

Unaudited  
 AMG Advanced Metallurgical Group N.V.  
 Consolidated Income Statement

*For the year ended December 31*

*In thousands of US Dollars*

	2010	2009
<b>Continuing operations</b>		
Revenue	990,495	867,447
Cost of sales	811,937	701,860
Gross profit	178,558	165,587
Selling, general and administrative expenses	128,934	137,537
Restructuring expense	423	7,782
Asset impairment expense	602	1,718
Environmental expense	6,421	3,998
Other expenses	260	173
Other income	(1,341)	(6,182)
Operating profit	43,259	20,561
Finance expense	18,727	18,419
Finance income	(5,429)	(3,587)
Foreign exchange (gain) loss	(2,799)	2,418
Net finance costs	10,499	17,250
Share of loss of associates	(19,405)	(31,958)
Profit (loss) before income tax	13,355	(28,647)
Income tax expense	11,207	15,205
Profit (loss) for the year from continuing operations	2,148	(43,852)
Loss after tax for the year from discontinued operations	-	(54,378)
Profit (loss) for the year	2,148	(98,230)
Attributable to:		
Shareholders of the Company	2,414	(75,642)
Non-controlling interests	(266)	(22,588)
	2,148	(98,230)
<b>Earnings (loss) per share</b>		
Basic earnings (loss) per share	0.09	(2.82)
Diluted earnings (loss) per share	0.09	(2.82)
<b>Earnings (loss) per share from continuing operations</b>		
Basic earnings (loss) per share from continuing operations	0.09	(1.77)
Diluted earnings (loss) per share from continuing operations	0.09	(1.77)

Unaudited  
AMG Advanced Metallurgical Group N.V.  
Consolidated Income Statement

*For the three months ended December 31*

*In thousands of US Dollars*

	2010	2009
<b>Continuing operations</b>		
Revenue	270,731	231,388
Cost of sales	221,349	185,034
Gross profit	49,382	46,354
Selling, general and administrative expenses	36,765	42,605
Restructuring expense	417	2,087
Asset impairment expense	602	1,718
Environmental expense	5,658	(164)
Other expenses	248	65
Other income	(631)	(1,797)
Operating profit	6,323	1,840
Finance expense	2,966	2,538
Finance income	(2,459)	(970)
Foreign exchange loss	1,535	2,594
Net finance costs	2,042	4,162
Share of income (loss) of associates	7,569	(29,273)
Profit (loss) before income tax	11,850	(31,595)
Income tax benefit	(110)	(2,436)
Profit (loss) for the period from continuing operations	11,960	(29,159)
Profit after tax for the period from discontinued operations	-	202
Profit (loss) for the period	11,960	(28,957)
Attributable to:		
Shareholders of the Company	12,481	(30,227)
Non-controlling interests	(521)	1,270
	11,960	(28,957)
<b>Earnings (loss) per share</b>		
Basic earnings (loss) per share	0.46	(1.13)
Diluted earnings (loss) per share	0.46	(1.13)
<b>Earnings (loss) per share from continuing operations</b>		
Basic earnings (loss) per share from continuing operations	0.46	(1.13)
Diluted earnings (loss) per share from continuing operations	0.46	(1.13)

Unaudited  
AMG Advanced Metallurgical Group N.V.  
Consolidated Statement of Financial Position

*As at December 31*

*In thousands of US Dollars*

	2010	2009
<b>Assets</b>		
Property, plant and equipment	228,612	211,022
Intangible assets	27,002	28,253
Investments in associates	25,186	34,794
Derivative financial instruments	5,199	1,718
Deferred tax assets	22,107	10,912
Restricted cash	12,528	13,263
Notes receivable	322	5,542
Other assets	15,372	11,980
Total non-current assets	336,328	317,484
Inventories	207,204	193,378
Trade and other receivables	175,421	147,787
Derivative financial instruments	5,731	4,954
Other assets	41,080	30,359
Cash and cash equivalents	89,311	117,016
Total current assets	518,747	493,494
Total assets	855,075	810,978
<b>Equity</b>		
Issued capital	741	725
Share premium	381,636	379,518
Other reserves	36,158	31,284
Retained earnings (deficit)	(196,481)	(198,897)
Equity attributable to shareholders of the Company	222,054	212,630
Non-controlling interests	11,911	15,793
Total equity	233,965	228,423
<b>Liabilities</b>		
Loans and borrowings	187,813	168,319
Employee benefits	88,372	91,358
Provisions	20,607	14,862
Government grants	642	669
Other liabilities	5,517	7,984
Derivative financial instruments	698	1,339
Deferred tax liabilities	25,436	26,395
Total non-current liabilities	329,085	310,926

Loans and borrowings	4,254	3,464
Short term bank debt	45,022	32,013
Government grants	175	234
Other liabilities	43,287	46,179
Trade and other payables	102,253	69,791
Derivative financial instruments	1,754	6,048
Advance payments	49,597	54,764
Current taxes payable	24,979	36,050
Provisions	20,704	23,086
Total current liabilities	292,025	271,629
Total liabilities	621,110	582,555
Total equity and liabilities	855,075	810,978

Unaudited  
AMG Advanced Metallurgical Group N.V.  
Consolidated Statement of Cash Flows

*For the year ended December 31*

<i>In thousands of US Dollars</i>	2010	2009
Cash flows used in operating activities		
Loss for the period from continuing operations	2,148	(43,852)
Loss for the period from discontinued operations	-	(54,378)
Loss for the period	2,148	(98,230)
Adjustments to reconcile loss to net cash flows:		
Non-cash:		
Depreciation and amortization	25,009	23,758
Restructuring expense	423	7,782
Asset impairment expense	602	1,718
Environmental expense	6,421	3,998
Net finance costs	10,499	17,250
Share of loss of associates	19,405	31,958
Loss on sale or disposal of property, plant and equipment	262	6,253
Equity-settled share-based payment transactions	6,362	13,729
Cash-settled share-based payment transactions	1,964	3,605
Income tax expense	11,207	15,205
Working capital adjustments		
Change in inventories	(23,774)	45,338
Change in trade and other receivables	(40,033)	(564)
Change in prepayments	(12,248)	12,490
Change in trade payables, provisions, and other liabilities	35,488	(97,919)
Change in government grants	(17)	(7,783)
Other	3,936	5,934
Interest paid	(15,334)	(15,289)
Interest received	1,496	2,468
Income tax paid, net	(35,439)	(9,711)
Cash flows from discontinued operations	-	35,919
Net cash flows used in operating activities	(1,623)	(2,091)
Cash flows used in investing activities		
Proceeds from sale of property, plant and equipment	983	129
Acquisition of subsidiaries (net of cash acquired of nil)	(20,154)	-
Acquisition of property, plant and equipment and intangibles	(32,973)	(25,532)
Related party loans	264	(5,262)
Investments in/acquisition of associates	(10,765)	(28,943)
Change in restricted cash	151	1,410
Other	(78)	56
Cash flows used in discontinued operations	-	(32,039)
Net cash flows used in investing activities	(62,572)	(90,181)

Cash flows from financing activities		
Proceeds from issuance of debt	45,546	30,175
Repayment of borrowings	(3,432)	(15,785)
Other	238	670
Cash flows from discontinued operations	-	47,578
Net cash flows from financing activities	<u>42,352</u>	<u>62,638</u>
Net decrease in cash and cash equivalents	(21,843)	(29,634)
Cash and cash equivalents at January 1	117,016	143,473
Effect of exchange rate fluctuations on cash held	<u>(5,862)</u>	<u>3,177</u>
Cash and cash equivalents at December 31	89,311	117,016