

AMG Advanced Metallurgical Group N.V.

RBS Investor Conference

December 2009

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- Highlights and Operational Review
- Financial Review
- Market Overview and Outlook



...Global specialty metals and materials technology company

Fuel Efficiency

- Proprietary alloys, superalloys and vacuum furnaces for aerospace applications

Recycling

- Recycling of spent refinery catalysts and power plant residues used to produce ferrovanadium and ferronickel-moly and vanadium alloys

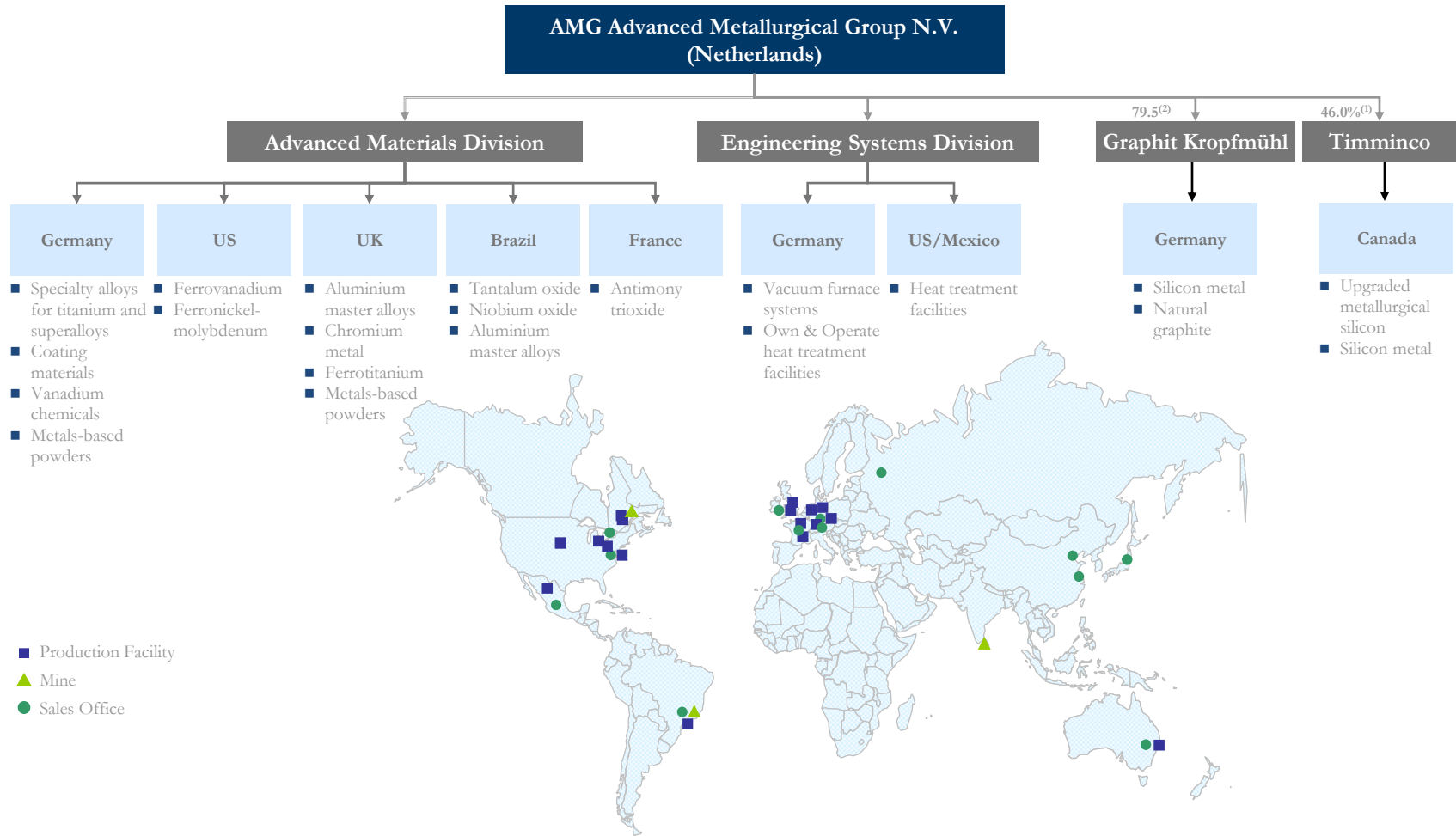
Solar

- Crystallisation vacuum furnace technology for the creation of solar ingots and silicon metal producer

Nuclear

- Vacuum furnace technology for nuclear fuels and storage technology for nuclear waste





Global presence enables access to key growth markets

Note: This chart is a simplified depiction of AMG's organisational structure.
 (1) Timminco Limited is listed on the Toronto stock exchange (TIM CN / TIM.TO). Ownership as of 18 November 2009.
 (2) Graphit Kropfmühl AG ("GK") is listed on the Frankfurt stock exchange (GKRG.DE / GKR GR).

