



AMG Advanced Metallurgical Group N.V.

Investor Presentation
March 2010

Disclaimer

THIS DOCUMENT IS STRICTLY CONFIDENTIAL AND IS BEING PROVIDED TO YOU SOLELY FOR YOUR INFORMATION BY AMG ADVANCED METALLURGICAL GROUP N.V. (THE “COMPANY”) AND MAY NOT BE REPRODUCED IN ANY FORM OR FURTHER DISTRIBUTED TO ANY OTHER PERSON OR PUBLISHED, IN WHOLE OR IN PART, FOR ANY PURPOSE. FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF APPLICABLE SECURITIES LAWS.

This presentation does not constitute or form part of, and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company or any of its subsidiaries nor should it or any part of it, nor the fact of its distribution, form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

This presentation has been prepared by, and is the sole responsibility of, the Company. This document, any presentation made in conjunction herewith and any accompanying materials are for information only and are not a prospectus, offering circular or admission document. This presentation does not form a part of, and should not be construed as, an offer, invitation or solicitation to subscribe for or purchase, or dispose of any of the securities of the companies mentioned in this presentation. These materials do not constitute an offer of securities for sale in the United States or an invitation or an offer to the public or form of application to subscribe for securities. Neither this presentation nor anything contained herein shall form the basis of, or be relied on in connection with, any offer or commitment whatsoever. The information contained in this presentation has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information or the opinions contained herein. The Company and its advisors are under no obligation to update or keep current the information contained in this presentation. To the extent allowed by law, none of the Company or its affiliates, advisors or representatives accept any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation.

Certain statements in this presentation constitute forward-looking statements, including statements regarding the Company's financial position, business strategy, plans and objectives of management for future operations. These statements, which contain the words “believe,” “expect,” “anticipate,” “intends,” “estimate,” “forecast,” “project,” “will,” “may,” “should” and similar expressions, reflect the beliefs and expectations of the management board of directors of the Company and are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, among other factors, the achievement of the anticipated levels of profitability, growth, cost and synergy of the Company's recent acquisitions, the timely development and acceptance of new products, the impact of competitive pricing, the ability to obtain necessary regulatory approvals, and the impact of general business and global economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein.

Neither the Company, nor any of its respective agents, employees or advisors intend or have any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this presentation.

The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.

This document has not been approved by any competent regulatory or supervisory authority.

- Listed on NYSE-Euronext Amsterdam (Euronext: AMG)
- Products
 - High purity metals and complex metal products
 - Vacuum furnaces used to produce high purity metals
- 2009 Full Year December 31
 - Revenues - \$867.4 million
 - EBITDA - \$69.1 million
 - Net debt - \$86.8 million
 - Capital Investment - \$25.5 million
- Global presence
 - Europe, North America, South America and Asia
- 2,200 employees

Technology-driven specialty metals company

Financial Highlights - Fourth Quarter 2009

- Revenue: \$231.4 million
- EBITDA: \$12.4 million, 5.0 % EBITDA margin
 - Reduced sales prices
 - Low capacity utilizations
 - Advanced Materials profitability improved substantially in Q4
 - Engineering Systems order intake remained low
- EPS, excluding Timminco and restructuring charges, of \$0.03
- Capital investment of \$8.7 million in Q4 2009
- Cash: \$117.0 million and debt of \$203.8 million
 - Net debt of \$86.8 million

Macroeconomic Trends and Markets

- AMG is focused on the global macroeconomic trend of sustainable development of natural resources and CO² reduction for the growing end markets in:
 - Aerospace
 - Infrastructure - Recycling
 - Energy – Solar & Nuclear
 - Specialty Metals & Chemicals



Products & End Markets

Advanced Materials

- High-value alloys
- Essential raw materials



Vacuum Furnaces

- Capital equipment for high purity materials



Aerospace



Infrastructure



Energy



Specialty Metals & Chemicals



AMG Advanced Metallurgical Group N.V.

Aerospace

Titanium Alloys

Superalloys

Turbine Coatings

Vacuum Furnaces

Infrastructure

Structural Steel

Specialty Steel

Building Materials

Energy

Solar Vacuum Furnaces

Superalloys

Solar - Silicon Metal

Nuclear Fuel Vacuum Furnaces

Energy Storage Technologies

Specialty Metals & Chemicals

Silicones

Paints & Pigments

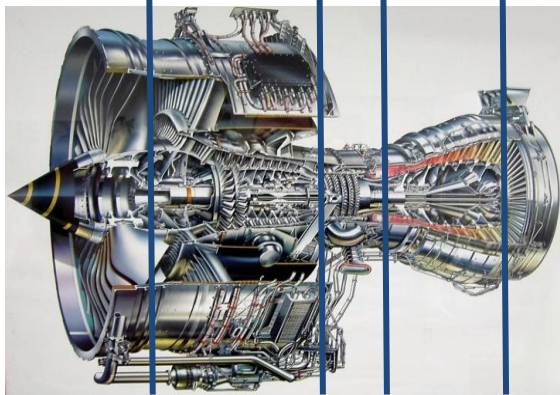
Glass, Tools & Optics

Capacitors

End Products

Aerospace

AMG Products	Ti-64	Ti-6246	Ti-834	Ni-based Superalloy	Titanium Aluminid
Operating temperature [°C]	500	700	1,050	1,000-1,500	800s



