



09:01 London, 09:01 Helsinki, 8 November 2013 - Afarak Group Plc ("Afarak" or "the Company") (LSE: AFRK, OMX: AFAGR) Interim Report

AFARAK GROUP PLC'S INTERIM REPORT FOR 1 JULY – 30 SEPTEMBER 2013

Q3 HIGHLIGHTS (July-September 2013):

- Revenue increased by 10.7% to EUR 30.8 (Q3/2012: 27.8) million
- Sales from processed products increased by 2.8% to 11,359 (Q3/2012: 11,051) tonnes
- EBITDA was EUR 2.9 (Q3/2012: -2.2) million and the EBITDA margin was 9.4% (Q3/2012: -8.0%)
- EBIT was EUR -3.1 (Q3/2012: -9.0) million
- Profit for the period totalled EUR -1.9 (Q3/2012: -6.1) million
- Production increased by 137.3% to 148,147 (Q3/2012: 62,419) tonnes
- Cash flow from operations was EUR -1.8 (Q3/2012: -2.9) million and liquid funds at 30 September were EUR 13.1 (30 September 2012: 39.7) (30 June 2013: 17.7) million
- Outlook for 2013 remain unchanged

KEY FIGURES (EUR million)	Q3/13	Q3/12	Change	Q1-Q3/13	Q1-Q3/12	Change	FY/12
Revenue	30.7	27.8	10.4%	93.8	104.4	-10.1%	128.6
EBITDA	2.9	-2.2		13.3	2.5	436.7%	9.2
EBITDA margin	9.4%	-8.0%		14.1%	2.4%		7.2%
EBIT	-3.1	-9.0		-5.1	-17.4		-16.8
EBIT margin	-10.2%	-32.3%		-5.5%	-16.6%		-13.0%
Earnings before taxes	-2.8	-9.3		-8.1	-15.6		-19.6
Earnings margin	-9.1%	-33.5%		-8.6%	-15.0%		-15.2%
Profit	-1.9	-6.1		-3.7	-10.4		-16.6
Earnings per share, basic, EUR	-0.01	-0.02		-0.02	-0.04		-0.06

Commenting on the third quarter results, Danko Koncar, CEO, said:

"I am pleased to report that the positive trend started in H1 has continued, although at a slower pace into the third quarter due to the seasonal market slowdown for the summer period. There has been significant improvement compared to the same period last year and in the third quarter we have managed to achieve an increase over last year's revenue and an improvement in profitability despite difficult market conditions. This was achieved by focusing on value added speciality products, increase in the sales of ferrochrome, expansion in mining production and lowering our cost base.

Processing volumes improved in the third quarter when compared to the equivalent period last year as a result of having EWW and Mogale Alloys in full operation during this period. Despite the fact that the ferrochrome market remains difficult to predict, we have seen some positive growth in that segment and secured a higher margin.

In the longer term I firmly believe that ferrochrome, particularly the speciality and super alloys segment, will again be in high demand. At the same time we are not waiting for the market to change, but are continuously evaluating different initiatives that could strengthen our position and provide new growth opportunities. A reflection of this is our commitment to investing in the ferroalloy refining and granulation equipment at Mogale Alloys so that part of the current ferrochrome production can be converted to granulated medium carbon ferrochrome.

In addition we have significantly restructured our organisation and the way we work to streamline costs. Our focus remains on generating cash and increasing profits.

Disclosure procedure

Afarak follows the disclosure procedure enabled by Disclosure obligation of the issuer (7/2013) published by the Finnish Financial Supervision Authority, and hereby publishes its Q3/2013 interim report enclosed to this stock exchange release. The Interim Report is attached to this release and is also available on the Company's website at www.afarakgroup.com.

Investor Conference Call

Management will host an investor conference call in English on 8 November 2013 at 14:00 Finnish time, 12:00 UK time. Please dial-in at least 10 minutes beforehand, quoting the reference: 44732.

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Financial reports and other investor information are available on the Company's website:

www.afarakgroup.com.

Afarak Group is a chrome mining and minerals producer focused on delivering sustainable growth with a speciality alloys business in southern Europe and a ferro alloys business in southern Africa. The Company is listed on NASDAQ OMX Helsinki (AFAGR) and the Main Market of the London Stock Exchange (AFRK).

www.afarakgroup.com

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AFARAK GROUP PLC: Q3 INTERIM REPORT FOR 1 JULY–30 SEPTEMBER 2013

This Interim Report is prepared in accordance with the IAS 34 standard and is unaudited. All the corresponding comparable figures of 2012 are presented in brackets, unless otherwise explicitly stated.

SALES

Sales from processing:

Tonnes	Q3/13	Q3/12	Q1-Q3/13	Q1-Q3/12	FY/12
Processing, Speciality Alloys	4,921	5,251	16,527	19,010	27,324
Processing, FerroAlloys	6,438	5,800	20,514	37,422	39,125
Processing, Total	11,359	11,051	37,041	56,432	66,449

The Group's sales from processing, which include all the products produced at the Mogale Alloys and Elektrowerk Weisweiler GmbH processing plants, were 11,359 (Q3/2012: 11,051) tonnes, an increase of 2.8% compared to the equivalent period in 2012. This marginal increase is attributable to the decision to remain disciplined and not to compromise the sales prices or margins in a weak market.

