

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

**For the three months ended September 30**

*In thousands of US Dollars*

	<b>2012</b>	<b>2011</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Continuing operations</b>		
Revenue	296,851	356,415
Cost of sales	249,188	297,727
<b>Gross profit</b>	<b>47,663</b>	<b>58,688</b>
Selling, general and administrative expenses	34,462	40,613
Restructuring and asset impairment expense	476	37
Environmental expense	1,712	136
Other income, net	(186)	(1,663)
<b>Operating profit</b>	<b>11,199</b>	<b>19,565</b>
Finance expense	5,270	8,583
Finance income	(243)	(1,335)
Foreign exchange income	(699)	(757)
<b>Net finance costs</b>	<b>4,328</b>	<b>6,491</b>
Share of profit (loss) of associates	208	(680)
<b>Profit before income tax</b>	<b>7,079</b>	<b>12,394</b>
Income tax expense	2,118	3,755
<b>Profit for the period</b>	<b>4,961</b>	<b>8,639</b>
<b>Attributable to:</b>		
Shareholders of the Company	5,064	8,034
Non-controlling interests	(103)	605
	<b>4,961</b>	<b>8,639</b>
<b>Earnings per share</b>		
Basic earnings per share	0.19	0.29
Diluted earnings per share	0.18	0.29

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

**For the nine months ended September 30**

*In thousands of US Dollars*

	<b>2012</b>	<b>2011</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Continuing operations</b>		
Revenue	940,426	1,042,732
Cost of sales	785,356	855,271
<b>Gross profit</b>	<b>155,070</b>	<b>187,461</b>
Selling, general and administrative expenses	111,558	128,315
Restructuring and asset impairment expense	11,140	2,496
Environmental expense	3,000	382
Other income, net	(888)	(3,490)
<b>Operating profit</b>	<b>30,260</b>	<b>59,758</b>
Finance expense	18,211	19,503
Finance income	(855)	(3,993)
Foreign exchange (income) loss	(190)	528
<b>Net finance costs</b>	<b>17,166</b>	<b>16,038</b>
Share of profit (loss) of associates	457	(6,751)
<b>Profit before income tax</b>	<b>13,551</b>	<b>36,969</b>
Income tax expense	8,814	16,547
<b>Profit for the period</b>	<b>4,737</b>	<b>20,422</b>
<b>Attributable to:</b>		
Shareholders of the Company	5,920	18,357
Non-controlling interests	(1,183)	2,065
	<b>4,737</b>	<b>20,422</b>
<b>Earnings per share</b>		
Basic earnings per share	0.22	0.66
Diluted earnings per share	0.21	0.66

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

	September 30, 2012 Unaudited	December 31, 2011 Audited
<b>Assets</b>		
Property, plant and equipment	278,146	263,586
Goodwill	24,435	23,535
Intangible assets	16,446	14,557
Investments in associates and joint ventures	5,341	5,085
Derivative financial instruments	368	1
Deferred tax assets	30,200	29,142
Restricted cash	10,917	11,074
Notes receivable	127	250
Other assets	18,504	17,866
<b>Total non-current assets</b>	<b>384,484</b>	<b>365,096</b>
Inventories	218,622	228,887
Trade and other receivables	201,292	188,103
Derivative financial instruments	2,672	3,956
Other assets	47,647	35,184
Cash and cash equivalents	111,386	79,571
<b>Total current assets</b>	<b>581,619</b>	<b>535,701</b>
<b>Total assets</b>	<b>966,103</b>	<b>900,797</b>

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

	September 30, 2012 Unaudited	December 31, 2011 Audited
<b>Equity</b>		
Issued capital	742	742
Share premium	377,245	381,921
Other reserves	19,289	14,157
Retained earnings (deficit)	(185,447)	(191,362)
<b>Equity attributable to shareholders of the Company</b>	<b>211,829</b>	<b>205,458</b>
Non-controlling interests	11,062	15,160
<b>Total equity</b>	<b>222,891</b>	<b>220,618</b>
<b>Liabilities</b>		
Loans and borrowings	266,962	210,448
Employee benefits	90,943	90,078
Provisions	29,281	27,019
Government grants	476	732
Other liabilities	5,949	9,276
Derivative financial instruments	12,048	8,122
Deferred tax liabilities	27,942	26,434
<b>Total non-current liabilities</b>	<b>433,601</b>	<b>372,109</b>
Loans and borrowings	8,521	17,436
Short term bank debt	34,363	40,737
Government grants	54	34
Other liabilities	58,342	51,673
Trade and other payables	139,247	128,493
Derivative financial instruments	5,255	10,661
Advance payments	34,297	30,204
Current taxes payable	13,523	14,468
Provisions	16,009	14,364
<b>Total current liabilities</b>	<b>309,611</b>	<b>308,070</b>
<b>Total liabilities</b>	<b>743,212</b>	<b>680,179</b>
<b>Total equity and liabilities</b>	<b>966,103</b>	<b>900,797</b>

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

**For the nine months ended September 30**

*In thousands of US Dollars*

	2012	2011
	Unaudited	Unaudited
<b>Cash flows from operating activities</b>		
Profit for the period	4,737	20,422
Adjustments to reconcile profit to net cash flows:		
<b>Non-cash:</b>		
Depreciation and amortization	21,252	21,504
Restructuring expense	4,807	2,496
Asset impairment expense	6,333	-
Environmental expense	3,000	382
Net finance costs	17,166	16,038
Share of (profit) loss of associates	(457)	6,751
Equity-settled share-based payment transactions	1,268	2,820
Income tax expense	8,814	16,547
Change in working capital and provisions	(12,572)	(53,993)
Other	809	8,764
Finance costs paid, net	(10,030)	(5,478)
Income tax paid, net	(11,619)	(25,892)
<b>Net cash flows from operating activities</b>	<b>33,508</b>	<b>10,361</b>
<b>Cash flows used in investing activities</b>		
Proceeds from sale of property, plant and equipment	226	87
Acquisition of property, plant and equipment and intangibles	(33,875)	(31,741)
Acquisition of subsidiaries (net of cash acquired of \$139 and \$3,860, respectively)	(594)	(24,703)
Related party loans	-	(4,924)
Change in restricted cash	144	1,604
Other	55	1,664
<b>Net cash flows used in investing activities</b>	<b>(34,044)</b>	<b>(58,013)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issuance of debt	67,185	227,526
Payment of transaction costs related to debt issuance	-	(10,592)
Repayment of borrowings	(27,791)	(188,931)
Acquisition of non-controlling interests	(7,128)	-
Other	(6)	10
<b>Net cash flows from financing activities</b>	<b>32,260</b>	<b>28,013</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>31,724</b>	<b>(19,639)</b>
Cash and cash equivalents at January 1	79,571	89,311
Effect of exchange rate fluctuations on cash	91	1,581
<b>Cash and cash equivalents at September 30</b>	<b>111,386</b>	<b>71,253</b>