- Revenue: \$205.4 million
- EBITDA: \$18.6 million, 9.0 % EBITDA margin
 - Reduced sales prices
 - Low capacity utilizations
 - Advanced Materials profitability improved
 - Engineering Systems order intake remained low
- Capital investment reduced to \$3.6 million in Q3 2009
- Cash: \$124.4 million and debt of \$202.3 million
 - Net debt of \$77.9 million
- AMG owns 46.0% of Timminco and no longer consolidates Timminco's financial information
 - Treated as equity method accounting under IFRS

Market Overview

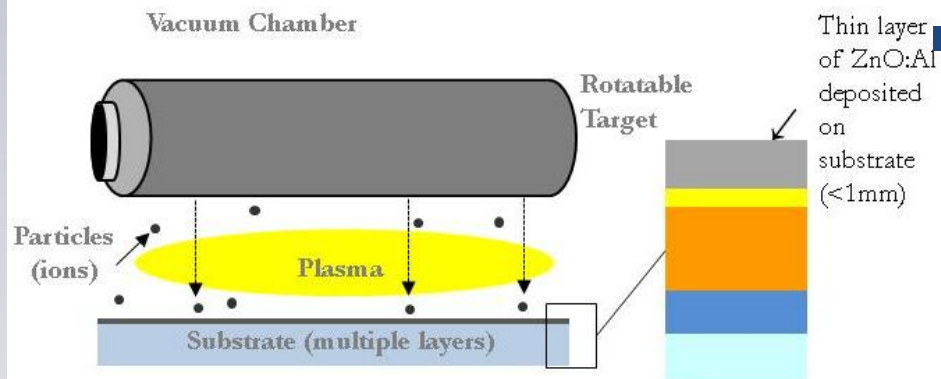
AMG Advanced Metallurgical Group N.V. ⁽¹⁾

	Solar		Fuel Efficiency		Recycling		Nuclear		Other		Total Group QTD	
	Q3 09	Q3 08	Q3 09	Q3 08	Q3 09	Q3 08	Q3 09	Q3 08	Q3 09	Q3 08	Q3 09	Q3 08
	Revenue	53	103	58	112	12	46	2	-	80	110	205
Gross Margin	17	31	7	24	5	18	(1)	-	12	10	40	83
Margin %	31%	30%	12%	21%	43%	39%	-29%	N/A	15%	10%	19%	22%
	<ul style="list-style-type: none"> Silicon metal DSS Vacuum furnaces and other solar furnaces Coatings for thin film applications 	<ul style="list-style-type: none"> Vacuum furnace systems for the production of high purity metals VAI alloys Superalloys for the Ti industry 	<ul style="list-style-type: none"> Ferrovandium Ferro nickel - molybdenum 	<ul style="list-style-type: none"> Vacuum sintering furnace systems Engineering for processing of weapons grade plutonium into MOX nuclear fuel 	<ul style="list-style-type: none"> Chromium metal Tantalum Vacuum sintering furnace systems Antimony trioxide Natural graphite Al master alloys 	<ul style="list-style-type: none"> Producer of leading solar furnaces for the production of solar silicon ingots 	<ul style="list-style-type: none"> Petrol prices drive growth in specialty metals to improve fuel economy 	<ul style="list-style-type: none"> Secondary raw material source business model enables unique low cost feedstock 	<ul style="list-style-type: none"> Expanding nuclear technologies portfolio and expertise 	<ul style="list-style-type: none"> Portfolio of diverse metals based businesses 		

A focus on global clean energy technologies and industries



Thin film solar sputtering process



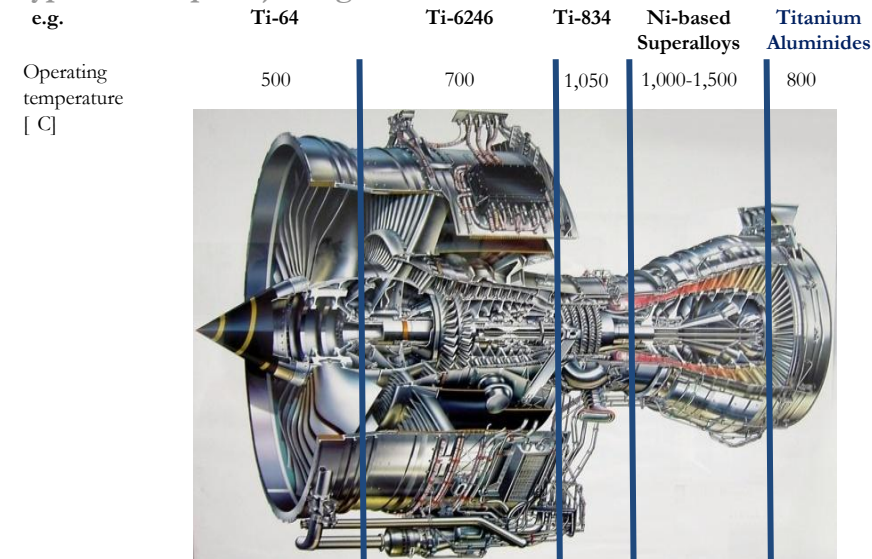
- Market continues to struggle
 - Oversupply still evident in the value chain
 - Production moving to Asia
 - Order intake for solar ingot furnaces remains subdued
 - Long term prospects for solar remain positive
 - Thin film – market bottoming, 2010 should improve

Operations

- Formed AMG Conversion Limited
- Retooling Berlin facility to produce non-solar furnaces



