



Advanced Metallurgical Group N.V.



Investor Presentation
October 2007



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AMG Presentation Team



Heinz Schimmelbusch
*CEO and Chairman of the
Management Board*



Arthur Spector
*Deputy Chairman
of the Management Board*



William J. Levy
*CFO and Member
of the Management Board*

AMG at a Glance

Preeminent global specialty metals company organised in two business units

Advanced Materials: develops and produces a number of different niche and complex specialty metals

Engineering Systems: designs and produces advanced vacuum furnace systems

Market leadership in both segments based on superior technologies

Customers include world leading metals producers and consumers in high growth end-markets

Global presence with operations in 12 countries on 5 continents

LTM⁽¹⁾ revenue of \$1,011m and EBITDA of \$90m with attractive growth potential

(1) As per 30 June 2007



Company Overview



Complementary Business Units



Advanced Materials Unit

- Develops and produces niche specialty metals and complex metals products
- Products are used in demanding, safety-critical, high-stress environments
- One of a limited number of significant producers globally
- Approx. 79% and 56% of AMG's LTM revenues (\$797m) and EBITDA (\$51m), respectively
- Selected products:
 - Ferrovanadium
 - Silicon metal including solar grade
 - Specialty alloys for titanium and super alloys

Industries Served Include:

Solar Energy

Aerospace

Energy

Transportation

Infrastructure

Superalloys

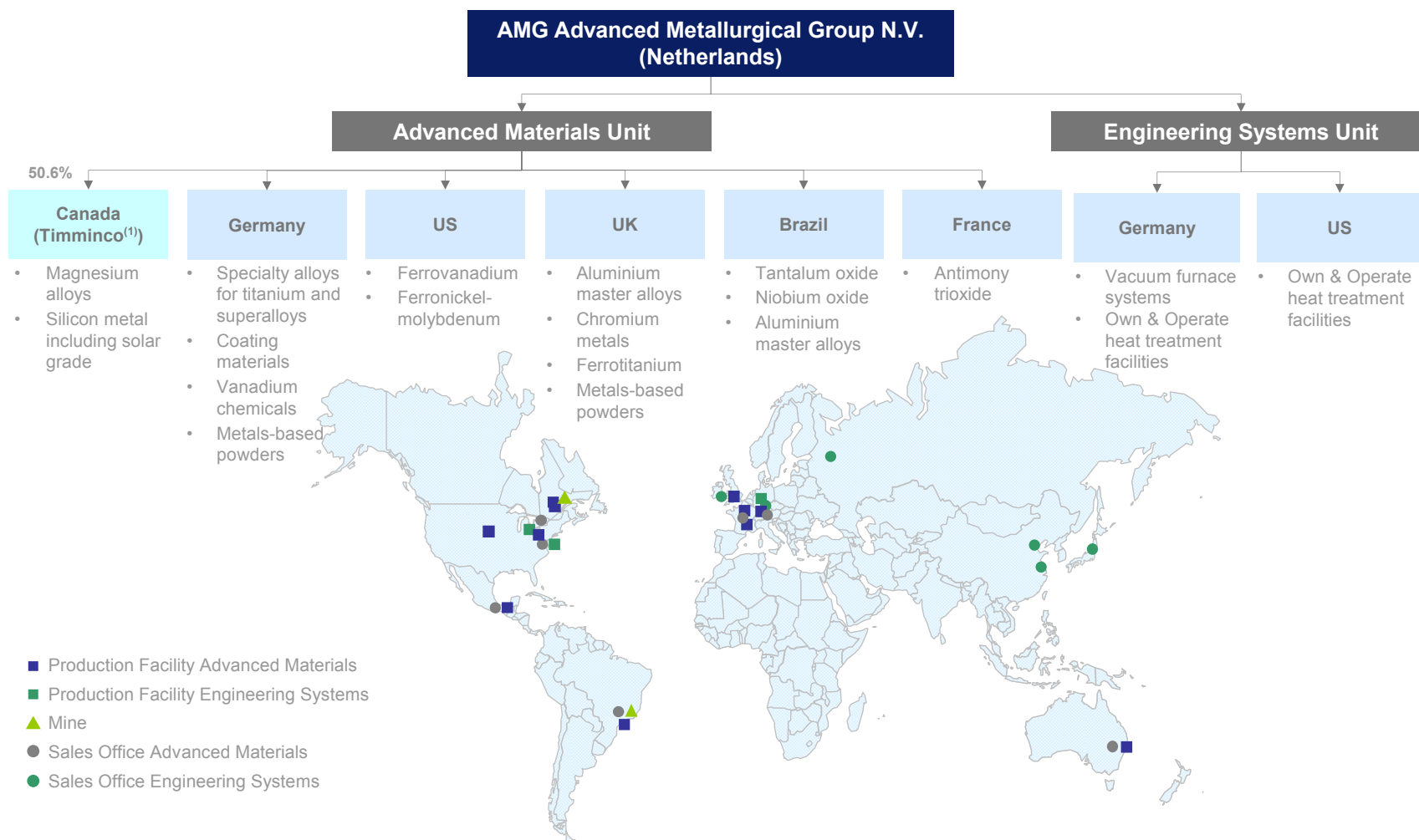
Electronics

Engineering Systems Unit

- Designs, engineers and produces advanced vacuum furnace systems
- Leading supplier of high-end metallurgical and heat treatment furnace systems
- Approx. 21% and 44% of AMG's LTM revenues (\$214m) and EBITDA (\$39m), respectively
- Selected vacuum furnace systems and services:
 - Solar silicon melting and crystallisation furnace systems
 - Remelting systems
 - Heat treatment services

Unique combination of metallurgical product and process expertise

Global Operations



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)

