

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

For the quarter ended December 31

In thousands of US Dollars

	2017	2016
	Unaudited	Unaudited
Continuing operations		
Revenue	280,699	237,874
Cost of sales	224,192	194,889
Gross profit	56,507	42,985
Selling, general and administrative expenses	34,955	29,989
Environmental expense	3,092	1,828
Other expense (income), net	69	(690)
Net other operating expense	3,161	1,138
Operating profit	18,391	11,858
Finance income	(1,116)	(2,847)
Finance cost	3,444	2,861
Net finance costs	2,328	14
Profit before income tax	16,063	11,844
Income tax expense	980	879
Profit for the period	15,083	10,965
Attributable to:		
Shareholders of the Company	14,331	9,956
Non-controlling interests	752	1,009
Profit for the period	15,083	10,965
Earnings per share		
Basic earnings per share	0.48	0.35
Diluted earnings per share	0.45	0.32

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

For the year ended December 31

In thousands of US Dollars

	2017	2016
	Unaudited	
Continuing operations		
Revenue	1,059,651	971,148
Cost of sales	845,024	784,340
Gross profit	214,627	186,808
Selling, general and administrative expenses	132,294	130,750
Environmental expense	3,092	1,873
Other income, net	(511)	(5,683)
Net other operating expense (income)	2,581	(3,810)
Operating profit	79,752	59,868
Finance income	(1,766)	(1,662)
Finance cost	10,160	13,667
Net finance costs	8,394	12,005
Share of gain of associates and joint ventures, net of tax	-	1,804
Profit before income tax	71,358	49,667
Income tax expense	13,905	8,096
Profit for the period	57,453	41,571
Attributable to:		
Shareholders of the Company	56,965	40,558
Non-controlling interests	488	1,013
Profit for the period	57,453	41,571
Earnings per share		
Basic earnings per share	1.95	1.45
Diluted earnings per share	1.80	1.32

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

<i>In thousands of US Dollars</i>	December 31, 2017 Unaudited	December 31, 2016
Assets		
Property, plant and equipment	298,540	226,098
Goodwill and other intangible assets	38,110	33,215
Derivative financial instruments	636	740
Other investments	30,562	29,930
Deferred tax assets	40,108	41,285
Restricted cash	829	2,526
Non-current tax asset	2,488	-
Other assets	17,729	17,207
Total non-current assets	429,002	351,001
Inventories	162,505	143,593
Derivative financial instruments	6,372	4,007
Trade and other receivables	137,174	129,220
Other assets	37,547	26,341
Current tax assets	3,147	5,257
Cash and cash equivalents	178,800	160,744
Assets held for sale	2,056	149
Total current assets	527,601	469,311
Total assets	956,603	820,312

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

<i>In thousands of US Dollars</i>	December 31, 2017 Unaudited	December 31, 2016*
Equity		
Issued capital	796	760
Share premium	432,844	389,066
Treasury shares	(3,461)	(570)
Other reserves	(72,880)	(97,085)
Retained earnings (deficit)	(99,343)	(116,457)
Equity attributable to shareholders of the Company	257,956	175,714
Non-controlling interests	24,633	22,073
Total equity	282,589	197,787
Liabilities		
Loans and borrowings	164,788	150,959
Employee benefits	156,193	141,588
Provisions	35,887	30,854
Deferred revenue	-	2,822
Other liabilities	4,011	6,874
Derivative financial instruments	-	887
Deferred tax liabilities	7,888	8,435
Total non-current liabilities	368,767	342,419
Loans and borrowings	8,820	9,621
Short term bank debt	15,500	7,500
Other liabilities	60,212	57,528
Trade and other payables	155,115	133,328
Derivative financial instruments	1,415	4,661
Advance payments	33,025	29,404
Deferred revenue	1,624	10,198
Current taxes payable	9,155	7,065
Provisions	20,381	20,801
Total current liabilities	305,247	280,106
Total liabilities	674,014	622,525
Total equity and liabilities	956,603	820,312

*Reclassified share reserves from other reserves to retained earnings (deficit) for December 31, 2016

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

For the year ended December 31

In thousands of US Dollars

	2017	2016
	Unaudited	
Cash from operating activities		
Profit for the year	57,453	41,571
Adjustments to reconcile net profit to net cash flows:		
Non-cash:		
Income tax expense	13,905	8,096
Depreciation and amortization	30,899	29,841
Asset impairment expense	1,160	1,976
Net finance costs	8,394	12,005
Share of profit of associates and joint ventures	-	(1,804)
Loss (gain) on sale or disposal of property, plant and equipment	75	(4,501)
Equity-settled share-based payment transactions	8,697	3,073
Movement in provisions, pensions and government grants	(3,016)	(13,000)
Working capital and deferred revenue adjustments	(21,308)	(7,737)
Cash generated from operating activities	96,259	69,520
Finance costs paid, net	(7,443)	(6,707)
Income tax paid, net	(10,291)	(6,588)
Net cash from operating activities	78,525	56,225
Cash used in investing activities		
Proceeds from sale of property, plant and equipment	254	1,546
Insurance proceeds on property, plant and equipment	1,516	-
Proceeds from sale of subsidiaries (net of cash divested of \$1,820 in 2016)	-	6,512
Acquisition of property, plant and equipment and intangibles	(80,904)	(44,086)
Acquisition of subsidiaries (net of cash acquired of \$35 in 2016)	-	(4,961)
Change in restricted cash	1,911	(93)
Acquisition of other non-current investments	-	(1,000)
Other	3	(61)
Net cash used in investing activities	(77,220)	(42,143)

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

For the year ended December 31

In thousands of US Dollars

	2017 Unaudited	2016
Cash from financing activities		
Proceeds from issuance of debt	30,000	163,190
Transaction costs related to the issuance of debt	-	(3,978)
Repayment of borrowings	(17,153)	(122,607)
Change in non-controlling interests	-	(5,600)
Proceeds from issuance of common shares	14,370	-
Net repurchase of common stock	(12,434)	(259)
Dividends paid	(9,293)	(7,558)
Other	-	91
Net cash from financing activities	5,490	23,279
Net increase in cash and cash equivalents	6,795	37,361
Cash and cash equivalents at January 1	160,744	127,778
Effect of exchange rate fluctuations on cash held	11,261	(4,395)
Cash and cash equivalents at December 31	178,800	160,744