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AMG IS A CRITICAL MATERIALS COMPANY

GLOBAL TRENDS
CO₂ emission reduction, population growth, increasing affluence, and energy efficiency

DEMAND
Innovative new products that are lighter, stronger, and resistant to higher temperatures

SUPPLY: AMG
Sources, processes, and supplies the critical materials the market demands
AMG: MITIGATING TECHNOLOGIES
Products and Processes saving raw materials, energy and CO₂ emissions during manufacturing (i.e., recycling of Ferrovanadium)

AMG: ENABLING TECHNOLOGIES
Products and Processes saving CO₂ emissions during use (i.e., light-weighting and fuel efficiency in the aerospace and automotive industries)

AMG HAS DEVELOPED INTO A LEADER IN ENABLING TECHNOLOGIES
Refinanced credit facility in 2015, providing a stable capital base and liquidity for strategic growth

Deleveraged balance sheet; zero net debt at end of FY15

Initiated first dividend to shareholders in 2015

Reflecting AMG commitment to return value to shareholders

Rigorous process to review strategic growth opportunities that is both selective and opportunistic

Organic growth strategy is focused on areas of our portfolio that are marked by strong demand growth or supply limitations

Financially and operationally capable of quickly assessing opportunities

Driving long-term sustainable growth and shareholder value
Critical Raw Materials

- The EU identified 20 critical raw materials* to the European economy in 2014, focusing on two determinants: economic importance and supply risk.
- The US identified 30 critical materials* which are vital to national defense, primarily through assessing supply risk.
- AMG has a unique critical materials portfolio comprising:
  - 5 EU critical raw materials
  - 4 US critical raw materials
  - Highly engineered Titanium Alloys for the aerospace industry
  - High value added Aluminum Master Alloys
  - Vanadium, Nickel and Molybdenum from recycled secondary raw materials

Critical Materials Price Trends

The cumulative average 10 year price appreciation of the AMG EU Critical Materials was 6.4 percentage points higher than LME Metals and 7.8 points higher than oil, while the AMG Portfolio outperformed LME Metals and oil by 6.2 and 7.6 percentage points, respectively.

Note: Compound annual growth rates are calculated over the period Mar ’06 through Mar ’16 using the equation \(((\text{Ending Value} / \text{Beginning Value}) ^ {1 / \text{# of years}}) - 1\) where ending value is avg monthly price in Mar ’15 and beginning value is avg monthly price in Mar ’06; and where AMG EU Critical Materials include Sb, Cr, Graphite & Si; AMG Portfolio includes Sb, Cr, FeV, Li, Nb, Sn, Sr, Graphite, Ta, Sn & Ti; and LME Metals include Al, Co, Cu, Pb, Mo, Ni, & Zn. Avg annual growth rates (plotted above) are calculated over the same period using the equation \(((\text{Ending Value} / \text{Beginning Value}) - 1\) and considering the same metal categorizations where ending value is avg monthly price in Dec of the given year and beginning value is avg monthly price in Mar ’06.
Critical Materials Prices: 10 Year Perspective

- Metal prices are measured on a scale of 0 to 10, with 0 and 10 representing the minimum and maximum average quarterly prices occurring during the past 10 years.
- The positions demonstrate the current price level of each metal with respect to their various historical price points over the past 10 years.

AMG has significant potential upside within certain critical materials based on historical price ranges.

Note: Metal Positions are measured on a scale of 0 to 10, with 0 being the minimum price and 10 being the maximum price. They are calculated using the formula \[(\text{Mar '06 month avg} - \text{min. monthly avg}) / (\text{max. monthly avg} - \text{min. monthly avg}) \times 10\] where maximum and minimum monthly averages are measured over the period 1 Mar '06 through 31 Mar '16.
AMG Business Segments

**AMG CRITICAL MATERIALS**

AMG’S CONVERSION, MINING, AND RECYCLING BUSINESSES

- VANADIUM
- SUPERALLOYS
- TITANIUM ALLOYS & COATINGS
- ALUMINUM ALLOYS
- TANTALUM & NIOBIUM
- ANTIMONY
- GRAPHITE
- SILICON

**AMG ENGINEERING**

AMG’S VACUUM SYSTEMS AND SERVICES BUSINESS

- ENGINEERING
- HEAT TREATMENT SERVICES
AMG Global Footprint – Critical Materials

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

Natural Graphite
Silicon Metal
Titanium Alloys & Coatings
Aluminum Master Alloys, Aluminum Powders
FeV
Tantalum
Niobium
Nickel
Molybdenum
AMG Global Footprint – Engineering

Headquarters

Production Facility

Heat Treatment Services
Health and Safety Focus

LEADING SAFETY INDICATORS

- The number of safety improvement items reported increased by 13% compared to the 12 month period ending March 2015. These are essential in order to avoid potential injuries.

