

AMG Advanced Metallurgical Group N.V.  
Interim consolidated balance sheet at 30 September 2008  
In thousands of US Dollars

	<b>30 September 2008</b>	<b>31 December 2007</b>
	<b>Unaudited</b>	<b>Audited</b>
Property, plant and equipment	297,807	155,763
Intangible assets	69,863	50,291
Investments in associates	9,646	15,145
Derivative financial instruments	176	194
Deferred tax assets	31,449	34,537
Restricted cash	17,816	14,582
Notes receivable	7,397	7,068
Other assets	10,074	5,087
<b>Total non-current assets</b>	<b>444,228</b>	<b>282,667</b>
Inventories	330,997	186,410
Trade and other receivables	235,055	187,243
Derivative financial instruments	8,948	3,582
Prepayments and other current assets	66,197	48,754
Short term investments	-	15,333
Cash and cash equivalents	154,162	172,558
<b>Total current assets</b>	<b>795,359</b>	<b>613,880</b>
<b>Total assets</b>	<b>1,239,587</b>	<b>896,547</b>
<b>Equity</b>		
Issued capital	724	722
Share premium	379,325	392,304
Other reserves	(40)	(9,923)
Retained earnings (deficit)	(69,007)	(137,439)
<b>Equity attributable to shareholders of the Company</b>	<b>311,002</b>	<b>245,664</b>
<b>Minority interests</b>	<b>67,430</b>	<b>64,133</b>
<b>Total equity</b>	<b>378,432</b>	<b>309,797</b>
<b>Liabilities</b>		
Loans and borrowings	157,296	115,726
Employee benefits	119,014	102,809
Provisions	13,356	12,011
Government grants	2,408	8,585
Other liabilities	8,780	9,087
Derivative financial instruments	148	77
Deferred tax liabilities	57,380	32,112
<b>Total non-current liabilities</b>	<b>358,382</b>	<b>280,407</b>
Loans and borrowings	6,481	1,102
Short-term bank debt	63,147	16,202
Related party debt	6,873	7,752
Government grants	8,457	7,927
Other liabilities	54,264	42,356
Trade and other payables	186,333	126,827
Derivative financial instruments	7,182	4,994
Advance payments	100,312	74,731
Unearned revenue	37,512	-
Current taxes payable	15,589	11,496
Provisions	16,623	12,956
<b>Total current liabilities</b>	<b>502,773</b>	<b>306,343</b>
<b>Total liabilities</b>	<b>861,155</b>	<b>586,750</b>
<b>Total equity and liabilities</b>	<b>1,239,587</b>	<b>896,547</b>

AMG Advanced Metallurgical Group N.V.

Interim consolidated income statement for the nine months ended 30 September 2008

**For the nine months ended 30 September**

*In thousands of US Dollars*

	<b>2008</b>	<b>2007</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Continuing operations</b>		
Revenue	1,176,714	838,734
Cost of sales	922,901	690,968
<b>Gross profit</b>	<b>253,813</b>	<b>147,766</b>
Selling, general and administrative expenses	116,998	85,306
Restructuring expense	13,912	51
Asset impairment expense	3,652	-
Environmental expense	197	244
Other expenses	46	312
Other income	(4,944)	(7,773)
<b>Operating profit</b>	<b>123,952</b>	<b>69,626</b>
Loss on early extinguishment of debt	-	35,069
Interest expense	15,920	23,929
Interest income	(5,027)	(4,983)
Foreign exchange loss (gain)	3,643	(2,748)
<b>Net finance costs</b>	<b>14,536</b>	<b>51,267</b>
Share of loss of associates	(10,999)	(1,963)
<b>Profit before income tax</b>	<b>98,417</b>	<b>16,396</b>
Income tax expense	36,767	22,854
<b>Profit (loss) for the period</b>	<b>61,650</b>	<b>(6,458)</b>
<b>Attributable to:</b>		
Shareholders of the Company	68,548	(6,473)
Minority interests	(6,898)	15
	<b>61,650</b>	<b>(6,458)</b>
<b>Earnings per share</b>		
Basic earnings (loss) per share	2.56	(0.24)
Diluted earnings (loss) per share	2.49	(0.24)

**For the three months ended 30 September***In thousands of US Dollars*

	<b>2008</b>	<b>2007</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Continuing operations</b>		
Revenue	437,561	292,897
Cost of sales	342,960	243,312
<b>Gross profit</b>	<b>94,601</b>	<b>49,585</b>
Selling, general and administrative expenses	44,397	31,900
Restructuring expense	666	21
Asset impairment expense	3,652	-
Environmental expense	104	42
Other expenses	-	25
Other income	(1,883)	(6,305)
<b>Operating profit</b>	<b>47,665</b>	<b>23,902</b>
Loss on early extinguishment of debt	-	35,069
Interest expense	6,156	6,003
Interest income	(1,611)	(2,954)
Foreign exchange loss (gain)	2,105	(1,217)
<b>Net finance costs</b>	<b>6,650</b>	<b>36,901</b>
Share of loss of associates	(11,717)	(877)
<b>Profit (loss) before income tax</b>	<b>29,298</b>	<b>(13,876)</b>
Income tax expense	13,974	11,215
<b>Profit (loss) for the period</b>	<b>15,324</b>	<b>(25,091)</b>
<b>Attributable to:</b>		
Shareholders of the Company	20,769	(25,630)
Minority interests	(5,445)	539
	<b>15,324</b>	<b>(25,091)</b>
<b>Earnings per share</b>		
Basic earnings (loss) per share	0.77	(0.96)
Diluted earnings (loss) per share	0.75	(0.94)

AMG Advanced Metallurgical Group N.V.

Interim condensed consolidated cash flow statement for the nine months ended 30 September

**For the nine months ended 30 September**

*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 (loss) for the period	61,650	(6,458)
Adjustments to reconcile profit (loss) to net cash flows:		
Non-cash		
Depreciation and amortization	30,884	13,579
Restructuring expense	13,912	51
Asset impairment expense	3,652	-
Environmental expense	197	124
Net finance costs	14,536	51,267
Share of loss of associates	10,999	1,963
Equity-settled share-based payment transactions	8,189	2,635
Income tax expense	36,767	22,854
Change in working capital	(71,376)	17,014
Other	(11,351)	(12,488)
Interest paid, net	(4,707)	(15,080)
Income tax paid	(17,582)	(9,621)
Cash received from dividends	268	-
<b>Net cash flows from operating activities</b>	<b>76,038</b>	<b>65,840</b>
<b>Cash flows used in investing activities</b>		
Proceeds from sale of property, plant and equipment	469	730
Acquisitions of property, plant and equipment and intangibles	(95,262)	(33,079)
Acquisitions, net of cash	(66,484)	(49,321)
Related party loans	(5,848)	(26)
Change in short-term investments	14,884	-
Change in restricted cash	(3,866)	-
Other	(2,648)	4,223
<b>Net cash flows used in investing activities</b>	<b>(158,755)</b>	<b>(77,473)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of debt	79,951	91,470
Repayment of borrowings	(7,140)	(275,083)
Issuance of shares and related transaction costs	-	264,005
Capital infusion	-	106,076
Other	313	(49)
<b>Net cash flows from financing activities</b>	<b>73,124</b>	<b>186,419</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(9,593)</b>	<b>174,786</b>
Cash and cash equivalents at 1 January	172,558	54,610
Effect of exchange rate fluctuations on cash held	(8,803)	14,789
<b>Cash and cash equivalents at 30 September</b>	<b>154,162</b>	<b>244,185</b>