Typical aerospace jet engine

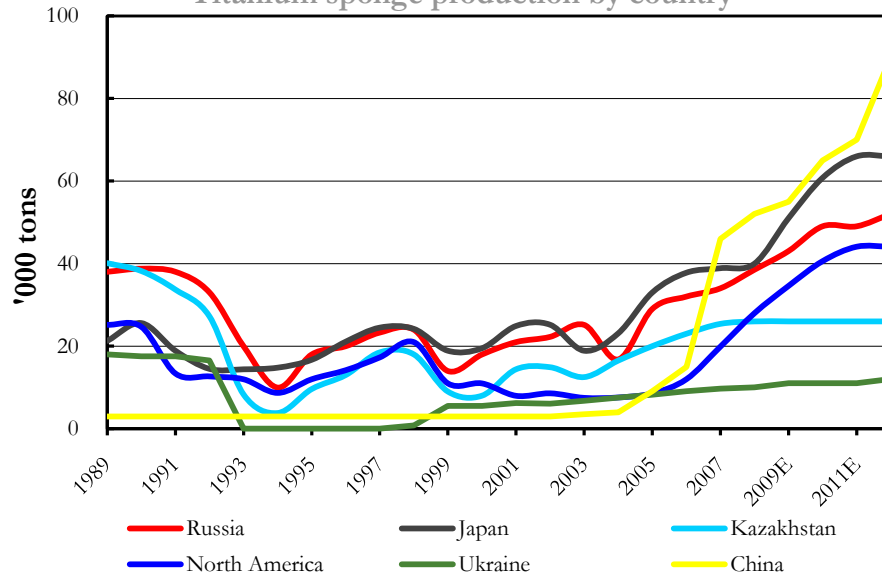


- Market demand moderating
 - Market adversely impacted by Boeing 787 and 747-8 delays
 - Significant inventory overhang in value chain
 - Prices have rebounded slightly from Q2 lows; demand still lagging

■ Operations

- Reducing headcount at titanium master alloy production facility to match demand
- Working capital reductions ongoing to improve cash flow

Titanium sponge production by country

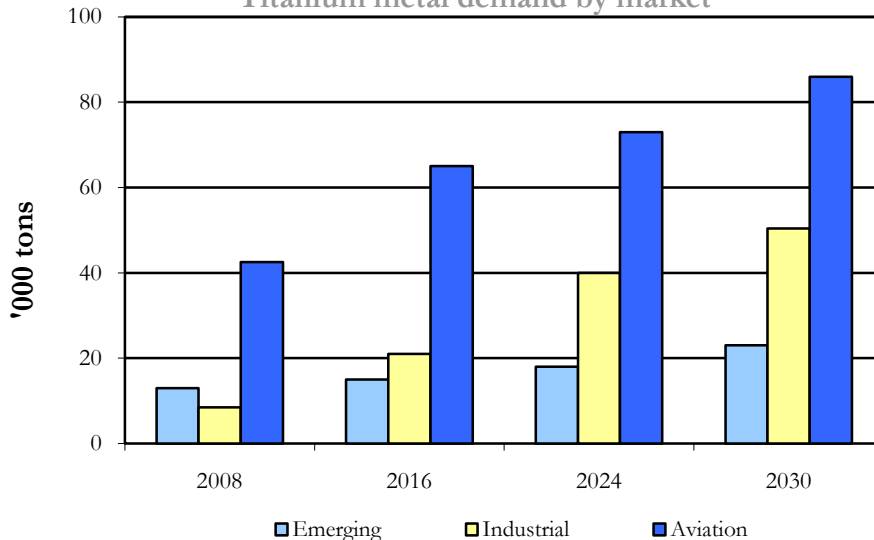


Source: UKTMP

Titanium Sponge Production by Country

- China production has surpassed other countries and will continue to lead in sponge
- Russia, Ukraine, Kazakhstan have become major producers of titanium sponge

Titanium metal demand by market

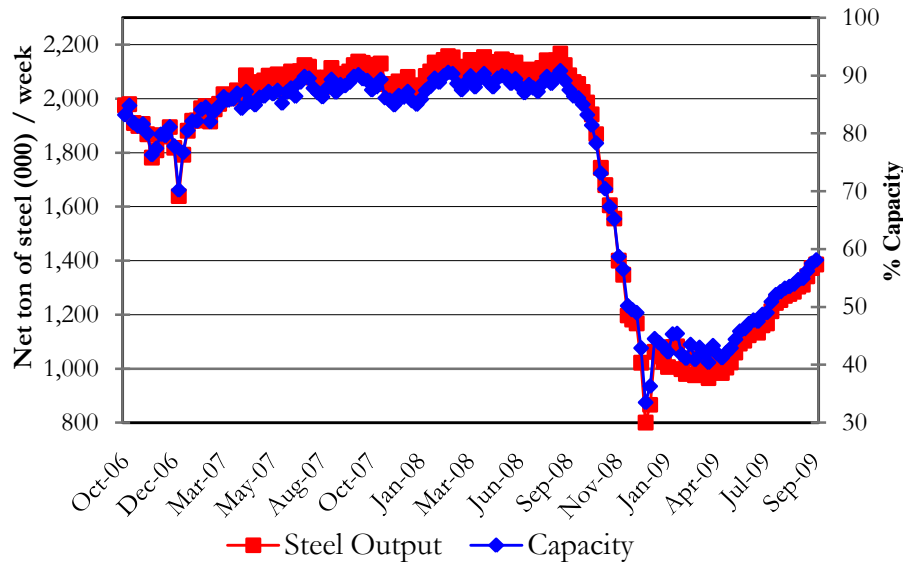


Source: UKTMP

Titanium Metal Demand by Segment

- Despite recent market turmoil, titanium metal will continue to grow substantially for the next 20 years
- Aviation will be the key market going forward