Ferrochrome

Until a few years ago, South African ferrochrome smelters dominated worldwide ferrochrome production. However, since then China has been able to purchase substantial volumes of chrome ore and UG2 by-product from the platinum industry which is then refined into ferrochrome by Chinese smelters. China itself does not have substantial chrome ore reserves. If China continues with this strategy, the ferrochrome price gap between Europe and China could increase. In China, the market is driven by the buy-side, mills purchase at spot market prices, while European and Japanese mills pay higher contract-based benchmark prices. The price difference has been, at times up to 20 US c/lb Cr.

South Africa's power supplier ESKOM announced earlier this year that it would stop the policy of buybacks of electricity. Falling production volumes is expected to cause an increase in shipments of chrome ore to China for processing. China will need to further increase its own ferrochrome production, requiring more chrome ore, in order to sustain any new projects.

The price difference for ferrochrome between South African producers selling to China and to the rest of the world has narrowed in Q3 as a result of the South African smelters increasing production whilst Chinese producers have been cutting back on their production.

After a good start in Q2 ferrochrome market, we have seen a seasonal slowdown in the summer period in the European stainless steel market, and therefore the Q3 contract price between South African ferrochrome smelters and European stainless steel mills fell back to same as in Q1/13; 112.5 USc/lb in Q3/13 (reduction -14.5 USc/lb Cr compared to Q2/13 (127USc/lb Cr). In spite of this decrease, the spot market prices, especially Indian and Russian/Kazakh material, remain below this level and market conditions remain subdued despite of some signs of higher prices paid in China.

Stainless Steel

The world average stainless steel transaction values increased for most products in September. Higher nickel costs during August helped US and Asian mills to lift market values. Decreases in European selling prices were noted because of lower alloy surcharges. There was a modest improvement in global market activity after the return from the summer holidays.

Regardless of a declining demand (y-o-y) in the first half of 2013, the European market began to stabilise in Q3 although stainless steel players remain hesitant about increasing margins and/or volumes for the rest of 2013. Irrespectively of the positive early indicators of recovery such as the PMI, it is considered doubtful that these will stimulate a recovery in the European stainless steel market in 2013. The Board believes however, that global demand for stainless steel is expected to grow steadily in the near term. Attempts by western mills to lift basis numbers may prove difficult as sales traditionally slow towards the year end. However, customers are likely to increase purchase volumes later in the Q4 for delivery early in 2014. This could result in some upward price movement prior to the New Year.

At Afarak, the deliveries to superalloy producers remain strong, and the Company has signed several new long term agreements. Furthermore, there are other positive indicators for securing additional long term agreements for other special grades produced by Afarak, including SiMn Low Phosphorus.

AFARAK GROUP'S FINANCIAL PERFORMANCE

REVENUE AND PROFITABILITY

EUR million	Q3/13	Q3/12	Change	Q1-Q3/13	Q1-Q3/12	Change	FY/12
Revenue	30.7	27.8	10.4%	93.8	104.4	-10.1%	128.6
EBITDA	2.9	-2.2		13.3	2.5	436.7%	9.2
EBITDA margin	9.4%	-8.0%		14.1%	2.4%		7.2%
EBIT	-3.1	-9.0		-5.1	-17.4		-16.8
EBIT margin	-10.2%	-32.3%		-5.5%	-16.6%		-13.0%
Profit	-1.9	-6.1		-3.7	-10.4		-16.6

Revenue for the third quarter 2013 increased by 10.4% to EUR 30.7 (27.8) million compared to the equivalent period in 2012. This increase in revenue was mainly attributable to the increase in sales volumes in the ferroalloys segment. EBITDA for the third quarter 2013 improved substantially compared to the equivalent period in 2012 to EUR 2.9 (-2.2) million. This was not only attributable to improved profitability in the Ferroalloys segment but also to a reduction in costs across all our operations. Weakening of the South African Rand also effected the group results as it helped reduce our production costs in South Africa. EBITDA was also positively affected by EUR 0.3 (0.0) million as the joint venture share of profits includes net financial income relating to unrealised exchange difference. EBIT was negatively effected with amortisation and depreciation charges which amounted to EUR 6.0 (6.7) million in Q3, this is expected to change as IFRS depreciation will reduce by EUR 1.2 million per month as from November 2013.

Earnings per share was EUR -0.01 (-0.02).

BALANCE SHEET, CASH FLOW AND FINANCING

The Group's liquidity, as at 30 September 2013, was EUR 13.1 (39.7) (30 June 2013: 17.7) million. Operating cash flow in the third quarter was EUR -1.8 (-2.9) million. Afarak's gearing at the end of the third quarter was -5.4% (8.0%) (31 December 2012: -5.4%). Net interest-bearing debt was EUR -10.5 (18.5) (31 December 2012: -11.4) million.

Total assets on 30 September were EUR 280.2 (370.4) (31 December 2012: 304.2) million. The equity ratio was 69.4% (62.0%) (31 December 2012: 69.2%). Decrease in total assets value during quarter three was mainly due to the translation of the South African Rand denominated assets as the currency continued weakening in this quarter.