- Incident severity rate over the 12 months ending March 2016 is down 37% from the previous 12 month period.

- Days away from work resulting from these lost time incidents are down 35%.

<table>
<thead>
<tr>
<th>PERIOD ENDING MARCH</th>
<th>LOST TIME INCIDENTS IN THE LAST 12 MONTHS</th>
<th>12 MONTH AVERAGE LOST TIME INCIDENT RATE</th>
<th>12 MONTH AVERAGE INCIDENT SEVERITY RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>32</td>
<td>1.30</td>
<td>0.19</td>
</tr>
<tr>
<td>2016</td>
<td>29 (↓)</td>
<td>1.08 (↓)</td>
<td>0.12 (↓)</td>
</tr>
</tbody>
</table>

RIGOROUS COMMITMENT TO SAFETY REFLECTED IN CONTINUALLY IMPROVING SAFETY RECORDS
FINANCIAL HIGHLIGHTS
Q1 2016 at a Glance

<table>
<thead>
<tr>
<th>AMOUNTS IN $M (EXCEPT EARNINGS PER SHARE)</th>
<th>Q1 2016</th>
<th>Q1 2015</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUE</td>
<td>$237.4</td>
<td>$257.0</td>
<td>(8%)</td>
</tr>
<tr>
<td>GROSS PROFIT</td>
<td>$44.3</td>
<td>$43.3</td>
<td>2%</td>
</tr>
<tr>
<td>GROSS MARGIN %</td>
<td>18.7%</td>
<td>16.8%</td>
<td>11%</td>
</tr>
<tr>
<td>PROFIT BEFORE INCOME TAXES</td>
<td>$12.6</td>
<td>$8.1</td>
<td>56%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$21.2</td>
<td>$20.4</td>
<td>4%</td>
</tr>
<tr>
<td>EBITDA MARGIN %</td>
<td>8.9%</td>
<td>7.9%</td>
<td>13%</td>
</tr>
<tr>
<td>NET DEBT</td>
<td>$17.2</td>
<td>$86.8</td>
<td>(80%)</td>
</tr>
<tr>
<td>RETURN ON CAPITAL EMPLOYED (ROCE)</td>
<td>14.7%</td>
<td>12.7%</td>
<td>16%</td>
</tr>
<tr>
<td>NET INCOME ATTRIBUTABLE TO SHAREHOLDERS</td>
<td>$12.0</td>
<td>$2.7</td>
<td>347%</td>
</tr>
<tr>
<td>EARNINGS PER SHARE</td>
<td>0.42</td>
<td>0.10</td>
<td>320%</td>
</tr>
</tbody>
</table>

- Q1 ‘16 EBITDA up 4% versus Q1 ‘15 due to improved profitability within AMG Engineering
- Annualized ROCE increased to 14.7% versus 12.7% in Q1 2015
- Q1 ‘16 revenue declined by $20 million, or 8%, compared to Q1 ‘15, driven largely by weak metal prices
- Net debt: $17.2 million
  - $69.6 million reduction of net debt since Q1 2015
  - Net debt to LTM EBITDA: 0.23x

