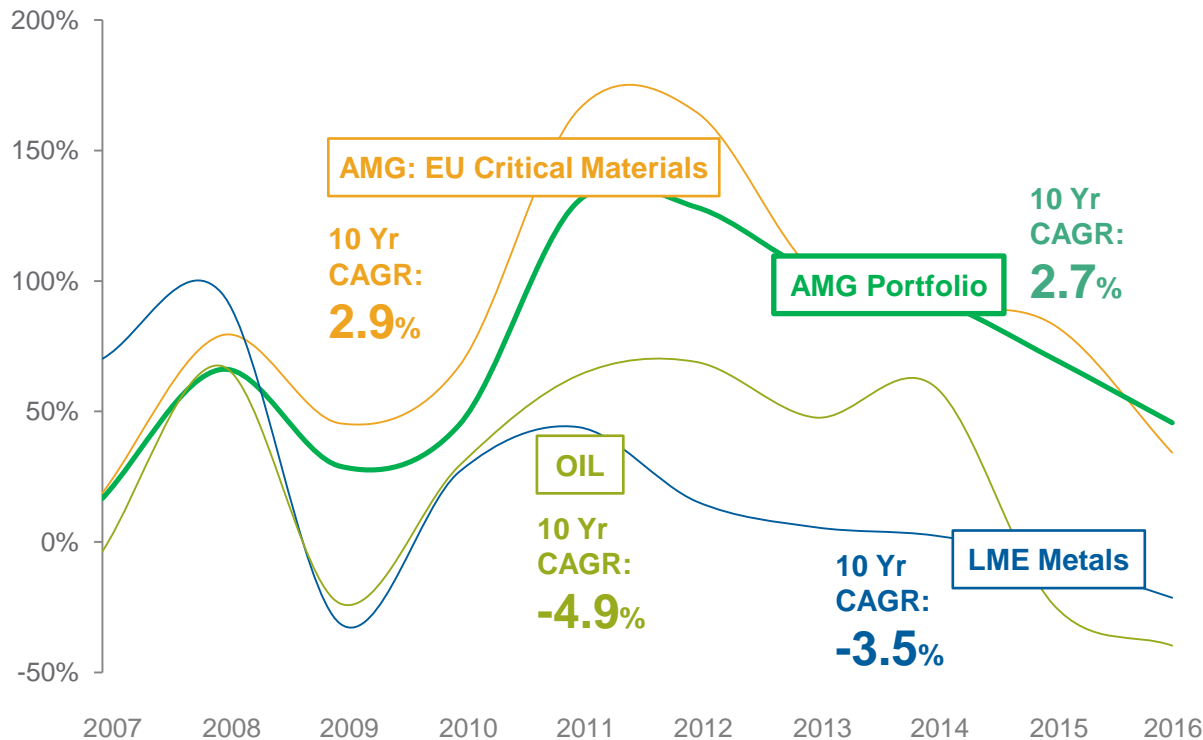
A close-up photograph of industrial metal components, likely drill bits or tooling, with a teal overlay on the left side. The text 'METAL PRICE TRENDS' is overlaid on the teal area. One of the metal parts has 'TECH' and 'MS' visible on it.

METAL PRICE TRENDS



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Critical Materials Price Trends



