AMG Advanced Metallurgical Group N.V.
Interim Financial Statements
(unaudited)
June 30, 2015

Semi-Annual Financial Report

This report contains the semi-annual financial report of AMG Advanced Metallurgical Group N.V. ("AMG" or "the Company"), a Company which was incorporated in the Netherlands as a public limited liability company on November 21, 2006. The address of the Company's registered office is WTC Amsterdam, Toren C, Strawinskylaan 1343, 1077 XX Amsterdam.

The semi-annual report for the six months ended June 30, 2015 consists of the responsibility statement by the Company's Management Board, the semi-annual management report and the condensed consolidated semi-annual financial statements. The information in this semi-annual financial report is unaudited.

The Management Board of the Company hereby declares that to the best of their knowledge, the semi-annual financial statements, which have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the entities included in the consolidation taken as a whole. The half-year management board report gives a true and fair view of the important events of the past six-month period and their impact on the half-year financial statements, as well as the principal risks and uncertainties for the six-month period to come, and the most important related party transactions.

Heinz C. Schimmelbusch	Amy E. Ard	Eric E. Jackson
Chief Executive Officer	Chief Financial Officer	Chief Operating Officer

Management Report

AMG is organized under two reportable segments: AMG Critical Materials and AMG Engineering. AMG Critical Materials produces specialty metals, alloys and chemicals, high purity natural graphite, tantalum, antimony and silicon metal and has major production facilities in the United Kingdom, United States, Germany, Brazil, France, Czech Republic, China, and Sri Lanka. AMG Engineering provides specialty engineering services through its development and manufacturing of vacuum furnace systems and has production facilities that are located in Germany, France, China, Mexico and the United States. In prior years the Company was organized under the following separate reportable segments: AMG Processing, AMG Engineering and AMG Mining. AMG Critical Materials now contains the Company's conversion activities that were in prior years considered in AMG Processing and all of our mine-based rare metal and material value chains which were considered in AMG Mining. AMG Engineering division is consistent with the prior presentation. The change to the reporting segments was made to align the reporting segments with the updated management structure of AMG. The Company's strategy is to be a critical materials company and the updated management structure facilitates the advancement of this strategy.

Management's objectives consistently revolve around delivering positive operational results using an efficient asset base as well as effectively generating cash in order to be able to support research and development and vertical integration strategies. These objectives are measured by the Company primarily using return on capital employed ("ROCE") and operating cash flow. ROCE is calculated by dividing operating profit by operating capital employed. EBITDA, adjusted for non-recurring items, is a measure used by management as a proxy for operating profit. Operating capital employed is defined as total assets excluding interest-bearing assets less current liabilities excluding interest-bearing liabilities. This measure takes the profitability of the Company and measures it against the asset base. Short-term incentive plans have ROCE targets and long-term incentive plans require a minimum ROCE for vesting purposes.

EBITDA for the six months ended June 30, 2015 was $45.5 million, a 12.5% increase from the same period in 2014. AMG Critical Materials continues to acquire market share in certain business units despite difficult trading conditions and double-digit market price declines in five of AMG's nine critical materials. AMG Engineering is making progress towards our stated objective to reduce cost and return the Engineering business to historic levels of profitability in 2016. Annualized return on capital employed increased to 15.7% as of June 30, 2015 from 9.9% in the same period in 2014. AMG has increased ROCE through operational improvements and disciplined capital management. AMG Critical Material's focus on operational performance enabled it to increase ROCE over 2014 and maintain strong operating cash flows despite declining prices and the further depreciation of the Euro. AMG Engineering delivered higher ROCE and increased revenues over the prior year driven by improved market conditions and cost reduction initiatives.

AMG Critical Materials continues to be negatively affected by the macro economic factors associated with the slowdown in Europe and the aerospace supply chain compression resulting in a decline in profitability. Specifically declining prices of antimony and ferrovanadium products significantly impacted the profitability of AMG Critical Materials in the first half of 2015. Conversely, the silicon market has improved in 2015 and this combined with all four furnaces in operation has allowed for significantly higher volumes. AMG continues to streamline processes and is committed to focus on higher margin products which will result in decreasing revenues but a higher gross margin and ROCE, which is in line with the current strategy.

The gross margins at AMG Engineering increased substantially year over year due to cost reduction initiatives, improved project cost management, higher revenues, and product mix effects. Strong order intake in the fourth quarter of 2014, specifically as it relates to turbine blade coating furnaces, heat treatment furnaces and induction furnaces, has driven the revenue growth. The improved order intake has continued into the first half of 2015. Second quarter order intake was the highest in several years. The Euro depreciation had a negative impact on revenues but a less significant impact on profitability. In the long term, the weak Euro improves the competitiveness of our engineering business versus our non-European based competitors. The order backlog of $138 million as of June 30, 2015 was at significantly higher levels than when entering the year.

AMG's sales were $514 million for the six months ended June 30, 2015 as compared to $554 million for the six months ended June 30, 2014. The decline in revenues is mainly due to the depreciation of the Euro and declining metal prices, specifically antimony and ferrovanadium, which adversely impacted AMG Critical Materials. AMG recorded an operating profit of $24 million for the six months ended June 30, 2015, compared to operating profit of $22 million in the prior period. The increased operating profit was due to the increase in the profitability of AMG Engineering and a reduction in the remediation liability associated with our Brazilian mine within the AMG Critical Materials segment.

AMG's cash flows from operations were $15 million during the six months ended June 30, 2015 as compared to $25 million in the six months ended June 30, 2014. Cash flow declined in 2015 relative to 2014 due to substantial reductions in working capital during the prior year that were not repeatable. The Company did continue to generate substantial operating cash flow despite the weak specialty metals markets by focusing on operational performance. Additionally, AMG reduced capital expenditures compared to the first half of 2014 and continues to focus on improving ROCE by only investing in the highest returning strategic projects and required maintenance projects. Cash flow used for investing was $5 million lower in the six months ended June 30, 2015 when compared to the same period in 2014 due to capital expenditure restraint.