Typical aerospace jet engine

Energy



Vacuum furnaces for solar ingot production

Stackable Graphite Blocks



Infrastructure



High purity stainless steel

Specialty Metals and Chemicals



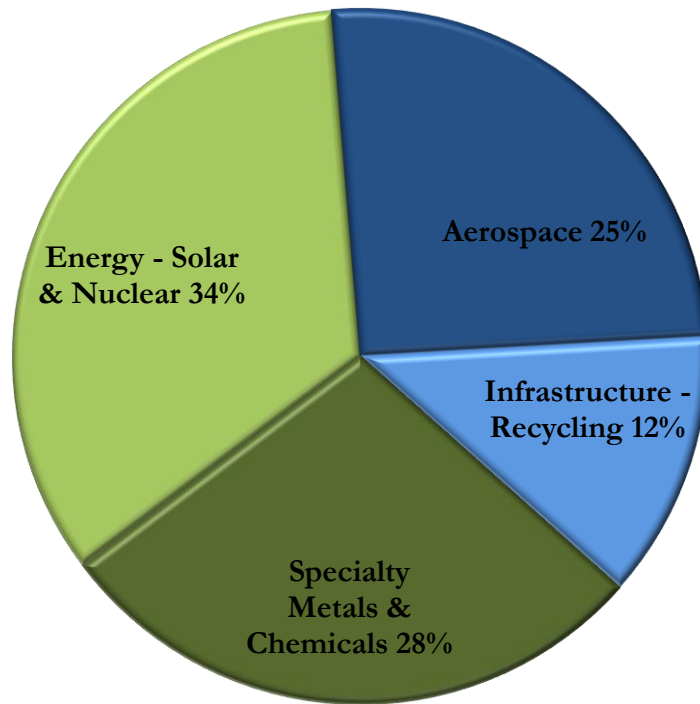
Tantalum based capacitor



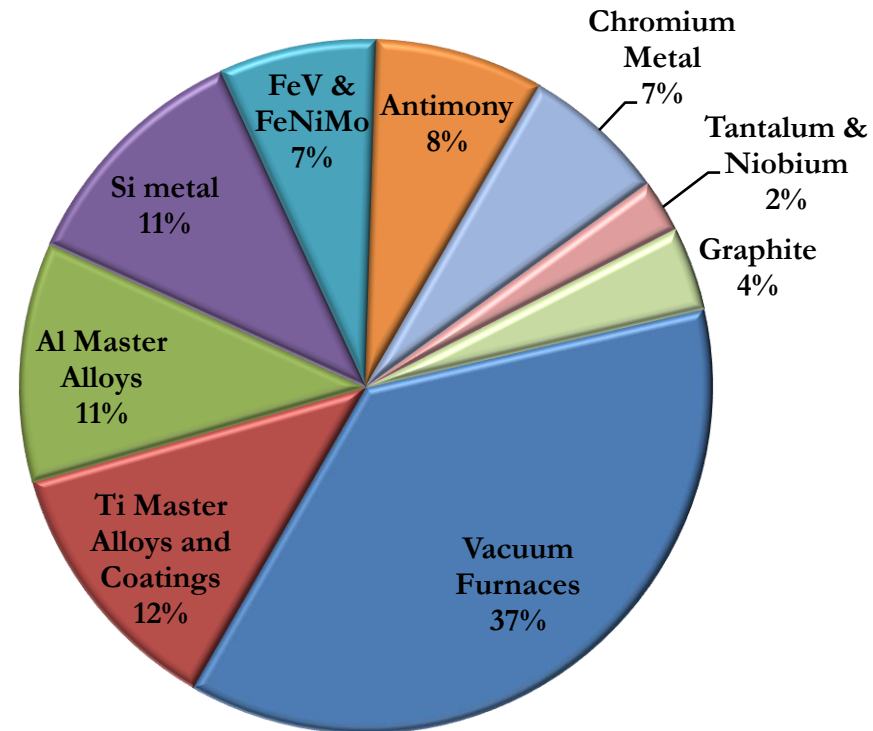
Paints and pigments

Markets & Products

2009 Revenue by End Market

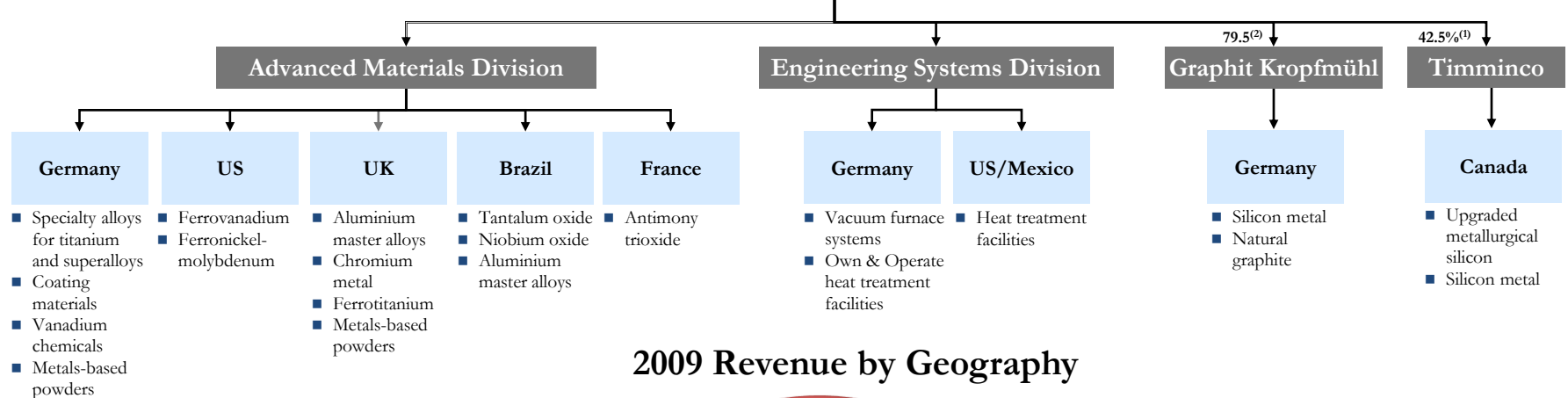


2009 Revenue by Product