NET DEBT REDUCTION OF $69.6 MILLION SINCE Q1 2015
## Financial Highlights

### REVENUE (IN MILLIONS OF US DOLLARS)

- **Q1 15**: $257.0
- **Q2 15**: $257.4
- **Q3 15**: $241.9
- **Q4 15**: $220.8
- **Q1 16**: $237.4

**YoY Growth**: 8%

### GROSS PROFIT (IN MILLIONS OF US DOLLARS)

- **Q1 15**: $43.3
- **Q2 15**: $44.6
- **Q3 15**: $39.7
- **Q4 15**: $32.4
- **Q1 16**: $44.3

**YoY Growth**: 2%

### ORDER INTAKE (IN MILLIONS OF US DOLLARS)

- **Q1 15**: $51.9
- **Q2 15**: $67.4
- **Q3 15**: $48.0
- **Q4 15**: $50.5

**YoY Growth**: 3%

### EBITDA (IN MILLIONS OF US DOLLARS)

- **Q1 15**: $20.4
- **Q2 15**: $25.1
- **Q3 15**: $20.4
- **Q4 15**: $9.7
- **Q1 16**: $21.2

**YoY Growth**: 4%
# 2016 Financial Objectives

<table>
<thead>
<tr>
<th>FINANCIAL OBJECTIVE</th>
<th>DESCRIPTION</th>
<th>PROGRESS UPDATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAINTAIN CONSERVATIVE BALANCE SHEET</td>
<td>• Optimize capital structure for financial flexibility</td>
<td>• Net debt down by $69.6 million, or 80%, versus the end of Q1 2015</td>
</tr>
<tr>
<td>PURSUE GROWTH OPPORTUNITIES</td>
<td>• Pursue organic opportunities in high-growth areas within the existing product portfolio</td>
<td>• On March 10\textsuperscript{th}, 2016, AMG’s announced the completion of an affirmative prefeasibility study for the recovery of Spodumene, a lithium-bearing mineral, from its Volta Grande mine tailings resource in Brazil</td>
</tr>
<tr>
<td>IMPROVE ROCE</td>
<td>• Increase ROCE through operational improvements and disciplined capital management</td>
<td>• Annualized ROCE increased to 14.7% in the first quarter 2016, as compared to 12.7% in the first quarter 2015</td>
</tr>
<tr>
<td>IMPROVE GROSS MARGIN</td>
<td>• Increase productivity through continuous cost and product mix optimization</td>
<td>• AMG gross margin increased to 18.7% in Q1 2016 from 16.8% in Q1 2015 despite falling metals prices</td>
</tr>
</tbody>
</table>
Financial Data: ROCE & EBITDA

**EBITDA (IN MILLIONS OF US DOLLARS)**

<table>
<thead>
<tr>
<th></th>
<th>Q1 '15</th>
<th>Q2 '15</th>
<th>Q3 '15</th>
<th>Q4 '15</th>
<th>Q1 '16</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>$20.4</td>
<td>$25.1</td>
<td>$20.4</td>
<td>$9.7</td>
<td>$21.2</td>
</tr>
</tbody>
</table>

- Q1 '16 EBITDA up 4% versus Q1 '15 due to improved profitability within AMG Engineering

**ANNUALIZED ROCE**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>Q1 '15</th>
<th>Q1 '16</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROCE</td>
<td>9.2%</td>
<td>7.4%</td>
<td>11.9%</td>
<td>12.0%</td>
<td>12.7%</td>
<td>14.7%</td>
</tr>
</tbody>
</table>

- Q1 2016 annualized ROCE improved to 14.7% from 12.7% in Q1 2015
- ROCE improvements are the result of efficient use of capital and improved profitability

Q1 '16 ROCE IMPROVED TO 14.7% FROM 12.7% IN Q1 '15
Q1 '16 EBITDA UP 4% VERSUS Q1 '15
Financial Data: Net Debt & Operating Cash Flow

**NET DEBT (IN MILLIONS OF US DOLLARS)**

- 2012: $194.2
- 2013: $160.5
- 2014: $87.8
- Q1 ‘15: $86.8
- Q1 ‘16: $17.2

$177M REDUCTION IN NET DEBT SINCE 2012

- Net debt: $17.2 million
  - $143.3 million reduction on net debt since December 31, 2013
  - Net Debt to LTM EBITDA: 0.23x

- AMG’s primary debt facility is a $320 million multicurrency term loan and revolving credit facility
  - 3 year term (until 2018) with two extension options of one year each.
  - In compliance with all debt covenants

**OPERATING CASH FLOW (IN MILLIONS OF US DOLLARS)**

- Q1 ‘16 cash flows used in operating activities were $4.3 million due to an increase in working capital, following low levels at the end of Q4 2015, and a temporary decline in advanced payments at AMG Engineering due to timing.
Divisional Financial Highlights – Q1 2016 v Q1 2015