INVESTMENTS, ACQUISITIONS AND DIVESTMENTS

Capital expenditure for the third quarter 2013 totalled EUR 2.4 (0.6) million which relates primarily to the advance payments made in relation to ferroalloy refining and granulation equipment at Mogale Alloys as well as sustaining capital expenditure at the Speciality Alloys segment.

PERSONNEL

At the end of the third quarter 2013, Afarak had 747 (784) employees. The average number of employees

during the third quarter of 2013 was 740 (771).

Number of employees by segment *:

	30.9.2013	30.9.2012	Change	31.12.2012
Speciality Alloys	428	428	0.0 %	423
FerroAlloys	316	346	-8.7 %	335
Other operations	3	10	-70.0 %	10
Group total	747	784	-4.7 %	768

*Including personnel of joint ventures.

SAFETY, HEALTH AND SUSTAINABLE DEVELOPMENT

The Group's target is to introduce standardised health, safety and environmental policies and procedures across the Group's operations and continue its programme focused on pro-active safety and environmental measurements as part of its aim to achieve "Zero Harm". This standardisation process is on-going and is expected to be finalised during 2013.

In the third quarter of 2013 the results obtained in decreasing the lost time injury frequency were satisfactory with only minor incidents reported. Afarak continues all efforts, including training, to further improve the safety performance.

Afarak aims to conduct its business in a sustainable way and to preserve the environment by minimising the environmental impact of its operations. The Group has programmes on all sites to monitor and address its impact on the environment.

SEGMENT PERFORMANCE

SPECIALITY ALLOYS BUSINESS

The Speciality Alloys business consists of Türk Maadin Şirketi A.S ("TMS"), the mining and beneficiation operation in Turkey, and Elektrowerk Weisweiler GmbH ("EWV"), the chromite concentrate processing plant in Germany. TMS supplies EWV with high quality chromite concentrate which produces speciality products including Specialised Low Carbon and Ultra Low Carbon Ferrochrome. Excess chrome ore from TMS is exported.

Production:

Tonnes	Q3/13	Q3/12	Change	Q1-Q3/13	Q1-Q3/12	Change	FY/12
Mining*	18,810	19,066	-1.3 %	51,867	56,049	-7.5 %	72,098
Processing	6,719	5,166	30.1 %	18,312	19,390	-5.6 %	25,129

* Including both chromite concentrate and lumpy ore production

Production decreased to 18,810 (19,066) tonnes for the third quarter 2013, compared to the equivalent period in 2012. This was mainly due to a decision to reduce work shifts in order to better respond to reduced demand in the market. There has been a substantial increase in processing when compared to the equivalent period in 2012 due to the fact that there was no maintenance shutdown at EWV during this quarter as it was held in June as opposed to July. Mining at TMS operated at normal levels.

EUR million	Q3/13	Q3/12	Change	Q1-Q3/13	Q1-Q3/12	Change	FY/12
Revenue	17.6	17.9	-1.5%	54.6	61.4	11.1%	76.5
EBITDA	2.5	1.8	33.2%	8.5	9.6	-11.3%	11.0
EBITDA margin	13.9%	10.3%		15.6%	15.6%		14.3%
EBIT	-1.9	-2.7		-4.6	-3.6		-6.7
EBIT margin	-10.8%	-15.3%		-8.4%	-5.8%		-8.7%

Revenue for the third quarter decreased by a marginal 1.5% to EUR 17.6 (17.9) million and EBITDA increased by 33.2% to EUR 2.5 (1.8) million compared to the equivalent period in 2012. The decrease in

revenue was due to lower sales volumes and decreased sales prices. Improvement in EBITDA margin was due to lower cost of production at EWW.

As at 30 September 2013, the business had 428 (428) employees.

FERROALLOYS BUSINESS

The FerroAlloys business consists of the processing plant Mogale Alloys and the joint ventures Stellite mine and Mecklenburg mine in South Africa. The business produces chrome ore, Charge Chrome and Silico Manganese for sale to global markets.

Production:

Tonnes	Q3/13	Q3/12	Change	Q1-Q3/13	Q1-Q3/12	Change	FY/12
Mining*	103,763	22,783	455.4 %	292,257	116,161	151.6 %	140,346
Processing	18,855	15,404	22.4 %	31,140	36,166	-13.9 %	50,522

* Including both chromite concentrate and lumpy ore production by the joint ventures

Production in this segment increased substantially to 103,763 (22,783) tonnes in the third quarter of 2013 when compared to the same period in 2012. The production at the Stellite mine and Mecklenburg mine continued at a slightly slower pace from the previous quarter with an average monthly production of 35,000 tonnes. Mogale Alloys operated at normal levels during this period producing some stainless steel alloy instead of ferrochrome in order to maximise profit margins.