1. AMG EU Critical Materials 2. AMG Portfolio (includes #1) 3. LME Metals 4. Oil

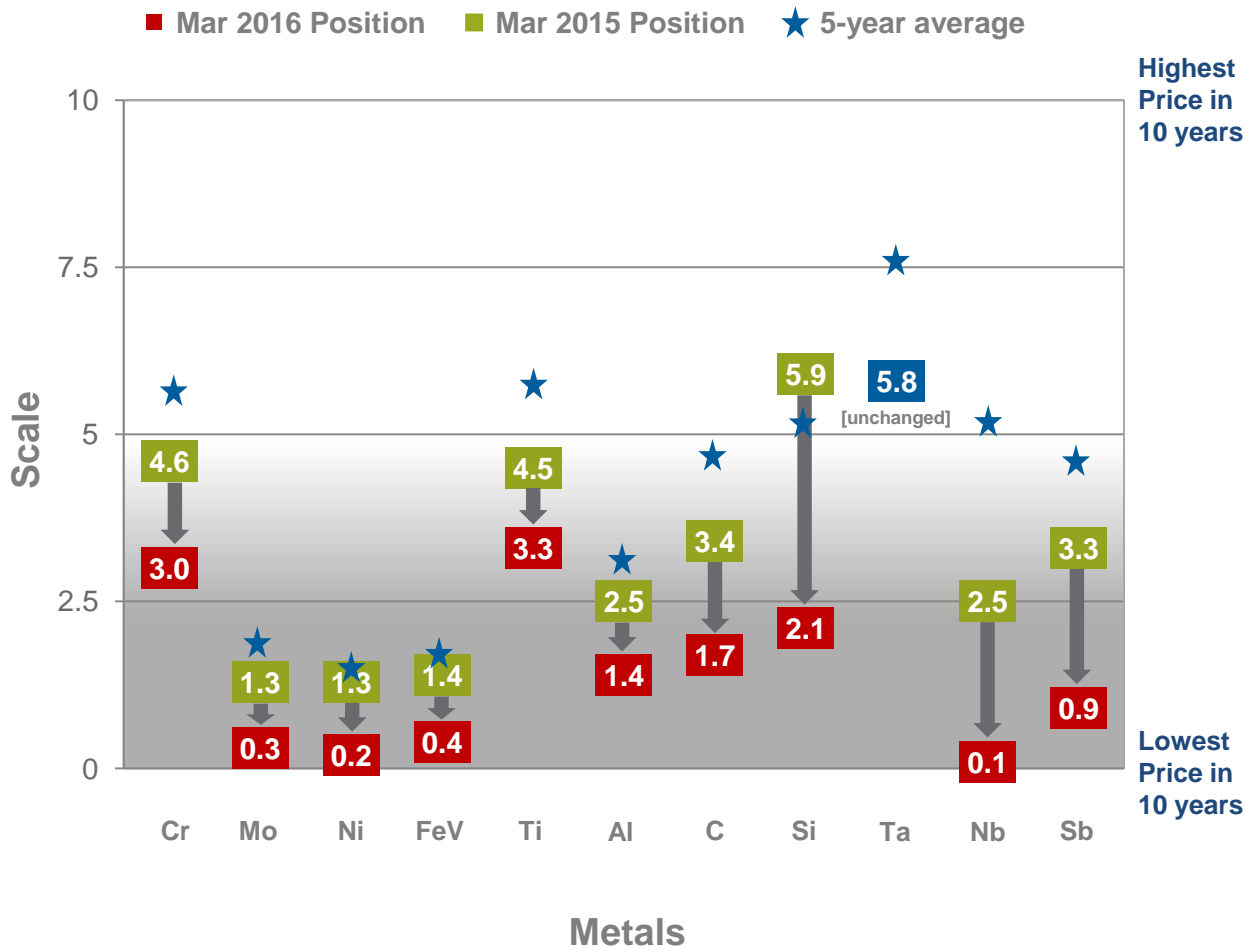
The cumulative average 10 year price appreciation of the AMG EU Critical Materials was 6.4 percentage points higher than LME Metals and 7.8 points higher than oil, while the AMG Portfolio outperformed LME Metals and oil by 6.2 and 7.6 percentage points, respectively

CRITICAL MATERIAL PRICES OUTPERFORM THE LME

Note: Compound annual growth rates are calculated over the period Mar '06 through Mar '16 using the equation $((\text{Ending Value} / \text{Beginning Value})^{(1 / \# \text{ of years})} - 1)$ where ending value is avg monthly price in Mar '15 and beginning value is avg monthly price in Mar '06; and where AMG EU Critical Materials include Sb, Cr, Graphite & Si; AMG Portfolio includes Sb, Cr, FeV, Li, Nb, Si, Sr, Graphite, Ta, Sn & Ti; and LME Metals include Al, Co, Cu, Pb, Mo, Ni, & Zn. Avg annual growth rates (plotted above) are calculated over the same period using the equation $((\text{Ending Value} / \text{Beginning Value}) - 1)$ and considering the same metal categorizations where ending value is avg monthly price in Dec of the given year and beginning value is avg monthly price in Mar '06.



