

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

For the three months ended December 31

In thousands of US Dollars

| | 2011 | 2010 |
|---|------------------|------------------|
| | Unaudited | Unaudited |
| Continuing operations | | |
| Revenue | 308,574 | 270,731 |
| Cost of sales | 258,059 | 221,349 |
| Gross profit | 50,515 | 49,382 |
| Selling, general and administrative expenses | 42,457 | 36,765 |
| Restructuring expense | 30 | 417 |
| Asset impairment (reversal) expense | (1,917) | 602 |
| Environmental expense | 5,504 | 5,658 |
| Other income, net | (5,337) | (383) |
| Operating profit | 9,778 | 6,323 |
| Finance expense | 6,867 | 2,966 |
| Finance income | (1,464) | (2,459) |
| Foreign exchange gain | (838) | (1,535) |
| Net finance costs | 6,241 | 2,042 |
| Share of (loss) income of associates and joint ventures | (13,514) | 7,569 |
| (Loss) profit before income tax | (9,977) | 11,850 |
| Income tax expense (benefit) | 2,155 | (110) |
| (Loss) profit for the period | (12,132) | 11,960 |
| Attributable to: | | |
| Shareholders of the Company | (13,197) | 12,481 |
| Non-controlling interests | 1,065 | (521) |
| | (12,132) | 11,960 |
| Earnings per share | | |
| Basic earnings per share | (0.47) | 0.46 |
| Diluted earnings per share | (0.47) | 0.46 |

AMG Advanced Metallurgical Group N.V.
Consolidated income statement

For the year ended December 31

In thousands of US Dollars

| | 2011 | 2010 |
|--|----------------|----------------|
| | Unaudited | Audited |
| Continuing operations | | |
| Revenue | 1,351,306 | 990,495 |
| Cost of sales | 1,113,330 | 811,937 |
| Gross profit | 237,976 | 178,558 |
| Selling, general and administrative expenses | 170,772 | 128,934 |
| Restructuring expense | 2,526 | 423 |
| Asset impairment (reversal) expense | (1,917) | 602 |
| Environmental expense | 5,886 | 6,421 |
| Other income, net | (8,827) | (1,081) |
| Operating profit | 69,536 | 43,259 |
| Finance expense | 26,370 | 18,727 |
| Finance income | (5,457) | (5,429) |
| Foreign exchange loss (gain) | 1,366 | (2,799) |
| Net finance costs | 22,279 | 10,499 |
| Share of loss of associates and joint ventures | (20,265) | (19,405) |
| Profit before income tax | 26,992 | 13,355 |
| Income tax expense | 18,702 | 11,207 |
| Profit for the year | 8,290 | 2,148 |
| Attributable to: | | |
| Shareholders of the Company | 5,160 | 2,414 |
| Non-controlling interests | 3,130 | (266) |
| | 8,290 | 2,148 |
| Earnings per share | | |
| Basic earnings per share | 0.19 | 0.09 |
| Diluted earnings per share | 0.19 | 0.09 |

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

As at December 31

In thousands of US Dollars

| | 2011 | 2010 |
|--|----------------|----------------|
| | Unaudited | Audited |
| Assets | | |
| Property, plant and equipment | 263,586 | 228,612 |
| Goodwill | 23,535 | 21,704 |
| Intangible assets | 14,557 | 5,298 |
| Investments in associates and joint ventures | 5,085 | 25,186 |
| Derivative financial instruments | 1 | 5,199 |
| Deferred tax assets | 29,142 | 22,107 |
| Restricted cash | 11,074 | 12,528 |
| Notes receivable | 250 | 322 |
| Other assets | 17,866 | 15,372 |
| Total non-current assets | 365,096 | 336,328 |
| Inventories | 228,887 | 207,204 |
| Trade and other receivables | 188,103 | 175,421 |
| Derivative financial instruments | 3,956 | 5,731 |
| Other assets | 35,184 | 41,080 |
| Cash and cash equivalents | 79,571 | 89,311 |
| Total current assets | 535,701 | 518,747 |
| Total assets | 900,797 | 855,075 |