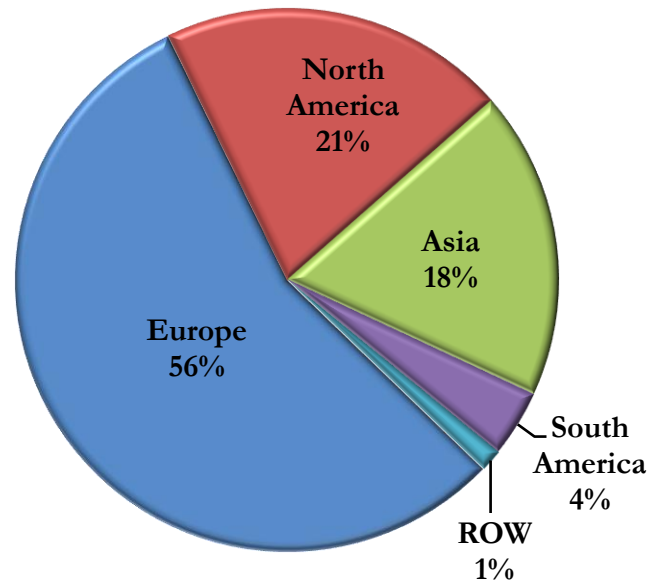


Global Operations

AMG Advanced Metallurgical Group N.V. (Netherlands)



2009 Revenue by Geography



Note: This chart is a simplified depiction of AMG's organisational structure.

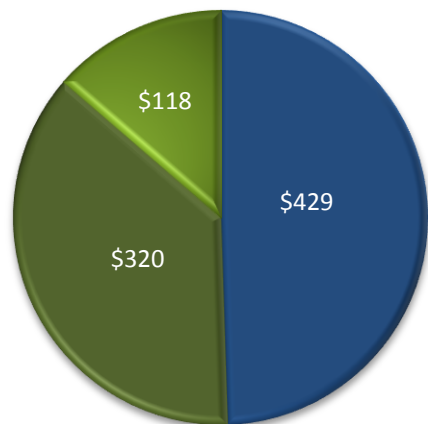
(1) Timminco Limited is listed on the Toronto stock exchange (TIM CN / TIM.TO).

(2) Graphit Kropfmühl AG ("GK") is listed on the Frankfurt stock exchange (GKRG.DE / GKR GR).

