



AMG ANNOUNCES STRONG RESULTS FOR 2007

SALES AND PROFITS RISE SIGNIFICANTLY

STRATEGIC ACQUISITION SIGNED

Amsterdam, 18 March 2008 --- AMG Advanced Metallurgical Group N.V. (“AMG”, Euronext Amsterdam: “AMG”) today announced its preliminary 2007 unaudited results. The Company’s revenue increased to \$1,155.7 million in the year ended 31 December 2007 from \$932.7 million in 2006, a 23.9% increase.

Adjusted net income for the full year 2007 was \$51.6 million, or \$1.89 per fully diluted share, excluding debt prepayment penalty and non-recurring items. This compared to adjusted net income of \$34.9 million or \$1.30 per fully diluted share in 2006 excluding non-recurring restructuring and environmental charges. Adjusted EBITDA for 2007 was \$119.4 million compared with \$72.3 million in 2006, an increase of 65.1%.

In commenting on results, Dr. Heinz Schimmelbusch, Chairman of the Management Board and CEO, said: “I am pleased to report robust earnings for 2007. It was a very good year as we had strong performances in our core advanced materials and engineering systems businesses. We view the results as validation of our strategy to link our businesses to high growth industries. We also strengthened our competitive position in these growth markets in 2007 by strong sales of vacuum furnaces for the solar industry and, most notably in the solar industry at AMG’s majority owned Subsidiary, Timminco Limited, with the start-up of our first upgraded metallurgical silicon production line in late December.”

RESULTS

<i>(US\$ in thousands except per share amounts)</i>	<u>2007</u>	<u>2006</u>
Revenue ⁽¹⁾	1,155,659	932,728
Operating income	85,634	38,083
Net income attributable to shareholders	11,695	4,507
Earnings per Share (fully diluted)	0.43	0.17

(1) 2006 Revenue different from IPO Prospectus due to adjustment at Timminco.

RESULTS – ADJUSTED BASIS

<i>(US\$ in thousands except per share amounts)</i>	<u>2007</u>	<u>2006</u>
Adjusted EBITDA ⁽¹⁾	119,369	72,280
Adjusted net income ⁽²⁾	51,635	34,892
Adjusted earnings per share (fully diluted) ⁽²⁾	1.89	1.30

(1) Adjusted EBITDA defined as earnings before interest, tax, depreciation, and amortisation and excludes non-recurring items.

(2) Net income attributable to shareholders and EPS adjusted to exclude non-recurring items.

Division Comments:

Advanced Materials Division

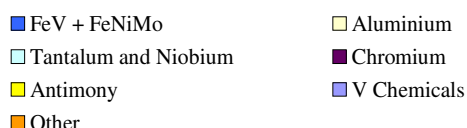
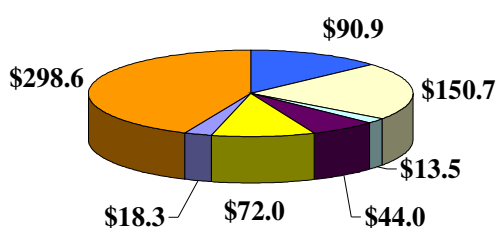
Results: Advanced Materials Division

<i>(US\$ in thousands)</i>	<u>2007</u>	<u>2006</u>
Revenue	688,039	605,357
Gross profit	104,290	94,193
Operating income	35,876	33,879
Adjusted EBITDA ⁽¹⁾	55,025	46,532
Capital expenditures	16,441	12,462

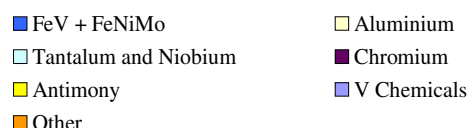
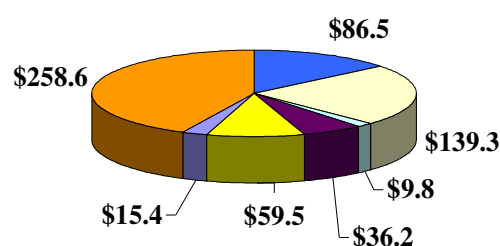
(1) Adjusted EBITDA defined as earnings before interest, tax, depreciation, and amortisation and excludes non-recurring items.