**REVENUE**

Q1 2016 REVENUE: $237.4

- AMG Critical Materials: $176.6 ($202.3 in Q1 2015)
- AMG Engineering: $60.8 ($54.7 in Q1 2015)

**EBITDA**

Q1 2016 EBITDA: $21.2

- AMG Critical Materials: $16.5 ($17.3 in Q1 2015)
- AMG Engineering: $4.6 ($3.1 in Q1 2015)

**GROSS MARGIN**

Q1 2016 GROSS MARGIN: 18.7%

- AMG Critical Materials: 17.3% (15.4% in Q1 2015)
- AMG Engineering: 22.7% (22.1% in Q1 2015)

**CAPITAL EXPENDITURE**

Q1 2016 CAPEX: $6.9

- AMG Critical Materials: $4.5 ($2.8 in Q1 2015)
- AMG Engineering: $2.4 ($1.0 in Q1 2015)
WORKING CAPITAL DAYS REDUCED BY 67% SINCE Q3’10

WORKING CAPITAL DAYS REDUCED BY 67% SINCE Q3’10

53 DAYS, OR 67% REDUCTION
AMG Critical Materials

**REVENUE & EBITDA (IN MILLIONS OF US DOLLARS)**

- **Q1 2016** revenue down $25.7 million, or 13%, vs. Q1 2015 due to double-digit declines in average quarterly prices for all key products year-over-year
- **Q1 ‘16** EBITDA margin increased to 9.4% from 8.5% in Q1 ‘15.

**CAPITAL EXPENDITURES (IN MILLIONS OF US DOLLARS)**

- Capital expenditures increased to $4.5 million in Q1 2016 compared to $2.8 million in Q1 2015
- The largest expansion capital project was for AMG’s Ancuabe graphite mine project
### AMG Critical Materials – Quarterly Revenue Drivers

<table>
<thead>
<tr>
<th>KEY PRODUCT</th>
<th>Q1 ‘16 REV ($M)</th>
<th>Q1 ‘15 REV ($M)</th>
<th>VOLUME</th>
<th>PRICE</th>
<th>CURRENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>FeV &amp; FeNiMo</td>
<td>$19.0</td>
<td>$30.3</td>
<td>↑</td>
<td>↓</td>
<td></td>
</tr>
<tr>
<td>Al Master Alloys &amp; Powders</td>
<td>$41.9</td>
<td>$49.4</td>
<td>↔</td>
<td>↓</td>
<td></td>
</tr>
<tr>
<td>Chromium Metal</td>
<td>$20.2</td>
<td>$22.4</td>
<td>↔</td>
<td>↓</td>
<td></td>
</tr>
<tr>
<td>Tantalum &amp; Niobium</td>
<td>$17.4</td>
<td>$15.8</td>
<td>↑</td>
<td>↔</td>
<td></td>
</tr>
<tr>
<td>Titanium Alloys &amp; Coatings</td>
<td>$20.7</td>
<td>$20.6</td>
<td>↔</td>
<td>↔</td>
<td></td>
</tr>
<tr>
<td>Antimony</td>
<td>$20.3</td>
<td>$27.3</td>
<td>↓</td>
<td>↓</td>
<td></td>
</tr>
<tr>
<td>Graphite</td>
<td>$14.9</td>
<td>$14.9</td>
<td>↔</td>
<td>↓</td>
<td></td>
</tr>
<tr>
<td>Silicon Metal</td>
<td>$22.0</td>
<td>$21.5</td>
<td>↑</td>
<td>↔</td>
<td></td>
</tr>
</tbody>
</table>

- Revenues were adversely impacted by falling metals prices during the quarter, with all of AMG’s 9 critical materials experiencing double digit market price declines compared to Q1 ‘15.
- Strong sales volumes of Ferrovanadium, Tantalum, and Silicon were partially offset by lower sales of Antimony.
### Critical Materials – Average Quarterly Prices