Financial Highlights - by Business Unit

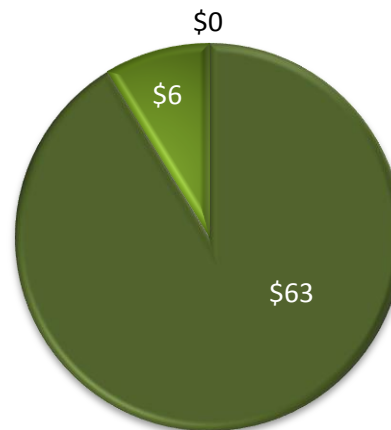
In USD millions

2009 Revenues



■ Advanced Materials ■ Engineering Systems ■ GK

2009 EBITDA



■ Advanced Materials ■ Engineering Systems ■ GK

2009 Free Cash Flow



■ Advanced Materials ■ Engineering Systems ■ GK

\$ in millions

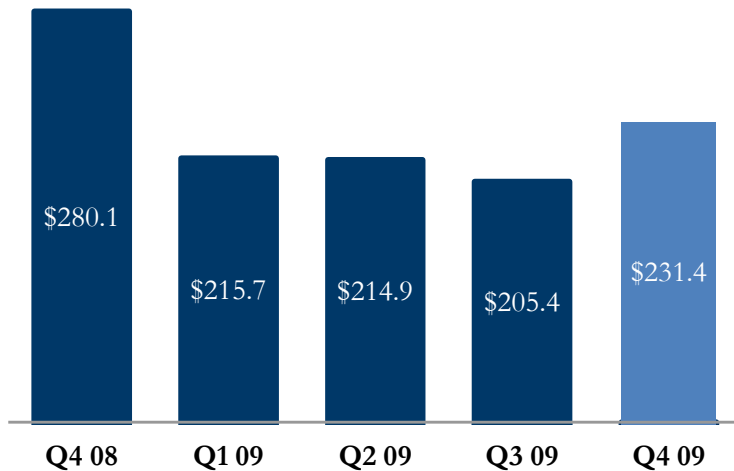
2009

Adjusted EBITDA	\$69
+ / - Change in working capital	(\$29)
- Maintenance capital	(\$6)
Free Cash Flow	\$34

Financial Highlights

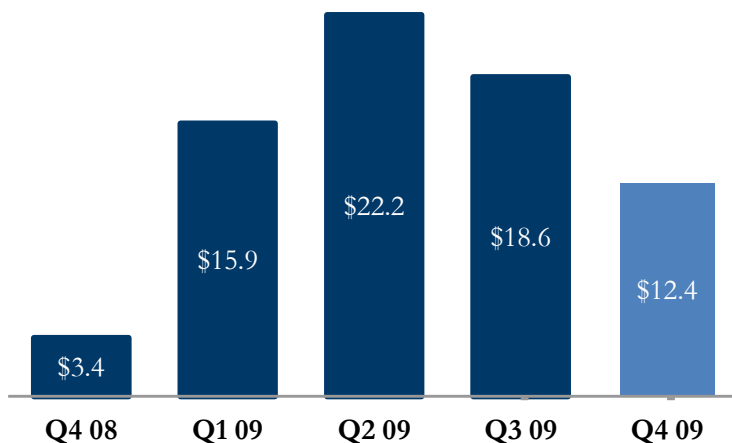
Revenue

(\$ in millions)



EBITDA

(\$ in millions)



Highlights

- Q4 Revenue: \$231.4 million
 - 2009 revenue: \$867.4 million
- Q4 EBITDA: \$12.4 million
 - 2009 EBITDA: \$69.1 million
- Balance sheet highlights at Dec 31, 2009
 - Cash: \$117.0 million
 - Debt: \$203.8 million
 - Net debt: \$86.8 million
 - Total liquidity: \$196.9 million