Revenue for the Advanced Materials Division increased to \$688.0 million in the year ended 31 December 2007 from \$605.3 million in the year ended 31 December 2006, a 13.7% increase. The success in the Advanced Materials Division was a result of increased sales volume or prices, and in several cases both, for many of the division's key products. The growth in revenue was the result of better pricing in the division's ferronickel-molybdenum, aluminium master alloys, antimony trioxide and tantalum and niobium product lines. The division experienced growth in volume in 2007 versus 2006 in the ferrovanadium, aluminium master alloys and specialty alloys for titanium and super alloys product lines. The Advanced Materials Division also benefited from the acquisition of Forschungsinstitut fuer Nichteisen-Metalle Freiberg GmbH ("FNE"), a state-of-the-art manufacturer of rotatable targets. FNE contributed \$18.5 million in revenue. FNE revenue was consolidated into the Advanced Materials Division beginning 1 January 2007.

2007 Advanced Materials Revenue



2006 Advanced Materials Revenue



Gross profit for the Advanced Materials Division increased to \$104.3 million, or 15.2% of the division's revenue, in the year ended 31 December 2007 as compared with \$94.2 million, or 15.6% of the division's revenue, in the period ended 31 December 2006.

Operating income for the division improved, consistent with gross profit improvements. The division's operating income also benefited from lower asset impairment, restructuring and environmental charges in 2007 when compared to 2006. These charges were \$2.1 million in the year ended 31 December 2007 as compared to \$17.6 million in the year ended 31 December 2006.

Engineering Systems Division

Results: Engineering Systems Division

<i>(US\$ in thousands)</i>	2007	2006
Revenue	312,147	166,955
Gross profit	95,777	49,962
Operating income	63,693	24,586
Adjusted EBITDA ⁽¹⁾	69,261	28,459
Capital expenditures	12,798	8,043

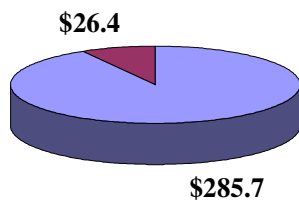
(1) Adjusted EBITDA defined as earnings before interest, tax, depreciation, and amortisation and excludes non-recurring items.

Revenue for the Engineering Systems Division increased to \$312.1 million in the year ended 31 December 2007 from \$167.0 million in the year ended 31 December 2006, an 86.9% increase. Revenue from contract-based sales of vacuum furnace systems, which constituted 91.5% and 87.1% of the division's revenue in the periods ended 31 December 2007 and 2006 respectively, increased to \$285.6 million in the year ended 31 December 2007 from \$145.4 million in the year

ended 31 December 2006, a 96.4% increase. The increase in vacuum furnace systems revenue was driven by sales of solar silicon melting and crystallisation furnace systems and sales of remelting furnaces sold primarily to the energy, titanium and specialty steel industries. Solar silicon melting and crystallisation furnace systems accounted for approximately 50% of the year on year growth, while furnaces for the titanium and specialty steel industries accounted for an additional 25% of the growth. In addition to record revenue in 2007, the Engineering Systems Division had a record year-end order backlog of \$252 million at 31 December 2007, an increase of 142.3% versus the backlog at 31 December 2006.

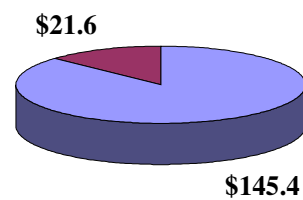
The division's revenue from its Own & Operate facilities increased to \$26.4 million in 2007 from \$21.6 million in 2006, a 22.2% increase. The increase in the Own & Operate revenue was the result of a full year of operations at the Company's third facility, which opened with limited production in April 2006.

2007 Engineering Systems Revenue



■ Furnace Systems ■ Own and Operate

2006 Engineering Systems Revenue



■ Furnace Systems ■ Own and Operate

Gross profit for the Engineering Systems Division was \$95.8 million, or 30.6% of the division's revenue, in the year ended 31 December 2007 as compared with \$50.0 million, or 29.9% of the division's revenue, in the year ended 31 December 2006. The gross profit increase was driven by the sales growth described above.