AMG's credit facility was refinanced in May 2015. As of June 30, 2015, liquidity was $263 million, comprised of $137 million in cash and $126 million in revolver capacity on the Company's credit facility. AMG monitors its cash and liquidity positions regularly in order to ensure that liquidity exists to maintain operations and the current capital expenditures program. The Company is currently in compliance with all of its bank covenants.

Management continued to maintain historically low levels of working capital and continues to work to improve its position with respect to inventory levels. Given the current economic markets, AMG management is limiting its investments to projects that are contractually required, projects that will have an immediate impact on profitability, safety and environmental projects and normal maintenance capital. Prior to making any investing decisions, the effects on liquidity are analyzed both in terms of cash availability as well as debt covenant compliance. ROCE is also a decisive factor in allocating the capital budget. During the six months ended June 30, 2015, capital expenditures were $7 million. The returns from expansion capital expenditures are primarily expected to be realized in 2015, 2016 and 2017 results.

Risks and Uncertainties

In our Annual Report 2014, we have described certain risk categories and risk factors which could have a material adverse effect on our financial position and results. These risks include metal price volatility, financing, mining, customer, supply, legal and regulatory, currency, and entrepreneurial. The Company believes that the risks identified for the second half of 2015 are in line with the risks that AMG presented in its Annual Report 2014. Furthermore, for the remainder of 2015, we see in particular the following principal risks and uncertainties.

AMG's business units, particularly within its Critical Materials segment, face the risk of metal price volatility from its supplier and customer relationships. In the first half of 2015 AMG experienced a significant decline in certain prices and a further decline could have a material effect on profitability. While the Company attempts to mitigate this risk with contractual agreements and working capital strategies, price volatility remains a significant risk for AMG.

There remains global economic uncertainty which may have a negative effect on the operations, profitability, and cash flow of AMG as a whole. Despite the positive business developments in the first half of 2015, there remains global economic uncertainty which may have a continuing effect on operations. The uncertainty could manifest itself in the form of lower order intake in our Engineering segment or lower demand in the Critical Materials segment. Any of these outcomes could produce an adverse effect on the Company's profitability.

Additional risks currently not known to us, or currently believed not to be material, could ultimately have a material impact on our business, objectives, revenues, income, assets, liquidity or capital resources.

Operational Outlook

In this challenging environment, AMG will continue to reduce cost, optimize its product portfolio and maintain a conservative balance sheet. AMG Critical Materials expects to continue to acquire market share in certain Critical Materials business units although currency translation effects and metal prices will continue to affect revenues in the division. AMG Engineering expects to return to historic levels of profitability in 2016. The strong order intake in the second quarter of 2015 and successful launch of new product lines has positioned the division well at the midpoint of the current fiscal year.

AMG Advanced Metallurgical Group N.V.
Condensed interim consolidated income statement
For the six months ended June 30
In thousands of US Dollars

		2015 Unaudited	2014 Unaudited
Revenue		514,434	553,793
Cost of sales		426,519	462,478
Gross profit		**87,915**	**91,315**
Selling, general and administrative expenses		63,006	69,134
Restructuring expense	17	3,659	1,792
Environmental	17	(2,286)	-
Other income, net		(139)	(1,546)
Operating profit		**23,675**	**21,935**
Finance income		(472)	(341)
Finance expense		8,996	10,427
Foreign exchange (gain) loss		(1,117)	14
Net finance costs		**7,407**	**10,100**
Share of profit of associates and joint ventures		197	783
Profit before income tax		**16,465**	**12,618**
Income tax expense	6	9,556	1,811
Profit for the period		**6,909**	**10,807**
Attributable to:			
Shareholders of the Company		6,484	11,364
Non-controlling interests		425	(557)
Profit for the period		**6,909**	**10,807**
Earnings per share			
Basic earnings per share		0.23	0.41
Diluted earnings per share		0.23	0.41

The notes are an integral part of these interim consolidated financial statements.

AMG Advanced Metallurgical Group N.V.

Condensed interim consolidated statement of comprehensive income

For the six months ended June 30

In thousands of US Dollars

		2015 Unaudited	2014 Unaudited
Profit for the period		**6,909**	**10,807**
Other comprehensive income (loss)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(3,108)	(457)
Gain on cash flow hedges	7	4,401	5,440
Income tax on cash flow hedges	7	(1,038)	(1,457)
Net gain on cash flow hedges	**7**	**3,363**	**3,983**
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**255**	**3,526**
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations-non-controlling interest		(335)	15
Actuarial gains (losses) on defined benefit plans	15	8,029	(10,812)
Income tax on actuarial gains (losses) on defined benefit plans	15	(594)	2,801
Net gain (loss) on actuarial gains (losses) on defined benefit plans	**15**	**7,435**	**(8,011)**
Net other comprehensive income (loss) not being reclassified to profit or loss in subsequent periods		**7,100**	**(7,996)**
Other comprehensive income (loss) for the period		**7,355**	**(4,470)**
Total comprehensive income for the period		**14,264**	**6,337**
Attributable to:			
Shareholders of the Company		13,999	6,879
Non-controlling interests		265	(542)
Total comprehensive income for the period		**14,264**	**6,337**

The notes are an integral part of these interim consolidated financial statements.