Advanced Materials Unit – Selected Products

Product	Application	Competitive Position & Growth Potential	Selected Customers
<ul style="list-style-type: none"> Ferrovanadium 	<ul style="list-style-type: none"> High performance alloying agent in steel Improves steel strength to weight ratio 	<ul style="list-style-type: none"> Largest producer of ferrovanadium in North America supplying more than 25% of North American requirements Demand driven by growing steel production and increasing vanadium content in steel Process utilising secondary raw materials – recycling of spent oil refinery catalysts and power plant residues Expansion plans in progress driven by strong market fundamentals 	
<ul style="list-style-type: none"> Silicon metal including solar grade 	<ul style="list-style-type: none"> Regular silicon metal: <ul style="list-style-type: none"> Chemicals (lubricants) Aluminium (alloying agent) Electronics (semiconductors) High purity silicon: <ul style="list-style-type: none"> Energy (solar cells) 	<ul style="list-style-type: none"> 2nd largest independent producer of silicon metal in North America Solar grade silicon metal production <ul style="list-style-type: none"> Low-cost proprietary production technology (patent pending) Three long-term contracts signed for solar grade material (up to 22,000 tonnes total over next five years) 	
<ul style="list-style-type: none"> Specialty alloys for titanium and superalloys 	<ul style="list-style-type: none"> Improves strength and functionality of metals Increases fuel efficiency Components for the aerospace, energy and automotive industries 	<ul style="list-style-type: none"> One of few certified producers globally for certain aerospace alloys Strong customer relationship as product reliability is critical Solid market fundamentals driven by demand from aerospace and energy sectors 	

Strong long-term customer relationships built on product quality and technical service

Engineering Systems Unit – Selected Products

Product	Application	Competitive Position & Growth Potential	Selected Customers
<ul style="list-style-type: none"> • Remelting systems 	<ul style="list-style-type: none"> • Refines raw materials, removes impurities and increases homogenisation 	<ul style="list-style-type: none"> • Estimated market share of approx. 55%⁽¹⁾ • Growth driven by strong development of titanium industry: <ul style="list-style-type: none"> – Increase in aerospace components – Increase in lighter, stronger and more fuel efficient transportation materials and components – Increase in emerging market energy and infrastructure demand 	    
<ul style="list-style-type: none"> • Solar silicon melting and crystallisation furnace systems 	<ul style="list-style-type: none"> • Solar wafer production 	<ul style="list-style-type: none"> • Estimated market share of approx. 25%⁽¹⁾ • Global leader in design of solar silicon furnace systems • Significant increase in demand for solar energy reflected in fast growing order backlog 	
<ul style="list-style-type: none"> • Vacuum heat treatment services ("Own & Operate") 	<ul style="list-style-type: none"> • Heat treatment of automotive gears and fuel injectors to increase stress-tolerance levels 	<ul style="list-style-type: none"> • Outsourcing by OEMs of non-core activities reducing capital costs and benefiting from AMG's vacuum furnace expertise • Growth driven by increasing demand from transportation sector for high performance components in high-stress applications 	  

Industry leading vacuum furnace system technology makes AMG a valued partner

(1) 2006 market share estimate

Unique Metallurgical Expertise

Knowledge Sharing Approach

- Combination of metallurgical product expertise with production know-how
 - Provides insight in supply side trends in metals markets through order book of furnaces
 - Greater ability to earn higher margins in targeted products and industries
- Management drives knowledge sharing between units (e.g. solar, titanium)

Innovative Processes

- Solar grade silicon production and solar furnace technology
 - Patent pending cost-effective process
- Ferrovanadium production
 - Recycling of oil refinery catalysts and power plant residues and ashes

Niche and Complex Products

- Highly specialised and customised products
 - Demanding, high purity, safety-critical and high-stress environments
 - Increased fuel efficiency requiring lighter weight innovative products
- Limited number of significant competitors globally

Highly Skilled Engineers

- Integrated metallurgical know-how for metal production and furnace technologies
- Large number of graduate engineers and PhDs drive innovation of businesses

Unique metallurgical expertise derived from a history of innovation and development

Leadership in Specialty Metals and Vacuum Furnace Markets

Leadership in Specialty Materials



Ferrovanadium

- Largest producer in North America
- World's largest producer from secondary sources



Silicon metal

- Second largest independent producer in North America



Specialty alloys for titanium and superalloys

- Largest global producer



Aluminium master alloys

- Largest global producer

Leadership in Vacuum Furnace Systems



Vacuum remelting systems

- Largest global producer
- Integral in production of metal alloys for high-intensity applications including jet engines and airframes



Turbine blade coating systems

- Largest global producer
- Used in production of jet turbines



Induction melting systems

- One of the largest global producers
- Developed the largest vacuum induction melting furnace



Technological leadership

- Outstanding reputation for technological and service excellence in vacuum furnace systems

Market leadership through technology leadership

Converting Strategy into Sustainable Growth

Engineering Systems

- Leading solar silicon melting and crystallisation furnaces – large backlog (Berlin)
- Supplying significant portion of global titanium industry furnaces – large backlog
- Own & Operate expansion

Solar Grade Silicon Metal

- Contracts recently signed for up to 22,000 tonnes over next 5 years
- Current annual capacity of 300 tonnes

Specialty Alloys for Titanium and Superalloys

- Focused on aerospace industry's need for weight reduction to improve fuel efficiency
- Capacity expansion

Chromium Metal

- Demand characteristics similar to nickel market
- China instituted export tax on 1 Nov 2006 resulting in a 22% price appreciation since 1 Jan 2007⁽¹⁾

Tantalum

- Favourable supply / demand dynamics post US government stockpile sale
- Expansion to double annual mining capacity
- Expansion of hydro-electric power plant

**Near-Term
(2007–2008)**

Engineering Systems

- Own & Operate expansion
- Current backlog for 2008–2009 which extends to 2010
- Sintering furnaces for pebble bed nuclear reactors

Solar Grade Silicon Metal

- Contracts recently signed for up to 22,000 tonnes over next 5 years
- Capacity expansion funded by Timminco's equity capital raisings

Silicon Metal

- Capacity optimisation

Coating Materials

- New products for thin film solar market
- Plasma coatings

Ferrovandium and Ferronickel-Molybdenum

- Capacity expansion in 2009–2010

**Mid-Term
(2008–2010)**

Ferrovandium and Ferronickel-Molybdenum

- Increasing capacity to coincide with refinery expansion in Alberta oil sands
- Electric arc furnace expansion on-line 2011–2012
- Double ferrovandium production capacity