Critical Materials Prices: 10 Year Perspective



- Metal prices are measured on a scale of 0 to 10, with 0 and 10 representing the minimum and maximum average quarterly prices occurring during the past 10 years
- The positions demonstrate the current price level of each metal with respect to their various historical price points over the past 10 years

AMG has significant potential upside within certain critical materials based on historical price ranges

Note: Metal Positions are measured on a scale of 0 to 10, with 0 being the minimum price and 10 being the maximum price. They are calculated using the formula $[(\text{Mar '06 month avg} - \text{min. monthly avg}) / (\text{max. monthly avg} - \text{min. monthly avg}) * 10]$ where maximum and minimum monthly averages are measured over the period 1 Mar '06 through 31 Mar '16.



STRATEGY AND GROWTH



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AMG: Ready for Growth

Cost Reduction

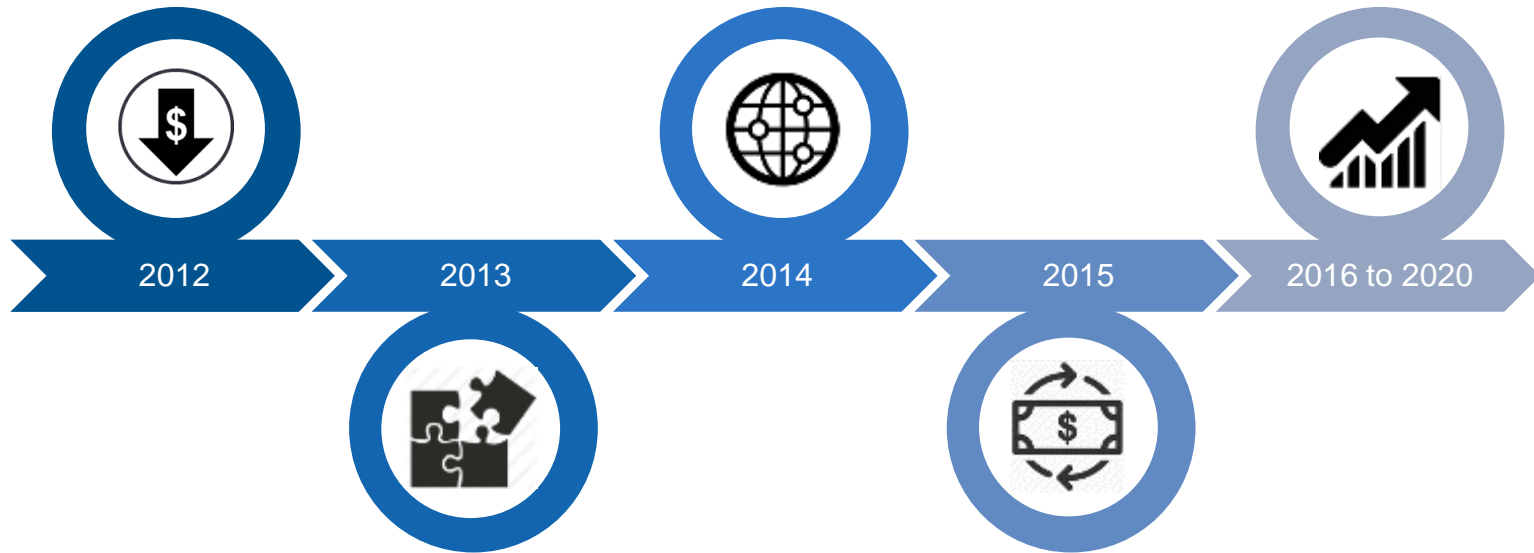
Cost-reduction and capex discipline in response to global economic slowdown

Supply Chain Excellence

Competitive advantage through manufacturing and supply chain excellence, accelerating **cost-reduction** efforts

Scaling Profitable Growth

Properly positioned, financially and operationally, to pursue growth targets across portfolio



