

AMG Advanced Metallurgical Group N.V.
Condensed interim consolidated income statement
For the three months ended June 30
In thousands of US Dollars

	2010	2009
	Unaudited	Unaudited
Continuing operations		<i>*Restated</i>
Revenue	243,544	214,933
Cost of sales	199,054	169,509
Gross profit	44,490	45,424
Selling, general and administrative expenses	29,874	34,017
Restructuring expense	-	195
Environmental expense	249	82
Other income, net	(346)	(1,392)
Operating profit	14,713	12,522
Finance expense	4,600	5,231
Finance income	(1,082)	(1,387)
Foreign exchange (gain) loss	(1,592)	948
Net finance costs	1,926	4,792
Share of loss of associates	5,024	613
Profit before income tax	7,763	7,117
Income tax expense	7,126	4,009
Profit for the period from continuing operations	637	3,108
Loss after tax for the period from discontinued operations	-	(21,853)
Profit (loss) for the period	637	(18,745)
Attributable to:		
Shareholders of the Company	1,164	(9,718)
Minority interests	(527)	(9,027)
Profit (loss) for the year	637	(18,745)
Earnings (loss) per share		
Basic earnings (loss) per share	0.04	(0.36)
Diluted earnings (loss) per share	0.04	(0.36)
Earnings (loss) per share for continuing operations		
Basic earnings per share from continuing operations	0.04	0.07
Diluted earnings per share from continuing operations	0.04	0.07

**The prior year comparative information in the consolidated income statement and consolidated cash flows has been restated to reflect a change in ownership of Timminco. See AMG's annual financial statements for more information.*

AMG Advanced Metallurgical Group N.V.
Condensed interim consolidated income statement
For the six months ended June 30
In thousands of US Dollars

	2010	2009
	Unaudited	Unaudited
Continuing operations		<i>*Restated</i>
Revenue	479,338	430,652
Cost of sales	392,264	351,367
Gross profit	87,074	79,285
Selling, general and administrative expenses	60,487	63,056
Restructuring expense	7	393
Environmental expense	506	87
Other income, net	(427)	(3,083)
Operating profit	26,501	18,832
Finance expense	10,921	9,772
Finance income	(1,629)	(2,000)
Foreign exchange (gain)	(3,756)	(150)
Net finance costs	5,536	7,622
Share of loss of associates	9,420	1,400
Profit before income tax	11,545	9,810
Income tax expense	10,993	11,948
Profit (loss) for the period from continuing operations	552	(2,138)
Loss after tax for the period from discontinued operations	-	(40,340)
Profit (loss) for the period	552	(42,478)
Attributable to:		
Shareholders of the Company	1,099	(25,112)
Minority interests	(547)	(17,366)
Profit (loss) for the year	552	(42,478)
Earnings (loss) per share		
Basic earnings (loss) per share	0.04	(0.93)
Diluted earnings (loss) per share	0.04	(0.93)
Earnings (loss) per share for continuing operations		
Basic earnings (loss) per share from continuing operations	0.04	(0.15)
Diluted earnings (loss) per share from continuing operations	0.04	(0.15)

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AMG Advanced Metallurgical Group N.V.
Condensed interim consolidated statement of financial position
In thousands of US Dollars

	June 30, 2010	December 31, 2009
	Unaudited	Audited
Assets		
Property, plant and equipment	196,004	211,022
Intangible assets	24,055	28,253
Investments in associates	33,880	34,794
Derivative financial instruments	138	1,718
Deferred tax assets	9,084	10,912
Restricted cash	12,267	13,263
Notes receivable	1,900	5,542
Other assets	13,022	11,980
Total non-current assets	290,350	317,484
Inventories	180,859	193,378
Trade and other receivables	173,735	147,787
Derivative financial instruments	5,564	4,954
Other assets	36,425	30,359
Cash and cash equivalents	84,574	117,016
Total current assets	481,157	493,494
Total assets	771,507	810,978
Equity		
Issued capital	725	725
Share premium	379,518	379,518
Other reserves	21,752	31,284
Retained earnings (deficit)	(197,797)	(198,897)
Equity attributable to shareholders of the Company	204,198	212,630
Minority interests	13,067	15,793
Total equity	217,265	228,423
Liabilities		
Loans and borrowings	156,227	168,319
Employee benefits	80,347	91,358
Provisions	14,072	14,862
Government grants	498	669
Other liabilities	7,195	7,984
Derivative financial instruments	1,229	1,339
Deferred tax liabilities	9,682	26,395
Total non-current liabilities	269,250	310,926
Loans and borrowings	3,427	3,464
Short term bank debt	44,617	32,013
Government grants	171	234
Other liabilities	40,204	46,179

Trade and other payables	86,651	69,791
Derivative financial instruments	6,088	6,048
Advance payments	35,748	54,764
Current taxes payable	41,464	36,050
Provisions	26,622	23,086
Total current liabilities	284,992	271,629
Total liabilities	554,242	582,555
Total equity and liabilities	771,507	810,978

AMG Advanced Metallurgical Group N.V.
Condensed interim consolidated statement of cash flows
For the six months ended June 2010
In thousands of US Dollars

	2010	2009
	Unaudited	Unaudited
Cash flows from (used in) operating activities		
Profit (loss) for the period from continuing operations	552	(2,138)
Loss for the period from discontinued operations	-	(40,340)
Profit (loss) for the period	552	(42,478)
Adjustments to reconcile profit (loss) to net cash flows:		
Non-cash:		
Depreciation and amortization	12,096	11,369
Restructuring expense	7	393
Environmental expense	506	87
Net finance costs	5,536	7,622
Share of loss of associates	9,420	1,400
Equity-settled share-based payment transactions	3,081	7,263
Cash-settled share-based payment transactions	(123)	-
Income tax expense	10,993	11,948
Change in working capital and provisions	(35,596)	(34,663)
Other	2,119	5,857
Finance costs paid, net	(7,449)	(5,317)
Income tax paid, net	(21,437)	(3,547)
Cash flows from discontinued operations	-	38,928
Net cash flows used in operating activities	(20,295)	(1,138)
Cash flows used in investing activities		
Proceeds from sale of property, plant and equipment	439	3
Acquisition of property, plant and equipment and intangibles	(11,953)	(17,245)
Investments in associates	(10,322)	(23,832)
Change in restricted cash	(181)	1,133
Other	(12)	16
Cash flows used in discontinued operations	-	(26,453)
Net cash flows used in investing activities	(22,029)	(66,378)
Cash flows from financing activities		
Net proceeds from issuance of debt	21,092	8,155
Other	115	(221)
Cash flows from discontinued operations	-	24,070
Net cash flows from financing activities	21,207	32,004
Net decrease in cash and cash equivalents	(21,117)	(35,512)
Cash and cash equivalents at January 1	117,016	143,473
Effect of exchange rate fluctuations on cash	(11,325)	2,119
Cash and cash equivalents at June 30	84,574	110,080

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