

AMG Advanced Metallurgical Group N.V. Interim consolidated balance sheet at 30 June 2008

*In thousands of US Dollars*

	<b>30 June 2008</b>	<b>31 December 2007</b>
	<b>Unaudited</b>	<b>Audited</b>
Property, plant and equipment	249,444	155,763
Intangible assets	98,468	50,291
Investments in associates	22,030	15,145
Derivative financial instruments	1,625	194
Deferred tax assets	37,724	34,537
Restricted cash	23,182	14,582
Notes receivable	4,590	7,068
Other assets	5,993	5,087
<b>Total non-current assets</b>	<b>443,056</b>	<b>282,667</b>
Inventories	290,996	186,410
Trade and other receivables	256,628	187,243
Derivative financial instruments	8,725	3,582
Prepayments and other current assets	62,023	48,754
Short term investments	89	15,333
Cash and cash equivalents	113,362	172,558
<b>Total current assets</b>	<b>731,823</b>	<b>613,880</b>
<b>Total assets</b>	<b>1,174,879</b>	<b>896,547</b>
<b>Equity</b>		
Issued capital	722	722
Share premium	376,319	392,304
Other reserves	13,882	(9,923)
Retained earnings (deficit)	(89,783)	(137,439)
<b>Equity attributable to shareholders of the Company</b>	<b>301,140</b>	<b>245,664</b>
<b>Minority interests</b>	<b>69,749</b>	<b>64,133</b>
<b>Total equity</b>	<b>370,889</b>	<b>309,797</b>
<b>Liabilities</b>		
Loans and borrowings	157,457	115,726
Employee benefits	128,941	102,809
Provisions	17,357	12,011
Government grants	5,058	8,585
Other liabilities	9,722	9,087
Derivative financial instruments	39	77
Deferred tax liabilities	47,658	32,112
<b>Total non-current liabilities</b>	<b>366,232</b>	<b>280,407</b>
Loans and borrowings	3,403	1,102
Short-term bank debt	52,214	16,202
Related party debt	6,912	7,752
Government grants	9,458	7,927
Other Liabilities	46,794	42,356
Trade and other payables	181,741	126,827
Deferred revenue	7,504	-
Derivative financial instruments	9,995	4,994
Advance payments	87,001	74,731
Current taxes payable	16,092	11,496
Provisions	16,644	12,956
<b>Total current liabilities</b>	<b>437,758</b>	<b>306,343</b>
<b>Total liabilities</b>	<b>803,990</b>	<b>586,750</b>
<b>Total equity and liabilities</b>	<b>1,174,879</b>	<b>896,547</b>

AMG Advanced Metallurgical Group N.V.

Interim consolidated income statement for the six months ended 30 June 2008

**For the six months ended 30 June**

*In thousands of US Dollars*

	<b>2008</b>	<b>2007</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Continuing operations</b>		
Revenue	739,153	545,838
Cost of sales	579,941	447,657
<b>Gross profit</b>	<b>159,212</b>	<b>98,181</b>
Selling, general and administrative expenses	72,601	53,406
Restructuring and asset impairment expenses	13,245	30
Environmental expense	94	202
Other expenses	81	287
Other income	(3,097)	(1,469)
<b>Operating profit</b>	<b>76,288</b>	<b>45,725</b>
Interest expense	9,763	17,926
Interest income	(3,416)	(2,028)
Foreign exchange (gain)/loss	1,538	(1,531)
<b>Net finance costs</b>	<b>7,885</b>	<b>14,367</b>
Share of profit of associates	718	(1,085)
<b>Profit before income tax</b>	<b>69,121</b>	<b>30,273</b>
Income tax expense	22,793	11,639
<b>Profit for the period</b>	<b>46,328</b>	<b>18,634</b>
<b>Attributable to:</b>		
Shareholders of the Company	47,782	19,158
Minority interests	(1,454)	(524)
	<b>46,328</b>	<b>18,634</b>
<b>Earnings per share</b>		
Basic earnings per share	1.78	0.71
Diluted earnings per share	1.74	0.71

AMG Advanced Metallurgical Group N.V.

Interim consolidated income statement for the three months ended 30 June 2008

**For the three months ended 30 June**

*In thousands of US Dollars*

	<b>2008</b>	<b>2007</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Continuing operations</b>		
Revenue	413,005	279,008
Cost of sales	321,003	225,930
<b>Gross profit</b>	<b>92,002</b>	<b>53,078</b>
Selling, general and administrative expenses	39,632	27,769
Restructuring and asset impairment expenses	13,118	23
Environmental expense	10	82
Other expenses	81	287
Other income	(1,718)	(216)
<b>Operating profit</b>	<b>40,879</b>	<b>25,133</b>
Interest expense	5,795	8,909
Interest income	(1,410)	(1,062)
Foreign exchange (gain)/loss	202	(1,895)
<b>Net finance costs</b>	<b>4,587</b>	<b>5,952</b>
Share of profit of associates	617	(955)
<b>Profit before income tax</b>	<b>36,909</b>	<b>18,226</b>
Income tax expense	14,112	6,597
<b>Profit for the period</b>	<b>22,797</b>	<b>11,629</b>
<b>Attributable to:</b>		
Shareholders of the Company	25,273	11,758
Minority interests	(2,476)	(129)
	<b>22,797</b>	<b>11,629</b>
<b>Earnings per share</b>		
Basic earnings per share	0.94	0.43
Diluted earnings per share	0.92	0.43

AMG Advanced Metallurgical Group N.V.

Interim condensed consolidated cash flow statement for the six months ended 30 June

**For the six months ended 30 June**

*In thousands of US Dollars*

	<b>2008</b>	<b>2007</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Cash flows from operating activities</b>		
Profit for the period	46,328	18,634
Adjustments to reconcile profit to net cash flows:		
Non-cash		
Depreciation and amortization	12,570	9,278
Restructuring expense and impairment losses	13,245	30
Environmental expense	94	82
Net finance costs	7,885	14,277
Share of (profit) loss of associates	(718)	1,085
Equity-settled share-based payment transactions	5,365	
Income tax expense	22,793	11,639
Change in working capital	(75,319)	4
Other	(11,368)	(1,865)
Interest received/(paid)	(3,468)	(11,823)
Income tax paid	(9,660)	(5,494)
Cash paid for dividends	503	(4,205)
<b>Net cash flows from operating activities</b>	<b>8,250</b>	<b>31,642</b>
<b>Cash flows used in investing activities</b>		
Proceeds from sale of property, plant and equipment	24	698
Acquisitions of property, plant and equipment and intangibles	(56,504)	(18,174)
Acquisitions, net of cash	(62,854)	(836)
Related party loans	(3,668)	-
Change in short-term investments	14,958	-
Change in restricted cash	(7,716)	-
Other	(520)	26
<b>Net cash flows used in investing activities</b>	<b>(116,280)</b>	<b>(18,286)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of debt	22,402	688
Repayment of borrowings	20,897	(19,278)
Capital infusion	(39)	26,599
Other	184	-
<b>Net cash flows from financing activities</b>	<b>43,444</b>	<b>8,009</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(64,586)</b>	<b>21,365</b>
Cash and cash equivalents at 1 January	172,558	54,610
Effect of exchange rate fluctuations on cash held	5,390	1,402
<b>Cash and cash equivalents at 30 June</b>	<b>113,362</b>	<b>77,377</b>