Product Mix Optimization

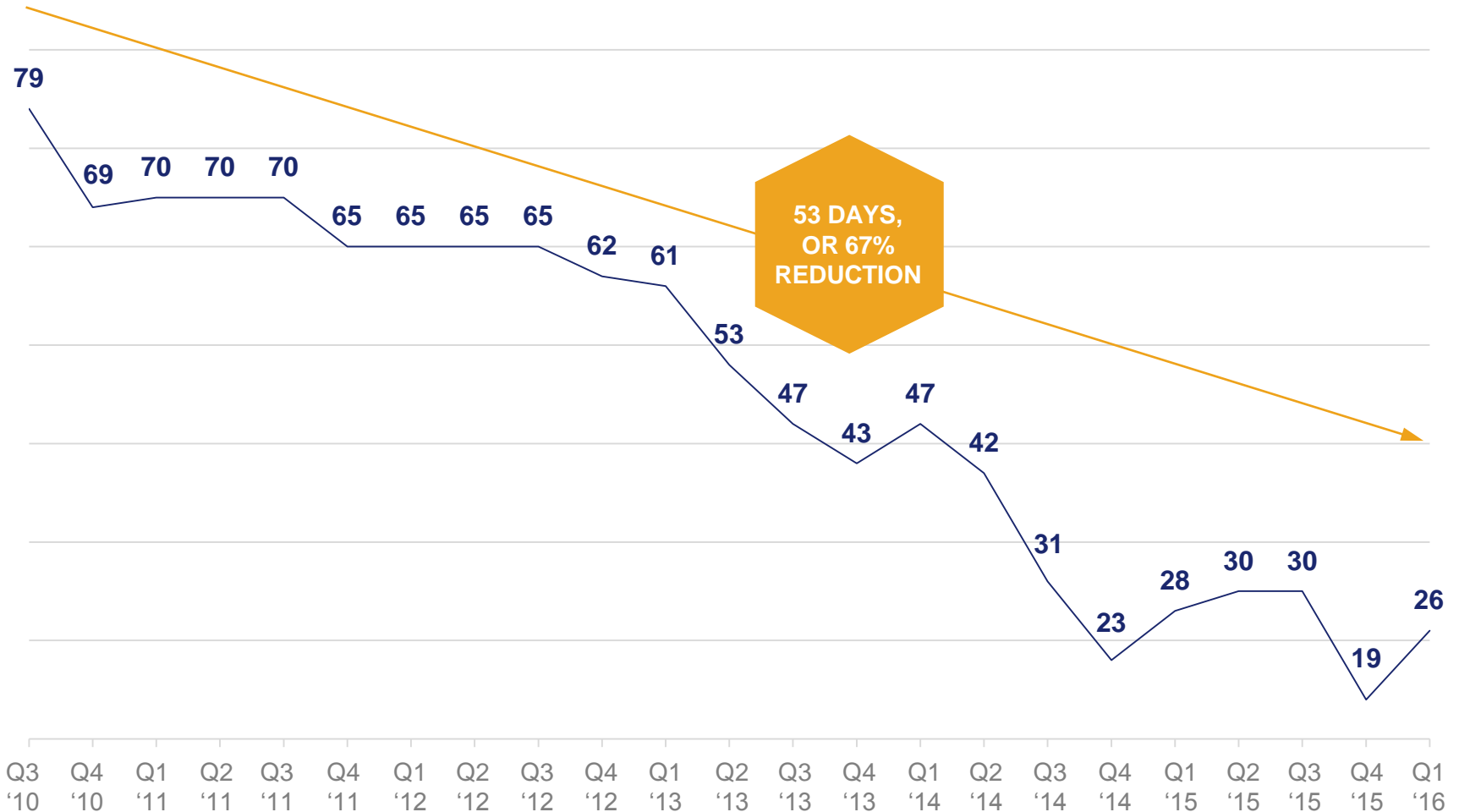
Streamlined operations and improved operating performance by eliminating low-margin product lines

Targeted W/C & Debt Levels

Further reduction in both working capital and net debt, strengthening the balance sheet

Working Capital Reduction

WORKING CAPITAL DAYS REDUCED BY 67% SINCE Q3'10



Strategy

AMG'S STRATEGY IS TO EXPAND ITS CRITICAL MATERIALS BUSINESS THROUGH INDUSTRY CONSOLIDATION, PROCESS INNOVATION AND PRODUCT DEVELOPMENT