AMG Advanced Metallurgical Group N.V.
Condensed interim consolidated statement of financial position
In thousands of US Dollars

	Note	June 30, 2015 Unaudited	December 31, 2014
Assets			
Property, plant and equipment	8	217,618	237,418
Goodwill		18,996	20,618
Intangible assets	9	9,914	11,116
Investments in associates and joint ventures		1,795	1,450
Derivative financial instruments	19	14	-
Deferred tax assets	6	33,923	37,903
Restricted cash		6,946	7,582
Other assets		21,180	21,987
Total non-current assets		**310,386**	**338,074**
Inventories	10	143,214	145,418
Trade and other receivables		141,703	135,293
Derivative financial instruments	19	2,156	1,997
Other assets		37,261	47,055
Assets held for sale	5	476	2,553
Cash and cash equivalents	11	137,123	108,029
Total current assets		**461,933**	**440,345**
Total assets		**772,319**	**778,419**
Equity			
Issued capital		745	745
Share premium		382,978	382,978
Other reserves		(47,421)	(59,728)
Retained earnings (deficit)		(204,338)	(225,843)
Equity attributable to shareholders of the Company	**12**	**131,964**	**98,152**
Non-controlling interests	13	25,051	2,825
Total equity		**157,015**	**100,977**
Liabilities			
Loans and borrowings	14	152,400	167,990
Employee benefits	15	141,010	159,672
Provisions	17	29,433	37,056
Deferred revenue	18	6,689	8,950
Government grants		556	666
Other liabilities		7,733	8,885
Derivative financial instruments	19	577	5,056
Deferred tax liabilities	6	10,125	8,261
Total non-current liabilities		**348,523**	**396,536**
Loans and borrowings	14	3,272	6,562
Short term bank debt	14	23,354	21,326
Government grants		101	88
Liabilities associated with assets held for sale	5	1,834	248
Other liabilities		47,943	53,257
Trade and other payables		126,432	134,373
Derivative financial instruments	19	8,835	9,104
Advance payments		30,450	31,689
Deferred revenue	18	7,341	8,414
Current taxes payable		3,417	671
Provisions	17	13,802	15,174
Total current liabilities		**266,781**	**280,906**
Total liabilities		**615,304**	**677,442**
Total equity and liabilities		**772,319**	**778,419**

The notes are an integral part of these interim consolidated financial statements.

AMG Advanced Metallurgical Group N.V.
Condensed interim consolidated statement of changes in equity
In thousands of US Dollars

Equity attributable to shareholders of the parent
(Unaudited)

	Issued capital	Share premium	Other reserves (note 12)	Retained earnings (deficit)	Total	Non-controlling interests	Total equity
Balance at January 1, 2015	**745**	**382,978**	**(59,728)**	**(225,843)**	**98,152**	**2,825**	**100,977**
Foreign currency translation	-	-	(3,108)	-	(3,108)	(335)	(3,443)
Net gain on cash flow hedges	-	-	3,331	-	3,331	32	3,363
Actuarial gains, net of tax	-	-	7,292	-	7,292	143	7,435
Net (loss) profit recognized through other comprehensive income	-	-	7,515	-	7,515	(160)	7,355
Profit for the period	-	-	-	6,484	6,484	425	6,909
Total comprehensive income for the period	-	-	7,515	6,484	13,999	265	14,264
Transfer to retained deficit	-	-	175	(175)	-	-	-
Equity-settled share-based payments	-	-	4,237	-	4,237	32	4,269
Sale of non-controlling interest in AMG Graphite Kropfmühl GmbH	-	-	380	15,196	15,576	21,954	37,530
Dividends paid to non-controlling interest	-	-	-	-	-	(25)	(25)
Balance at June 30, 2015	**745**	**382,978**	**(47,421)**	**(204,338)**	**131,964**	**25,051**	**157,015**
Balance at January 1, 2014	**744**	**382,518**	**(4,605)**	**(246,304)**	**132,353**	**2,237**	**134,590**
Foreign currency translation	-	-	(457)	-	(457)	15	(442)
Gain on cash flow hedges, net of tax	-	-	3,983	-	3,983	-	3,983
Actuarial losses, net of tax	-	-	(8,011)	-	(8,011)	-	(8,011)
Net (loss) profit recognized through other comprehensive income	-	-	(4,485)	-	(4,485)	15	(4,470)
Profit (loss) for the period	-	-	-	11,364	11,364	(557)	10,807
Total comprehensive (loss) income for the period	-	-	(4,485)	11,364	6,879	(542)	6,337
Transfer to retained deficit	-	-	(666)	666	-	-	-
Equity-settled share-based payments	-	-	306	-	306	-	306
Change in non-controlling interests	-	-	-	-	-	(319)	(319)
Other	-	-	-	(7)	(7)	-	(7)
Balance at June 30, 2014	**744**	**382,518**	**(9,450)**	**(234,281)**	**139,531**	**1,376**	**140,907**

The notes are an integral part of these interim consolidated financial statements.

AMG Advanced Metallurgical Group N.V.
Condensed interim consolidated statement of cash flows