EUR million	Q3/13	Q3/12	Change	Q1-Q3/13	Q1-Q3/12	Change	FY/12
Revenue	13.1	9.9	31.7%	39.1	42.9	-8.8%	52.1
EBITDA	0.9	-3.6		8.2	-2.1		3.5
EBITDA margin	7.0%	-36.6%		20.9%	-4.8%		6.7%
EBIT	-0.7	-5.8		2.9	-8.7		-4.8
EBIT margin	-5.7%	-58.5%		7.5%	-20.3%		-9.3%

* Revenue of the joint ventures is not included in the Group's revenue

Revenue for the third quarter improved to EUR 13.1 (9.9) million compared to the equivalent period in 2012, representing an increase of 31.7%. The increase in revenue was mainly due to the increase in ferrochrome sales volumes and the resumed production at Mogale. EBITDA for the third quarter increased to EUR 0.9 (-3.6) million. The increase in EBITDA compared to the equivalent period in 2012 was driven by the improved demand for chrome ore, and the reduction in cost of production due to weakening of the South African Rand. EBITDA was positively affected by EUR 0.3 (0.0) million as the joint venture share of profits includes net financial income relating to unrealised exchange difference.

The share of profit from joint ventures is made up as follows:

EUR million	Q3/13	Q3/12	Change	Q1-Q3/13	Q1-Q3/12	Change	FY/12
Revenue	2.7	1.1	141.4%	6.8	6.2	8.7%	6.6
EBITDA	0.2	-0.4		0.5	-3.0		-1.6
EBITDA margin	8.6%	-34.8%		7.4%	-48.3%		-24.6 %
EBIT	-0.2	-0.7		-0.3	-3.7		-2.4
EBIT margin	-6.2%	-63.8%		-4.4%	-59.8%		-36.2 %
Financial income and expense	0.3	0.0		-2.0	-0.5		-1.0
Profit for the period	0.0	-0.9		-2.4	-5.5		-4.7

Afarak's share of joint ventures revenue for the third quarter improved to EUR 2.7 (1.1) million compared to the equivalent period in 2012, representing an increase of 141.4%. The increase in revenue was mainly due to the increased sales volumes of the Mecklenburg mine material. EBITDA for the third quarter increased to EUR 0.2 (-0.4) million. Increase in EBITDA compared to the equivalent period in 2012 was driven by the improved demand for chrome ore as well as improved mining methods helped in lowering mining costs.

As at 30 September 2013, the business had 316 (346) employees.

UNALLOCATED ITEMS

For the third quarter of 2013, the EBITDA from unallocated items was EUR -0.2 (-1.4) million including a EUR 0.0 (0.2) million non-cash expense for the share-based payments. The improvement in EBITDA was mainly due to the restructuring at headquarters level that took place in the first quarter of 2013.

EXTRAORDINARY GENERAL MEETING

The Company held an Extraordinary General Meeting ("EGM") on 5 July 2013. The EGM resolved that the non-executive Board Members who serve on the Board's Committees shall be paid additional EUR 1,500 per month for the committee work. The director's monthly remuneration fee of EUR 3,000 remained unchanged. Furthermore, the EGM resolved to change the name of the Company and the article 1 of the Company's Articles of Association was amended to the following:

1) Company name and domicile

The name of the company is Afarak Group Oyj and domicile is Helsinki.

The company name in English is Afarak Group Plc.

EVENTS DURING THE REVIEW PERIOD

On 1 July 2013 Mogale Alloys has entered into a contract in relation to the installation of ferroalloy refining and granulation equipment. The equipment complements Mogale's current four furnaces producing low phosphor ferrochrome and low phosphor silicomanganese. Once the installations are complete, a significant part of the current ferrochrome production can be converted to granulated medium carbon ferrochrome. This is in line with the Company's goal to provide niche products into mature markets to increase profitability and optimise shareholder value. The project commenced in July 2013 and first production of speciality alloys will commence in Q3 2014.

On 10 July 2013, the Company had announced that it is contemplating a directed share issue to Singaporean Sail Resources Pte. The share issue would consist of up to five million new ordinary shares. The shares will be offered in derogation of the pre-emptive subscription right of shareholders and the implementation of the share issue would be pursuant to the authorisation granted to the Company's Board of Directors at the Company's Annual General Meeting on 8 May 2013. The Board of Directors aimed to resolve on the terms and conditions of the share issue by the end of July 2013 but the negotiations of the final terms and conditions are still on-going and the Company expects to complete the negotiations in near future.

On 18 July 2013, the Company's new name was registered in the Finnish Trade Register.

On 19 July 2013, the Company's NASDAQ OMX Helsinki Tradable Instrument Display Mnemonic ("TIDM") changed from RUG1V to AFAGR and London Stock Exchange TIDM changed from RKKI.L to AFRK.L. The ISIN and SEDOL numbers, being FI0009800098 and B28LN87 respectively, remained unchanged.

EVENTS SINCE THE END OF THE REVIEW PERIOD

On 1 November 2013, the Company announce an updated Resources and Reserves Statement for our assets in South Africa. Total chrome ore resources have increased significantly from 38.5 million tons to 61.3 million tons with an average chrome oxide ("Cr₂O₃") grade of 36.71%. The current reserves of chrome ore are 8.4 million tons with an average Cr₂O₃ grade of 37.54%.

Furthermore, the Company was pleased to publish for the first time a mineral resources and reserves statement for Platinum Group Metals ("PGMs 2E +Au"). Total resources of PGMs are stated as 2.67 million ounces of platinum, palladium plus gold.