**Long-Term
(2010+)**

(1) As per 30 September 2007



Recent Developments

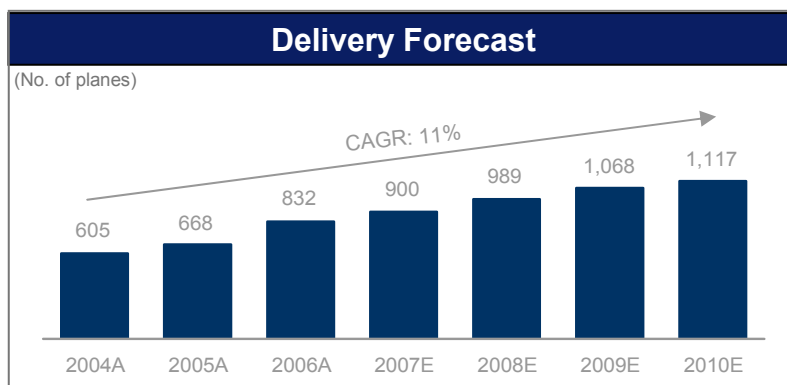


Q3 Preliminary Review

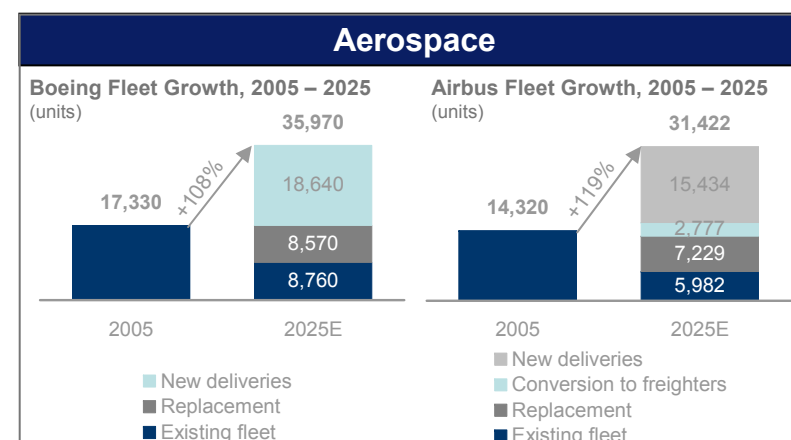
- Sales in Q3 were \$291m on a preliminary basis, up 27% from combined Q3 2006
- Advanced Materials performed in-line with expectations
 - Sales of \$212m, up 12% from Q3 2006
- Strong performance in Engineering Systems bolstered by innovative products and leading market positions in growing markets including solar, aerospace and energy
 - Sales of \$79m, up 95% from Q3 2006
- Recapitalisation, including IPO and new credit facility, successfully completed

Focus on High Growth Markets – Aerospace

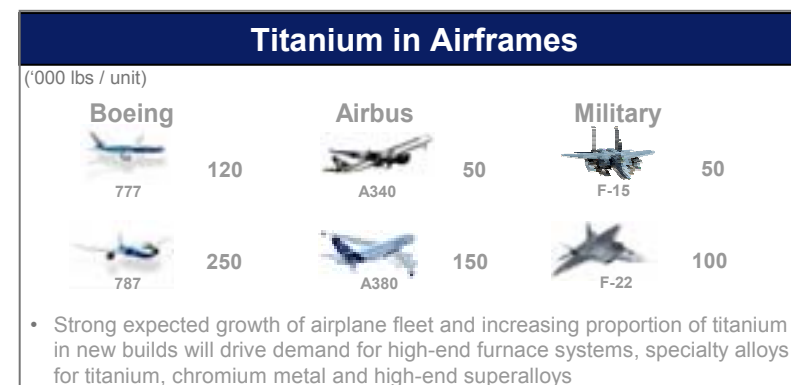
- Airbus and Boeing production rates will increase through at least 2010 based on existing backlog
- Up-cycle driven largely by low-cost, Asian and Middle Eastern carriers as well as new model introductions
- Titanium demand has surged
 - Higher production rates
 - Requirements for increased fuel efficiency
 - Significant further growth as titanium-rich 787 goes into production



Source: Boeing and Airbus

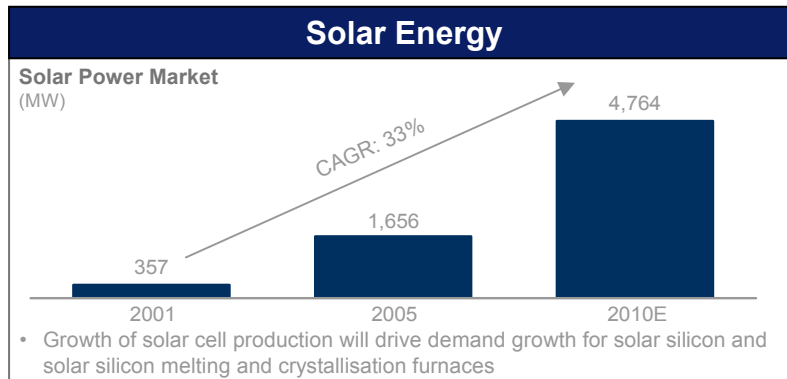


Source: Boeing and Airbus

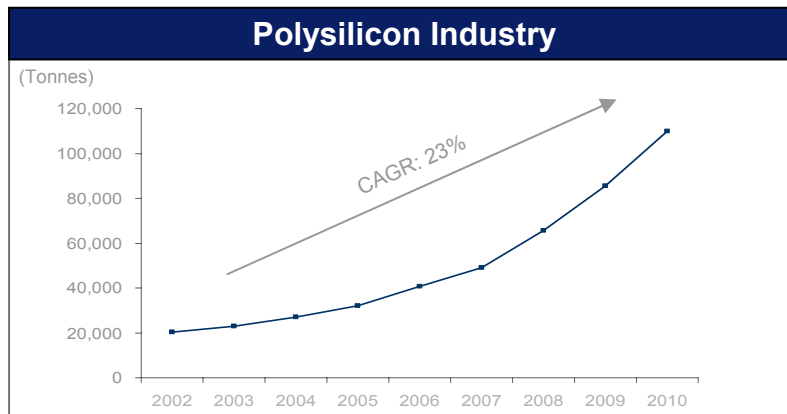


Source: Allegheny Technologies investor presentation

Focus on High Growth Markets – Solar



Source: Solarbuzz



Source: Broker research

- Key demand drivers:
 - Rising conventional energy prices
 - Concerns over global warming
 - Energy security
- Demand for silicon used in solar PV still growing explosively
 - Most new polysilicon capacity expansions backstopped with long-term contracts
 - 5–10 year contracts being signed at approx. \$60/kg
- China is a growing consumer of polysilicon – solar cell capacity of ~3GW by year-end, more than triple year-end 2006 capacity

