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## Overview

<table>
<thead>
<tr>
<th><strong>Listed:</strong></th>
<th>NYSE-Euronext Amsterdam: AMG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Founded:</strong></td>
<td>2006</td>
</tr>
<tr>
<td><strong>LTM Revenues:</strong></td>
<td>$1,149.6M</td>
</tr>
<tr>
<td><strong>LTM EBITDA:</strong></td>
<td>$80.4M</td>
</tr>
<tr>
<td><strong>LTM Operating Cashflow:</strong></td>
<td>$89.5M</td>
</tr>
<tr>
<td><strong>Employees:</strong></td>
<td>3,137</td>
</tr>
<tr>
<td><strong>Facilities:</strong></td>
<td>Netherlands, Germany, France, Czech Republic, Poland, UK, USA, Brazil, Mexico, China, India, Sri Lanka, Turkey, Zimbabwe, Mozambique</td>
</tr>
<tr>
<td><strong>Market Cap:</strong></td>
<td>€202M ($278M)</td>
</tr>
<tr>
<td><strong>Enterprise Value:</strong></td>
<td>€319M ($438M)</td>
</tr>
<tr>
<td><strong>EV / EBITDA:</strong></td>
<td>5.5x</td>
</tr>
<tr>
<td><strong>Shares outstanding:</strong></td>
<td>27.6M</td>
</tr>
<tr>
<td><strong>52 week range:</strong></td>
<td>€5.88–€8.35</td>
</tr>
<tr>
<td><strong>Recent share price:</strong></td>
<td>€7.35 (December 16, 2013)</td>
</tr>
</tbody>
</table>

Note: LTM values are September YTD
AMG - Three Divisions

AMG Processing
- AMG’s conversion and recycling based businesses
- Metals & alloys
- Coating materials

AMG Mining
- Integrated AMG’s mine based businesses
- Concentrates

AMG Engineering
- AMG’s vacuum systems and services business
- Capital equipment & service for high purity materials
## Divisions – AMG Processing

### AMG Processing – conversion and recycling operations

<table>
<thead>
<tr>
<th>Value Proposition</th>
<th>Key Products</th>
<th>Major Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Aluminum grain refiners and master alloys for high performance materials in aerospace, automotive and infrastructure applications</td>
<td><img src="image1.png" alt="Image" /></td>
<td><img src="image2.png" alt="Image" /></td>
</tr>
<tr>
<td>▪ Ferrovanadium for high strength, low alloy steels for infrastructure; ferronickel-molybdenum for stainless steel</td>
<td><img src="image3.png" alt="Image" /></td>
<td><img src="image4.png" alt="Image" /></td>
</tr>
<tr>
<td>▪ Titanium master alloys for high performance, light weight aerospace engine and frame, and coating materials for aerospace turbines</td>
<td><img src="image5.png" alt="Image" /></td>
<td><img src="image6.png" alt="Image" /></td>
</tr>
<tr>
<td>▪ Chrome metal for stainless steel, electrical resistance wire, and superalloys</td>
<td><img src="image7.png" alt="Image" /></td>
<td><img src="image8.png" alt="Image" /></td>
</tr>
</tbody>
</table>

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5
## Divisions – AMG Mining

### AMG Mining – mine based value chains

<table>
<thead>
<tr>
<th>Value Proposition</th>
<th>Key Products</th>
<th>Major Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Antimony trioxide and master batches for flame retardant on electronics, paints, and plastics</td>
<td><img src="image1.png" alt="Image" /></td>
<td><img src="image2.png" alt="Image" /></td>
</tr>
<tr>
<td>▪ Tantalum and niobium superalloys for aerospace engines and industrial gas turbines</td>
<td><img src="image3.png" alt="Image" /></td>
<td><img src="image4.png" alt="Image" /></td>
</tr>
<tr>
<td>▪ Conflict-free tantalum concentrate for tantalum capacitors used on portable electronics</td>
<td><img src="image5.png" alt="Image" /></td>
<td><img src="image6.png" alt="Image" /></td>
</tr>
<tr>
<td>▪ Natural graphite for building insulation materials, energy storage, li-ion batteries for electrical vehicle, and lubricants</td>
<td><img src="image7.png" alt="Image" /></td>
<td><img src="image8.png" alt="Image" /></td>
</tr>
<tr>
<td>▪ Silicon metal for aluminum production and solar panel materials</td>
<td><img src="image9.png" alt="Image" /></td>
<td><img src="image10.png" alt="Image" /></td>
</tr>
</tbody>
</table>
### Divisions – AMG Engineering