Advanced Materials - Market, Products and Customers

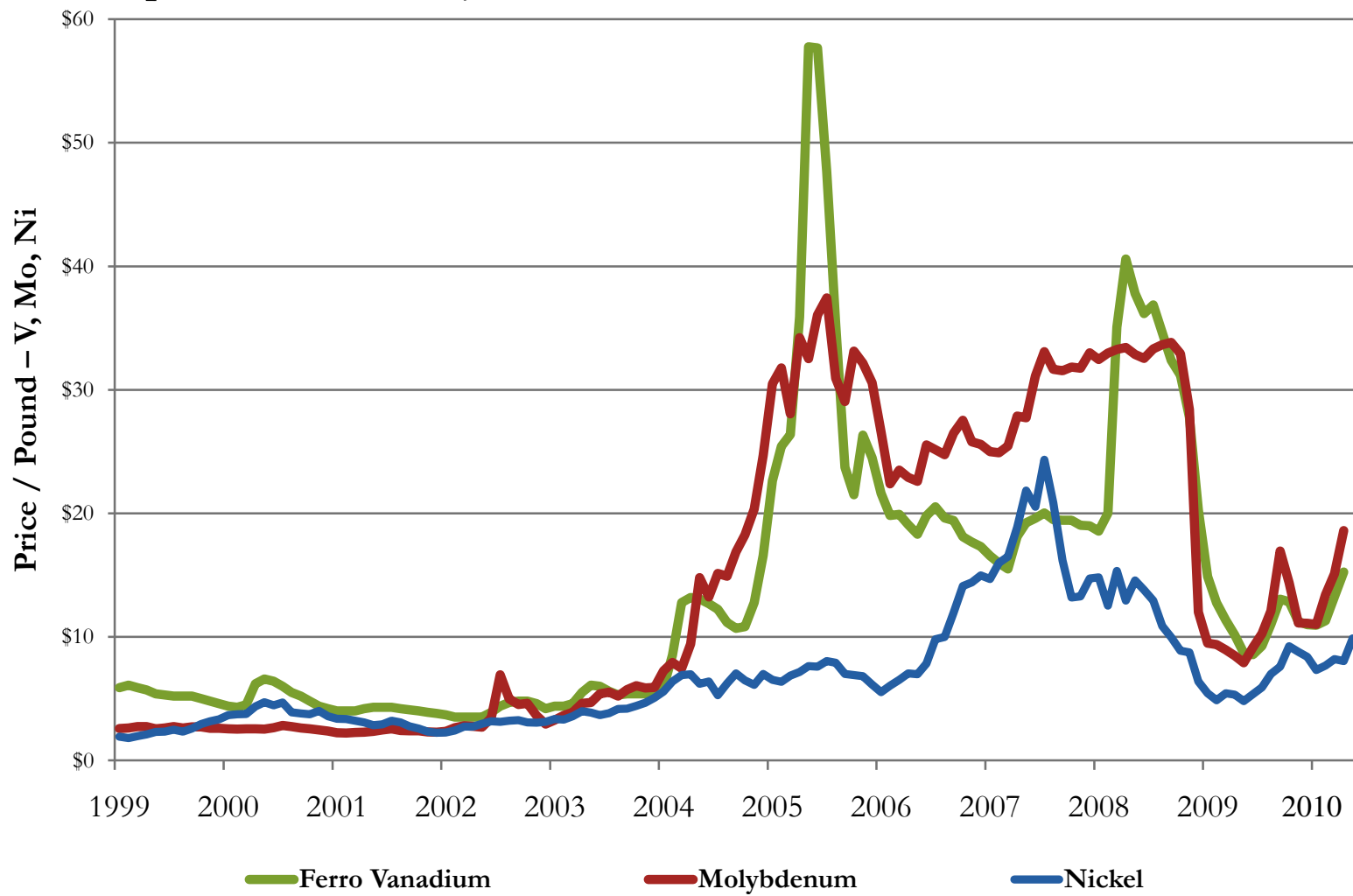
	Aerospace	Infrastructure - FeV	Other
Products	<ul style="list-style-type: none"> ▪ Specialty alloys for titanium ▪ Coatings for wear resistance 	<ul style="list-style-type: none"> ▪ Ferro-vanadium ▪ Ferro-nickel molybdenum 	<ul style="list-style-type: none"> ▪ Chromium Metals ▪ Tantalum ▪ Antimony ▪ Aluminium master alloys
Competitors	<ul style="list-style-type: none"> ▪ Reading Alloys Inc. ▪ Strategic Minerals Corporation 	<ul style="list-style-type: none"> ▪ Highveld Steel & Vanadium ▪ Gulf Chemical & Metallurgical Corporation ▪ Strategic Minerals Corporation ▪ Xstrata plc ▪ Chengde Vanadium & Titanium Stock Co. Ltd. 	<ul style="list-style-type: none"> ▪ KBM Affilips B.V. ▪ KB Alloys, Inc. ▪ Delachaux S.A. ▪ Campine S.A. ▪ Chemtura Corporation