Favourable Pricing Environment with Upside Potential

Ferrovanadium

- Industry consolidation
- Price has been stable since start of 2006
 - Current spot price is \$19.45/lb⁽¹⁾

Silicon

- 80% price increase to \$1.28/lb since 1 Jan 2006 for chemical and electronic grade⁽¹⁾
- Rapidly growing demand source in solar grade; prices significantly higher than other grades

Vacuum Furnace Systems

- High market share in technologically advanced value-added segment with limited competition
- Growing demand driven by favourable trends in underlying metals and other industrial markets

Other Metals

Chromium Metal

- Five major producers, including two in China
- Chinese export tax implemented 1 Jan 2007
- 22% price increase from 1 Jan 2007 to \$7,800/tonne⁽¹⁾

Tantalum

- Favourable supply / demand dynamics since end of US government stockpile sales
- Prices currently⁽¹⁾ ~\$50/lb vs. over \$200/lb in 2001
- Customers seeking long-term supply contracts

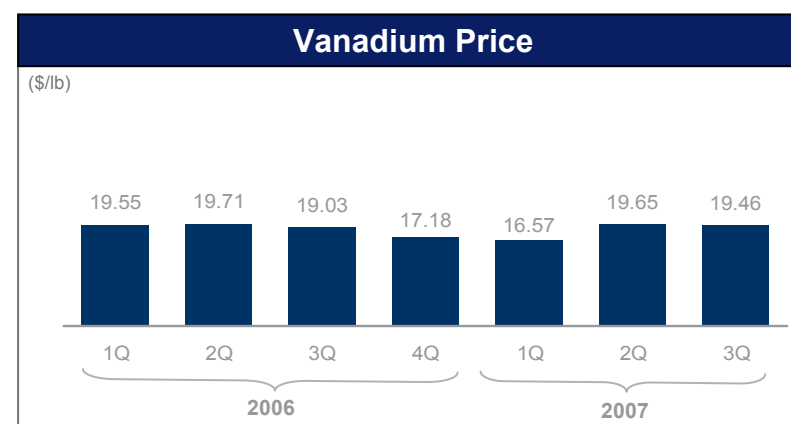
Favourable supply / demand dynamics support positive pricing outlook in AMG's key markets

⁽¹⁾ As per 30 September 2007

Update: Advanced Materials

- Cambridge (Ohio) vanadium expansion project completed on-time and on-budget
 - Successful restart completed in August
 - Incremental throughput from 4.0 million lbs to 4.5 million lbs
- Titanium demand remains robust and growing, spurring continued strong demand for our alloys
- Continued evaluation of strategic opportunities that could result in improved industry dynamics

- Vanadium pricing has remained stable and strong, although nickel prices retreated from their peak



Source: Ryan's Notes

Update: Advanced Materials (cont'd)

- Timminco's development remains on-track
 - New facility construction proceeding on-time, with Q4 2007 targeted start-up
 - 3,600 tonnes per year at full capacity, expected by end of Q1 2008
 - Up to 9,000 tonnes sold over next 5 years through initial two contracts
 - New solar silicon contract signed with third buyer in September for 13,000 tonnes over 5 years
 - Effectively books out and exceeds capacity for initial plant expansion
 - Completed C\$42.6m public equity offering in September
 - AMG purchased concurrently C\$43.7m of stock to maintain its 50.6% shareholding (52.6m shares owned in total)