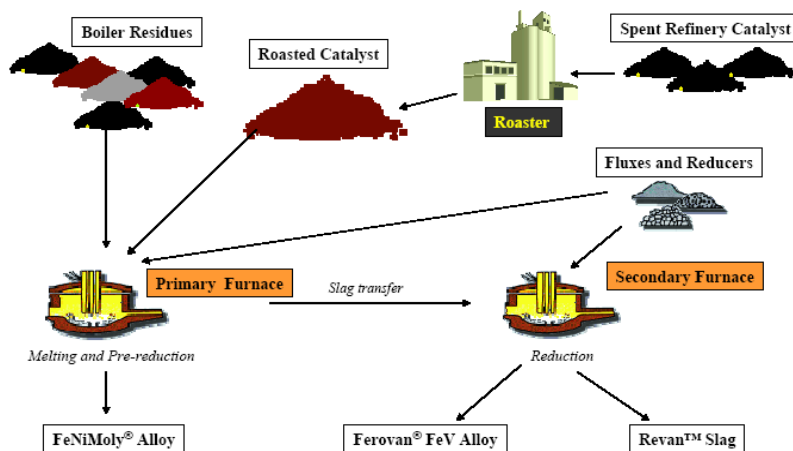
North American steel capacity utilization



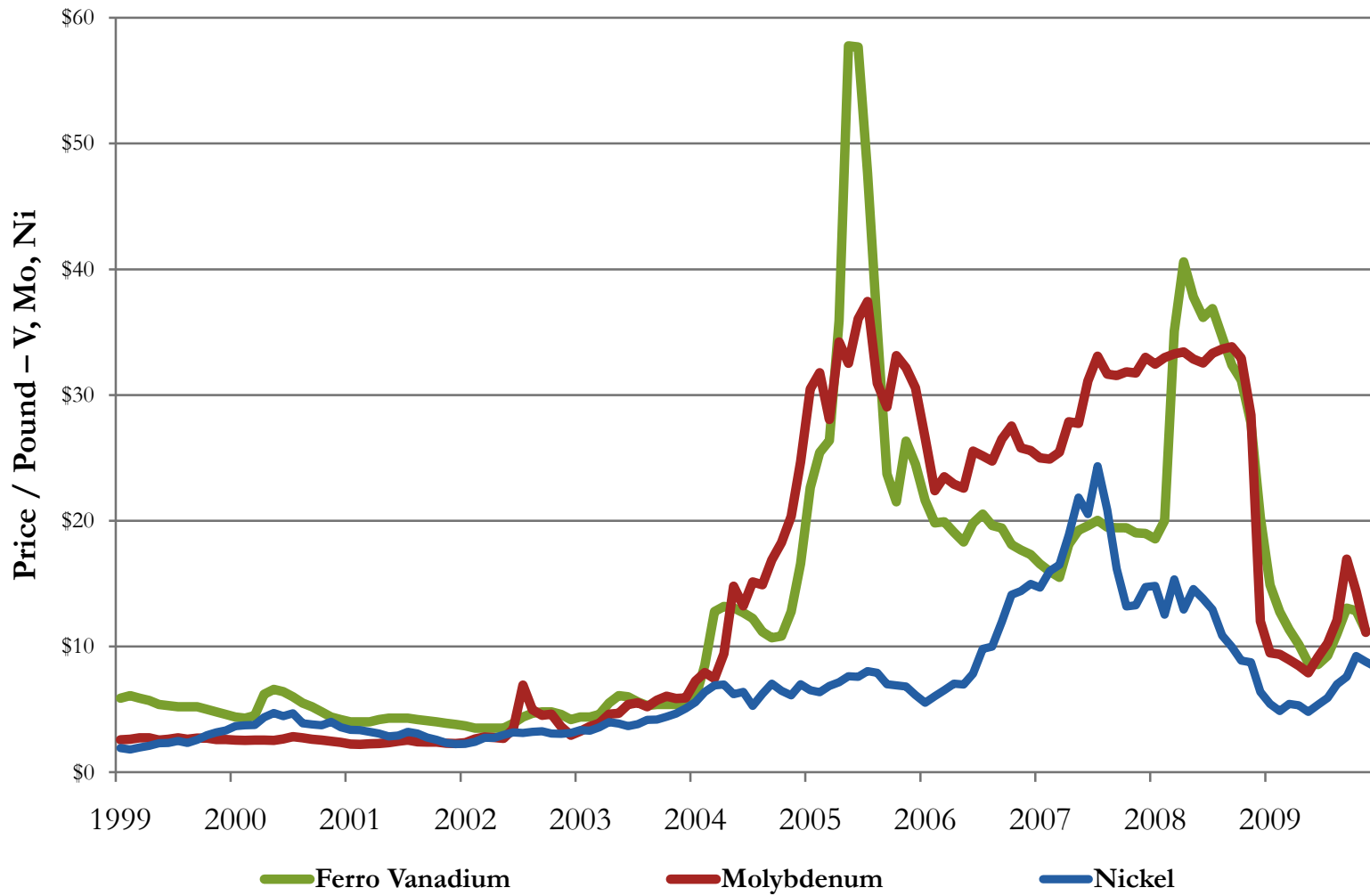
- Market demand moderating
- AMG shut down operations during Q3 2009 – 6 weeks
- North American steel capacity utilization approaching 60% in Q3 '09
- FeV pricing reached \$13/lb; currently at \$11.25/lb