COMPANY'S SHARE

Afarak Group Plc's shares are listed on NASDAQ OMX Helsinki (AFAGR) and on the Main Market of the London Stock Exchange (AFRK).

On 30 September 2013, the registered number of Afarak Group Plc shares was 248,432,000 (248,432,000) and the share capital was EUR 23,642,049.60 (23,642,049.60).

On 30 September 2013, the Company had 4,297,437 (4,414,682) own shares in treasury, which was equivalent to 1.73% (1.78%) of the issued share capital. The total amount of shares outstanding, excluding the treasury shares held by the Company on 30 September 2013, was 244,134,563 (244,017,318).

At the beginning of the period under review, the Company's share price was EUR 0.42 on NASDAQ OMX Helsinki and GBP 0.34 on the London Stock Exchange. At the end of the review period, the share price was EUR 0.36 and GBP 0.35 respectively. During the third quarter of 2013 the Company's share price on NASDAQ OMX Helsinki ranged from EUR 0.36 to 0.44 per share and the market capitalisation, as at 30 September 2013, was EUR 89.4 (1.1.2013: 111.8) million. For the same period on the London Stock Exchange the share price range was GBP 0.34 to 0.35 per share and the market capitalisation was GBP 87.0 (1.1.2013: 87.0) million, as at 30 September 2013.

Based on the resolution at the AGM on 8 May 2013, the Board is authorised to buy-back up to a maximum of 15,000,000 of its own shares. This authorisation is valid until 8 November 2014. The Company did not carry out any share buy-backs during the third quarter of 2013.

NOTIFICATION OF TRANSACTIONS OF DIRECTORS, PERSONS DISCHARGING MANAGERIAL RESPONSIBILITY OR CONNECTED PERSONS

Afarak Group Plc was notified on 18 September 2013 that Dr Alfredo Parodi, an independent non-executive director of the Company is the beneficial owner of 22,600 ordinary shares in the Company representing approximately 0.009 per cent of the total issued number of Shares. The Shares were acquired prior to his appointment as an independent non-executive director.

MOST SIGNIFICANT SHORT TERM RISKS AND UNCERTAINTIES, CHANGES DURING AND AFTER THE PERIOD UNDER REVIEW

The changes in the key risks and uncertainties are set out below. Further details of the risks and uncertainties have been published in the Group's 2012 Financial Statements.

Afarak's financial performance is dependent on the general market conditions of the mining, smelting and minerals processing business. Global financial markets have been very volatile, exacerbated by the Eurozone crisis, and there is uncertainty as to how commodity prices will respond for the rest of 2013, which could considerably impact the Company's revenue and financial performance in 2013.

Changes in foreign exchange rates, if adverse, could have a substantial negative impact on the Group's profitability, in particular changes in US Dollar/South African Rand. In order to better manage its foreign exchange US Dollar/South African Rand exposure, the Group has entered into forward contract arrangements.

Afarak's processing operations in Germany and South Africa are intensive users of energy, primarily electricity. Fuel and energy prices globally have been characterised by volatility and cost inflation. In South Africa the majority of the electricity supply, price and availability are controlled by one entity, Eskom. Increased electricity prices and/or reduced or uncertain electricity supply or allocation may negatively impact Afarak's current operations, which could have an impact on the Group's financial performance.

2013 OUTLOOK

The global economic outlook continues to be uncertain in 2013. Despite the Eurozone crisis continues, there are signs of an increase in the demand for commodities. The ferroalloy market however, is still expected to continue to be volatile during the year with signs of improvement expected at the end of the year or the first quarter of next year. The Group is preparing for significant price fluctuations and will continue to adapt its production levels accordingly. The Company is also continuing its cost saving initiatives and restructuring of functions and this is expected to bring material costs savings in 2013 compared to previous financial year. In light of this the Group expects its financial performance for the full year 2013 to significantly improve compared to 2012.

Fluctuations of exchange rates between the Euro, the South African Rand, the Turkish Lira and the US Dollar can significantly impact the Company's financial performance.

Helsinki, 8 November 2013

AFARAK GROUP PLC

BOARD OF DIRECTORS

FINANCIAL REPORTING IN 2014

	Closed period	Reporting date
Full Year Results 2013	1.1.-14.2.2014	14 February 2014
Q1 Interim Report 2014	7.4.-8.5.2014	8 May 2014
Q2 Interim Report 2014	15.7.-14.8.2014	14 August 2014
Q3 Interim Report 2014	10.10.-10.11.2014	10 November 2014

FINANCIAL TABLES

FINANCIAL DEVELOPMENT AND ASSETS AND LIABILITIES BY SEGMENT

Q1-Q3/2013 9 months EUR '000	Speciality Alloys	Ferro Alloys	Unallocated items	Eliminations	Group total
Revenue	54,597	39,133	256	-228	93,758
EBITDA	8,504	8,193	-3,193	-253	13,251
EBIT	-4,584	2,919	-3,231	-253	-5,148
Segment's assets	140,789	106,358	92,658	-59,565	280,239
Segment's liabilities	84,308	45,252	12,889	-56,650	85,800