For the period ended June 30
In thousands of US Dollars

	Note	2015 Unaudited	2014 Unaudited
Cash flows from operating activities			
Profit for the period		6,909	10,807
Adjustments to reconcile net profit to net cash flows:			
Non-cash:			
Income tax expense	6	9,556	1,811
Depreciation and amortization		14,292	16,320
Net finance costs		7,407	10,100
Share of profit of associates and joint ventures		(197)	(783)
(Gain) loss on sale or disposal of property, plant and equipment	8	(156)	134
Equity-settled share-based payment transactions	16	2,788	429
Movement in provisions, pensions and government grants	17	(896)	(5,240)
Working capital and deferred revenue	18	(15,524)	2,956
Cash flows from operating activities		**24,179**	**36,534**
Finance costs paid, net		(6,946)	(7,921)
Income tax paid, net		(2,172)	(3,825)
Net cash flows from operating activities		**15,061**	**24,788**
Cash flows used in investing activities			
Proceeds from sale of property, plant and equipment	8	931	220
Proceeds from sale of subsidiaries (net of cash divested of $1,347)		(550)	-
Acquisition of property, plant and equipment and intangibles	8,9	(7,040)	(10,478)
Change in restricted cash		437	(1,220)
Other		26	(5)
Net cash flows used in investing activities		**(6,196)**	**(11,483)**
Cash flows from (used in) financing activities			
Proceeds from issuance of debt		177,272	-
Payment of transaction costs related to debt issuance		(4,371)	-
Repayment of borrowings	14	(184,871)	(857)
Proceeds from increase in non-controlling interests	4	37,530	28
Other		(132)	-
Net cash flows from (used in) financing activities		**25,428**	**(829)**
Net increase in cash and cash equivalents		**34,293**	**12,476**
Cash and cash equivalents at January 1		108,029	103,067
Effect of exchange rate fluctuations on cash held		(5,199)	(603)
Cash and cash equivalents at June 30		**137,123**	**114,940**

The notes are an integral part of these interim consolidated financial statements.

1. Reporting Entity

AMG Advanced Metallurgical Group N.V. (hereafter referred to as "AMG" or "the Company") is domiciled in the Netherlands. The address of the Company's registered office is WTC Amsterdam, Toren C, Strawinskylaan 1343, 1077 XX Amsterdam. The condensed interim consolidated financial statements of the Company as at and for the period ended June 30, 2015 comprise the Company, its subsidiaries, and its interest in associates and joint ventures.

AMG was incorporated in the Netherlands as a public limited liability company on November 21, 2006. In July 2007, the Company completed an initial public offering ("IPO") of 9,333,409 shares, which are listed on Euronext, Amsterdam, the Netherlands. The principal activities of the Company and its subsidiaries are described in the Management Report.

2. Basis of preparation and accounting policies

Basis of preparation

The condensed interim consolidated financial statements for the six months ended June 30, 2015 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

The interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as of December 31, 2014.

New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2014, except for the adoption of new standards and interpretations effective as of January 1, 2015. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the impact of each new standard or amendment is described below:

IFRIC 21 — Levies: IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required. This interpretation did not have any impact on the Company's financial position and performance as it has applied the recognition principles under IAS 37 Provisions, Contingent Liabilities and Contingent Assets consistent with the requirements of IFRIC 21 in prior years. The interpretation became effective for financial years beginning on or after June 17, 2014.

Annual Improvements 2011-2013 Cycle: The IASB issued the 2011-2013 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording.

- IFRS 3 *Business Combinations*: This improvement is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:
  - Joint arrangements, and not just joint ventures, are outside the scope of IFRS 3
  - This scope exemption applies only to the accounting in the financial statements of the joint arrangement itself.
- IFRS 13 *Fair Value Measurement*: This improvement is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39 Financial Instruments: Recognition and Measurement (or IFRS 9 Financial Instruments, as applicable).
- IAS 40 *Investment Property*: The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e. property, plant and equipment). This improvement is applied prospectively and clarifies that IFRS 3 Business Combinations, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination.

These improvements did not have a material impact on the Company's financial position and performance.

3. Segment information

For management purposes, effective January 1, 2015, the Company is organized under two separate reportable segments: AMG Critical Materials and AMG Engineering. AMG Critical Materials produces specialty metals, alloys and chemicals, high purity natural graphite, tantalum, antimony and silicon metal and has major production facilities in the United Kingdom, United States, Germany, Brazil, France, Czech Republic, China, and Sri Lanka. AMG Engineering provides specialty engineering services through its development and manufacturing of vacuum furnace systems and has production facilities that are located in Germany, France, China, Mexico and the United States.

In prior years the Company was organized under the following separate reportable segments: AMG Processing, AMG Engineering and AMG Mining. AMG Critical Materials now contains the Company's conversion activities that were in prior years considered in AMG Processing and all of our mine-based rare metal and material value chains which were considered in AMG Mining. AMG Engineering is consistent with the prior presentation.

The management reporting format is determined by reportable segments as the operating results for each segment are organized and managed separately according to the nature of the products and services provided. Each segment represents a strategic business unit that offers different products and serves different markets. AMG assessed the criteria provided in IFRS 8 and determined the operating segments aggregated within the reporting segments have similar products, production processes, customers, methods to distribute and regulatory environments.

AMG Critical Materials develops and produces specialty metals, alloys and high performance materials. AMG is a significant producer of specialty metals, such as ferrovanadium, ferronickel-molybdenum, aluminum master alloys and additives, chromium metal, ferrotitanium, high purity natural graphite, tantalum, antimony and silicon metal, utilizing its secure raw material sources in Africa, Asia, Europe and South America for energy, aerospace, infrastructure and specialty metal and chemical applications. Other key products include specialty alloys for titanium and superalloys, coating materials and vanadium chemicals. These materials are of significant importance to the global economy and are available in limited supply.

AMG Engineering designs, engineers and produces advanced vacuum furnace systems and operates vacuum heat treatment facilities, primarily for the Aerospace and Energy (including solar and nuclear) industries. Furnace systems produced by AMG include vacuum remelting, vacuum induction melting, vacuum heat treatment and high pressure gas quenching, glass forming, turbine blade coating and sintering. AMG also provides vacuum case-hardening heat treatment services on a tolling basis.

The following tables present revenue and profit information for the Company's operating segments for the six months ended June 30, 2015 and 2014, respectively. AMG headquarters costs and assets are allocated seventy percent to AMG Critical Materials and thirty percent to AMG Engineering in 2015 and 2014 based on an estimation of services provided to the operating segments.