- Long term trends still positive
- Infrastructure growth from emerging markets will drive demand

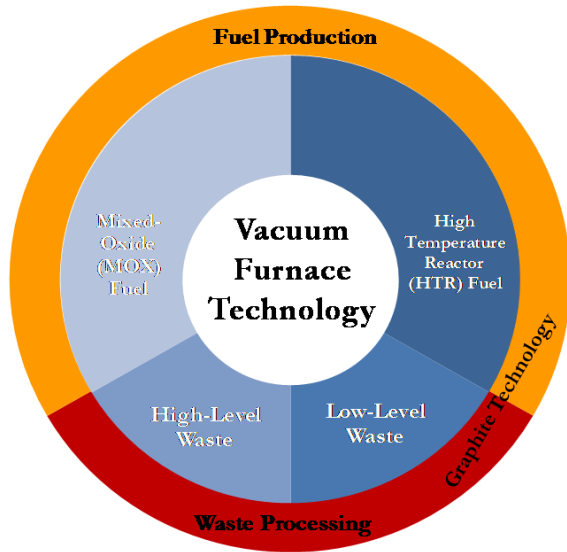
Recycling flow chart



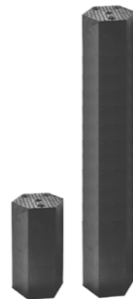
Significant price trends – 10 years



Prices are still below pre-crisis levels



Stackable Graphite Blocks

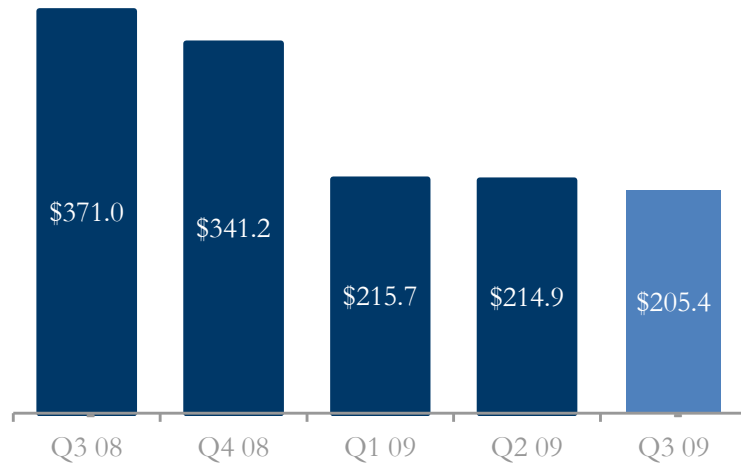


- Market development ongoing
 - U.S. DOE engineering project on schedule
 - Impermeable graphite glass matrix (IGM) achieved development milestone
 - Business development projects are long term
 - New business opportunities in Russia and U.S.
- Operations
 - Engineering team has expanded to 20 engineers
 - AMG working with partners to expand product offering

Financial Review

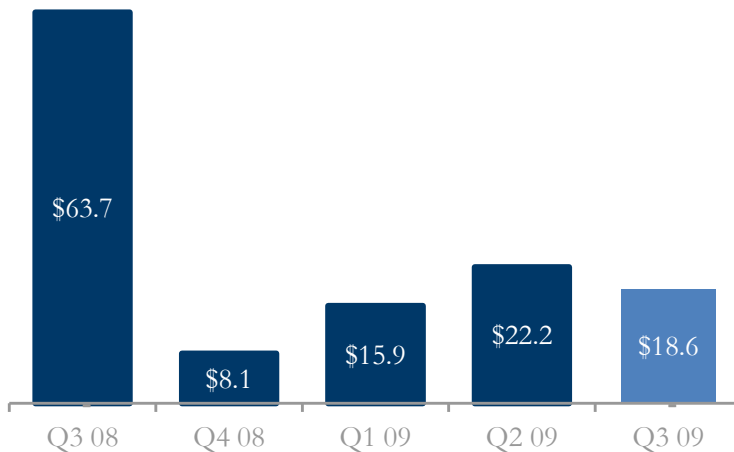
Revenue

(\$ in millions)



EBITDA

(\$ in millions)



Highlights

- Q3 Revenue: \$205.4 million
 - YTD 2009 revenue: \$636.1 million

- Q3 EBITDA: \$18.6 million
 - YTD 2009 EBITDA: \$56.7 million

- Balance Sheet highlights at September 30, 2009
 - Cash: \$124.4 million
 - Debt: \$202.3 million
 - Net debt: \$77.9 million
 - Total liquidity: \$222.4 million

Products

Fuel Efficiency

- Specialty alloys for titanium
- Coatings for wear resistance

Recycling - FeV

- Ferro-vanadium
- Ferro-nickel molybdenum

Other

- Chromium Metals
- Tantalum
- Antimony
- Aluminium master alloys

Competitors

- Reading Alloys Inc.
- Strategic Minerals Corporation

- Highveld Steel & Vanadium
- Gulf Chemical & Metallurgical Corporation
- Strategic Minerals Corporation
- Xstrata plc
- Chengde Vanadium & Titanium Stock Co. Ltd.