Operating income in the division improved by 159% to \$63.7 million due to the gross margin improvement.

Timminco Limited

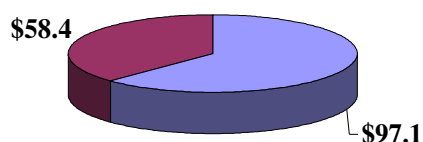
Results:Timminco Limited

<i>(US\$ in thousands)</i>	<u>2007</u>	<u>2006</u>
Revenue	155,473	160,415
Gross profit	2,335	6,450
Operating income	(13,935)	(20,382)
Adjusted EBITDA ⁽¹⁾	(4,917)	(2,711)
Capital expenditures	27,312	3,787

(1) Adjusted EBITDA defined as earnings before interest, tax, depreciation, and amortisation and excludes non-recurring items.

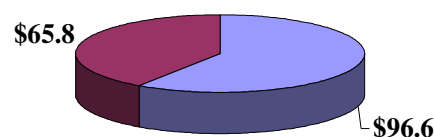
Revenue for Timminco decreased to \$155.5 million in the year ended 31 December 2007 from \$160.4 million in the year ended 31 December 2006, a 3.1% decline. This decline was primarily a result of increased competition in the magnesium product markets, whereas silicon metal prices increased but were partially offset by lower production volumes related to power interruptions in the first half of 2007.

2007 Timminco Revenue



■ Silicon Metal ■ Magnesium

2006 Timminco Revenue



■ Silicon Metal ■ Magnesium

Gross profit for Timminco declined to \$2.3 million, or 1.5% of its revenue, in the year ended 31 December 2007 as compared with \$6.5 million, or 4.0% of its revenue, in the year ended 31 December 2006. Gross profit decreased due to the decline in sales, increased magnesium metal and other raw material prices, reduced production efficiencies and non-recurring commissioning costs for the start-up of the new production line.

Timminco incurred an operating loss of \$13.9 million in the year ended 31 December 2007 compared to an operating loss of \$20.4 million in the year ended 31 December 2006. An asset impairment charge of \$12.6 million was recorded in 2006. This charge did not recur in 2007.

Net Income Attributable to Shareholders

AMG's reported net income attributable to shareholders increased to \$11.7 million in the period ended 31 December 2007 from \$4.5 million in the year ended 31 December 2006, a 160% increase. This was despite a \$34.7 million loss on the prepayment of debt in 2007. Reported earnings per share on a fully diluted basis, for the periods ended 31 December 2007 and December 31, 2006, were \$0.43 and \$0.17, respectively, an increase of 153%.

Adjusted earnings per share, on a fully diluted basis for 2007 was \$1.89, excluding debt prepayment and non-recurring costs. This compared to adjusted earnings per share on a fully diluted basis of \$1.30 in 2006 excluding non-recurring restructuring and environmental charges.

The increase in net income attributable to shareholders and earnings per share was primarily a result of revenue growth and higher gross profit, particularly in the Engineering Systems division. Total net income adjustments related to loss on debt extinguishment and non-recurring items were \$39.9 million in 2007 compared to total one-time adjustments of \$30.4 million in 2006.

Liquidity

Proceeds from AMG's initial public offering provided the Company with sufficient funds to repay its high yield debt in its entirety. Proceeds were also used to repay certain other indebtedness. Debt was reduced from \$276.8 million at year end 2006 to \$138.3 million at year end 2007.

AMG's year end debt to capitalization and debt to EBITDA ratios remain conservative at 31% and 1.16x, respectively. The Company has significant financial flexibility to pursue its strategic growth initiatives using cash on-hand and bank revolver availability.

Dividend

In accordance with AMG's dividend policy no dividend is proposed to be paid for the year ended 31 December 2007.

Full Year Report

The reported numbers are preliminary and unaudited. The audited accounts and Annual report will be published on 28 March 2008. The full report will be made available at www.amg-nv.com in the section "Investor Relations" on 28 March 2008.

