



**Capital Markets Day
Operations Review
June 3, 2014**

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Operations – Principles & Policies

- Business Ethics
 - AMG employees will act with honesty, integrity and respect for people
 - AMG companies will be good neighbors in our communities
- Health, Safety & Environment
 - Safe working practices are a core element of AMG's values
 - AMG's objective is to have zero injuries to our employees
 - Management in every operation has personal responsibility for developing and promoting a culture of Safety First
- Key Financial Performance Metrics
 - ROCE
 - Operating Cash Flow
 - Continuous improvement
 - Programs and measurable targets across all units



"I am securing critical raw materials. I am AMG."

"I am developing coatings technologies to improve fuel efficiency. I am AMG."

"I am producing aluminum alloys to decrease weight of automobiles. I am AMG."

"I am recycling spent oil catalysts to produce ferrovanadium. I am AMG."

"I am enabling more fuel-efficient cars through advanced vacuum metallurgy. I am AMG."

"I am creating the next generation titanium alloys for aerospace. I am AMG."

"I am improving the insulating properties of building materials. I am AMG."

"I am helping reduce global carbon emissions. I am AMG."

HSE Performance

Health, Safety & Environmental (HSE)

AMG is focused on the health and safety of our employees and our environmental impact:

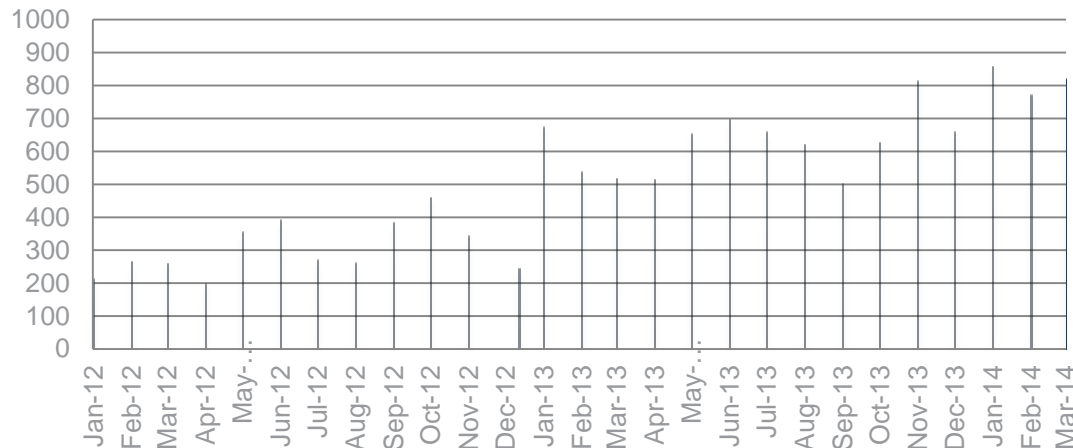
- Record low number of lost time incidents in 2013
- 17 locations achieved zero lost time accidents in 2013
- OHSAS 18001 formal safety management systems approaching completion
- Introducing ISO 14001 formal environmental management systems



Safety – 2013 Proactive Measures

- OHSAS 18001 Implementation
 - Now covers 10 major locations
- Improved safety communications
 - Monthly corporate reports
 - Immediate incident alerts
- Increased training
- Expanding near miss reporting process