Update: Engineering Systems

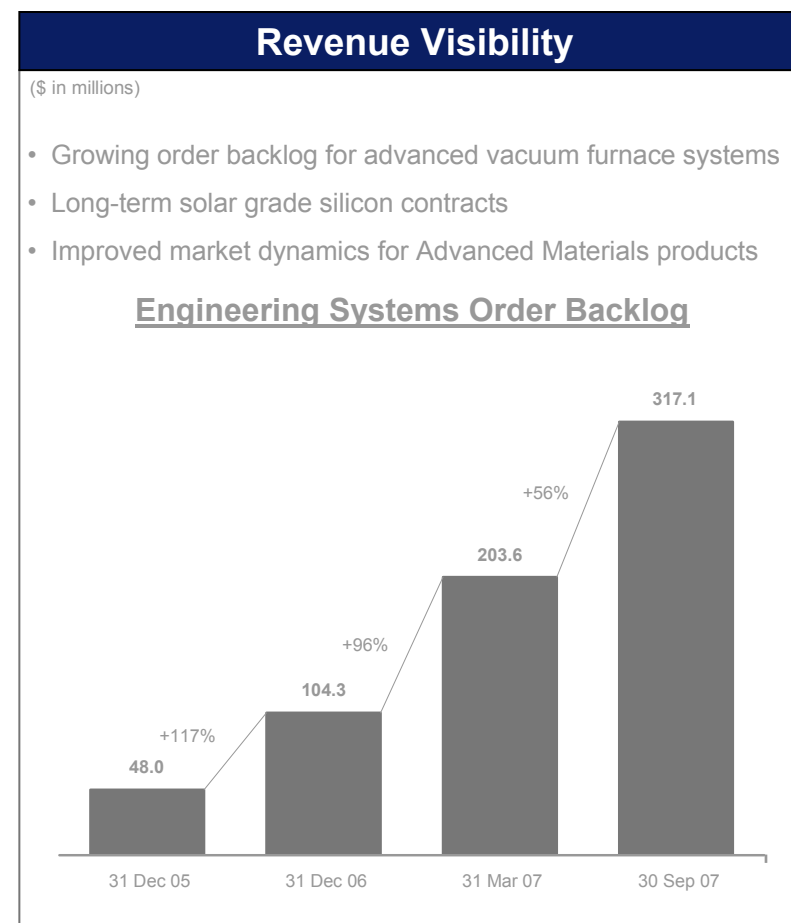
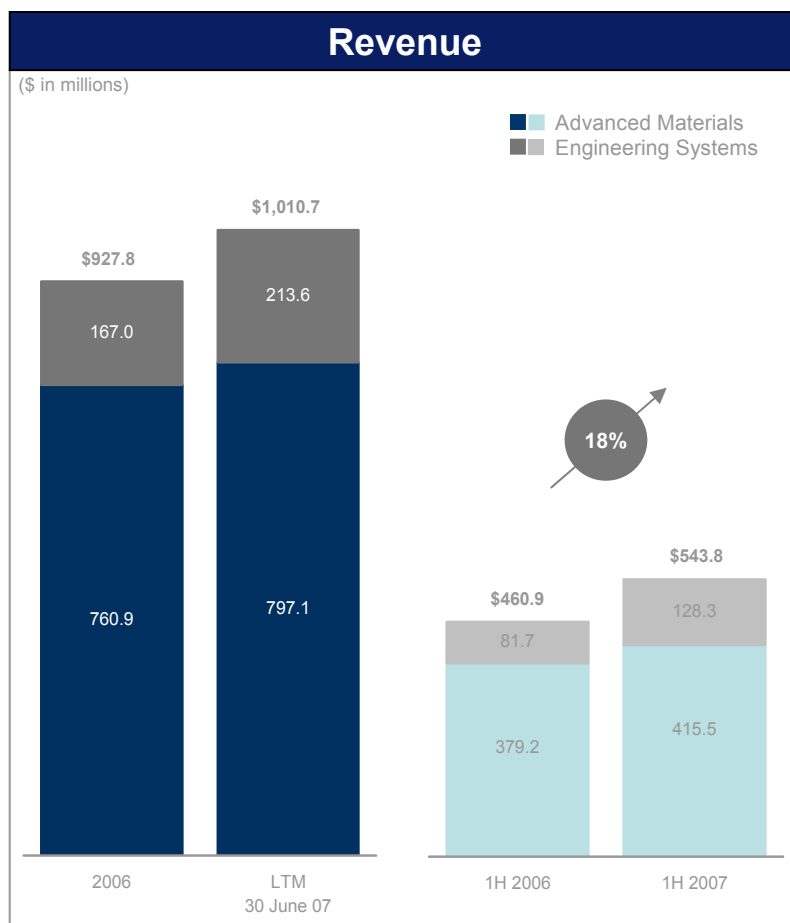
- Acquisition of Berlin manufacturing facility completed in August for negative purchase price
 - Refurbishment of facility and retraining of workers ongoing currently
 - Production scheduled to commence in November
- Backlog of \$317m as of 30 September 2007
 - Steady order in-take
 - Production proceeding on plan though expect increased flow through with Berlin
- Own and operate facility in Mexico under construction
 - Evaluating plans for China facility
 - Considering expansion of Michigan and Mexico facilities
- R&D efforts progressing in new technologies and product enhancements



Financial Performance



Top-Line Revenue Growth Accelerating and Good Revenue Visibility

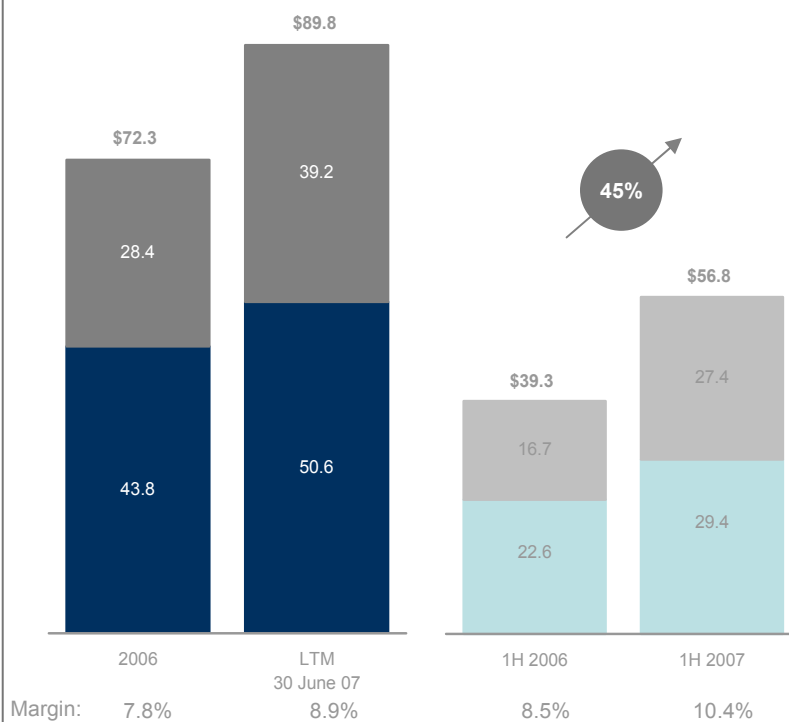


Improved Profitability

Total EBITDA and Margin

(\$ in millions)

■ Advanced Materials
■ Engineering Systems



EBITDA and Margin per Unit

(\$ in millions)