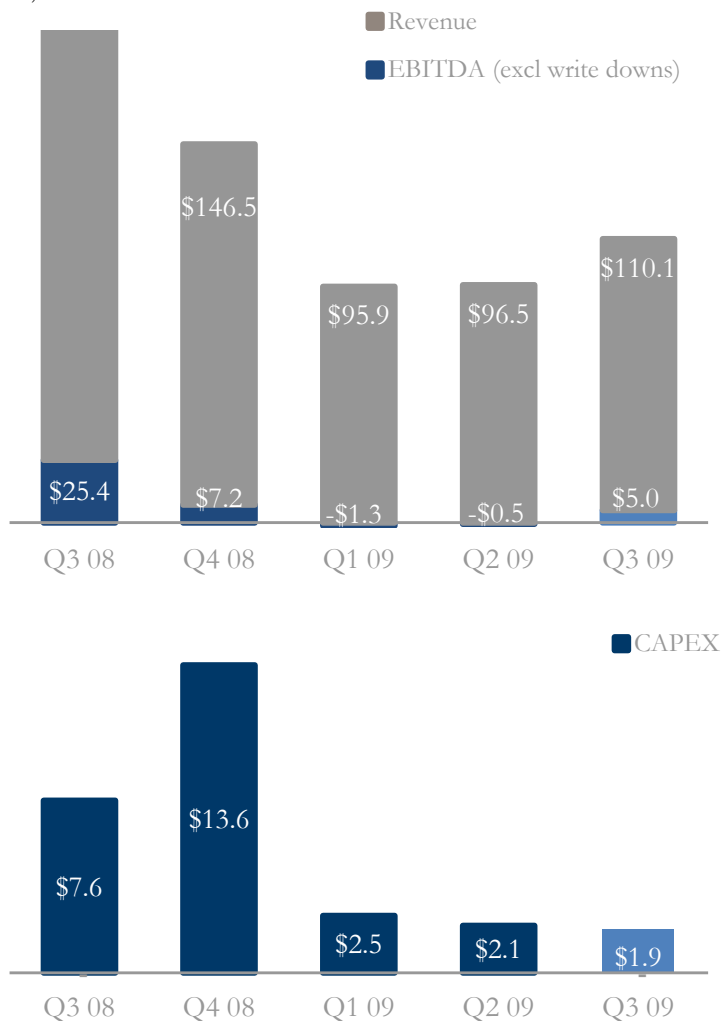
- KBM Affilips B.V.
- KB Alloys, Inc.
- Delachaux S.A.
- Campine S.A.
- Chemtura Corporation

Sample Customers



Financial Summary

(in millions)



Highlights

- Recycling - ferrovanadium
 - Reference prices declined 62% v. Q3 '08
 - Volumes declined 43% v. Q3 '08
 - Demand remained soft due to lower structural steel production levels
- Fuel Efficiency – master alloys volumes declined 77% compared to Q3 2008
- SG&A expense reduction of 21% from September 30, 2008
- CAPEX limited to maintenance activities



Products

Solar

- Solar silicon melting and crystallisation systems (DSS furnaces)

Fuel Efficiency

- Vacuum Melting and Re-melting Systems
- Precision Casting and Coating Systems
- Heat Treatment with high pressure gas quenching

Nuclear

- Vacuum Sintering Systems

Notable Successes

- 2001 – Secured furnace exclusivity with REC
- 2005 – Introduced single crucible furnaces
- 2008 – >\$200mm in revenue, 2nd largest market participant