AMG Near Misses Reports 2012 to 2014



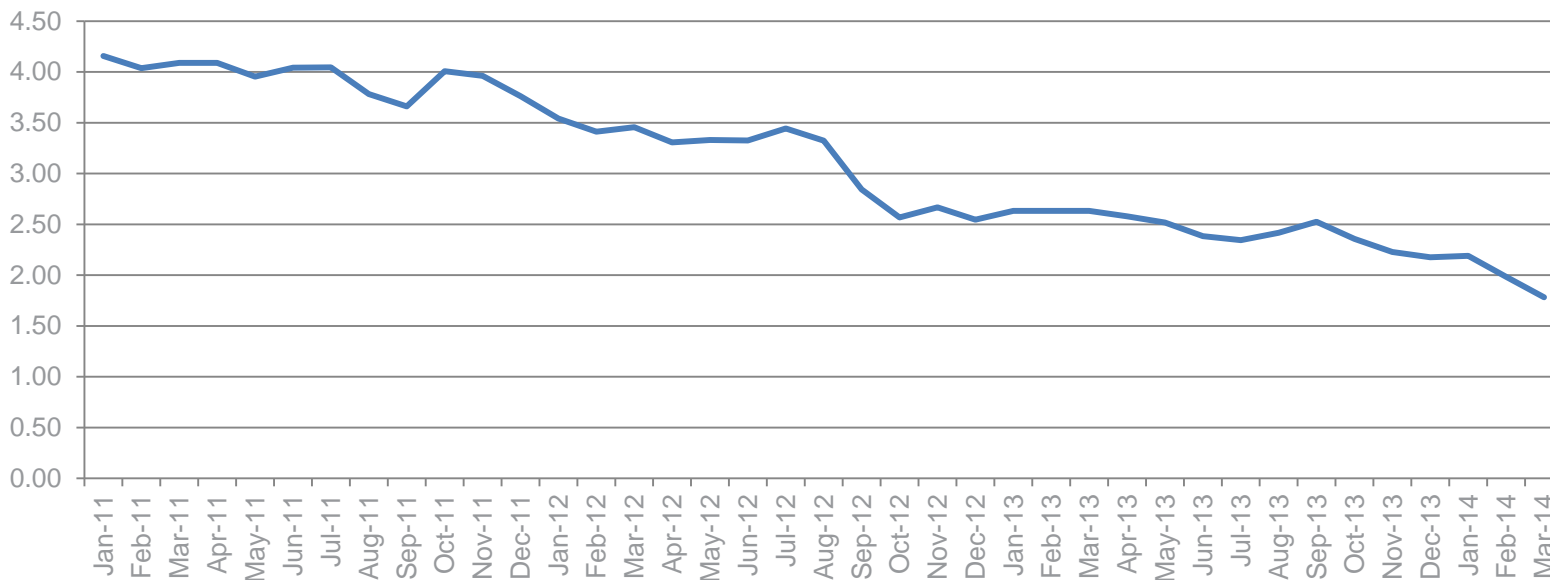
Safety – 2013 Results

- No Fatalities
- Continued Lost Time Incident (LTI) Reduction
 - 1.76 per 200,000 hours in 2013
- Incident Severity Rate
 - 0.21 lost days per 1,000 hours worked



2014 Safety Conference

AMG LTI Rate 2011 to 2014



Operational Performance



Operations – Revenue & Price Risk

- Selective growth trends
 - Vanadium – recycling
 - Titanium aluminide
 - High-purity superalloys
 - Graphite
 - Engineering – Heat Treatment & Services
- De risking – reducing price exposure via long-term sales contracts and indexed sourcing:
 - AMG Silicon
 - AMG Graphite
 - AMG Mineração
 - AMG Titanium
 - AMG Vanadium



Operations – Costs & Productivity Improvement

- Full time staffing down approximately 8% from May 2013
- Right-sizing AMG Superalloys (UK and Brazil) and AMG Ti Alloys & Coatings
 - Reducing staffing approximately 10%
 - Adjusted production levels to current market conditions
- Curtailing aluminum alloys capacity by 5,000 metric tons, or approximately 10% of global demand
- Reducing raw material costs at AMG Antimony through a materials recycling program
- Utilizing new raw material optical sorting process to reduce impurities and energy consumption at AMG Silicon
- Accelerating a cost improvement program at AMG Engineering

Operations – Progress

Objectives	Progress
Reduce SG&A	<ul style="list-style-type: none">■ QoQ SG&A reduced by 3%, or \$1.0M■ Target to reduce SG&A expenses by 3% in FY 2014
Improve Gross Margin	<ul style="list-style-type: none">■ QoQ Gross Margin 16.9%, up 0.6%■ Continuous improvement - programs and measurable targets across all units
Increase Op Cash Flow and ROCE	<ul style="list-style-type: none">■ Q1'14 Cash flow from Operations \$5.7M, up \$5.0M QoQ■ Q1'14 CAPEX reduced 36% QoQ■ Only investing in the highest returning strategic projects and required maintenance expenditures
Reduce Gross and Net Debt	<ul style="list-style-type: none">■ Gross Debt reduced by \$4.8M, compared to YE 2013■ Improving cash management activities to reduce gross debt and interest expenses in 2014

Focus on improving ROCE and Operating Cash Flow

Operations – Progress

Reduced working capital days by over 40% since 2009