Segment information:

Six month period ended June 30, 2015	AMG Critical Materials	AMG Engineering	Eliminations[1]	Total
Revenue				
Revenue from external customers	403,476	110,958	-	514,434
Intersegment revenue	5	1,340	(1,345)	-
Total revenue	403,481	112,299	(1,345)	514,434
Segment results				
Restructuring	1,927	1,732	-	3,659
Environmental	(2,286)	-	-	(2,286)
Operating profit	22,928	747	-	23,675

Six month period ended June 30, 2014	AMG Critical Materials	AMG Engineering	Eliminations[1]	Total
Revenue				
Revenue from external customers	455,352	98,441	-	553,793
Intersegment revenue	11	117	(128)	-
Total revenue	455,363	98,558	(128)	553,793
Segment results				

Restructuring	1,906	(114)	-	1,792
Operating profit (loss)	26,608	(4,673)	-	21,935

	AMG Critical Materials	AMG Engineering	Eliminations[1]	Total
Segment assets				
At June 30, 2015	605,427	211,782	(44,890)	772,319
At December 31, 2014	595,502	233,581	(50,664)	778,419
Segment liabilities				
At June 30, 2015	412,697	245,131	(42,524)	615,304
At December 31, 2014	452,528	275,360	(50,446)	677,442

[1] Intersegment revenues are eliminated on consolidation. Intersegment assets are also eliminated on consolidation.

Segment assets do not include inter-group financing as these loans are part of the Company's overall financing strategy.

4. Acquisitions and disposals

Sale of 40% Equity Stake in AMG Graphit Kropfmühl GmbH

During the six months ended June 30, 2015, the Company completed the sale of a 40% equity interest in AMG Graphit Kropfmühl GmbH ("AMG Graphite") by way of a capital increase. The sale price for the minority interest stake was $38,000 and there were related transaction costs of $470. There was no gain or loss recorded in the income statement as a result of this transaction as the Company records these transactions through equity. The financial results of AMG Graphite continue to be consolidated in the financial results of the Company.

5. Assets held for sale

During the six months ended June 30, 2015, the Company made the decision to sell their 100% ownership in Suda Maden and all associated assets and liabilities. Suda Maden has ownership of an antimony mine in Turkey. The total assets and liabilities of this entity were classified as held for sale as of June 30, 2015. The total asset value held for sale as of June 30, 2015 was $476 and the liabilities were $1,834. There were costs of $881 recorded during the period for restructuring Suda Maden in order to prepare it for sale and are recorded in restructuring expense in the condensed consolidated income statement.

During the year ended December 31, 2014, the Company had made the decision to sell their 100% ownership in MG Trade Services (India) Pvt. Ltd (MG India). MG India is a metals trading company operating in New Delhi, India. The total assets and total liabilities that were classified as held for sale as of December 31, 2014 were $1,924 and $248, respectively. The assets consisted primarily of accounts receivable and goodwill and the liabilities consisted of accounts payable balances. These assets and liabilities have been sold during the period ended June 30, 2015 and a loss of $527 is included in restructuring expense in the condensed consolidated income statement.

6. Income Tax

The major components of income tax expense in the condensed interim consolidated income statement are:

	June 30, 2015	June 30, 2014
Current income tax		
Current income tax charge	5,612	6,736
Deferred income tax		
Relating to origination and reversal of temporary differences	2,299	(1,754)
Changes in previously recognized tax losses, tax credits and recognized temporary differences for changes in enacted tax rates and currency effects	1,645	(3,171)
Total income tax expense	9,556	1,811

The June 30, 2015 effective tax rate was impacted by a tax expense of $1,645 which related to the revaluation of Brazilian deferred taxes as a result of a significant fluctuation in the exchange rates. The rate was also impacted by pre-tax losses of

$16,560 for which tax benefits could not be recorded due to the ongoing loss positions in the respective jurisdictions where the losses have occurred. There was also an effective tax rate benefit from earnings in the United States which were offset by unrecognized net operating losses.

The June 30, 2014 effective tax rate was impacted by a large tax benefit of $3,171 which related to revaluation of Brazilian deferred taxes as a result of a significant fluctuation in the exchange rates. There was also an effective tax rate benefit from increased earnings in the United States which were offset by unrecognized net operating losses.

7. Components of other comprehensive income (loss)

	June 30, 2015	June 30, 2014
Cash flow hedges:		
(Losses) gains arising during the year	(4,299)	1,890
Tax effect on gains or losses arising during the year	590	(849)
Add: Reclassification adjustments for losses included in the income statement	8,700	3,550
Less: Tax effect on reclassification adjustments	(1,628)	(608)
Net gain on cash flow hedges	3,363	3,983

8. Property, plant and equipment

Acquisitions and disposals

During the six months ended June 30, 2015, assets with a cost of $6,287 (2014: $7,659) were acquired. Additionally, the property, plant and equipment in accounts payable decreased by $148 (December 31, 2014: $2,083) during the six months ended June 30, 2015.

Assets with a book value of $775 were disposed of during the six months ended June 30, 2015 (2014: $354) resulting in a gain (loss) on sale or disposal of $156 (2014: ($134)).

The Company recorded no asset impairment expense on property, plant and equipment in the periods ended June 30, 2015 and 2014.

9. Intangible assets

Intangible assets are tested for impairment annually and when circumstances indicate the carrying value may be impaired. No impairment tests were deemed necessary as there were no indicators of impairment at June 30, 2015 or 2014.

During the six months ended June 30, 2015, intangible assets with a cost of $605 (2014: $736) were capitalized.

10. Inventories

During the six months ended June 30, 2015, the provision for inventory valuation increased cost of sales by $769 (2014: $410).