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

| | 2011 | 2010 |
|---|----------------|----------------|
| Equity | | |
| Issued capital | 742 | 741 |
| Share premium | 381,921 | 381,636 |
| Other reserves | 14,157 | 36,158 |
| Retained earnings (deficit) | (191,362) | (196,481) |
| Equity attributable to shareholders of the Company | 205,458 | 222,054 |
| Non-controlling interests | 15,160 | 11,911 |
| Total equity | 220,618 | 233,965 |
| Liabilities | | |
| Loans and borrowings | 210,448 | 187,813 |
| Employee benefits | 90,078 | 88,372 |
| Provisions | 27,019 | 20,607 |
| Government grants | 732 | 642 |
| Other liabilities | 9,276 | 5,517 |
| Derivative financial instruments | 8,122 | 698 |
| Deferred tax liabilities | 26,434 | 25,436 |
| Total non-current liabilities | 372,109 | 329,085 |
| Loans and borrowings | 17,436 | 4,254 |
| Short term bank debt | 40,737 | 45,022 |
| Government grants | 34 | 175 |
| Other liabilities | 51,673 | 43,287 |
| Trade and other payables | 128,493 | 102,253 |
| Derivative financial instruments | 10,661 | 1,754 |
| Advance payments | 30,204 | 49,597 |
| Current taxes payable | 14,468 | 24,979 |
| Provisions | 14,364 | 20,704 |
| Total current liabilities | 308,070 | 292,025 |
| Total liabilities | 680,179 | 621,110 |
| Total equity and liabilities | 900,797 | 855,075 |

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

For the year ended December 31

In thousands of US Dollars

| | 2011 | 2010 |
|--|-----------------|-----------------|
| | Unaudited | Audited |
| Cash flows from (used in) operating activities | | |
| Profit for the year | 8,290 | 2,148 |
| Adjustments to reconcile profit to net cash flows: | | |
| Non-cash: | | |
| Depreciation and amortization | 29,625 | 25,009 |
| Amortization of purchase accounting adjustment to inventory | 235 | - |
| Restructuring expense | 2,526 | 423 |
| Asset impairment (reversal) expense | (1,917) | 602 |
| Environmental expense | 5,886 | 6,421 |
| Net finance costs | 22,279 | 10,499 |
| Share of loss of associates and joint ventures | 20,265 | 19,405 |
| Loss on sale or disposal of property, plant and equipment | 50 | 262 |
| Equity-settled share-based payment transactions | 3,438 | 6,362 |
| Income tax expense | 18,702 | 11,207 |
| Working capital adjustments | | |
| Change in inventories | (19,963) | (23,774) |
| Change in trade and other receivables | (24,749) | (40,033) |
| Change in prepayments | 8,440 | (12,248) |
| Change in trade payables, provisions, and other liabilities | 13,857 | 35,488 |
| Change in government grants | (174) | (17) |
| Other | 4,490 | 5,900 |
| Finance costs paid | (14,593) | (15,334) |
| Finance costs received | 2,530 | 1,496 |
| Income tax paid, net | (34,178) | (35,439) |
| Net cash flows from (used) in operating activities | 45,039 | (1,623) |
| Cash flows used in investing activities | | |
| Proceeds from sale of property, plant and equipment | 609 | 983 |
| Acquisition of associates and joint ventures | - | (10,765) |
| Acquisition of subsidiaries (net of cash acquired \$3,856) | (29,456) | - |
| Asset acquisitions | - | (20,154) |
| Acquisition of property, plant and equipment and intangibles | (51,922) | (32,973) |
| Related party loans | (5,002) | 264 |
| Change in restricted cash | 1,369 | 151 |
| Other | 1,569 | (78) |
| Net cash flows used in investing activities | (82,833) | (62,572) |

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

For the year ended December 31

In thousands of US Dollars

| | 2011 | 2010 |
|---|---------------|---------------|
| Cash flows from financing activities | | |
| Proceeds from issuance of debt | 227,511 | 45,546 |
| Payment of transaction costs related to debt issuance | (10,848) | - |
| Repayment of borrowings | (188,740) | (3,432) |
| Other | 12 | 238 |
| Net cash flows from financing activities | 27,935 | 42,352 |
| Net decrease in cash and cash equivalents | (9,859) | (21,843) |
| Cash and cash equivalents at January 1 | 89,311 | 117,016 |
| Effect of exchange rate fluctuations on cash held | 119 | (5,862) |
| Cash and cash equivalents at December 31 | 79,571 | 89,311 |

The notes are an integral part of these consolidated financial statements.