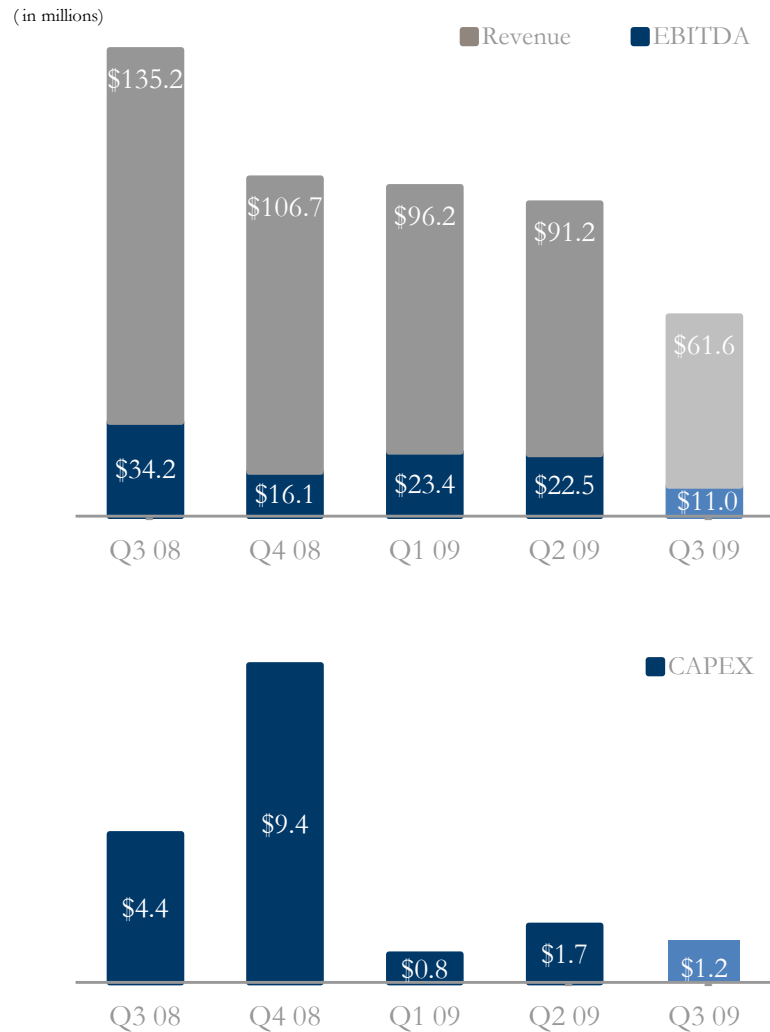
- 2008 – Market Share leader in Ti remelting in China, the fastest growing Ti market
- 2008 – 80% market share in turbine blade coating

- July 2008 – Secured first nuclear engineering contract with DOE, through Shaw-Areva
- Portfolio of problem solving technologies under development

Sample Customers



Financial Summary



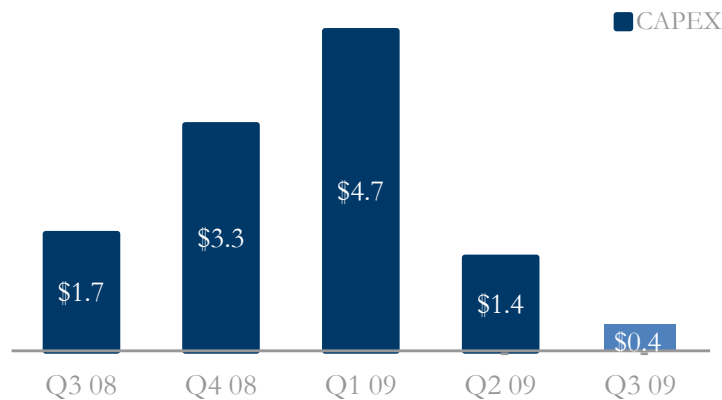
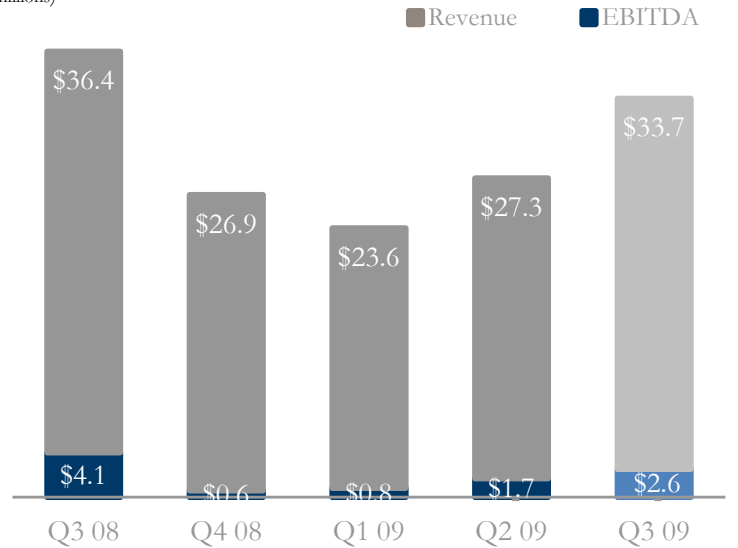
Highlights

- Revenue: \$61.6 million, 54% decrease YoY
 - Solar silicon DSS furnace revenues decreased 66% in Q3 '09 v. Q3 '08
- EBITDA: \$11 million
- Backlog declined from \$332 million at December 31 2008 to \$204 million at September 30, 2009
 - Order backlog is now primarily comprised of furnaces for fuel efficiency end market
- 2010 EBITDA is expected to be lower than 2009 due to the decline in backlog



Financial Summary

(in millions)



