



AMG REPORTS FIRST QUARTER 2011 RESULTS

Key Highlights

- Revenue was \$318.0 million in the first quarter 2011, a 35% increase over the same period in 2010
- Operating profit was \$17.4 million in the first quarter 2011, a 48% increase over the same period in 2010
- EBITDA⁽¹⁾ was \$26.2 million in the first quarter 2011, a 19% increase over the same period in 2010
- EPS on a fully diluted basis was \$0.25 compared to \$0.00 in the first quarter 2010; excluding Timminco, EPS was \$0.41 in the first quarter 2011, compared to \$0.11 in the first quarter 2010
- The Advanced Materials Division generated revenue of \$210.8 million and EBITDA of \$14.6 million in the first quarter 2011
- The Engineering Systems Division generated revenue of \$64.9 million and EBITDA of \$5.3 million in the first quarter 2011
- Graphit Kropfmühl generated revenue of \$42.3 million and EBITDA of \$6.3 million in the first quarter 2011
- As of March 31, 2011 cash on hand was \$66.1 million; net debt was \$201.0 million

Amsterdam, 11 May 2011 (Regulated Information) --- AMG Advanced Metallurgical Group N.V. ("AMG", Euronext Amsterdam: "AMG") reported first quarter 2011 revenue of \$318.0 million, a 35% increase from \$235.8 million in the first quarter 2010.

EBITDA increased 19% to \$26.2 million in the first quarter 2011 from \$22.0 million in the first quarter 2010. Net profit attributable to shareholders for the first quarter 2011 was \$7.0 million, or \$0.25 per fully diluted share. This was up from breakeven, or \$0.00 per fully diluted share, in the first quarter 2010. Excluding AMG's share of Timminco's net loss in the first quarter, AMG's net profit attributable to shareholders for the first quarter 2011 was \$11.4 million, or \$0.41 per fully diluted share compared to \$0.11 in the first quarter 2010.

Dr. Heinz Schimmelbusch, Chairman of the Management Board and CEO, said, "The business performed well in the first quarter 2011. Improved pricing in a number of Advanced Materials products such as antimony, chromium and tantalum resulted in increased earnings. Engineering Systems' order intake was encouraging, however, revenue was flat compared to the same period in the prior year and EBITDA decreased. Increases in silicon metal prices and natural graphite demand resulted in significant improvements in Graphit Kropfmühl's revenue and earnings during the quarter. AMG's implementation of vertical raw material strategies, horizontal

(1) EBITDA is defined as earnings before interest, tax, depreciation and amortization and excludes nonrecurring items

consolidation and continued investment in technology has contributed to the Company's positive start to 2011."

Key Figures

In 000's US Dollar

	Q1'11	Q1'10	Change
Revenue	\$317,999	\$235,793	35%
Gross profit	59,780	42,584	40%
Gross margin	18.8%	18.1%	
Operating profit	17,406	11,787	48%
Operating margin	5.5%	5.0%	
Net profit (loss) attributable to shareholders	6,972	(64)	N/A
EPS- Fully diluted	0.25	0.00	N/A
Adjusted EPS- Fully diluted ⁽¹⁾	0.41	0.11	273%
EBIT ⁽²⁾	18,854	15,866	19%
EBITDA ⁽³⁾	26,168	22,047	19%
EBITDA margin	8.2%	9.4%	

Note:

- (1) Adjusted to exclude all Timminco results including equity losses which accounted for \$0.16 in EPS in Q1 2011
- (2) EBIT is defined as earnings before interest, tax and excludes nonrecurring items
- (3) EBITDA is defined as earnings before interest, tax, depreciation and amortization and excludes nonrecurring items

Operational Review

Advanced Materials Division

	Q1'11 ⁽¹⁾	Q1'10	Change
Revenue	\$210,845	\$140,534	50%
Gross margin	32,380	21,136	53%
Operating profit	9,153	4,301	113%
EBITDA	14,563	8,499	71%
Capital expenditures	5,554	3,321	67%

- (1) Results include KB Alloys LLC from the February 18, 2011 date of acquisition

The Advanced Materials division's first quarter 2011 financial results were positively impacted by the acquisition of KB Alloys LLC, increasing chromium metal and aluminum master alloy volumes and a rise in antimony prices. Revenue increased by \$70.3 million or 50% to \$210.8 million. The increase in revenue was specifically the result of \$11.0 million of revenue from KB Alloys LLC, which was acquired in February 2011, and a 37% and 34% increase in chromium and non-KB Alloys aluminum revenue, respectively.