<table>
<thead>
<tr>
<th>MATERIALS</th>
<th>Q1 2015</th>
<th>Q2 2015</th>
<th>Q3 2015</th>
<th>Q4 2015</th>
<th>Q1 2016</th>
<th>Q1 '16 VS. Q1 '15 % CHANGE</th>
<th>Q1 '16 VS. Q4 '15 % CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FERROVANADIUM ($/LB)</td>
<td>$11.32</td>
<td>$9.76</td>
<td>$8.90</td>
<td>$6.79</td>
<td>$6.59</td>
<td>(42%)</td>
<td>(3%)</td>
</tr>
<tr>
<td>MOLYBDENUM ($/LB)</td>
<td>$8.47</td>
<td>$7.50</td>
<td>$5.83</td>
<td>$4.85</td>
<td>$5.33</td>
<td>(37%)</td>
<td>10%</td>
</tr>
<tr>
<td>NICKEL ($/MT)</td>
<td>$14,334</td>
<td>$13,005</td>
<td>$10,557</td>
<td>$9,434</td>
<td>$8,496</td>
<td>(41%)</td>
<td>(10%)</td>
</tr>
<tr>
<td>ALUMINUM ($/MT)</td>
<td>$1,799</td>
<td>$1,765</td>
<td>$1,591</td>
<td>$1,495</td>
<td>$1,515</td>
<td>(16%)</td>
<td>1%</td>
</tr>
<tr>
<td>CHROME ($/LB)</td>
<td>$4.50</td>
<td>$4.50</td>
<td>$4.41</td>
<td>$4.09</td>
<td>$3.92</td>
<td>(13%)</td>
<td>(4%)</td>
</tr>
<tr>
<td>TANTALUM ($/LB)</td>
<td>$82</td>
<td>$80</td>
<td>$74</td>
<td>$59</td>
<td>$60</td>
<td>(27%)</td>
<td>1%</td>
</tr>
<tr>
<td>NIOBIUM OXIDE ($/KG)</td>
<td>$35</td>
<td>$33</td>
<td>$28</td>
<td>$25</td>
<td>$25</td>
<td>(29%)</td>
<td>(1%)</td>
</tr>
<tr>
<td>TI SPONGE ($/KG)</td>
<td>$9.61</td>
<td>$9.40</td>
<td>$9.40</td>
<td>$9.05</td>
<td>$8.69</td>
<td>(10%)</td>
<td>(4%)</td>
</tr>
<tr>
<td>ANTIMONY ($/MT)</td>
<td>$8,089</td>
<td>$8,617</td>
<td>$6,888</td>
<td>$5,588</td>
<td>$5,359</td>
<td>(34%)</td>
<td>(4%)</td>
</tr>
<tr>
<td>GRAPHITE ($/MT)</td>
<td>$950</td>
<td>$796</td>
<td>$750</td>
<td>$750</td>
<td>$725</td>
<td>(24%)</td>
<td>(3%)</td>
</tr>
<tr>
<td>SILICON (CENTS/LB)</td>
<td>$144</td>
<td>$138</td>
<td>$127</td>
<td>$114</td>
<td>$103</td>
<td>(29%)</td>
<td>(9%)</td>
</tr>
</tbody>
</table>

**Q1 '16 VS. Q1 '15 % CHANGE**

- FERROVANADIUM: (42%)
- MOLYBDENUM: (37%)
- NICKEL: (41%)
- ALUMINUM: (16%)
- CHROME: (13%)
- TANTALUM: (27%)
- NIOBIUM OXIDE: (29%)
- TI SPONGE: (10%)
- ANTIMONY: (34%)
- GRAPHITE: (24%)
- SILICON: (29%)

**Q1 '16 VS. Q4 '15 % CHANGE**

- FERROVANADIUM: (3%)
- MOLYBDENUM: 10%
- NICKEL: (10%)
- ALUMINUM: 1%
- CHROME: (4%)
- TANTALUM: 1%
- NIOBIUM OXIDE: (1%)
- TI SPONGE: (4%)
- ANTIMONY: (4%)
- GRAPHITE: (3%)
- SILICON: (9%)
AMG Engineering

REVENUE & EBITDA (IN MILLIONS OF US DOLLARS)

