

AMG Advanced Metallurgical Group N.V.  
Condensed Interim Consolidated Income Statement

**For the quarter ended March 31**

*In thousands of US Dollars*

	2017 Unaudited	2016 Unaudited
<b>Continuing operations</b>		
Revenue	257,969	237,399
Cost of sales	205,466	193,176
<b>Gross profit</b>	<b>52,503</b>	<b>44,223</b>
<b>Selling, general and administrative expenses</b>	<b>31,580</b>	<b>31,298</b>
Other income, net	(105)	(8)
<b>Net other operating income</b>	<b>(105)</b>	<b>(8)</b>
<b>Operating profit</b>	<b>21,028</b>	<b>12,933</b>
Finance income	(176)	(115)
Finance expense	1,994	2,090
Foreign exchange loss (gain)	167	(146)
<b>Net finance costs</b>	<b>1,985</b>	<b>1,829</b>
<b>Share of gain of associates and joint ventures, net of tax</b>	<b>-</b>	<b>1,450</b>
<b>Profit before income tax</b>	<b>19,043</b>	<b>12,554</b>
<b>Income tax expense</b>	<b>3,477</b>	<b>283</b>
<b>Profit for the period</b>	<b>15,566</b>	<b>12,271</b>
Attributable to:		
Shareholders of the Company	15,566	11,974
Non-controlling interests	-	297
<b>Profit for the period</b>	<b>15,566</b>	<b>12,271</b>
<b>Earnings per share</b>		
Basic earnings per share	0.55	0.43
Diluted earnings per share	0.50	0.42

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

<i>In thousands of US Dollars</i>	March 31, 2017 Unaudited	December 31, 2016
<b>Assets</b>		
Property, plant and equipment	228,468	226,098
Goodwill	22,962	22,729
Intangible assets	11,190	10,486
Derivative financial instruments	884	740
Other investments	30,182	29,930
Deferred tax assets	41,352	41,285
Restricted cash	2,342	2,526
Other assets	14,518	17,207
<b>Total non-current assets</b>	<b>351,898</b>	<b>351,001</b>
Inventories	144,071	143,593
Derivative financial instruments	5,863	4,007
Trade and other receivables	128,641	129,220
Other assets	28,046	31,598
Cash and cash equivalents	166,456	160,744
Assets held for sale	155	149
<b>Total current assets</b>	<b>473,232</b>	<b>469,311</b>
<b>Total assets</b>	<b>825,130</b>	<b>820,312</b>

AMG Advanced Metallurgical Group N.V.  
Condensed Interim Consolidated Statement of Financial  
Position  
(continued)

<i>In thousands of US Dollars</i>	March 31, 2017 Unaudited	December 31, 2016
<b>Equity</b>		
Issued capital	760	760
Share premium	389,066	389,066
Treasury shares	(277)	(570)
Other reserves	(28,700)	(35,950)
Retained earnings (deficit)	(162,206)	(177,592)
<b>Equity attributable to shareholders of the Company</b>	<b>198,643</b>	<b>175,714</b>
Non-controlling interests	22,322	22,073
<b>Total equity</b>	<b>220,965</b>	<b>197,787</b>
<b>Liabilities</b>		
Loans and borrowings	148,454	150,959
Employee benefits	143,500	141,588
Provisions	30,232	30,854
Deferred revenue	-	2,822
Government grants	369	390
Other liabilities	7,591	6,484
Derivative financial instruments	472	887
Deferred tax liabilities	8,587	8,435
<b>Total non-current liabilities</b>	<b>339,205</b>	<b>342,419</b>
Loans and borrowings	9,997	9,621
Short term bank debt	7,500	7,500
Government grants	98	97
Other liabilities	55,335	57,431
Trade and other payables	133,179	133,328
Derivative financial instruments	2,258	4,661
Advance payments	25,781	29,404
Deferred revenue	1,514	10,198
Current taxes payable	8,860	7,065
Provisions	20,438	20,801
<b>Total current liabilities</b>	<b>264,960</b>	<b>280,106</b>
<b>Total liabilities</b>	<b>604,165</b>	<b>622,525</b>
<b>Total equity and liabilities</b>	<b>825,130</b>	<b>820,312</b>

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

**For the quarter ended March 31**

*In thousands of US Dollars*

	2017 Unaudited	2016 Unaudited
<b>Cash from (used in) operating activities</b>		
Profit for the year	15,566	12,271
Adjustments to reconcile net profit to net cash flows:		
<b>Non-cash:</b>		
Income tax expense	3,477	283
Depreciation and amortization	7,245	7,374
Asset impairment expense	2,217	-
Net finance costs	1,985	1,829
Share of gain of associates and joint ventures	-	(1,450)
(Gain) loss on sale or disposal of property, plant and equipment	(61)	171
Equity-settled share-based payment transactions	2,176	668
Movement in provisions, pensions and government grants	293	(23)
Working capital and deferred revenue adjustments	(11,124)	(22,222)
<b>Cash generated from (used in) operating activities</b>	<b>21,774</b>	<b>(1,099)</b>
Finance costs paid, net	(2,400)	(1,301)
Income tax paid, net	(1,544)	(1,920)
<b>Net cash from (used in) operating activities</b>	<b>17,830</b>	<b>(4,320)</b>
<b>Cash used in investing activities</b>		
Proceeds from sale of property, plant and equipment	66	254
Acquisition of property, plant and equipment and intangibles	(10,859)	(6,917)
Acquisition of subsidiaries (net of cash acquired of \$35 in 2016)	-	(4,961)
Change in restricted cash	217	110
Other	16	12
<b>Net cash used in investing activities</b>	<b>(10,560)</b>	<b>(11,502)</b>

AMG Advanced Metallurgical Group N.V.  
 Condensed Interim Consolidated Statement of Cash Flows  
 (continued)

**For the quarter ended March 31**

*In thousands of US Dollars*

	2017	2016
	Unaudited	Unaudited
<b>Cash used in financing activities</b>		
Repayment of borrowings	(3,050)	(1,414)
Issuance of treasury shares	151	-
<b>Net cash used in financing activities</b>	<b>(2,899)</b>	<b>(1,414)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	4,371	(17,236)
Cash and cash equivalents at January 1	160,744	127,778
Effect of exchange rate fluctuations on cash held	1,341	1,076
<b>Cash and cash equivalents at March 31</b>	<b>166,456</b>	<b>111,618</b>