11. Cash and cash equivalents

Cash and cash equivalents are comprised of the following:

	June 30, 2015	December 31, 2014
Bank balances	129,598	99,537
Time deposits	7,525	8,492
	137,123	108,029

Bank balances earn interest at floating rates based on daily bank deposit rates while cash equivalents are time deposits with maturities of three months or less which earn interest based on the maturities.

12. Capital and reserves

Actuarial gains on defined benefit plans for the period ended June 30, 2015 increased other reserves by $7,435 net of tax, while actuarial losses on defined benefit plans decreased other reserves by $8,011 in the six months ended June 30, 2014. There have been no additional significant changes to the Company's capital and reserves as of June 30, 2015. The elements of other comprehensive income (loss) and equity-settled share based payments are more fully disclosed in notes 7, 15 and 16, respectively. There was a reclassification from other reserves to non-controlling interest of $380 as a result of the sale of the equity stake in AMG Graphite. See note 13 for additional information on sale of non-controlling interest.

13. Non-controlling interest in subsidiaries

During the six months ended June 30, 2015 the Company sold a 40% equity interest in a German subsidiary, AMG Graphit Kropfmühl GmbH ("AMG Graphite"), as described in note 4. This sale resulted in the Company owning 60% of this subsidiary and a non-controlling interest of 40%. The Company has maintained control of the subsidiary and continues to consolidate the financial results. The non-controlling interest has rights to the financial position and results of AMG Graphite in proportion with their ownership. The non-controlling interest also has certain protective rights which prevent fundamental changes to AMG Graphite as well as restrictions on the ability to transfer cash out of the subsidiary.

The summarised financial information of this subsidiary is provided below. This information is based on amounts before intercompany eliminations:

Summarised statement of profit and loss for 2015:	**June 30**
Revenue	29,866
Cost of sales	22,244
Administrative expenses	4,854
Other expense	1,615
Finance costs	337
Foreign exchange gain	110
Profit before tax	**926**
Income tax expense	276
Profit for the year from continuing operations	**650**
Attributable to non-controlling interests	234

Summarised statement of financial position as of June 30, 2015:	**June 30**
Inventories, cash and bank balances and other current assets (current)	65,214
Property, plant and equipment and other non-current financial assets (non-current)	22,177
Trade and other payables (current)	19,078
Interest-bearing loans and borrowing and other non-current liabilities (non-current)	13,236
Total equity	55,077
Attributable to:	
Equity holders of parent	33,832
Non-controlling interest	21,245

14. Interest-bearing loans and borrowings

Credit Facility

On May 26, 2015 the Company entered into a three-year multicurrency term loan and revolving credit facility. The proceeds from this new facility were used to pay down the prior facility in its entirety. The prior credit facility was composed of a €64,200 term loan and a $214,200 revolving credit facility. The new credit facility is composed of a €50,000 term loan, a $47,000 term loan and a $220,000 revolving credit facility ("Revolving Credit Facility"). During the six months ended June 30, 2015, AMG borrowed $173,747 inclusive of $172,855 received under the new facility. AMG also repaid $184,871 in borrowings inclusive of $162,117 repayment of the prior facility. During the six months ended June 30, 2014, AMG borrowed $6,510 on the revolving Credit Facility. Also, during the six months ended June 30, 2014, AMG repaid €8,750 of the term loan. As of June 30, 2015, available revolver capacity was $125,866 (December 31, 2014: $92,399). There was interest expense of $2,361 recorded in the condensed consolidated income statement related to the extinguishment of debt. This was due to unamortized debt issuance costs. Interest on the new Credit Facility is based on current LIBOR (or in the case of any loans denominated in Euros, EURIBOR) plus a margin. The margin is dependent on the leverage ratio. At June 30, 2015 the margin was 1.5. To mitigate risk the Company has entered into an interest rate swap for €50,000 to fix the interest rate on the Euro term loan. The Company has also entered an interest rate cap for $47,000 in order to cap the interest rate on the US dollar term loan. See footnote 19 for additional information on the interest rate swap and interest rate cap. The Company incurred debt issuance costs of $5,206 in obtaining the new facility. These amounts are shown net against the outstanding term loan balance.

As part of obtaining the new facility the Company is responsible for maintaining a leverage ratio of below 3.00 to 1 and an interest cover ratio of no less than 4.00 to 1. As of June 30, 2015, the Company is in compliance with all of its debt covenants.

During the six months ended June 30, 2015 one of the Company's subsidiaries, AMG Graphit Kropfmühl GmbH, obtained financing arrangements with two banks in Germany. These arrangements were made on April 21, 2015 and consist of two €2,000 term loans which carry an interest rate of Euribor plus 2.0%. These loans are each payable over six semi-annual instalments of €333. The entire amount of these loans were borrowed during the period and are included in the total borrowings noted above. There were no payments on these loans during the six months ended June 30, 2015. These loans were obtained in conjunction with the sale of the 40% equity stake discussed in note 4.

Short term bank debt

The Company's Brazilian subsidiaries maintain short term secured and unsecured borrowing arrangements with various banks. Borrowings under these arrangements are included in short term bank debt in the consolidated statement of financial position. The Company borrowed $3,525 (2014: $2,834) on these facilities during 2015. Short term bank debt also includes credit facilities in Germany and India.

15. Pension plans

As of June 30, 2015, the employee benefits liability has decreased $18,662 from the December 31, 2014 balance of $159,672. This change is primarily due to a combination of foreign currency translation impacts and an actuarial gain recorded for the six month period ended June 30, 2015. The actuarial gain related to an increase in discount rates for defined benefit plans in both the United States and Europe.