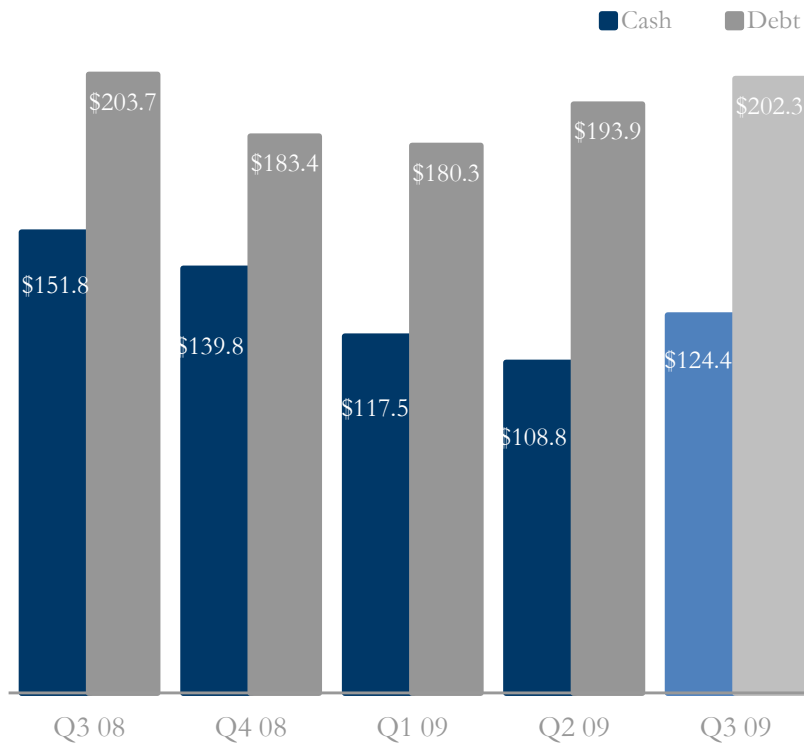
Highlights

- Revenue: \$33.7 million; 8% decrease YoY
 - 30% reduction in natural graphite in revenue; stable silicon metal revenue
- EBITDA: \$2.6 million
 - Improved from Q2 '09 due to cost containment measures and increased revenue
- CAPEX only for maintenance activities
- Silicon metal prices have rebounded slightly from Q2 '09. Market demand is improving



Cash and Debt

(in millions)



Note: Cash includes short term investments

Highlights – September 30 2009

- Cash: \$124.4 million
- Total debt: \$202.3 million
- Net debt: \$77.9 million
- Revolver availability: \$98 million
- Total liquidity \$222.4 million

- Advanced Materials
 - Prices have rebounded slightly from historic lows; remain well below normal market levels
 - Return to historical levels will take some time
- Engineering Systems
 - Order intake continues to be sluggish
 - Lower order backlog entering Q4 2009 will result in lower 2010 revenues and EBITDA
- Graphit Kropfmühl
 - H2 2009 silicon metal and graphite demand improving over H1 2009
- Timminco
 - AMG owns 46.0% of Timminco; Timminco remains a strategic asset of AMG



Appendix

Consolidated Balance Sheet



\$ in thousands

	December 31, 2008	September 30, 2009
Fixed Assets	206,596	220,308
Goodwill and Intangibles	28,557	27,877
Other non-current assets	103,564	106,403
Inventories	240,426	197,886
Receivables	145,534	149,277
Other current assets	56,527	41,114
Cash	<u>139,786</u>	<u>124,391</u>
TOTAL ASSETS	<u>920,990</u>	<u>867,256</u>
TOTAL EQUITY	269,488	259,158
Long-term Debt	138,830	165,367
Pension Liabilities	84,931	91,004
Other long-term liabilities	69,919	73,522
Current Debt	44,522	36,965
Accounts Payable	113,742	80,556
Advance Payments	94,049	47,945
Accruals	48,369	45,492
Other current liabilities	57,140	67,247
TOTAL LIABILITIES	<u>651,502</u>	<u>608,098</u>
TOTAL LIABILITIES AND EQUITY	<u>920,990</u>	<u>867,256</u>

NOTE: Balance sheet at 12/31/2008 has been restated for comparative purposes. To reflect the IFRS equity accounting treatment for AMG's investment in Timminco

Consolidated Income Statement



\$ in thousands

	Q3 2008	Q3 2009
Total Revenue	370,982	205,406
Cost of Goods Sold	288,177	165,457
Gross Margin	82,805	39,949
Selling, General and Admin.	39,069	31,876
Asset impairment and restructuring	-	5,302
Environmental	10	4,075
Other Expense (Income)	(1,883)	(1,194)
Operating Profit	45,609	(110)
Net Finance Costs	5,432	5,465
Equity Accounted Investee Profit	24	(1,285)
Profit before Income taxes	40,201	(6,860)
Tax Provision	11,921	5,694
Profit for the Quarter from continuing operations	28,280	(12,554)
Discontinued Operations	(12,956)	(14,240)
Profit for the Quarter	15,324	(26,794)
Attributable to:		
Shareholders of the Company	20,769	(20,302)
Minority Interest	(5,445)	(6,492)

Consolidated Cash Flows



\$ in thousands	Q3 2008	Q3 2009
Cash Flows from Operations	76,038	(6,033)
Capital Expenditures	(42,060)	(20,755)
Other Investing Activities	(116,695)	(31,964)
Cash Flows from Investing Activities	(158,755)	(52,719)
Cash Flows from Financing Activities	73,123	35,415
Net increase (decrease) in cash	(9,594)	(23,337)
Beginning Cash	172,558	143,473
Effects of exchange rates on cash	(8,803)	4,255
Ending Cash	154,162	124,391
Approximate availability under AMG lines of credit		97,708
Total Liquidity		222,099

AMG Advanced Metallurgical Group N.V.