Strategic Acquisition

AMG announces that a wholly owned subsidiary has signed a share purchase agreement to acquire a 62.3% interest in Graphit Kropfmuehl AG (“GK”), a company listed on the Frankfurt stock exchange (Frankfurt Stock Exchange: GKR), for consideration of €32.7 million. GK produces silicon metal and mines, processes and refines natural graphite at production sites in Europe, Asia and Africa. The closing of the acquisition is subject to regulatory approval and certain other conditions precedent. AMG intends to finance the acquisition of the shares in GK from available cash resources.

In compliance with German law, AMG’s wholly owned subsidiary intends to launch a voluntary public tender offer for the remaining outstanding shares in GK. This offer will be launched subject to obtaining the required regulatory approvals, at the €18.25 per share price agreed upon with the majority shareholders. The transaction is expected to be completed during the second quarter of 2008.

“GK is a traditional producer of high-grade natural graphite. AMG considers natural graphite to be complementary to its specialty metals and vacuum furnace markets. GK is also a producer of silicon metal and, historically, GK and Becancour Silicon Inc., Timinco’s silicon metal company, were divisions of the same parent company”, said Dr. Heinz Schimmelbusch, CEO of AMG.

Credit Facility Amendment and Capital Increase

As part of the GK acquisition, AMG has recently completed an amendment to its existing credit facility that will increase the Company's financial flexibility to pursue strategic initiatives.

In order to take advantage of opportunities in today’s environment, AMG is considering a primary equity offering not to exceed 10% of the Company’s outstanding share capital. Any such primary offering would, obviously, be subject to conditions in the equity markets. It is likely that pre-emptive rights of existing shareholders would be excluded if the offering is undertaken.

Conference Call:

AMG will host a conference call to discuss the 2007 financial results and will present the opportunity for questions and answers today, Tuesday 18 March at 4:00 pm CET, 11:00 am EDT. Please be sure to dial in at least 5 minutes early to finalise your registration:

Dial in: UK +44 207 153 2027
 US +1 480 629 1990

After the call, a replay of the conference call will be made available on the website.

About AMG

AMG, incorporated in the Netherlands, is a global leader in the production of highly engineered specialty metal products and advanced vacuum furnace systems. AMG serves growing industries worldwide with its unique combination of metallurgical engineering expertise and production know-how. AMG is a market leader in many of its products and systems, which are critical to the production of key components for the aerospace, energy (including solar and nuclear), electronics, optics, chemicals, construction and transportation industries. AMG has two operating divisions of businesses, Advanced Materials and Engineering Systems, and owns a majority interest in publicly-listed Timminco Limited (TSX: "TIM").

The Advanced Materials Division develops and produces niche specialty metals and complex metals products, many of which are used in demanding, safety-critical, high-stress environments. AMG is one of a limited number of significant producers globally of niche specialty metals, such as ferrovanadium, ferronickel-molybdenum, aluminum master alloys and additives, chromium metal and ferrotitanium, used by steel, aluminum, chemical and superalloy producers for aerospace, automotive, energy, electronics, optics, chemicals, construction and other applications. Other key products produced by AMG include specialty alloys for titanium and superalloys, coating materials, tantalum and niobium oxides, vanadium chemicals and antimony trioxide.

The Engineering Systems Division designs, engineers and produces advanced vacuum furnace systems and operates vacuum heat treatment facilities. AMG is a global leader in supplying technologically-advanced vacuum furnace systems to customers in the aerospace, energy (including solar and nuclear), transportation, electronics, superalloys and specialty steel industries. Examples of furnace systems produced by AMG include vacuum remelting, solar silicon melting and crystallization, vacuum induction melting, vacuum heat treatment and high pressure gas quenching, vacuum precision casting, turbine blade coating and sintering. AMG also provides vacuum case-hardening heat treatment services on a tolling basis to customers through facilities equipped with vacuum heat treatment furnaces.

Timminco Limited is a majority controlled, publicly-listed subsidiary of AMG. Timminco is a leader in the production of upgraded metallurgical silicon for the rapidly growing solar photovoltaic energy industry. Timminco also produces silicon metal and magnesium products for use in a broad range of industrial applications.

AMG operates globally with production facilities in Germany, the United Kingdom, France, the United States, Canada, Mexico, Brazil and Australia and also has sales and customer service offices in Belgium, Russia, China and Japan (website: www.amg-nv.com).

For further information please contact:

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Disclaimer

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