AMG Engineering – vacuum systems and services

<table>
<thead>
<tr>
<th>Value Proposition</th>
<th>Key Products</th>
<th>Major Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacuum melting and re-melting furnaces for high-performance titanium, steel and alloys, and purification of rare metals and alloys</td>
<td><img src="image1.png" alt="Image 1" /> <img src="image2.png" alt="Image 2" /> <img src="image3.png" alt="Image 3" /></td>
<td><img src="image4.png" alt="Image 4" /> <img src="image5.png" alt="Image 5" /> <img src="image6.png" alt="Image 6" /></td>
</tr>
<tr>
<td>Vacuum heat treatment furnaces and services for high-performance materials of aerospace and automotive applications</td>
<td><img src="image7.png" alt="Image 7" /> <img src="image8.png" alt="Image 8" /> <img src="image9.png" alt="Image 9" /></td>
<td><img src="image10.png" alt="Image 10" /> <img src="image11.png" alt="Image 11" /> <img src="image12.png" alt="Image 12" /></td>
</tr>
<tr>
<td>Vacuum coating furnace for aerospace turbine blade coatings</td>
<td><img src="image13.png" alt="Image 13" /> <img src="image14.png" alt="Image 14" /> <img src="image15.png" alt="Image 15" /></td>
<td><img src="image16.png" alt="Image 16" /> <img src="image17.png" alt="Image 17" /> <img src="image18.png" alt="Image 18" /></td>
</tr>
<tr>
<td>Vacuum sintering and annealing furnaces for nuclear fuel productions</td>
<td><img src="image19.png" alt="Image 19" /> <img src="image20.png" alt="Image 20" /> <img src="image21.png" alt="Image 21" /></td>
<td><img src="image22.png" alt="Image 22" /> <img src="image23.png" alt="Image 23" /> <img src="image24.png" alt="Image 24" /></td>
</tr>
</tbody>
</table>
The EU identified 14 critical raw materials* to the European economy – focusing on two determinants – economic importance and supply risk.

A critical raw material is one whose risk of supply shortage and its impacts on the economy are higher compared with most of the other raw materials.

Demand for these raw materials is driven by the growth of developing economies and new emerging technologies.

Two types of risks are considered when determining which raw materials qualify as critical:

- **Supply risk**, which takes into account:
  - Political-economic stability of the producing countries
  - Level of concentration of production (high share of the world’s production comes from a few countries)
  - Potential for substitution
  - Recycling rate

- **Environmental country risk**, which considers the measures that might be taken by countries with weak environmental performance in order to protect the environment and thus possibly endanger the supply of raw materials.

Note: *European Commission Report of the Ad-hoc Working Group on defining critical raw materials*
## Core Competences

### Input
- AMG Processing
  - Cr oxide, Al powder
  - V-contained spent catalyst & slag
  - Ti, V, Nb, Mo, Al
  - Al, Mn, Cr, Fe, Ti, B etc.

- AMG Mining
  - Ta/Nb ore, FeTaNb
  - Ta/Nb concentrate
  - Natural graphite ore
  - Antimony metal
  - Quartz, wood chips, coal

- AMG Engineering
  - Design elements, Furnace components
  - Engine components

### Upgrading
- Pyrometallurgy (smelting)
- Pyrometallurgy (roasting, smelting)
- Pyrometallurgy (smelting), Alloying
- Pyrometallurgy, Alloying

### Output
- AMG Processing
  - Cr Metal
  - FeV, FeNiMo, and V chemicals
  - Ti Master Alloys/Ti Alloys
  - Al Master Alloys & Grain Refiners

- AMG Mining
  - Ta/Nb concentrate
  - Ta/Nb oxide
  - Advanced graphite products
  - ATO & masterbatches
  - Silicon metal

- AMG Engineering
  - Furnace assembly
  - Heat treatment services
  - High-performance metallurgical furnaces
  - Heat-treated parts

### Focus on Proprietary Technologies
AMG’s Strategy - The Complexity Issue

Complexity - Vertical

Materials

- V (Vanadium)
- Ti (Titanium)
- Cr (Chromium)
- Al (Aluminum)
- Sb (Antimony)
- Si (Silicon)
- C (Carbon)
- Mo (Molybdenum)
- Nb (Nickel)
- Ta (Tantalum)

