

AMG Advanced Metallurgical Group N.V.
Condensed interim consolidated income statement

For the three months ended June 30

In thousands of US Dollars

	2011	2010
	Unaudited	Unaudited
Continuing operations		
Revenue	368,318	243,544
Cost of sales	299,325	199,054
Gross profit	68,993	44,490
Selling, general and administrative expenses	44,765	29,874
Restructuring expense	2,174	-
Environmental expense	141	249
Other income, net	(874)	(346)
Operating profit	22,787	14,713
Loss on early extinguishment of debt	3,902	-
Finance expense	5,013	4,600
Finance income	(1,158)	(1,082)
Foreign exchange loss (gain)	1,302	(1,592)
Net finance costs	9,059	1,926
Share of loss of associates	1,694	5,024
Profit before income tax	12,034	7,763
Income tax expense	7,828	7,126
Profit for the period	4,206	637
Attributable to:		
Shareholders of the Company	3,351	1,164
Non-controlling interests	855	(527)
	4,206	637
Earnings per share		
Basic earnings per share	0.12	0.04
Diluted earnings per share	0.12	0.04

AMG Advanced Metallurgical Group N.V.
Condensed interim consolidated income statement

For the six months ended June 30

In thousands of US Dollars

	2011	2010
	Unaudited	Unaudited
Continuing operations		
Revenue	686,317	479,338
Cost of sales	557,544	392,264
Gross profit	128,773	87,074
Selling, general and administrative expenses	87,702	60,487
Restructuring expense	2,459	7
Environmental expense	246	506
Other income, net	(1,827)	(427)
Operating profit	40,193	26,501
Loss on early extinguishment of debt	3,902	-
Finance expense	7,018	10,921
Finance income	(2,658)	(1,629)
Foreign exchange loss (gain)	1,285	(3,756)
Net finance costs	9,547	5,536
Share of loss of associates	6,071	9,420
Profit before income tax	24,575	11,545
Income tax expense	12,792	10,993
Profit for the period	11,783	552
Attributable to:		
Shareholders of the Company	10,323	1,099
Non-controlling interests	1,460	(547)
	11,783	552
Earnings per share		
Basic earnings per share	0.37	0.04
Diluted earnings per share	0.37	0.04

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

	June 30, 2011 Unaudited	December 31, 2010 Audited
Assets		
Property, plant and equipment	262,033	228,612
Intangible assets	33,556	27,002
Investments in associates and joint ventures	20,799	25,186
Derivative financial instruments	5,139	5,199
Deferred tax assets	26,552	22,107
Restricted cash	11,261	12,528
Notes receivable	1,144	322
Other assets	15,827	15,372
Total non-current assets	376,311	336,328
Inventories	258,198	207,204
Trade and other receivables	216,929	175,421
Derivative financial instruments	6,148	5,731
Other assets	46,998	41,080
Cash and cash equivalents	61,136	89,311
Total current assets	589,409	518,747
Total assets	965,720	855,075

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

	June 30, 2011	December 31, 2010
	Unaudited	Audited
Equity		
Issued capital	741	741
Share premium	381,636	381,636
Other reserves	44,291	36,158
Retained earnings (deficit)	(186,205)	(196,481)
Equity attributable to shareholders of the Company	240,463	222,054
Non-controlling interests	13,888	11,911
Total equity	254,351	233,965
Liabilities		
Loans and borrowings	219,761	187,813
Employee benefits	98,238	88,372
Provisions	21,021	20,607
Government grants	602	642
Other liabilities	9,733	5,517
Derivative financial instruments	548	698
Deferred tax liabilities	33,630	25,436
Total non-current liabilities	383,533	329,085
Loans and borrowings	4,981	4,254
Short term bank debt	53,731	45,022
Government grants	190	175
Other liabilities	56,996	43,287
Trade and other payables	117,472	102,253
Derivative financial instruments	5,189	1,754
Advance payments	45,715	49,597
Current taxes payable	19,649	24,979
Provisions	23,913	20,704
Total current liabilities	327,836	292,025
Total liabilities	711,369	621,110
Total equity and liabilities	965,720	855,075

AMG Advanced Metallurgical Group N.V.
Condensed interim consolidated statement of cash flows

For the six months ended June 30

In thousands of US Dollars

	2011	2010
	Unaudited	Unaudited
Cash flows used in operating activities		
Profit for the period	11,783	552
Adjustments to reconcile profit to net cash flows:		
Non-cash:		
Depreciation and amortization	14,169	12,096
Restructuring expense	2,459	7
Environmental expense	246	506
Net finance costs	9,547	5,536
Share of loss of associates	6,071	9,420
Equity-settled share-based payment transactions	1,833	3,081
Income tax expense	12,791	10,993
Change in working capital and provisions	(46,736)	(35,719)
Other	2,529	2,119
Finance costs paid, net	(5,136)	(7,449)
Income tax paid, net	(21,636)	(21,437)
Net cash flows used in operating activities	(12,080)	(20,295)
Cash flows used in investing activities		
Proceeds from sale of property, plant and equipment	49	439
Acquisition of property, plant and equipment and intangibles	(19,913)	(11,953)
Acquisition of associates and joint ventures	-	(10,322)
Acquisition of subsidiaries (net of cash acquired of \$692)	(26,816)	-
Change in restricted cash	1,839	(181)
Other	956	(12)
Net cash flows used in investing activities	(43,885)	(22,029)
Cash flows from financing activities		
Proceeds from the issuance of debt	221,626	22,512
Payment of transaction costs related to debt issuance	(10,457)	-
Repayment of long term borrowings	(187,276)	(1,420)
Other	6	115
Net cash flows from financing activities	23,899	21,207
Net decrease in cash and cash equivalents	(32,066)	(21,117)
Cash and cash equivalents at January 1	89,311	117,016
Effect of exchange rate fluctuations and consolidation changes on cash	3,891	(11,325)
Cash and cash equivalents at June 30	61,136	84,574