

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

**For the three months ended September 30**

*In thousands of US Dollars*

	<b>2011</b>	<b>2010</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Continuing operations</b>		
Revenue	356,415	240,427
Cost of sales	297,727	198,325
<b>Gross profit</b>	<b>58,688</b>	<b>42,102</b>
Selling, general and administrative expenses	40,613	31,682
Restructuring expense	37	-
Environmental expense	136	257
Other income, net	(1,663)	(270)
<b>Operating profit</b>	<b>19,565</b>	<b>10,433</b>
Finance expense	8,583	4,840
Finance income	(1,335)	(1,341)
Foreign exchange gain	(757)	(578)
<b>Net finance costs</b>	<b>6,491</b>	<b>2,921</b>
Share of loss of associates	680	17,554
<b>Profit (loss) before income tax</b>	<b>12,394</b>	<b>(10,042)</b>
Income tax expense	3,755	325
<b>Profit (loss) for the period</b>	<b>8,639</b>	<b>(10,367)</b>
<b>Attributable to:</b>		
Shareholders of the Company	8,034	(11,170)
Non-controlling interests	605	803
	<b>8,639</b>	<b>(10,367)</b>
<b>Earnings per share</b>		
Basic earnings per share	0.29	(0.41)
Diluted earnings per share	0.29	(0.41)

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

**For the nine months ended September 30**

*In thousands of US Dollars*

	<b>2011</b>	<b>2010</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Continuing operations</b>		
Revenue	1,042,732	719,764
Cost of sales	855,271	590,588
<b>Gross profit</b>	<b>187,461</b>	<b>129,176</b>
Selling, general and administrative expenses	128,315	92,169
Restructuring expense	2,496	6
Environmental expense	382	763
Other income, net	(3,490)	(698)
<b>Operating profit</b>	<b>59,758</b>	<b>36,936</b>
Loss on early extinguishment of debt	3,902	-
Finance expense	15,601	15,761
Finance income	(3,993)	(2,970)
Foreign exchange loss (gain)	528	(4,334)
<b>Net finance costs</b>	<b>16,038</b>	<b>8,457</b>
Share of loss of associates	6,751	26,974
<b>Profit before income tax</b>	<b>36,969</b>	<b>1,505</b>
Income tax expense	16,547	11,317
<b>Profit (loss) for the period</b>	<b>20,422</b>	<b>(9,812)</b>
<b>Attributable to:</b>		
Shareholders of the Company	18,357	(10,067)
Non-controlling interests	2,065	255
	<b>20,422</b>	<b>(9,812)</b>
<b>Earnings per share</b>		
Basic earnings per share	0.66	(0.37)
Diluted earnings per share	0.66	(0.37)

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

	September 30, 2011	December 31, 2010
	Unaudited	Audited
<b>Assets</b>		
Property, plant and equipment	257,172	228,612
Goodwill	25,014	21,704
Intangible assets	9,283	5,298
Investments in associates and joint ventures	18,779	25,186
Derivative financial instruments	1,475	5,199
Deferred tax assets	27,022	22,107
Restricted cash	11,167	12,528
Notes receivable	1,555	322
Other assets	15,283	15,372
<b>Total non-current assets</b>	<b>366,750</b>	<b>336,328</b>
Inventories	247,617	207,204
Trade and other receivables	219,087	175,421
Derivative financial instruments	3,459	5,731
Other assets	40,143	41,080
Cash and cash equivalents	71,253	89,311
<b>Total current assets</b>	<b>581,559</b>	<b>518,747</b>
<b>Total assets</b>	<b>948,309</b>	<b>855,075</b>

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

	September 30, 2011	December 31,
	Unaudited	2010
		Audited
<b>Equity</b>		
Issued capital	741	741
Share premium	381,636	381,636
Other reserves	19,256	36,158
Retained earnings (deficit)	(178,168)	(196,481)
<b>Equity attributable to shareholders of the Company</b>	<b>223,465</b>	<b>222,054</b>
Non-controlling interests	14,896	11,911
<b>Total equity</b>	<b>238,361</b>	<b>233,965</b>
<b>Liabilities</b>		
Loans and borrowings	223,529	187,813
Employee benefits	94,016	88,372
Provisions	19,951	20,607
Government grants	168	642
Other liabilities	8,373	5,517
Derivative financial instruments	1,069	698
Deferred tax liabilities	31,609	25,436
<b>Total non-current liabilities</b>	<b>378,715</b>	<b>329,085</b>
Loans and borrowings	4,793	4,254
Short term bank debt	46,568	45,022
Government grants	48	175
Other liabilities	61,342	43,287
Trade and other payables	129,635	102,253
Derivative financial instruments	17,519	1,754
Advance payments	33,584	49,597
Current taxes payable	16,030	24,979
Provisions	21,714	20,704
<b>Total current liabilities</b>	<b>331,233</b>	<b>292,025</b>
<b>Total liabilities</b>	<b>709,948</b>	<b>621,110</b>
<b>Total equity and liabilities</b>	<b>948,309</b>	<b>855,075</b>

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

**For the nine months ended September 30**

*In thousands of US Dollars*

	2011	2010
	Unaudited	Unaudited
<b>Cash flows used in operating activities</b>		
Profit for the period	20,422	(9,812)
Adjustments to reconcile profit to net cash flows:		
<b>Non-cash:</b>		
Depreciation and amortization	21,504	17,755
Restructuring expense	2,496	6
Environmental expense	382	763
Net finance costs	16,038	8,457
Share of loss of associates	6,751	26,974
Equity-settled share-based payment transactions	2,820	4,911
Income tax expense	16,547	11,317
Change in working capital and provisions	(53,993)	(38,238)
Other	8,764	2,312
Finance costs paid, net	(5,478)	(9,191)
Income tax paid, net	(25,892)	(29,157)
<b>Net cash flows from (used in) operating activities</b>	<b>10,361</b>	<b>(13,903)</b>
<b>Cash flows used in investing activities</b>		
Proceeds from sale of property, plant and equipment	87	1,046
Acquisition of associates and joint ventures	-	(10,755)
Acquisition of subsidiaries (net of cash acquired of \$3,860)	(24,703)	(17,287)
Acquisition of property, plant and equipment and intangibles	(31,741)	(19,054)
Related party loans	(4,924)	-
Change in restricted cash	1,604	427
Other	1,664	(53)
<b>Net cash flows used in investing activities</b>	<b>(58,013)</b>	<b>(45,676)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issuance of debt	227,526	36,636
Payment of transaction costs related to debt issuance	(10,592)	-
Repayment of long term borrowings	(188,931)	-
Other	10	176
<b>Net cash flows from financing activities</b>	<b>28,013</b>	<b>36,812</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(19,639)</b>	<b>(22,767)</b>
Cash and cash equivalents at January 1	89,311	117,016
Effect of exchange rate fluctuations on cash	1,581	(4,036)
<b>Cash and cash equivalents at September 30</b>	<b>71,253</b>	<b>90,213</b>