- Q1 2016 revenue up 11% vs. Q1 2015 due to strong sales of plasma remelting furnaces for the aerospace market and induction furnaces for powder metallurgy applications
- EBITDA increased by $1.5 million in Q1 2016, the second highest quarterly EBITDA in eleven quarters, due to higher levels of gross profit

ORDER INTAKE (IN MILLIONS OF US DOLLARS)

- AMG Engineering Order backlog of $135.6 million as of March 31, 2016, a 4% decrease versus December 31, 2015
- AMG Engineering signed $50.5 million in new orders during the first quarter of 2016, a 0.83x book-to-bill ratio
AMG: Ready for Growth

**Cost Reduction**
- **Cost-reduction** and capex discipline in response to global economic slowdown

**Supply Chain Excellence**
- Competitive advantage through manufacturing and supply chain excellence, accelerating cost-reduction efforts

**Scaling Profitable Growth**
- Properly positioned, financially and operationally, to pursue growth targets across portfolio

**Product Mix Optimization**
- Streamlined operations and improved operating performance by eliminating low-margin product lines

**Targeted W/C & Debt Levels**
- Further reduction in both working capital and net debt, strengthening the balance sheet
AMG’s strategy is to build its critical materials business through industry consolidation, process innovation and product development

<table>
<thead>
<tr>
<th>PROCESS INNOVATION &amp; PRODUCT DEVELOPMENT</th>
<th>Continue to focus on process innovation and product development to improve the market position of AMG’s businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDUSTRY CONSOLIDATION</td>
<td>Pursue opportunities for horizontal and vertical industry consolidation across AMG’s critical materials portfolio</td>
</tr>
<tr>
<td>EXPANSION OF EXISTING HIGH GROWTH BUSINESSES</td>
<td>Pursue opportunities in high-growth areas within the existing product portfolio</td>
</tr>
</tbody>
</table>

AMG’s overriding strategic objective is to achieve industry leadership while being the low cost producer
## 2016 Outlook

<table>
<thead>
<tr>
<th><strong>AMG</strong></th>
<th>In this challenging environment, AMG’s management target is to maintain 2015 levels of profitability in 2016 and continue to generate strong operating cash flow.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CHANGE IN DIVIDEND POLICY</strong></td>
<td>The change in AMG’s dividend policy reflects a commitment to return value to shareholders and is a result of an improved balance sheet, ample liquidity and confidence in our ability to generate cash.</td>
</tr>
<tr>
<td><strong>AMG CRITICAL MATERIALS</strong></td>
<td>Despite weak metals prices, AMG Critical Materials will continue to be profitable across all business units and generate strong operating cash flows in 2016.</td>
</tr>
<tr>
<td><strong>AMG ENGINEERING</strong></td>
<td>AMG Engineering expects to return to historic levels of profitability in 2016. Based on the strong order backlog at the end of 2015, and improved cost position, management expects the business to continue to improve its financial performance in 2016.</td>
</tr>
</tbody>
</table>

In this challenging environment, AMG will continue to reduce cost, optimize its product portfolio and maintain a conservative balance sheet.
KEY PRODUCTS & END MARKETS
Key Products

### REVENUE (IN MILLIONS OF US DOLLARS)

<table>
<thead>
<tr>
<th>Q1 2015</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>$257.0</td>
<td>$237.4</td>
</tr>
</tbody>
</table>

### GROSS PROFIT (IN MILLIONS OF US DOLLARS)

<table>
<thead>
<tr>
<th>Q1 2015</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>$43.3</td>
<td>$44.3</td>
</tr>
</tbody>
</table>

**Legend:**
- Vacuum Furnaces
- Ti Master Alloys & Coatings
- Vanadium & FeNiMo
- Chromium Metal
- Al Master Alloys & Powders
- Antimony
- Tantalum & Niobium
- Graphite
- Si Metal
Critical Materials – Market Trends

CRITICAL MATERIALS

1. AMG ANTIMONY
   ANTIMONY TRIOXIDE
   ANTIMONY MASTERBATCHES
   ANTIMONY PASTES

2. AMG BRAZIL
   TANTALUM & NIOBIUM

3. AMG GRAPHITE
   NATURAL GRAPHITE

4. AMG SILICON
   SILICON METAL

MAJOR END MARKETS

1. FLAME RETARDANTS
2. MICRO CAPACITORS, SUPERALLOYS
3. EXPANDED POLYSTYRENE (EPS), BATTERY ANODES
4. ALUMINUM ALLOYS, SOLAR