Sample Customers



Infrastructure - Pricing

Significant price trends – 10 years

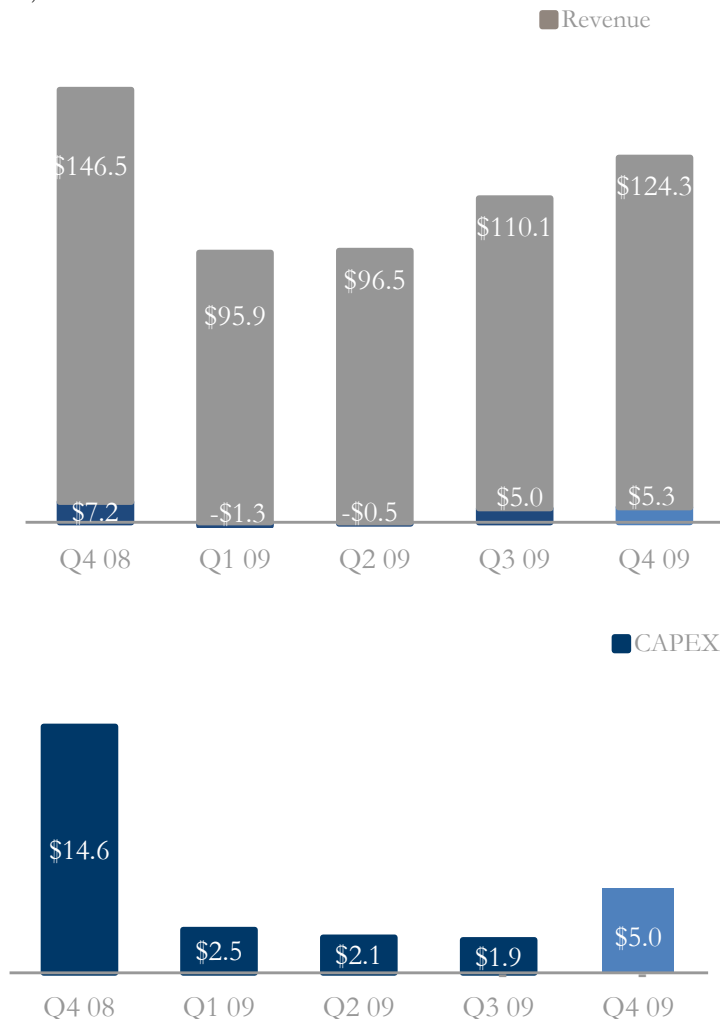


Prices are still below pre-crisis levels

Advanced Materials

Financial Summary

(in millions)



Q4 2008 EBITDA adjusted for inventory write downs of \$20.5 million

Highlights

- Infrastructure - ferrovanadium
 - Reference prices declined 47% v. Q4 '08
 - Volumes declined 12% v. Q4 '08
 - Demand remained soft due to lower structural steel production levels
- Aerospace – master alloys volumes declined 80% compared to Q4 2008
- Year over year reduction in personnel expenses improved EBITDA margins
- CAPEX limited to maintenance activities and expansion of mining operation in Brazil



Engineering Systems - Market, Products and Customers

Products

Energy - Solar

- Solar silicon melting and crystallisation systems (DSS furnaces)

Aerospace

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

Energy - Nuclear

- Vacuum Sintering Systems

Notable Successes

- 2001 – Secured furnace exclusivity with REC
- 2005 – Introduced single crucible furnaces
- 2009 – >\$172 mm in revenue, 2nd largest market participant

- 2009 – Market Share leader in Ti remelting in China, the fastest growing Ti market
- 2009 – 80% market share in turbine blade coating

- July 2008 – Secured first nuclear engineering contract with DOE, through Shaw-Areva
- Two strategic acquisitions completed to expand product portfolio

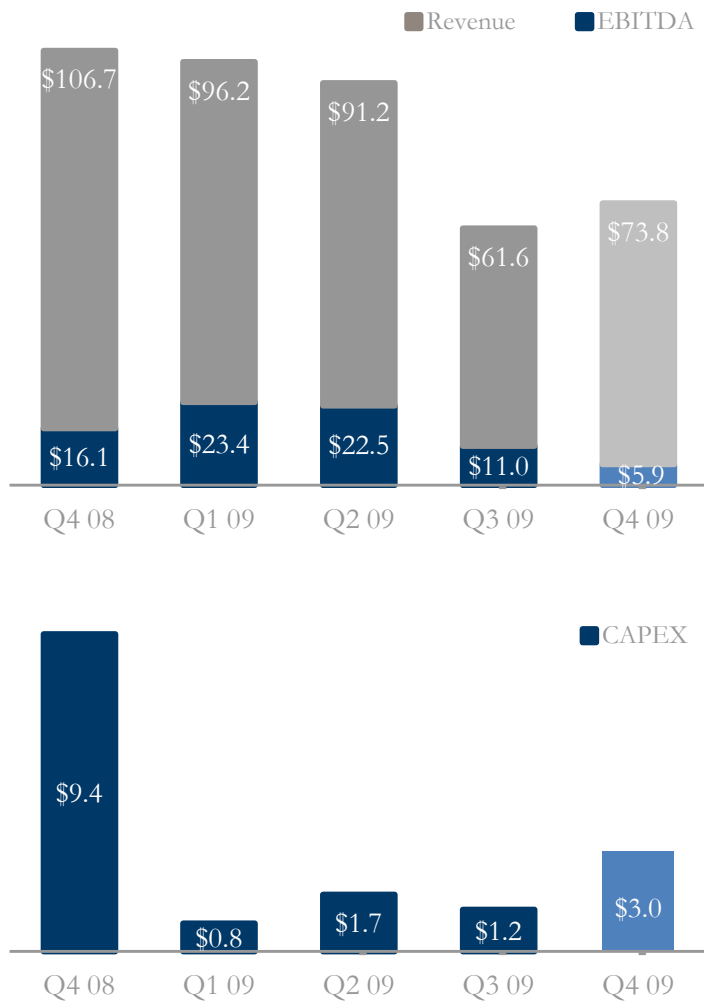
Sample Customers



Engineering Systems

Financial Summary

(in millions)