PROCESS INNOVATION & PRODUCT DEVELOPMENT

Continue to focus on process innovation and product development to improve the market position of AMG's businesses

INDUSTRY CONSOLIDATION

Pursue opportunities for horizontal and vertical industry consolidation across AMG's critical materials portfolio

EXPANSION OF EXISTING HIGH GROWTH BUSINESSES

Pursue opportunities in high-growth areas within the existing product portfolio

AMG'S OVERRIDING STRATEGIC OBJECTIVE IS TO ACHIEVE INDUSTRY LEADERSHIP WHILE BEING THE LOW COST PRODUCER

Process Innovation – Critical Materials

- AMG's gamma titanium aluminide is a newly developed light-weight aerospace alloy which enables aircraft engines to operate at higher temperatures, reducing carbon emissions and improving fuel consumption.
- AMG increased titanium aluminide production capacity to meet customer demands by commissioning three new vacuum furnaces, designed and built by AMG Engineering.
- The reduced weight of turbine blades dramatically increases efficiency with an estimated fuel savings of 15% over the current technology.

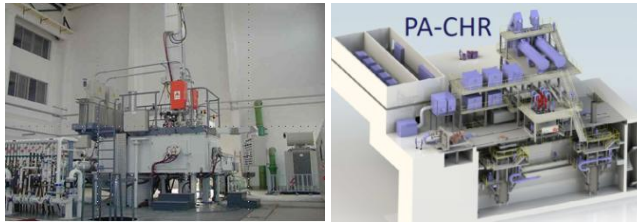


Process Innovation – Engineering

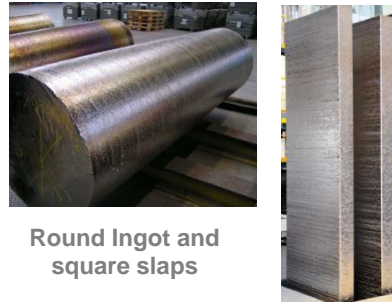
Plasma Melting

Technology

Electron Beam, Plasma Cold Hearth Melting



Products



Round Ingot and square slaps

Description

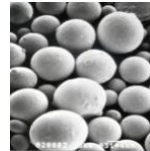
- AMG delivered newly developed plasma hearth melting furnaces for the recycling and improved ecological reuse of titanium scrap to several key customers in the aerospace industry, significantly reducing waste and CO₂ emissions

Powder

VIGA, EIGA



3D printing application



Spherical powder



Plasma spray and applications for MIM parts

- AMG launched a new, high-productivity super alloy powder atomizer with the world's largest melting capacity
- Ti-based alloy powders for 3D printing applications

