

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

**For the quarter ended September 30**

*In thousands of US Dollars*

	2016 Unaudited	2015 Unaudited
<b>Continuing operations</b>		
Revenue	247,526	241,867
Cost of sales	200,994	202,207
<b>Gross profit</b>	<b>46,532</b>	<b>39,660</b>
Selling, general and administrative expenses	34,701	28,925
Restructuring expense	234	2,455
Environmental	45	-
Other income, net	(4,558)	(17)
<b>Operating profit</b>	<b>16,110</b>	<b>8,297</b>
Finance income	(165)	(70)
Finance expense	6,293	52
Foreign exchange loss (gain)	708	(1,460)
<b>Net finance costs</b>	<b>6,836</b>	<b>(1,478)</b>
Share of profit of associates and joint ventures	368	53
<b>Profit before income tax</b>	<b>9,642</b>	<b>9,828</b>
Income tax expense	4,132	4,679
<b>Profit for the period</b>	<b>5,510</b>	<b>5,149</b>
Attributable to:		
Shareholders of the Company	5,181	4,933
Non-controlling interests	329	216
<b>Profit for the period</b>	<b>5,510</b>	<b>5,149</b>
<b>Earnings per share</b>		
Basic earnings per share	0.19	0.18
Diluted earnings per share	0.18	0.18

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

**For the nine months ended September 30**

*In thousands of US Dollars*

	2016	2015
	Unaudited	Unaudited
<b>Continuing operations</b>		
Revenue	733,274	756,301
Cost of sales	588,695	628,726
<b>Gross profit</b>	<b>144,579</b>	<b>127,575</b>
Selling, general and administrative expenses	100,761	91,931
Restructuring expense	756	6,114
Environmental	45	(2,286)
Other income, net	(4,993)	(156)
<b>Operating profit</b>	<b>48,010</b>	<b>31,972</b>
Finance income	(459)	(542)
Finance expense	10,806	9,048
Foreign exchange loss (gain)	1,644	(2,577)
<b>Net finance costs</b>	<b>11,991</b>	<b>5,929</b>
Share of profit of associates and joint ventures	1,804	250
<b>Profit before income tax</b>	<b>37,823</b>	<b>26,293</b>
Income tax expense	7,217	14,235
<b>Profit for the period</b>	<b>30,606</b>	<b>12,058</b>
Attributable to:		
Shareholders of the Company	30,602	11,417
Non-controlling interests	4	641
<b>Profit for the period</b>	<b>30,606</b>	<b>12,058</b>
<b>Earnings per share</b>		
Basic earnings per share	1.10	0.41
Diluted earnings per share	1.04	0.41

AMG Advanced Metallurgical Group N.V.  
 Condensed interim consolidated statement of financial position

<i>In thousands of US Dollars</i>	September 30, 2016 Unaudited	December 31, 2015
<b>Assets</b>		
Property, plant and equipment	213,444	215,833
Goodwill	23,723	18,676
Intangible assets	10,260	10,246
Investments in associates and joint ventures	-	2,230
Other investments	15,000	14,000
Deferred tax assets	31,212	31,551
Restricted cash	2,474	2,527
Other assets	20,750	19,883
<b>Total non-current assets</b>	<b>316,863</b>	<b>314,946</b>
Inventories	144,541	126,389
Trade and other receivables	137,084	124,270
Derivative financial instruments	1,972	978
Other assets	32,509	27,648
Assets held for sale	-	673
Cash and cash equivalents	174,077	127,778
<b>Total current assets</b>	<b>490,183</b>	<b>407,736</b>
<b>Total assets</b>	<b>807,046</b>	<b>722,682</b>