16. Share-based payments

Stock Option awards

During the six months ended June 30, 2015, 119,002 (2014:122,937) share options were granted under the 2009 AMG Option Plan ("The Plan") to the AMG Management Board as part of their 2015 compensation package, as approved at the Company's Annual General Meeting. One half of the options granted to each option holder will vest on each of the third and fourth anniversaries of the grant date. The vesting is subject to performance conditions related to return on capital employed and share price appreciation. All options under the Plan are equity settled, in accordance with IFRS 2, by award of options to acquire ordinary shares or award of ordinary shares. The fair value of the options granted during the six months ended June 30, 2015 was calculated as €3.38 (2014: €4.31) using a Black-Scholes model. The assumptions used in the calculation are set out below.

Exercise price	€8.08
Share price at date of grant	€8.08
Contractual life (years)	10
Dividend yield (%)	Nil
Expected volatility (%)	42.8%
Risk-free interest rate (%)	1.05%
Expected life of option (years)	6

In the six months ended June 30, 2015, the Company recorded $305 (2014: $429) of expense related to stock options.

Performance share units

During the six months ended June 30, 2015, the Company issued 251,484 (2014: 298,883) performance share units ("PSUs") to certain employees which can be settled in either cash or shares. The fair value for 2015 issued outstanding PSUs at June 30, 2015 was €7.80 (December 31, 2014: €6.75). The Company recorded expense of nil related to the 2015 PSUs in the six months ended June 30, 2015 based on performance conditions. The Company has a liability of nil related to the 2015 PSUs at June 30, 2015.

During the first half of 2015, the Company elected to settle any future amounts paid for the 2013 and 2014 PSU awards with AMG shares. The Company recorded expense of $3,964 related to these awards in the six months ended June 30, 2015. As these awards will be equity settled, the balance is recorded in equity rather than as a liability as previously recorded when there was a cash settlement option in accordance with IFRS 2.

During the six months ended June 30, 2015, nil (2014: nil) was paid out with respect to the vesting of previous grants.

17. Provisions

Restructuring

During the six months ended June 30, 2015, restructuring provisions of $3,659 (2014: $1,792) were recognized. The expense includes $1,676 related to a cost reduction program for an operation in Germany and $881 of additional costs related to the sale of Suda Maden as referenced in note 5. The German reorganization had the impact of reducing headcount by 31. Additional restructuring provisions primarily related to the severance and early retirement payments of AMG Critical Materials employees, which led to a headcount reduction of 11 employees at our European facilities and 2 employees at our US operations. Restructuring payments of $3,041 (2014: $4,798) were made during the six months ended June 30, 2015.

Environmental

During the six months ended June 30, 2015, payments of $83 (2014: $180) were made from the environmental provision and no additional provision was recorded in 2015 or 2014.

Warranty

During the six months ended June 30, 2015, warranty payments of $329 (2014: $474) and provisions of $36 (2014: ($344)) were recorded (reversed). Warranty provisions are provided on certain contracts and the provisions are made on a contract by contract basis or on actual claims made by customers. Each contractual warranty is expected to be utilized or derecognized within 12 months.

Cost estimates

AMG Engineering builds a project cost provision on its percentage of completion contracts. The provision is developed on a contract by contract basis. The amounts recorded as a provision are the result of the expected total project costs and are based on historical percentages. Over the life of the percentage of completion contracts, the provision for project cost is utilized or derecognized depending on actual performance of the contracts. During the six months ended June 30, 2015, project cost payments of $323 (2014: $932) were made and additional provisions of $1,363 (2014: $118) were recorded.

Partial retirement

In an effort to reduce unemployment and create jobs for younger job-seekers, Germany implemented certain regulations in 1996 to enable employees to take early retirement. Although the law is no longer in effect, our German subsidiaries have made provisions for those employees who are eligible per their employment contracts. During the six months ended June 30, 2015, there were additional provisions of $72 (2014: $111) and payments of $67 (2014: $300).

Restoration, Rehabilitation and Decommissioning Costs

The decommissioning provision represents the accrued cost required to provide adequate restoration and rehabilitation upon the completion of extraction activities. These amounts will be settled when rehabilitation is undertaken. A discount rate of 13.5% was used to determine the liability recorded which is significantly higher than prior year due to the negative outlook of the Brazilian economy. The life of the mine has been extended based on updated reserve and decommissioning estimates. The following table summarizes the activity for the period ended June 30, 2015:

	Brazil Restoration costs
Balance at January 1, 2014	7,333
Provisions made during the period	169
Increase due to discounting	402
Balance at December 31, 2014	**7,904**
Balance at January 1, 2015	**7,904**
Provisions made during the period	69
Decrease due to discounting	(4,268)
Environmental reversal	(2,286)
Balance at June 30, 2015	**1,419**
Non-current	7,904
Current	-
Balance at December 31, 2014	**7,904**
Non-current	1,419
Current	-
Balance at June 30, 2015	**1,419**

18. Deferred revenue

In 2014, one of the Company's subsidiaries negotiated a sales contract with a long-term customer. As a result of the negotiations, the customer agreed to pay $6,169 as a prepayment. The same subsidiary signed a sales contract with another long-term customer which resulted in a $1,234 prepayment. The first contractual shipment on the signed contract was made in June 2014 and shipments continued to be made through 2015. The deferred revenue from these and other less significant contracts as of June 30, 2015 is $5,040 (2014: $6,105)

In 2012, one of the Company's subsidiaries entered into a sales contract with a long-term customer. The sales contract required the customer to pay $5,000 upon signing the contract, with an additional prepayment due upon shipment of the first contractual quantities. The deferred revenue liability will be reduced using a prescribed formula over the course of the five-year contract based on the tonnage shipped. The deferred revenue balance related to this contract as of June 30, 2015 is $8,990 (2014: $11,259).