Q1-Q3/2012 9 months EUR '000	Speciality Alloys	Ferro Alloys	Unallocated items	Eliminations	Group total
Revenue	61,438	42,890	627	-570	104,385
EBITDA	9,584	-2,050	-5,081	16	2,469
EBIT	-3,573	-8,691	-5,113	16	-17,360
Segment's assets	182,986	169,296	32,375	-14,296	370,362
Segment's liabilities	49,528	98,472	6,141	-13,302	140,838

FY 2012 12 months EUR '000	Speciality Alloys	Ferro Alloys	Unallocated items	Eliminations	Group total
Revenue	76,456	52,050	912	-836	128,582
EBITDA	10,954	3,504	-5,259	29	9,229
EBIT	-6,677	-4,820	-5,300	29	-16,768
Segment's assets	172,655	125,222	21,308	-14,945	304,240
Segment's liabilities	53,975	48,360	5,669	-14,329	93,674

CONSOLIDATED INCOME STATEMENT, SUMMARY

EUR '000	Q3/13	Q3/12	Q1- Q3/13	Q1- Q3/12	FY/12
Revenue	30,733	27,848	93,758	104,385	128,582
Other operating income	316	452	11,665	9,251	13,000
Operating expenses	-28,363	-29,655	-90,002	-105,660	-127,620
Depreciation and amortisation	-6,048	-6,767	-18,398	-19,829	-25,997
Items related to associates (core)	2	1	4	6	6
Share of profit from joint ventures	225	-878	-2,174	-5,513	-4,740
Operating profit	-3,136	-8,999	-5,148	-17,360	-16,768
Financial income and expense	328	-327	-2,925	1,739	-2,822
Profit before tax	-2,808	-9,327	-8,072	-15,621	-19,590
Income tax	943	3,238	4,348	5,192	2,957
Profit for the period	-1,864	-6,088	-3,725	-10,429	-16,633
Profit attributable to:					
Owners of the parent	-1,659	-5,511	-3,722	-8,859	-15,493
Non-controlling interests	-205	-577	-2	-1,570	-1,141
Total	-1,864	-6,088	-3,725	-10,429	-16,633
Earnings per share for profit attributable to the shareholders of the parent company, EUR					
Basic earnings per share, EUR	-0.01	-0.02	-0.02	-0.04	-0.06
Diluted earnings per share, EUR	-0.01	-0.02	-0.02	-0.04	-0.06

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR '000	Q3/13	Q3/12	Q1- Q3/13	Q1- Q3/12	FY/12
Profit for the period	-1,864	-6,088	-3,725	-10,429	-16,633
Other comprehensive income					
Remeasurements of defined benefit pension plans	0	0	0	0	-4,904
Exchange differences on translating foreign operations	-3,634	-2,761	-16,958	-1,732	-6,096
Income tax relating to other comprehensive income	1,103	330	5,927	691	1,991
Other comprehensive income, net of tax	-2,531	-2,431	-11,030	-1,041	-9,009
Total comprehensive income for the period	-4,395	-8,519	-14,755	-11,470	-25,642
Total comprehensive income attributable to:					
Owners of the parent	-4,030	-7,675	-13,539	-9,729	-23,853
Non-controlling interests	-365	-844	-1,216	-1,741	-1,789

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SUMMARY

EUR '000	30.9.2013	30.9.2012	31.12.2012
ASSETS			
Non-current assets			
Investments and intangible assets			
Goodwill	63,797	100,191	68,990
Investments in associates	76	77	75
Other intangible assets	26,592	49,675	43,539
Investments and intangible assets total	90,465	149,944	112,603
Property, plant and equipment	37,577	42,995	41,108
Other non-current assets	<u>58,253</u>	<u>63,875</u>	<u>55,343</u>
Non-current assets total	186,295	256,814	209,054
Current assets			
Inventories	46,622	44,494	50,455
Receivables	34,171	29,323	30,573
Cash and cash equivalents	<u>13,151</u>	<u>39,731</u>	<u>14,158</u>
Current assets total	93,944	113,548	95,186
Total assets	280,239	370,362	304,240
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	23,642	23,642	23,642
Share premium reserve	25,740	25,740	25,740
Paid-up unrestricted equity reserve	242,725	245,128	245,167
Translation reserves	-1,772	10,631	8,045
Retained earnings	<u>-101,846</u>	<u>-85,577</u>	<u>-99,192</u>
Equity attributable to owners of the parent	188,489	219,564	203,402
Non-controlling interests	5,950	9,959	7,163
Total equity	194,439	229,523	210,566
Liabilities			
Non-current liabilities			
Deferred tax liabilities	8,934	19,485	16,906
Provisions	11,689	14,268	12,893
Share of joint ventures' losses	14,820	10,882	11,805
Pension liabilities	15,833	57,359	15,815
Financial liabilities	<u>83</u>	<u>11,706</u>	<u>114</u>
Non-current liabilities total	51,359	113,700	57,533
Current liabilities			
Advances received	0	195	0
Other current liabilities	<u>34,441</u>	<u>26,943</u>	<u>36,141</u>
Current liabilities total	34,441	27,139	36,141
Total liabilities	85,800	140,838	93,674
Total equity and liabilities	280,239	370,362	304,240