Engineering

Vacuum Furnaces

Complexity - Horizontal
AMG’s Strategy - The Uniqueness Challenge

Quality of Strategy

High
Type 1
RARE

Low
Type 2

Ease of Assessment

High
Ongoing Strategic Projects

Low

Source: Harvard Business Review, November 2013, Company modified

Measurement of Strategy

- Quality of Strategy
- Ability to generate cash over the long run
- Ease of Assessment
- Effort required to estimate future performance

Cash Flow from Operations

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash Flow from Operations (in USD millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>-$2.1</td>
</tr>
<tr>
<td>2010</td>
<td>-$1.6</td>
</tr>
<tr>
<td>2011</td>
<td>$45.0</td>
</tr>
<tr>
<td>2012</td>
<td>$65.6</td>
</tr>
<tr>
<td>Sep YTD 2013</td>
<td>$57.3</td>
</tr>
</tbody>
</table>
AMG’s Strategy

AMG is a leader in mining, processing, and upgrading critical materials for the production of high value added specialty metals and alloys. AMG focuses its strategy on building critical mass in materials where AMG possesses a significant market position and potential for long-term growth exceeding global GDP.

<table>
<thead>
<tr>
<th>Process</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Strengthen AMG’s Balance Sheet</td>
<td>■ Reduced complexity</td>
</tr>
<tr>
<td>■ Increase operating cash flow</td>
<td>■ More focused business on highly proprietary</td>
</tr>
<tr>
<td>■ Reduce net debt</td>
<td>materials, in which AMG has critical mass, a</td>
</tr>
<tr>
<td>■ Evaluate assets that are non-core to AMG’s strategy of building</td>
<td>significant market position (either 1 of 2 or 3),</td>
</tr>
<tr>
<td>critical mass in high value added critical materials</td>
<td>and potential for long-term growth above global</td>
</tr>
<tr>
<td>■ Deepen focus on high value added critical materials, and expand</td>
<td>GDP</td>
</tr>
<tr>
<td>through both investment and acquisitions</td>
<td>■ Lower net debt to EBITDA</td>
</tr>
<tr>
<td></td>
<td>■ Increase Shareholder Value</td>
</tr>
</tbody>
</table>
AMG acquired KB Alloys in February 2011
- AMG was the market leader in Europe and South America
- KB Alloys was the market leader in North America
  - Combination created the #1 global player

- Increased market share with global footprint giving AMG critical mass in the aluminum industry
- Cost synergies and expansion of best practices and core competencies leading to:
  - SG&A down 12%
  - EBITDA up 130%
  - Working capital down 60%
Financial Highlights
Financial Highlights – 5 Year

**Revenue**

- 2009: $867.4
- 2010: $990.5
- 2011: $1,351.3
- 2012: $1,215.6
- LTM 2013: $1,149.6

**Gross Profit**

- 2009: $165.6
- 2010: $178.6
- 2011: $238.0
- 2012: $196.5
- LTM 2013: $178.1

**EBITDA**

- 2009: $69.1
- 2010: $84.9
- 2011: $110.1
- 2012: $84.8
- LTM 2013: $81.6

**ROCE**

- 2009: 10.5%
- 2010: 11.9%
- 2011: 15.1%
- 2012: 9.5%
- LTM 2013: 8.9%
### Financial Highlights - 2013

#### Revenue

**YTD September 2013 Revenue:** $874.4 (in USD millions)

- AMG Engineering: $193.2
- AMG Mining: $245.5
- AMG Processing: $435.7

#### EBITDA

**YTD September 2013 EBITDA:** $62.1 (in USD millions)

- AMG Engineering: $18.2
- AMG Mining: $22.5
- AMG Processing: $21.3

#### Gross Margin

**YTD September 2013 Gross Margin:** 15.6%

- AMG Processing: 11.6%
- AMG Mining: 15.7%
- AMG Engineering: 24.6%

#### Capital Expenditure

**YTD September 2013 CAPEX:** $22.5 (in USD millions)

- AMG Engineering: $1.4
- AMG Mining: $7.3
- AMG Processing: $13.9
Capital Base

- Net debt: $163.6M
  - A reduction of $16.4 million in Q3’13
- Debt to capitalization: 0.67x
- Net Debt to LTM EBITDA: 2.01x
- Revolver availability: $73.7M
- Total liquidity: $190.0M
- AMG’s primary debt facility is a $370 million term loan and revolving credit facility
  - 5 year term – until 2016
  - Obtained waiver for tangible net worth covenant as of June 30, 2013
  - Currently in compliance with all debt covenants
- YTD Q3’13 $57.3M Cash Flows from Operations, up 71% compared to YTD Q3’12
End Markets