MARKET TRENDS

1. PLASTICS
2. COMMUNICATIONS & ELECTRONICS
3. ENERGY SAVING
4. FUEL EFFICIENCY
5. CLEAN ENERGY

MAJOR CUSTOMERS

1. DUPONT
2. PIRELLI
3. GLOBAL ADVANCED METALS
4. SUNPOR
5. Höganäs
6. AMAG AUSTRIA METALL
Critical Materials – Market Trends

CRITICAL MATERIALS

AMG ALUMINUM
ALUMINUM MASTER
ALLOYS
ALUMINUM POWDERS

AMG VANADIUM
FERROVANADIUM
FERRONICKEL-
MOLYBDENUM

AMG TITANIUM
ALLOYS & COATINGS
TITANIUM MASTER ALLOYS
& COATINGS

AMG SUPERALLOYS UK
CHROMIUM METAL

MAJOR END MARKETS

AEROSPACE, AUTOMOTIVE

INFRASTRUCTURE

AEROSPACE

MARKET TRENDS

FUEL EFFICIENCY

INFRASTRUCTURE GROWTH

FUEL EFFICIENCY

ENERGY SAVING

FUEL EFFICIENCY

MAJOR CUSTOMERS

Constellium

RioTinto

AMG ALUMINUM
ALUMINUM POWDERS

ALCOA

AMG VANADIUM
FERROVANADIUM
FERRONICKEL-MOLYBDENUM

AMG TITANIUM
ALLOYS & COATINGS
TITANIUM MASTER ALLOYS & COATINGS

AMG SUPERALLOYS UK
CHROMIUM METAL

ENERGY

TRANSPORTATION

INFRASTRUCTURE

SPEC. METALS & CHEM.
Engineering – Market Trends

PRODUCTS & SERVICES
- AMG ENGINEERING CAPITAL GOODS (VACUUM FURNACES)
- AMG ENGINEERING VACUUM HEAT TREATMENT SERVICES

MAJOR END MARKETS
- AEROSPACE, AUTOMOTIVE

MARKET TRENDS
- FUEL EFFICIENCY
- ELECTRONICS

MAJOR CUSTOMERS
- CARPENTER
- ThyssenKrupp
- Rolls-Royce
- Volkswagen
- Honda
- Chrysler
- BOSCH
- GM
- Ford

ENERGY
TRANSPORTATION
INFRASTRUCTURE
SPEC. METALS & CHEM.
AMG IS A GLOBAL SUPPLIER OF CRITICAL MATERIALS TO:

- ENERGY
- TRANSPORTATION
- INFRASTRUCTURE
- SPECIALTY METALS AND CHEMICALS

MARKET LEADING PRODUCER OF HIGHLY ENGINEERED SPECIALTY METALS AND VACUUM FURNACE SYSTEMS

- ~3,000 Employees
- ~$1 billion Annual Revenues
- At the forefront of CO₂ Reduction

Q1 2016 REVENUE

BY SEGMENT:
- 74% Critical Materials
- 26% Engineering

BY END MARKET:
- 40% Transportation
- 23% Specialty Metals & Chemicals
- 22% Infrastructure
- 15% Energy

BY REGION:
- 45% Europe
- 33% North America
- 18% Asia
- 4% ROW
### Consolidated Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>215.1</td>
<td>215.8</td>
</tr>
<tr>
<td>Goodwill and intangibles</td>
<td>34.5</td>
<td>28.9</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>68.2</td>
<td>70.2</td>
</tr>
<tr>
<td>Inventories</td>
<td>125.8</td>
<td>126.4</td>
</tr>
<tr>
<td>Receivables</td>
<td>146.1</td>
<td>124.3</td>
</tr>
<tr>
<td>Other current assets</td>
<td>35.6</td>
<td>29.3</td>
</tr>
<tr>
<td>Cash</td>
<td>111.6</td>
<td>127.8</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>736.9</strong></td>
<td><strong>722.7</strong></td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>172.1</td>
<td>153.6</td>
</tr>
<tr>
<td>Long term debt</td>
<td>115.7</td>
<td>112.2</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>142.4</td>
<td>137.9</td>
</tr>
<tr>
<td>Other long term liabilities</td>
<td>65.4</td>
<td>69.8</td>
</tr>
<tr>
<td>Current debt</td>
<td>13.2</td>
<td>14.5</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>118.8</td>
<td>108.0</td>
</tr>
<tr>
<td>Advance payments</td>
<td>27.9</td>
<td>44.2</td>
</tr>
<tr>
<td>Accruals</td>
<td>44.9</td>
<td>42.9</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>36.6</td>
<td>39.6</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>564.8</strong></td>
<td><strong>569.1</strong></td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td><strong>736.9</strong></td>
<td><strong>722.7</strong></td>
</tr>
</tbody>
</table>
## Consolidated Income Statement