Advanced Materials

Engineering Systems



Growth-Oriented Capital Programme

Capex Programmes Focused on Attractive Growth Opportunities

Product	Amount	Purpose	Timing
Ferrovandium	\$30m	First phase of expansion to enable doubling of capacity in line with major supplier's Canadian oil sands expansion	2007–2009
Silicon ⁽¹⁾	\$22m	Expansion of Timminco's high purity silicon metal facility	2007–2008
Specialty alloys for titanium and superalloys	\$5m	New furnace for production expansion	2008
Own & Operate	\$15m	New facility in Mexico	2007–2008
Tantalum	\$7m	Expansion of tantalite mine and hydro-electric powerplant in Brazil	2007–2008
Plasma coatings	\$4m	Expansion into new coating products	2008
Maintenance capex	\$8–\$10m	Maintenance of facilities and equipment	Annual basis

(1) Excludes further expansion projected in context with Timminco's equity offering on 30 September 2007

Refinancing Completed – Capital Structure Will Facilitate Growth

- Net IPO proceeds of \$275m together with new \$175m credit facility used to repay substantially all outstanding debt
- Revolving credit facility will support working capital requirements and facilitate quick reaction to opportunities
- Debt-related interest expense will be down significantly
- Earnings will be retained to finance growth – dividend policy to be reviewed from time to time

Pro Forma Capital Structure

(\$ in millions)

	30-JUNE-07	30-JUNE-07 PF
Cash	\$77	\$178 ⁽¹⁾
Customers' deposits	(134)	(134)
Available cash	(57)	44
Short-term debt	73	26
Long-term debt	216	107
Total debt	\$289	\$134
Net debt	\$346	\$90
Shareholders' equity	4	256
Total capitalisation	\$294	\$389



\$144 million of liquidity (revolver availability plus cash-on-hand)



Net Debt of only 1.0x LTM EBITDA⁽²⁾

(1) Excludes Timminco equity capital raising on 27 September 2007

(2) As per 30 June 2007

Outlook

	Advanced Materials	Engineering Systems
Remainder of 2007	<ul style="list-style-type: none"> Approaching final investment decision for ferrovanadium expansion Start-up of solar silicon production 	<ul style="list-style-type: none"> Berlin solar silicon crystallisation and melting furnaces production facility start-up Continued strong order in-take
2008	<ul style="list-style-type: none"> New production facility for solar grade silicon expected to be fully operational Annual mining capacity for tantalum expected to double New coating materials for thin film solar market 	<ul style="list-style-type: none"> Own & Operate expansion in Mexico expected to be fully operational by end of year Strong fundamentals for advanced vacuum furnaces expected to continue

Investment Highlights



Unique metallurgical expertise



Leadership in specialty metals and vacuum furnace markets



Focus on high growth metals and end-markets



Favourable pricing environment with upside potential



Pro-active management of market volatility



Experienced growth-oriented management team



Appendix



Advanced Materials Unit

Niche Specialty Metals Overview

PRODUCT	FUNCTIONALITY	APPLICATIONS	END-MARKETS	2006 REVENUE
Ferrovandium	<ul style="list-style-type: none"> Improves strength to weight ratio and ductility of steel 	<ul style="list-style-type: none"> High strength steel, rebar and piping 	<ul style="list-style-type: none"> Infrastructure, energy and transportation 	\$67m
Ferronickel-molybdenum	<ul style="list-style-type: none"> Corrosion resistance 	<ul style="list-style-type: none"> Stainless steel 	<ul style="list-style-type: none"> Aerospace 	\$20m
Silicon metal including solar grade	<ul style="list-style-type: none"> Improves conductivity Provides corrosion resistance Increases hardness 	<ul style="list-style-type: none"> Semiconductors, fibre optic cables, solar cells, sealants, lubricants, cosmetics 	<ul style="list-style-type: none"> Electronics, solar-photovoltaic, chemical and aluminium 	\$90m
Aluminium master alloys / compacted alloying products	<ul style="list-style-type: none"> Improves surface appearance, strength and ductility of aluminium 	<ul style="list-style-type: none"> Aluminium billets, extrusions, sheet, foil, electrical cables and beverage cans 	<ul style="list-style-type: none"> Transportation, construction, aerospace and packaging 	\$139m
Chromium metal	<ul style="list-style-type: none"> Improves high temperature, wear and corrosion resistance of super alloys 	<ul style="list-style-type: none"> Jet engines, gas turbines, pumps and pipes used in petrochemical refineries 	<ul style="list-style-type: none"> Aerospace, energy and transportation 	\$36m
Magnesium extrusions and fabricated products	<ul style="list-style-type: none"> Corrosion protection, weight reduction 	<ul style="list-style-type: none"> Water heater anodes, photo engraving, construction tools and sporting goods 	<ul style="list-style-type: none"> Durable goods, construction, printing and leisure goods 	\$65m

Advanced Material Unit

Complex Metals Products Overview

PRODUCT	FUNCTIONALITY	APPLICATIONS	END-MARKETS	2006 REVENUE
Specialty alloys for titanium and superalloys	<ul style="list-style-type: none"> Improve strength and functionality of metals 	<ul style="list-style-type: none"> Turbine components 	<ul style="list-style-type: none"> Aerospace, energy and automotive 	\$54m
Coating materials	<ul style="list-style-type: none"> Improve wear resistance, anti-reflecting coatings, provides transparent and conductive layers 	<ul style="list-style-type: none"> Tools, component parts, decorative, optics, photovoltaics 	<ul style="list-style-type: none"> Infrastructure, electronics and energy 	\$29m
Tantalum and niobium oxides	<ul style="list-style-type: none"> Improve conductivity, resistance to heat and corrosion in nickel and cobalt-based superalloys 	<ul style="list-style-type: none"> Electronic capacitors 	<ul style="list-style-type: none"> Electronics and construction 	\$10m
Antimony trioxide	<ul style="list-style-type: none"> Flame retardant 	<ul style="list-style-type: none"> Cable housings, plastics, textiles 	<ul style="list-style-type: none"> Electronics, building materials and transportation 	\$60m
Metals-based powders	<ul style="list-style-type: none"> Improve biocompatibility, improve alloying, improve conductivity 	<ul style="list-style-type: none"> Medical implants, paints, magnets 	<ul style="list-style-type: none"> Medical 	\$59m