Revenue

YTD September 2013: $874.4

Gross Profit

YTD September 2013: $136.7

Aerospace - 9% vs. YTD Sep. 2012
Titanium alloys and Chrome metal revenue decreased

Aerospace - 2% vs. YTD Sep. 2012
Focusing on higher margin products for Aerospace
Appendix:
AMG’s Critical Materials for Aerospace
&
Critical Materials Prices
AMG’s Aerospace Revenue consists of a diversified mix of high value added products and services

Note: YTD 2013 Revenue
AMG – Aerospace

Example

Operating temperature [°C]

<table>
<thead>
<tr>
<th>Ti-64</th>
<th>Ti-6246</th>
<th>Ti-834</th>
<th>Ni-based Superalloys</th>
<th>TiAl</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMG</td>
<td>AMG</td>
<td>AMG</td>
<td>AMG</td>
<td>AMG</td>
</tr>
<tr>
<td>up to 400</td>
<td>up to 550</td>
<td>up to 600</td>
<td>1,230 - 730</td>
<td>up to 730</td>
</tr>
</tbody>
</table>
AMG – Aerospace

**COMPRESSOR BLADES**
- Cobalt
- Chromium
- Niobium
- Tantalum
- Titanium
- Tungsten
- Vanadium (Ti Alloys)

**COMPRESSOR DISCS**
- Cobalt
- Chromium
- Hafnium
- Tantalum
- Titanium
- Tungsten
- Vanadium (Ti Alloys)

**LP TURBINE BLADES**
- Cobalt
- Chromium
- Niobium
- Tantalum
- Tungsten

**HP TURBINE DISCS**
- Cobalt
- Chromium
- Niobium
- Tantalum
- Tungsten
- Tungsten

**EXHAUST**
- Cobalt
- Chromium
- Rare Earths
- Tungsten

**ANCILLARIES & CONTROL SYSTEMS**
- Cobalt
- Rare Earths
- Tantalum

**COMBUSTOR**
- Cobalt
- Chromium
- Rare Earths
- Tungsten

**HP TURBINE BLADES**
- Cobalt
- Chromium
- Hafnium
- Platinum
- Rhenium
- Rare Earths
- Tantalum
- Tungsten

**LP TURBINE DISCS**
- Cobalt
- Chromium
- Niobium
- Tantalum
- Tungsten

*Materials produced by AMG*
New AMG Product: Vacuum-coated transducers are applied to the bolts on the 3 Bearing Swivel Module of the Joint Strike Fighter F-35B
Notes: *Spot prices are as of 1 November 2013, Nb 2013 spot as of Dec; Nb pentoxide price not available before 2009
Sources: Ta$_2$O$_5$ and Ti sponge from Metal Pages; Nb from Asian Metal; Mo from Platts; Chrome Metal from Ryan’s Notes; Nickel from Metal Bulletin
5 Year Price Trends

**Ferrovanadium**

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Spot*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price in $/lb</td>
<td>30.9</td>
<td>10.9</td>
<td>14.5</td>
<td>14.8</td>
<td>14.9</td>
<td>12.3</td>
<td></td>
</tr>
</tbody>
</table>

**Aluminum**

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Spot*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price in $/mt</td>
<td>2,567</td>
<td>1,670</td>
<td>2,173</td>
<td>2,395</td>
<td>2,018</td>
<td>1,817</td>
<td></td>
</tr>
</tbody>
</table>

**Carbon Steel**

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Spot*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price in $/mt</td>
<td>933</td>
<td>530</td>
<td>635</td>
<td>700</td>
<td>582</td>
<td>523</td>
<td></td>
</tr>
</tbody>
</table>

**Silicon**

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Spot*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price in cents/lb</td>
<td>174</td>
<td>125</td>
<td>143</td>
<td>161</td>
<td>131</td>
<td>124</td>
<td></td>
</tr>
</tbody>
</table>

**Antimony**

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Spot*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price in $/mt</td>
<td>6,141</td>
<td>5,210</td>
<td>9,047</td>
<td>14,722</td>
<td>12,863</td>
<td>10,350</td>
<td></td>
</tr>
</tbody>
</table>

**Graphite**

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Spot*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price in $/mt</td>
<td>784</td>
<td>710</td>
<td>845</td>
<td>1,462</td>
<td>1,454</td>
<td>950</td>
<td></td>
</tr>
</tbody>
</table>

Note: *Spot prices are as of 1 November 2013
Source: FeV from Ryan’s Notes; Al, Carbon Steel, Si and Sb from Metal Bulletin; Graphite from Industrial Minerals