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2016 UNAUDITED</th>
<th>March 31, 2015 UNAUDITED</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>237.4</td>
<td>257.0</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>193.1</td>
<td>213.7</td>
</tr>
</tbody>
</table>

**Gross profit**

|                                | 44.3                       | 43.3                       |

**Selling, general & administrative**

|                                | 31.3                       | 30.1                       |

**Restructuring & environmental**

|                                | 0.1                        | 1.7                        |

**Other income, net**

|                                | (0.0)                      | (0.1)                      |

**Operating profit**

|                                | 12.9                       | 11.6                       |

**Net finance costs**

|                                | 1.8                        | 3.5                        |

**Share of profit of associates**

|                                | 1.5                        | 0.1                        |

**Profit before income taxes**

|                                | 12.6                       | 8.1                        |

**Income tax expense**

|                                | 0.3                        | 5.6                        |

**Profit for the period**

|                                | 12.3                       | 2.7                        |

**Shareholders of the Company**

|                                | 12.0                       | 2.7                        |

**Non-controlling interest**

|                                | 0.3                        | (0.0)                      |

**ADJUSTED EBITDA**

|                                | 21.2                       | 20.4                       |
# Consolidated Statement of Cash Flows

## FOR THE QUARTER ENDED IN MILLIONS OF US DOLLARS

<table>
<thead>
<tr>
<th>Description</th>
<th>MARCH 31, 2016 UNAUDITED</th>
<th>MARCH 31, 2015 UNAUDITED</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>21.2</td>
<td>20.4</td>
</tr>
<tr>
<td>Change in working capital and deferred revenue</td>
<td>(22.2)</td>
<td>(14.4)</td>
</tr>
<tr>
<td>Finance costs paid, net</td>
<td>(1.3)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Other operating cash flow</td>
<td>(0.1)</td>
<td>(1.2)</td>
</tr>
<tr>
<td><strong>Cash flows from operations before taxes</strong></td>
<td><strong>(2.4)</strong></td>
<td><strong>4.4</strong></td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(1.9)</td>
<td>(0.6)</td>
</tr>
<tr>
<td><strong>Net cash flows (used in) from operations</strong></td>
<td><strong>(4.3)</strong></td>
<td><strong>3.8</strong></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(6.9)</td>
<td>(3.8)</td>
</tr>
<tr>
<td>Other investing activities</td>
<td>(4.6)</td>
<td>(1.7)</td>
</tr>
<tr>
<td><strong>Net cash flows used in investing activities</strong></td>
<td><strong>(11.5)</strong></td>
<td><strong>(5.5)</strong></td>
</tr>
<tr>
<td><strong>Net cash flows used in financing activities</strong></td>
<td><strong>(1.4)</strong></td>
<td><strong>(0.6)</strong></td>
</tr>
<tr>
<td>Net decrease in cash and equivalents</td>
<td>(17.2)</td>
<td>(2.2)</td>
</tr>
<tr>
<td><strong>Cash and equivalents at January 1</strong></td>
<td><strong>127.8</strong></td>
<td><strong>108.0</strong></td>
</tr>
<tr>
<td>Effect of exchange rate fluctuations on cash held</td>
<td>1.1</td>
<td>(6.5)</td>
</tr>
<tr>
<td><strong>CASH AND EQUIVALENTS AT MARCH 31</strong></td>
<td><strong>111.6</strong></td>
<td><strong>99.3</strong></td>
</tr>
</tbody>
</table>