19. Financial instruments

Fair Values

The fair value of the financial assets and liabilities are included at the price that would be received to sell the instrument in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions.

- Short term assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.
- The calculation of fair value for derivative financial instruments depends on the type of instruments: Derivative interest rate contracts are estimated by discounting expected future cash flows using current market interest rates and yield curves over the remaining term of the instrument; Derivative currency and commodity contracts are based on quoted forward exchange rates and commodity prices respectively.
- Floating rate loans and borrowings and notes receivable maintain a floating interest rate and approximate fair value. Fair value of the Company's floating rate loans and borrowings and notes receivable are estimated by discounting expected future cash flows using a discount rate that reflects the Company's borrowing rate at June 30, 2015. The consideration of non-performance risk did not significantly impact the fair values.
- The fair value of fixed rate loans and borrowings are estimated by discounting future cash flows using rates currently available for debt.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

As of June 30, 2015, the Company held the following financial instruments measured at fair value:

Assets measured at fair value

	June 30, 2015	Level 1	Level 2	Level 3
Financial assets				
Forward contracts – hedged	1,571	-	1,571	-
Forward contracts – non-hedged	599	-	599	-

Liabilities measured at fair value

	June 30, 2015	Level 1	Level 2	Level 3
Financial liabilities				
Forward contracts – hedged	8,758	-	8,758	-
Forward contracts – non-hedged	303	-	303	-
Interest rate swaps	144	-	144	-
Interest rate cap	207	-	207	-

As of December 31 2014, the Company held the following financial instruments measured at fair value:

Assets measured at fair value

	December 31, 2014	Level 1	Level 2	Level 3
Financial assets				
Forward contracts – hedged	1,667	-	1,667	-
Forward contracts – non-hedged	330	-	330	-

Liabilities measured at fair value

	December 31, 2014	Level 1	Level 2	Level 3
Financial liabilities				
Forward contracts – hedged	9,614	-	9,614	-
Interest rate swaps	4,546	-	4,546	-

During the six months ended June 30, 2015, there were no significant changes in policies with respect to financial instruments.

The following represents a summary of the financial instruments as of June 30, 2015 as compared to December 31, 2014.

Interest rate hedges

In May 2015, the Company entered into an interest rate hedge agreement for the amount of the term loan denominated in Euros totalling €50,000. The Company also entered into an interest rate cap for the amount of the term loan denominated in US Dollars totalling $47,000. These hedging instruments were executed in order for the Company to hedge its exposure to changes in the benchmark interest rate on these term loans. Management has designated these instruments as cash flow hedges of the forecasted interest payments on the debt. During the period the Company unwound the existing interest rate swap transactions as part of the refinancing of the credit facility and the execution of the new interest rate hedging instruments. At December 31, 2014, the Company's interest rate swaps had a fair value of ($4,546). Payments on the swap during the period ended June 30, 2015 were $4,676 and included payments as a result of the unwinding of these swaps. As of June 30, 2015, the fair value of the new term loan interest rate swap is a non-current liability of $144 and the fair value of the new term loan interest rate cap is a non-current liability of $207. An unrealized loss of $100 (December 31, 2014: $3,578), with a deferred tax asset of $44 (December 31, 2013: $968) relating to the hedging instruments, is included in equity for the interest rate swap and interest rate cap that were assessed to be highly effective as at June 30, 2015.

Commodity forward contracts and foreign currency forward contracts

The Company views derivative instruments as risk management tools and does not use them for trading or speculative purposes. During the course of operations, including normal purchases and sales of product, the Company enters into commodity forward and foreign exchange contracts to manage price and currency risks. No significant new contracts were entered into as of June 30, 2015, other than in the ordinary course of business.

The following are the fair values of the contracts that were in place at June 30, 2015 and December 31, 2014.

	June 30, 2015	December 31, 2014
Assets		
Commodity forward contracts	-	7
Liabilities		
Commodity forward contracts	840	674

The commodity cash flow hedges that are treated as cash flow hedges were assessed to be highly effective and as at June 30, 2015 there was an unrealized loss of ($568) (December 31, 2014: ($592)), with a deferred tax asset of $110 (December 31, 2014: $80), included in equity.

	June 30, 2015	December 31, 2014
Assets		
Foreign exchange forward contracts	2,170	1,990
Liabilities		
Foreign exchange forward contracts	8,221	8,940

Foreign exchange forward contracts that are treated as cash flow hedges were deemed to be highly effective and as at June 30, 2015, there was an unrealized loss of ($6,793) (December 31, 2014: ($6,489)), with a deferred tax asset of $2,115 (December 31, 2014: $2,550) relating to the hedging instruments, included in equity.

20. Commitments and contingencies

Commitments

At June 30, 2015, there were commitments for the manufacture and purchase of property, plant and equipment in the amount of $2,696 (December 31, 2014: $3,171).

Other than the commitments to purchase property, plant and equipment noted above, there have been no material updates to the Company's commitments as discussed in notes 34 and 35 to the 2014 consolidated financial statements.

Contingencies

At June 30, 2015, there were business-related guarantees for the benefit of third parties in the amount of $48,854 (December 31, 2014: $58,109).

Other than noted above, there have been no material updates to the Company's contingencies as discussed in notes 34 and 35 to the 2014 consolidated financial statements.

21. Related parties

Transactions with associates

There have been no material transactions with related parties in the six months ended June 30, 2015 and 2014.

22. Subsequent events

The Company has agreed to amend the pricing and payment structure of a long-term tantalum sales contract of AMG Mineração, Brazil, with its major customer, Global Advanced Metals USA Inc. ("GAM US"). In this context, AMG will receive a cash payment from GAM US and a 10% interest in Global Advanced Metals Pty Ltd ("GAM"), the parent company of GAM US.