Engineering Systems Unit

Products Overview

FURNACE TYPE	SPECIFIC PRODUCT	APPLICATIONS	END-MARKETS	2006 REVENUE
Remelting	<ul style="list-style-type: none"> Vacuum arc remelting furnaces Electro slag remelting furnaces 	<ul style="list-style-type: none"> Tool steels, titanium ingots and superalloys ingots 	<ul style="list-style-type: none"> Aerospace, chemical, energy, transportation and medical 	\$66m
Solar silicon melting and crystallisation	<ul style="list-style-type: none"> Silicon melting and crystallisation furnaces 	<ul style="list-style-type: none"> High purity solar silicon ingots used in the production of wafers 	<ul style="list-style-type: none"> Energy (solar photovoltaic) 	\$19m
Vacuum induction melting	<ul style="list-style-type: none"> Vacuum induction degassing and pouring furnaces 	<ul style="list-style-type: none"> Superalloys and specialty alloys for tools Steel and rods 	<ul style="list-style-type: none"> Aerospace, transportation and chemical 	\$17m
Vacuum heat treatment with high pressure gas quenching	<ul style="list-style-type: none"> Vacuum case in hardening furnaces Plasma carburising furnaces 	<ul style="list-style-type: none"> Gears, diesel fuel injectors and tools 	<ul style="list-style-type: none"> Transportation, aerospace and tooling 	\$16m
Vacuum precision casting	<ul style="list-style-type: none"> Precision casting furnaces for equiax casting and DS/SC casting 	<ul style="list-style-type: none"> Components for aerospace engines and industrial gas turbines, golf clubs and medical implants 	<ul style="list-style-type: none"> Aerospace, energy, medical and leisure 	\$10m
Turbine blade coating	<ul style="list-style-type: none"> Electron beam physical vapour deposition furnaces 	<ul style="list-style-type: none"> Coatings for turbine blade components for aerospace engines and industrial gas turbines 	<ul style="list-style-type: none"> Aerospace and energy 	\$9m
Sintering	<ul style="list-style-type: none"> Vacuum sintering furnaces High pressure sintering furnaces 	<ul style="list-style-type: none"> Tools, magnets and nuclear fuels 	<ul style="list-style-type: none"> Tooling, nuclear energy, and metals 	\$8m
Own & Operate	<ul style="list-style-type: none"> Vacuum carburizing applications 	<ul style="list-style-type: none"> Gears and injectors 	<ul style="list-style-type: none"> Transportation, aerospace and tools 	\$22m

Experienced Growth-Oriented Management Team



Heinz Schimmelbusch
CEO and Chairman of the Management Board

- Founded Safeguard International as Managing Partner in 1997
- Currently Chairman of Timminco and Director of Norilsk Nickel
- Former Chairman of Metallgesellschaft and Methanex Corporation and Director of MMC (now Inmet Mining)



Arthur Spector
Deputy Chairman of the Management Board

- Founded Safeguard International as Managing Partner in 1997
- Currently Vice Chairman of Timminco
- Former Chairman or CEO of Neoware Systems, State National Bank of Maryland and Abraham Lincoln Federal Savings Bank



Eric Jackson
President Advanced Materials and Member of the Management Board

- COO of Metallurg since 2002
- Senior Vice-President of Metallurg's North and South American operations since 1998



Reinhard Walter
President Engineering Systems and Member of the Management Board

- Chairman of ALD since July 2004; joined 2001
- Deputy Chairman and CFO of VBH Holding AG from 1997 to 2001



William J. Levy
CFO and Member of the Management Board

- Vice President and CFO of Metallurg since November 2005
- Former CFO of PQ Corporation
- With Imperial Chemicals Industries PLC in the UK and US from 1984 to 1996
- Certified public accountant

Proven leadership with extensive experience in metallurgical and finance industries

Strong Supervisory Board



**Pedro-Pablo
Kuczynski**
Chairman

- Prime Minister of Peru (2005 & 2006)
- Peru's Minister of Economy and Finance (2001–2002 & 2004–2005)
- Peru's Minister of Energy and Mines (1980–1982) and Deputy Director General of the Peruvian Reserve Bank, late-1960s
- Founded the Latin American Enterprise Fund, a private equity firm, in 1992; Chairman of First Boston International, 1982–1992
- Senior advisor to the Rohatyn Group



**Andrei
Bougrov**
Director

- Board member of International Bank for Reconstruction and Development, the International Development Association and the International Finance Corporation (between 1993–2002)
- Adviser to the European Bank for Reconstruction and Development in the UK (between 1991–1993) and an adviser to the Directorate for International Economic Organisations, Ministry for Foreign Affairs, The Soviet Union (between 1979–1982)
- Director of I / ST Equity Partners, Norilsk Nickel and Rosbank



**Wesley
Clark**
Director

- United States Army, ranked a four-star general; Supreme Allied Commander, Europe, of NATO (1997–2000)
- Candidate for the Democratic nomination for the President of the United States
- Chairman of Rodman & Renshaw investment bank



**Jack L.
Messman**
Director

- Former President and CEO of Novell Inc.
- Former CEO of Union Pacific Resources Company
- Director of Union Pacific Corporation, Warner Amex Cable Communications, Inc. and MTV Networks, Inc.
- Member of the board of directors of Safeguard Scientifics Inc., Radio Shack Corporation and Timminco Limited



**Norbert
Quinkert**
Director

- Chairman of Motorola GmbH (1995)
- Vice-president of Central European operations for GE Medical Systems Central Europe and President of General Electric Deutschland
- Member of the supervisory board of PFW Aerospace and Motorola GmbH both based in Germany.
- Member of the advisory council of Dresdner Kleinwort Benson, Frankfurt



**Guy
De Selliers**
Director

- Chairman of HB Advisors, a corporate finance advisory firm focused on metals and mining industry
- Former Board Member and Chairman of Robert Fleming & Co. Limited, Eastern Europe
- Director of Solvay, S.A., Norilsk Nickel and several other Russian companies