Highlights

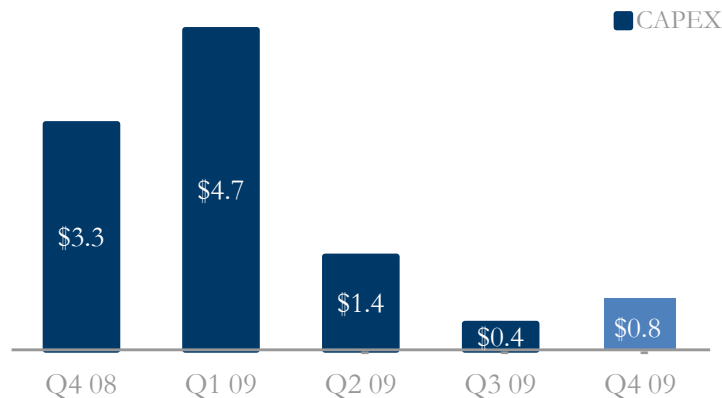
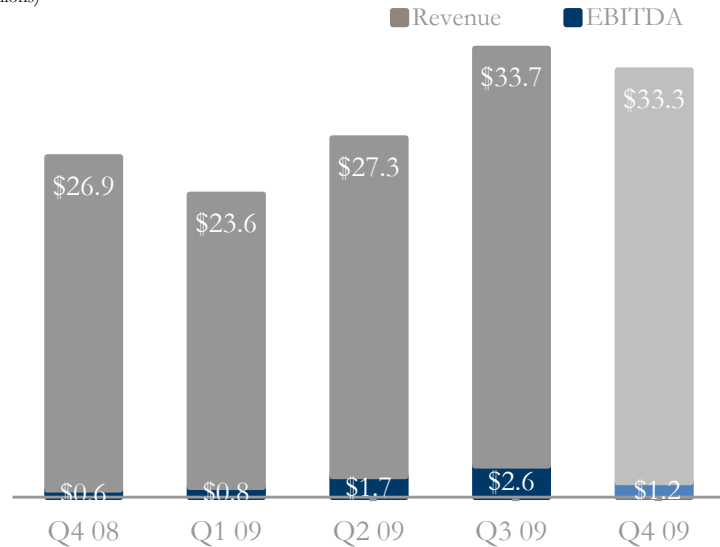
- Revenue: \$73.8 million, 31% decrease YoY
 - Solar silicon DSS furnace revenues decreased 53% in Q4 '09 v. Q4 '08
- EBITDA: \$6 million
- Backlog declined from \$332 million at December 31 2008 to \$162 million at December 31, 2009
 - Order backlog is now primarily comprised of furnaces for fuel efficiency end market
- 2010 EBITDA is expected to be lower than 2009 due to the decline in backlog



Graphit Kropfmühl

Financial Summary

(in millions)



Highlights

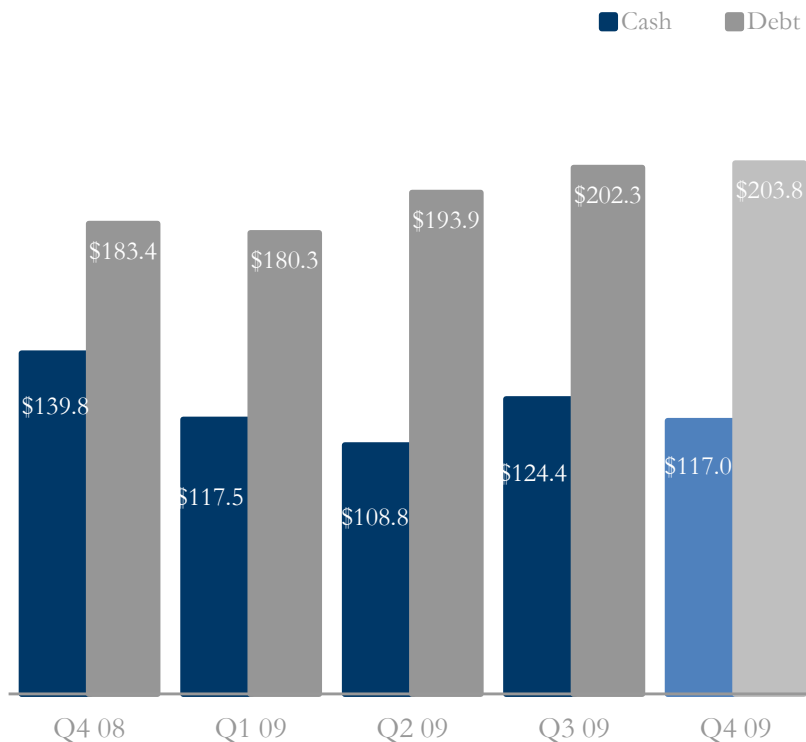
- Revenue: \$33.3 million; 24% increase YoY
 - increases in silicon metal revenue
- EBITDA: \$1.2 million
 - Improved from Q4 '08 due to cost containment measures and increased revenue
- CAPEX only for maintenance activities and upgrading of IT systems
- Silicon metal prices have rebounded slightly from Q4 '08. Market demand is improving