**AMG is focused on organic growth
and very selective in acquisitions**



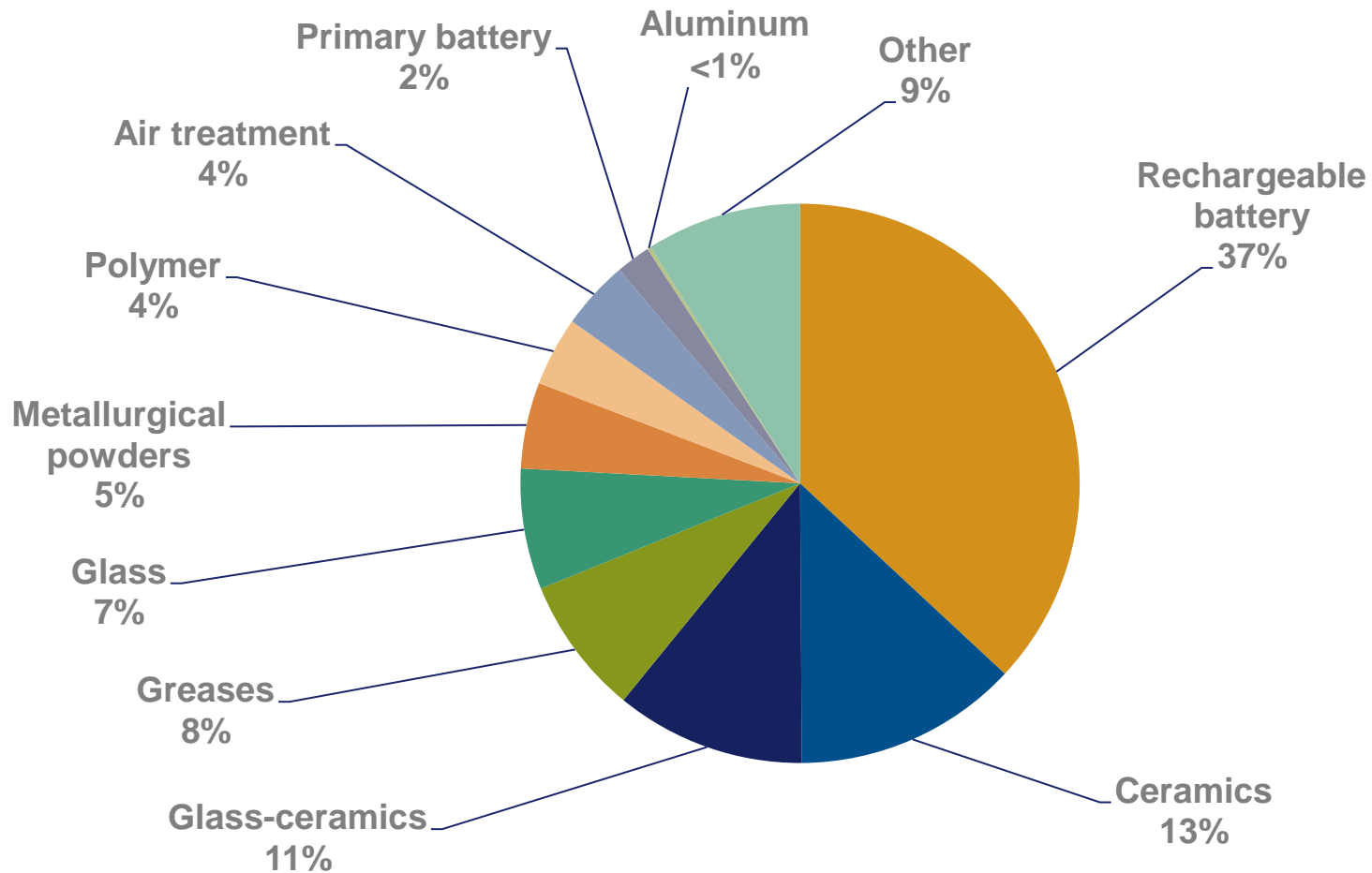
LITHIUM PROJECT



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2015 Lithium End Use (LCE basis)

Forecast battery growth demand is predominantly driven by expansion of automotive and consumer device applications





SAFETY



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Health and Safety Focus

Leading Safety Indicators

- The number of safety improvement items reported increased by 3% compared to the 12 month period ending December 2014. These are essential in order to avoid potential injuries.
- Incident severity rate over the 12 months ending December 2015 is down 11% from the previous 12 month period.
- Days away from work resulting from these lost time incidents are down 22%.