SUMMARY OF CASH, INTEREST-BEARING RECEIVABLES AND INTEREST-BEARING LIABILITIES

EUR '000	30.9.2013	30.9.2012	31.12.2012
Cash and cash equivalents	13,151	39,731	14,158
Interest-bearing receivables			
Current	4,556	3,081	6,005
Non-current	<u>44,395</u>	<u>55,971</u>	<u>48,501</u>
Interest-bearing receivables	44,951	59,051	54,507
Interest-bearing liabilities			
Current	2,565	894	2,719
Non-current	83	57,306	64
Interest-bearing liabilities	2,648	58,201	2,782
NET TOTAL	59,454	40,582	65,882

SUMMARY OF GROUP'S PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

EUR '000	Property, plant and equipment	Intangible assets
Acquisition cost 1.1.2013	98 453	252 654
Additions	5 562	3 262
Disposals	-135	-4
Reclass between items	801	-253
Effect of movements in exchange rates	-10 186	-23 896
Acquisition cost 30.9.2013	94 495	231 764
Acquisition cost 1.1.2012	98 014	299 162
Additions	3 965	8 824
Disposals *	-594	-30 255
Reclass between items	551	113
Effect of movements in exchange rates	-3 483	-25 191
Acquisition cost 31.12.2012	98 453	252 654

* Including changes in earn-out liabilities and in contingent purchase considerations

CONSOLIDATED STATEMENT OF CASH FLOWS, SUMMARY

EUR '000	Q1-Q3/13	Q1-Q3/12	FY/12
Profit for the period	-3,725	-10,429	-16,633
Adjustments to profit for the period	21,526	17,890	29,570
Changes in working capital	-6,648	5,819	-6,003
Discontinued operations	0	-370	-743
Net cash from operating activities	11,154	12,910	6,191
Acquisition of subsidiaries and associates, net of cash acquired	-404	-25,081	-25,070
Capital expenditure and other investing activities	-8,756	-3,732	-4,512

Proceeds from repayments of loans and loans given	118	-3,059	-3,919
Net cash used in investing activities	-9,042	-31,873	-33,501
Capital Redemption	-2,442	0	0
Proceeds from borrowings	0	54	59
Repayment of borrowings, and other financing activities	-149	-5,172	-22,294
Net cash used in financing activities	-2,591	-5,118	-22,234
Net increase in cash and cash equivalents	-479	-24,081	-49,545

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A = Share capital

B = Share premium reserve

C = Paid-up unrestricted equity reserve

D = Translation reserve

E = Retained earnings

F = Equity attributable to owners of the parent, total

G = Non-controlling interests

H = Total equity

EUR '000	A	B	C	D	E	F	G	H
Equity at 31.12.2011	23 642	25 740	245 128	11 501	-80 185	225 826	14 348	240 173
Total comprehensive income 1-9/2012				-870	-8 859	-9 729	-1 741	-11 470
Share-based payments					683	683		685
Acquisitions and disposals of subsidiaries					2 784	2 784	-2 649	135
Equity at 30.9.2012	23 642	25 740	245 128	-10 631	-85 577	219 564	9 957	229 523
Total comprehensive income 10-12/2012				-2 586	-11 538	-14 125	-48	-14 172
Share-based payments			39		183	222	-1	221
Acquisitions and disposals of subsidiaries					-2 260	-2 260	-2 746	-5 006
Equity at 31.12.2012	23 642	25 740	245 167	8 045	-99 192	203 402	7 162	210 565
Total comprehensive income 1-9/2013				-9 817	-3 722	-13 539	-1 215	-14 754
Share-based payments			-2 441		1 068	1 068	2	1 070
Capital redemption						-2 441	0	-2 441
Equity at 30.9.2013	23 642	25 740	242 725	-1 772	-101 846	188 489	5 948	194 438

RELATED PARTY TRANSACTIONS DURING THE REVIEW PERIOD

EUR '000	Q1-Q3/13	Q1-Q3/12	FY/12
Sales to joint ventures	35	514	564
Sales to other related parties	26	75	98
Purchases from joint ventures	-8,201	-3, 689	-4,342
Financing income from joint ventures	845	1,592	1,889
Financing expense to other related parties	-76	-80	-104
Loan receivables from joint ventures	35,508	36,451	37,120

Loan receivables from other related parties	10,215	10,000	10,293
Trade and other receivables from joint ventures	4,927	4,539	4,821
Trade and other receivables from other related parties	12	0	44
Trade and other payables to joint ventures	1,817	506	0

FINANCIAL INDICATORS

	Q1-Q3/13	Q1-Q3/12	FY/12
Return on equity, % p.a.	-2.5%	-5.9%	-7.4%
Return on capital employed, % p.a.	-0.2%	-5.7%	-4.5%
Equity ratio, %	69.4%	62.0%	69.2%
Gearing, %	-5.4%	8.0%	-5.4%
Personnel at the end of the period	747	784	768

EXCHANGE RATES

The balance sheet date rate is based on exchange rate published by the European Central Bank for the closing date. The average exchange rate is calculated as an average of daily rates from the European Central Bank during the year.

