

AMG Advanced Metallurgical Group N.V.
Condensed interim consolidated income statement

For the three months ended June 30

In thousands of US Dollars

	2012	2011
	Unaudited	Unaudited
Continuing operations		
Revenue	319,591	368,318
Cost of sales	265,595	299,325
Gross profit	53,996	68,993
Selling, general and administrative expenses	38,022	44,765
Restructuring and asset impairment expense	7,821	2,174
Environmental expense	560	141
Other income, net	(234)	(874)
Operating profit	7,827	22,787
Finance expense	6,250	8,915
Finance income	(457)	(1,158)
Foreign exchange loss	100	1,302
Net finance costs	5,893	9,059
Share of profit (loss) of associates	83	(1,694)
Profit before income tax	2,017	12,034
Income tax expense	5,452	7,828
(Loss) profit for the period	(3,435)	4,206
Attributable to:		
Shareholders of the Company	(2,647)	3,351
Non-controlling interests	(788)	855
	(3,435)	4,206
(Loss) earnings per share		
Basic earnings per share	(0.10)	0.12
Diluted earnings per share	(0.10)	0.12

AMG Advanced Metallurgical Group N.V.
Condensed interim consolidated income statement

For the six months ended June 30

In thousands of US Dollars

	2012	2011
	Unaudited	Unaudited
Continuing operations		
Revenue	643,575	686,317
Cost of sales	536,168	557,544
Gross profit	107,407	128,773
Selling, general and administrative expenses	77,096	87,702
Restructuring and asset impairment expense	10,664	2,459
Environmental expense	1,288	246
Other income, net	(702)	(1,827)
Operating profit	19,061	40,193
Finance expense	12,941	10,920
Finance income	(612)	(2,658)
Foreign exchange loss	509	1,285
Net finance costs	12,838	9,547
Share of profit (loss) of associates	249	(6,071)
Profit before income tax	6,472	24,575
Income tax expense	6,696	12,792
(Loss) profit for the period	(224)	11,783
Attributable to:		
Shareholders of the Company	856	10,323
Non-controlling interests	(1,080)	1,460
	(224)	11,783
Earnings per share		
Basic earnings per share	0.03	0.37
Diluted earnings per share	0.03	0.37

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

	June 30, 2012 Unaudited	December 31, 2011 Audited
Assets		
Property, plant and equipment	261,427	263,586
Goodwill	22,750	23,535
Intangible assets	14,666	14,557
Investments in associates and joint ventures	5,188	5,085
Derivative financial instruments	-	1
Deferred tax assets	22,781	29,142
Restricted cash	10,692	11,074
Notes receivable	264	250
Other assets	18,250	17,866
Total non-current assets	356,018	365,096
Inventories	223,665	228,887
Trade and other receivables	201,092	188,103
Derivative financial instruments	3,573	3,956
Other assets	43,286	35,184
Cash and cash equivalents	93,624	79,571
Total current assets	565,240	535,701
Total assets	921,258	900,797

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

	June 30, 2012 Unaudited	December 31, 2011 Audited
Equity		
Issued capital	742	742
Share premium	377,245	381,921
Other reserves	10,311	14,157
Retained earnings (deficit)	(190,506)	(191,362)
Equity attributable to shareholders of the Company	197,792	205,458
Non-controlling interests	11,411	15,160
Total equity	209,203	220,618
Liabilities		
Loans and borrowings	259,462	210,448
Employee benefits	88,360	90,078
Provisions	27,304	27,019
Government grants	479	732
Other liabilities	8,545	9,276
Derivative financial instruments	9,821	8,122
Deferred tax liabilities	27,424	26,434
Total non-current liabilities	421,395	372,109
Loans and borrowings	14,144	17,436
Short term bank debt	32,300	40,737
Government grants	53	34
Other liabilities	48,873	51,673
Trade and other payables	136,084	128,493
Derivative financial instruments	8,208	10,661
Advance payments	32,110	30,204
Current taxes payable	5,443	14,468
Provisions	13,445	14,364
Total current liabilities	290,660	308,070
Total liabilities	712,055	680,179
Total equity and liabilities	921,258	900,797

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

For the six months ended June 30

In thousands of US Dollars

	2012	2011
	Unaudited	Unaudited
Cash flows from (used in) operating activities		
(Loss) profit for the period	(224)	11,783
Adjustments to reconcile (loss) profit to net cash flows:		
Non-cash:		
Depreciation and amortization	14,152	14,169
Restructuring expense	4,331	2,459
Asset impairment expense	6,333	-
Environmental expense	1,288	246
Net finance costs	12,838	9,547
Share of (profit) loss of associates	(249)	6,071
Equity-settled share-based payment transactions	856	1,833
Income tax expense	6,696	12,792
Change in working capital and provisions	(22,413)	(46,736)
Other	(2,113)	2,528
Finance costs paid, net	(9,017)	(5,136)
Income tax paid, net	(9,344)	(21,636)
Net cash flows from (used in) operating activities	3,134	(12,080)
Cash flows used in investing activities		
Proceeds from sale of property, plant and equipment	147	49
Acquisition of property, plant and equipment and intangibles	(23,443)	(19,913)
Acquisition of non-controlling interests and subsidiaries (net of cash acquired of nil and \$690, respectively)	(1,920)	(26,816)
Change in restricted cash	388	1,839
Other	(1)	956
Net cash flows used in investing activities	(24,829)	(43,885)
Cash flows from financing activities		
Proceeds from the issuance of debt	59,981	221,626
Payment of transaction costs related to debt issuance	-	(10,457)
Repayment of borrowings	(19,248)	(187,276)
Premium paid for non-controlling interests	(4,673)	-
Other	31	6
Net cash flows from financing activities	36,091	23,899
Net increase (decrease) in cash and cash equivalents	14,396	(32,066)
Cash and cash equivalents at January 1	79,571	89,311
Effect of exchange rate fluctuations on cash	(343)	3,891
Cash and cash equivalents at June 30	93,624	61,136