Combined Income Statement

(\$ in thousands)	YEAR ENDED 31 DECEMBER		SIX MONTHS ENDED 30 JUNE	
	FY 2005	FY 2006	1H 2006	1H 2007
Continuing operations				
Revenue	906,711	927,808	460,921	543,853
Cost of sales	728,834	777,203	385,742	445,672
Gross profit	177,877	150,605	75,179	98,181
Selling, general and administrative expenses	100,095	97,236	47,294	53,406
Restructuring and asset impairment expense	20,961	19,341	4,183	30
Environmental Expenses	199	11,044	5,882	202
Other expenses	2,988	1,324	–	–
Pension Curtailment Gain	–	(15,159)	–	–
Other income	(6,413)	(1,264)	(565)	(1,182)
Operating profit	60,047	38,083	18,385	45,725
Loss on extinguishment of debt	10,234	–	–	–
Interest expense	33,207	36,559	–	–
Interest Income	(3,968)	(3,544)	–	–
Net finance costs	39,473	33,015	14,323	14,367
Share of profit of associates	447	(2,372)	(1,287)	(1,085)
Profit before income tax	21,021	2,696	2,775	30,273
Income tax expense	16,332	8,383	3,776	11,639
Profit for the year	4,689	(5,687)	(1,001)	18,634
Attributable to:				
Shareholders of the Company	16,874	4,507	(15)	19,158
Minority interests	(12,185)	(10,194)	(986)	(524)
Earnings per share				
Basic earnings per share	–	10,015.55	n/a	1.11
Diluted earnings per share	–	1.29	–	–

Combined Balance Sheet

	YEAR ENDED 31 DECEMBER		SECOND QUARTER
	FY 2005	FY 2006	30 JUNE 2007
(\$ in thousands)			
Assets			
Property, plant and equipment	105,792	101,256	—
Intangible assets	42,367	44,898	—
Investments in associates	11,734	13,303	—
Deferred tax assets	16,639	21,731	—
Other assets	4,596	4,981	—
Total non-current assets	181,128	186,169	212,303
Inventories	153,332	159,651	168,617
Trade and other receivables	128,010	140,976	182,450
Derivative financial instruments	1,896	2,448	—
Other current assets	—	—	45,531
Prepayments	31,221	26,784	—
Cash and cash equivalents	50,317	54,610	178,075
Total current assets	364,776	384,469	574,673
Total assets	545,904	570,638	786,976
Equity			
Issued capital	—	59	—
Share premium	129,131	129,986	—
Other reserves	(3,593)	(15,313)	—
Retained earnings	(153,347)	(148,840)	—
Equity attributable to shareholders of the Company	(27,809)	(34,108)	225,284
Minority interests	18,984	10,367	30,434
Total equity	(8,825)	(23,741)	255,718
Liabilities			
Loans and borrowings	199,280	185,386	107,173
Related party debt	3,881	721	—
Employee benefits	105,485	94,245	—
Provisions	14,491	5,835	—
Other liabilities	8,031	9,579	136,423
Deferred tax liabilities	10,562	12,989	—
Total non-current liabilities	341,730	308,755	243,596
Loans and borrowings	7,779	22,659	26,481
Short-term bank debt	41,749	53,180	—
Related party debt	5,457	14,815	—
Trade and other payables	78,414	93,841	122,197
Other liabilities	40,095	44,417	71,764
Derivative financial instruments	1,950	1,303	—
Advance payments	18,952	29,739	67,220
Current taxes payable	7,716	13,126	—
Provisions	10,887	12,544	—
Total current liabilities	212,999	285,624	287,662
Total liabilities	554,729	594,379	531,258
Total equity and liabilities	545,904	570,638	786,976

Combined Cash Flow Statement

(\$ in thousands)	YEAR ENDED 31 DECEMBER		SIX MONTHS ENDED 30 JUNE	
	FY 2005	FY 2006	1H 2006	1H 2007
Cash flows from operating activities				
Profit for the period	4,689	(5,687)	(1,001)	18,634
Adjustments for:				
Depreciation and amortization	18,272	18,529	8,461	9,278
Pension curtailment gain	—	(15,159)	—	—
Restructuring expense and impairment losses	20,961	19,341	—	—
Environmental expense	151	11,844	—	—
Net finance costs	29,239	33,015	—	—
Share of loss (profit) of associates	(447)	2,372	—	—
Loss on sale or disposal of property, plant and equipment	692	2,617	—	—
Equity-settled share-based payment transactions	282	386	—	—
Income tax expense	16,332	8,383	—	—
Change in working capital	1,418	(16,255)	(28,334)	4
Other	(4,276)	(1,644)	135	(1,865)
Interest paid	(22,012)	(28,650)	(15,131)	(21,522)
Income tax paid	(6,692)	(5,799)		
Cash paid for dividends	—	—		
Non-cash expenses	—	—	30,283	27,113
Net cash flows from operating activities	58,609	23,353	(5,587)	31,642
Cash flows used in investing activities				
Proceeds from sale of property, plant and equipment	191	420	—	—
Cash received for note receivable	1,353	—	—	—
Acquisition of associates	(382)	(4,003)	—	—
Acquisition of property, plant and equipment	(13,659)	(24,292)	(10,458)	(18,174)
Acquisitions, net of cash	—	—	—	—
Related party loans	(14,312)	(11,046)	—	—
Other	—	—	(4,282)	(112)
Net cash flows used in investing activities	(26,809)	(38,921)	(14,740)	(18,286)
Cash flows from (used in) financing activities				
Proceeds from issuance of debt	209,893	26,619	4,893	(18,590)
Payment of transaction costs	(13,487)	(207)	—	—
Repayment of borrowings	(219,883)	(11,878)	—	—
Issuance of Shares	—	59	—	—
Capital infusion	—	—	—	26,599
Other	(4)	(121)	135	—
Net cash flows from (used in) financing activities	(23,481)	14,472	4,763	8,009
Net decrease in cash and cash equivalents	8,319	(1,096)	(15,564)	21,365
Cash and cash equivalents at 1 January	45,827	50,317	50,317	54,610
Effect of exchange rate fluctuations on cash held	(3,829)	5,389	2,646	1,402
Cash and cash equivalents at 31 December	50,317	54,610	37,399	77,377