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

<i>In thousands of US Dollars</i>	September 30, 2016 Unaudited	December 31, 2015
<b>Equity</b>		
Issued capital	760	745
Share premium	389,466	382,978
Treasury shares	(1,612)	-
Other reserves	(66,545)	(49,500)
Retained earnings (deficit)	(184,554)	(205,662)
<b>Equity attributable to shareholders of the Company</b>	<b>137,515</b>	<b>128,561</b>
Non-controlling interests	22,015	25,006
<b>Total equity</b>	<b>159,530</b>	<b>153,567</b>
<b>Liabilities</b>		
Loans and borrowings	160,542	112,217
Employee benefits	141,024	137,853
Provisions	29,985	29,617
Deferred revenue	4,615	13,539
Government grants	449	536
Other liabilities	20,167	8,821
Derivative financial instruments	890	5,642
Deferred tax liabilities	12,327	11,691
<b>Total non-current liabilities</b>	<b>369,999</b>	<b>319,916</b>
Loans and borrowings	2,566	3,222
Short term bank debt	9,114	11,304
Government grants	101	99
Liabilities associated with assets held for sale	-	423
Other liabilities	48,412	42,872
Trade and other payables	137,762	108,019
Derivative financial instruments	3,841	8,379
Advance payments	40,546	44,184
Deferred revenue	11,915	16,124
Current taxes payable	7,942	3,093
Provisions	15,318	11,480
<b>Total current liabilities</b>	<b>277,517</b>	<b>249,199</b>
<b>Total liabilities</b>	<b>647,516</b>	<b>569,115</b>
<b>Total equity and liabilities</b>	<b>807,046</b>	<b>722,682</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*

	2016 Unaudited	2015 Unaudited
<b>Cash flows from operating activities</b>		
Profit for the year	30,606	12,058
Adjustments to reconcile net profit to net cash flows:		
<b>Non-cash:</b>		
Income tax expense	7,217	14,235
Depreciation and amortization	22,010	21,957
Net finance costs	11,991	5,929
Share of profit of associates and joint ventures	(1,804)	(250)
Gain on sale or disposal of property, plant and equipment	(4,193)	(179)
Equity-settled share-based payment transactions	1,509	3,326
Movement in provisions, pensions and government grants	(14,834)	1,340
Working capital and deferred revenue adjustments	(2,043)	(2,049)
<b>Cash flows from operating activities</b>	<b>50,459</b>	<b>56,367</b>
Finance costs paid, net	(4,994)	(9,935)
Income tax paid, net	(4,793)	(3,674)
<b>Net cash flows from operating activities</b>	<b>40,672</b>	<b>42,758</b>
<b>Cash flows used in investing activities</b>		
Proceeds from sale of property, plant and equipment	522	951
Proceeds from sale of subsidiaries (net of cash divested of \$1,820 and \$1,347, respectively)	6,512	(1,567)
Acquisition of property, plant and equipment and intangibles	(22,738)	(12,260)
Acquisition of subsidiaries (net of cash acquired of \$35 in 2016)	(4,961)	-
Acquisition of other non-current investments	(1,000)	-
Change in restricted cash	116	4,861
Other	(46)	(10)
<b>Net cash flows used in investing activities</b>	<b>(21,595)</b>	<b>(8,025)</b>

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

**For the nine months ended September 30**

*In thousands of US Dollars*

	2016	2015
	Unaudited	Unaudited
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuance of debt	163,755	177,205
Payment of transaction costs related to debt issuance	(3,267)	(5,199)
Repayment of borrowings	(121,640)	(230,780)
Change in non-controlling interests	(2,695)	37,530
Repurchase of common stock	(1,705)	-
Dividends paid	(7,558)	(2,669)
Other	(68)	(167)
<b>Net cash flows from (used in) financing activities</b>	<b>26,822</b>	<b>(24,080)</b>
<b>Net increase in cash and cash equivalents</b>	<b>45,899</b>	<b>10,653</b>
Cash and cash equivalents at January 1	127,778	108,029
Effect of exchange rate fluctuations on cash held	400	(4,612)
<b>Cash and cash equivalents at September 30</b>	<b>174,077</b>	<b>114,070</b>