The key exchange rates applied in the accounts:

Average rates

	Q1-Q3/13	Q1-Q3/12	FY/12
TRY	2.4598	2.3090	2.3135
USD	1.3171	1.2808	1.2848
ZAR	12.5015	10.3092	10.5511

Balance sheet rates

	30.9.2013	30.9.2012	31.12.2012
TRY	2.7510	2.3203	2.3551
USD	1.3505	1.2930	1.3194
ZAR	13.5985	10.7125	11.1727

FORMULAS FOR FINANCIAL INDICATORS

Financial ratios and indicators have been calculated with the same principles as applied in the 2012 financial statements. These principles are presented below.

Return on equity, % = Profit for the period / Total equity (average for the period) * 100

Return on capital employed, % = (Profit before taxes + financing expenses) / (Total assets - interest-free liabilities) average * 100

Equity ratio, % = Total equity / (Total assets - prepayments received) * 100

Gearing, % = (Interest-bearing debt - liquid funds) / Total equity * 100

Net interest-bearing debt = Interest-bearing debt - liquid funds

Earnings per share, basic, EUR = Profit attributable to owners of the parent company / Average number of shares during the period

Earnings per share, diluted, EUR = Profit attributable to owners of the parent company / Average number of shares during the period, diluted

Operating profit (EBIT) = Operating profit is the net of revenue plus other operating income, plus gain/loss on finished goods inventory change, minus employee benefits expense, minus depreciation, amortisation and impairment and minus other operating expense. Foreign exchange gains or losses are included in operating profit when generated from ordinary activities. Exchange gains or losses related to financing activities are recognised as financial income or expense.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) = Operating profit + depreciation + amortisation + impairment losses

ACCOUNTING POLICIES

This Interim Report is prepared in accordance with the IAS 34 standard. The Company applies new or amended IFRS standards and interpretations from their effective date or after they have been endorsed for application within the EU. The revised standard, IAS 19 Employee Benefits, became effective from the beginning of the financial year 2013. The Company has also resolved to begin to apply the new standards IFRS 10, IFRS 11 and IFRS 12 as well as the revised standards IAS 27 and IAS 28 in the financial statements for the year 2013. The changes in the standards are applied retrospectively. Consequently, Afarak has restated its financial information for 2012. The restated financial information has been published in a stock exchange release on 7 May 2013.

The preparation of the Interim Report in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and other information, such as contingent liabilities and the recognition of income and expenses in the income statement. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the estimates.

The figures in the tables have been rounded off, which must be considered when calculating totals. Average exchange rates for the period have been used for income statement conversions, and period-end exchange rates for balance sheet.

The Interim Report data are unaudited.

Share-related key figures

		Q3/13	Q3/12	Q1-Q3/13	Q1-Q3/12	FY/12
Share price development in London Stock Exchange						
Average share price*	EUR	0.41	0.48	0.43	0.55	0.54
	GBP	0.35	0.38	0.37	0.45	0.43
Lowest share price*	EUR	0.41	0.40	0.39	0.39	0.39
	GBP	0.35	0.32	0.33	0.32	0.32
Highest share price*	EUR	0.41	0.67	0.47	1.06	1.06
	GBP	0.35	0.53	0.40	0.86	0.86
Share price at the end of the period**	EUR	0.42	0.48	0.42	0.48	0.43
	GBP	0.35	0.38	0.35	0.38	0.35
Market capitalisation at the end of the period**	EUR million	104.0	118.3	104.0	118.3	106.5
	GBP million	87.0	94.4	87.0	94.4	87.0
Share trading development						
Share turnover	thousand shares	0	187	45	243	288
Share turnover	EUR thousand	0	90	19	133	154
Share turnover	GBP thousand	0	71	16	108	125
Share turnover	%	0.0%	0.1%	0.0%	0.1%	0.1%

Share price development in NASDAQ OMX Helsinki						
Average share price	EUR	0.39	0.50	0.42	0.75	0.67
Lowest share price	EUR	0.36	0.38	0.36	0.38	0.38
Highest share price	EUR	0.44	0.71	0.48	1.02	1.02
Share price at the end of the period	EUR	0.36	0.48	0.36	0.48	0.45
Market capitalisation at the end of the period	EUR million	89.4	119.2	89.4	119.2	111.8
Share trading development						
Share turnover	thousand shares	1,310	1,553	3,304	4,191	5,600
Share turnover	EUR thousand	504	781	1,392	3,149	3,773
Share turnover	%	0.5%	0.6%	1.3%	1.7%	2.3%

* Share prices have been calculated on the average EUR/GBP exchange rate published by Bank of Finland.

** Share price and market capitalisation at the end of the period have been calculated on the EUR/GBP exchange rate published by Bank of Finland at the end of the period.

Formulas for share-related key indicators

Average share price = Total value of shares traded in currency / Number of shares traded during the period

Market capitalisation, million = Number of shares * Share price at the end of the period

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. By their nature, forward-looking statements involve uncertainty because they depend on future circumstances, and relate to events, not all of which are within the Company's control or can be predicted by the Company.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Actual results could differ materially from those set out in the forward-looking statements. Save as required by law (including the Finnish Securities Markets Acts (746/2012), as amended, or by the Listing Rules or the Disclosure and Transparency Rules of the UK Financial Services Authority), the Company undertakes no obligation to update any forward-looking statements in this report that may occur due to any changes in the Directors' expectations or to reflect events or circumstances after the date of this report.