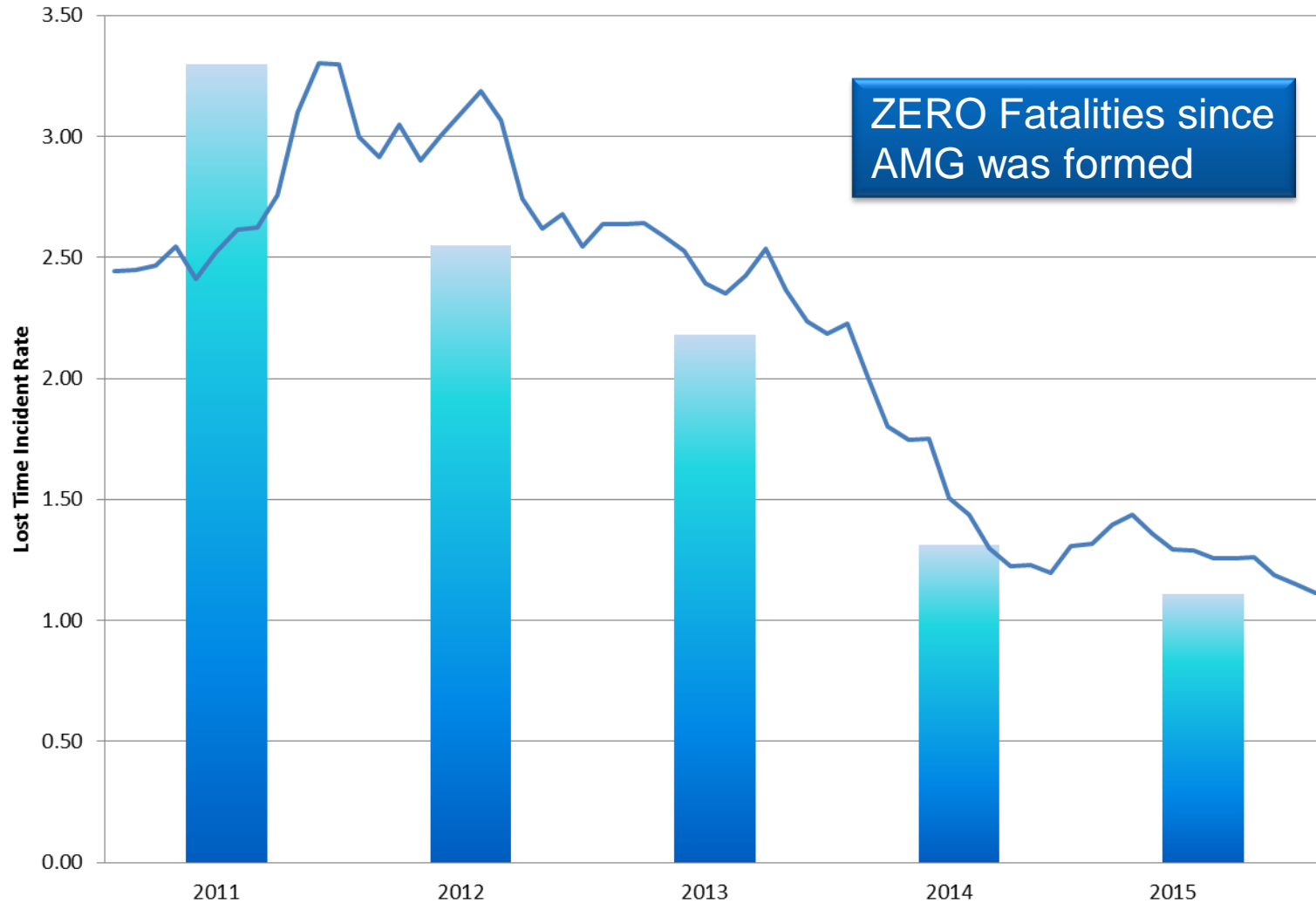


Period Ending December	Lost Time Incidents in the Last 12 Months	12 Month Average Lost Time Incident Rate	12 Month Average Incident Severity Rate
2014	36	1.20	0.19
2015	30 ↓	1.03 ↓	0.17 ↓

Rigorous commitment to safety reflected in continually improving safety records

AMG Safety Results: 5 Year LTI Rate

AMG Lost Time Incident Rate January 2011 to December 2015



AMG Safety Results: 5 Year Severity Rate

AMG Incident Severity Rate January 2011 to December 2015





LEADER IN ADVANCED TECHNOLOGIES
TO ADDRESS CO₂ REDUCTION

CO₂ REDUCTION

A GLOBAL IMPERATIVE FOR THE 21ST CENTURY

AMG: MITIGATING TECHNOLOGIES

Products and Processes saving
raw materials, energy and CO₂
emissions during manufacturing
(i.e., recycling of Ferrovandium)

AMG: ENABLING TECHNOLOGIES

Products and Processes saving
CO₂ emissions during use
(i.e., light-weighting and fuel efficiency in
the aerospace and automotive industries)

AMG HAS DEVELOPED INTO A LEADER
IN ENABLING TECHNOLOGIES

Sb

Mo

Cr

C

V

Ni

Ti

Ta

Al

Si

Nb

AMG