Capital Base

Cash and Debt

(in millions)



Note: Cash includes short term investments

Highlights – December 31 2009

- Cash: \$117.0 million
- Total debt: \$203.8 million
- Net debt: \$86.8 million
- Revolver availability: \$79.9 million
- Total liquidity \$196.9 million

Outlook

- Advanced Materials
 - Prices have rebounded slightly from historic lows and the markets are improving gradually; 2010 revenues and EBITDA will improve significantly
- Engineering Systems
 - Order intake continues to be sluggish
 - Lower order backlog entering 2010 will result in lower 2010 revenues and EBITDA
- Graphit Kropfmühl
 - Silicon metal and graphite demand improving
- Timminco
 - AMG owns 42.5% of Timminco; AMG supports Timminco's focus on its core silicon metal business



Appendix

Consolidated Balance Sheet

\$ in thousands

	December 31, 2008	December 31, 2009
Fixed Assets	206,596	211,022
Goodwill and Intangibles	28,557	28,253
Other non-current assets	103,564	78,209
Inventories	240,426	193,378
Receivables	145,534	147,787
Other current assets	56,527	35,313
Cash	<u>139,786</u>	<u>117,016</u>
TOTAL ASSETS	<u>920,990</u>	<u>810,978</u>
TOTAL EQUITY	269,488	228,423
Long-term Debt	138,830	168,319
Pension Liabilities	84,931	91,358
Other long-term liabilities	69,919	51,249
Current Debt	44,522	35,477
Accounts Payable	113,742	69,791
Advance Payments	94,049	54,764
Accruals	48,369	46,179
Other current liabilities	57,140	65,418
TOTAL LIABILITIES	<u>651,502</u>	<u>582,555</u>
TOTAL LIABILITIES AND EQUITY	<u>920,990</u>	<u>810,978</u>

Inventories managed during 2009 to adapt to changing economic requirements
 Other current liabilities higher due to expected tax payment required for Engineering Systems

NOTE: Balance sheet at 12/31/2008 has been restated for comparative purposes. It will not be restated in published results.



Consolidated Income Statement

\$ in thousands

	2008	2009
Total Revenue	1,280,120	867,447
Cost of Goods Sold	1,017,751	701,860
Gross Margin	262,369	165,587
Selling, General and Admin.	138,227	137,537
Asset impairment and restructuring	49,998	9,500
Environmental	1,433	3,998
Other Expense (Income)	(6,158)	(6,009)
Operating Profit	78,869	20,561
Net Finance Costs	18,734	17,250
Equity Accounted Investee Profit	547	(31,958)
Profit before Income taxes	60,682	(28,647)
Tax Provision	36,962	15,205
Profit for the Year from continuing operations	23,720	(43,852)
Discontinued Operations	(21,162)	(54,378)
Profit for the Year	2,558	(98,230)
Attributable to:		
Shareholders of the Company	14,453	(75,642)
Minority Interest	(11,895)	(22,588)

•Restructuring costs include AMG Corp severance, headcount reductions in AMD as well as headcount reductions and asset impairment within ESD Own and Operate

•Environmental provision recorded due to revision of estimates for New Jersey decommissioning

•Tax provision booked due to losses occurring in jurisdictions where tax benefits cannot be booked (US Germany)



Consolidated Cash Flows

\$ in thousands	2008	2009
Cash Flows from Continuing Operations	117,575	16,368
Cash Flows from Discontinued Operations	5,778	(18,459)
Cash Flows from Operations	123,353	(2,091)
Capital Expenditures	(68,429)	(25,532)
Cash Flows from Discontinued Operations	(65,485)	(32,039)
Other Investing Activities	(86,776)	(32,610)
Cash Flows from Investing Activities	(220,690)	(90,181)
Cash Flows from Continued Operations	30,774	15,060
Cash Flows from Discontinued Operations	48,800	47,578
Cash Flows from Financing Activities	79,574	62,638
Net increase (decrease) in cash	(17,763)	(29,634)
Beginning Cash	172,558	143,473
Effects of exchange rates on cash	(11,322)	3,177
Ending Cash	143,473	117,016
Approximate availability under AMG lines of credit	103,108	79,906
Total Liquidity	246,581	196,922



AMG Advanced
Metallurgical Group N.V.