The first quarter 2011 gross margin of 15% of revenue was consistent with the first quarter of 2010. Increased economies of scale were offset by unfavourable changes in product mix, specifically increased lower margin aluminum products revenue, resulting in consistent gross margins.

The first quarter 2011 EBITDA increased by \$6.1 million to 7% of revenue from 6% of revenue in 2010, due to the increase in gross profit, but this was offset by a 44% increase in SG&A due to the acquisition of KB Alloys and long-term incentive expenses.

Capital expenditures were \$5.6 million for the quarter, 67% more than the first quarter 2010. Significant growth capital investments made in the first quarter included a \$1.1 million investment in the hydropower facility in Brazil.

Engineering Systems Division

	Q1'11	Q1'10	Change
Revenue	\$64,887	\$65,313	(1%)
Gross margin	18,464	18,303	1%
Operating profit	2,970	7,169	(59%)
EBITDA	5,256	12,079	(56%)
Capital expenditures	1,544	845	83%

The Engineering Systems division's first quarter 2011 revenue was flat compared to the first quarter 2010 as a slightly higher opening order backlog in 2011 was offset by longer project lead times. The order backlog increased to \$195.9 million as of March 31, 2011, up 7% from \$183.3 million as of December 31, 2010. The division generated order intake of \$65.7 million in the first quarter 2011, a 1.01x book to bill ratio and a 71% increase compared to the first quarter 2010. Order intake of solar silicon DSS furnaces improved 301% from the first quarter 2010, accounting for 43% of total order intake. Demand for vacuum furnaces for specialty steel used in aerospace and energy also increased substantially compared to the same period in the prior year.

Sales of solar silicon DSS furnaces decreased 42% in the first quarter 2011 compared to the same period in 2010, however, sales were still 27% of revenue in the first quarter 2011. Revenue from remelting systems, primarily for the aerospace and specialty steel industries, decreased by 20% to \$10.7 million in the first quarter 2011 while the Own and Operate business increased revenue by 57% to \$9.8 million.

The first quarter 2011 gross margin of 28% of revenue was flat compared to the first quarter 2010 as a result of level revenue and production cost controls.

First quarter 2011 EBITDA decreased by \$6.8 million to 8% of revenue from 18% of revenue in the first quarter 2010 due to increases in long-term incentive expenses and costs associated with the acquisition of the Mono²™ technology.

Capital expenditures were \$1.5 million, 83% more than the first quarter of 2010. This growth capital investment is creating additional capacity for its U.S. Own and Operate facility to meet increasing demand.

Graphit Kropfmühl

	Q1 '11	Q1 '10	Change
Revenue	\$42,267	\$29,946	41%
Gross profit	8,936	3,145	184%
Operating profit	5,283	317	1567%
EBITDA	6,349	1,469	332%

Capital expenditures	1,151	980	17%
----------------------	-------	-----	-----

Increasing silicon metal prices and natural graphite volumes resulted in significantly improved financial results for Graphit Kropfmühl (“GK”) in the first quarter 2011. First quarter 2011 revenue increased by \$12.3 million, or 41%, to \$42.3 million. Natural graphite revenue increased \$5.3 million, or 57%, driven by increases in both volumes and pricing. Silicon metal revenue increased by \$7.0 million or 34%, primarily as a result of higher silicon sales prices.

The first quarter 2011 gross margin increased to 21% of revenue from 11% of revenue in the first quarter of 2010. Increased economies of scale resulting in lower per unit production costs of natural graphite and higher sales prices for silicon metal resulted in a significant increase in gross margins.

First quarter 2011 EBITDA was \$6.3 million, a 332% increase compared to the first quarter 2010. The EBITDA margin increased to 15% in the first quarter 2011, up significantly from 5% in the same period 2010. The EBITDA margin increase was attributable to the increase gross margins for silicon metal and natural graphite, slightly offset by a 22% increase in SG&A due to incentive plan expenses.

Capital expenditures increased to \$1.2 million in the first quarter 2011, 17% more than the first quarter 2010. The increase in capital expenditures was a result of upgrading the high purity natural graphite production facility to meet market demand.

Timminco

AMG’s ownership in Timminco was 42.5% as of March 31, 2011. AMG accounts for its investment in Timminco via the equity accounting method. Timminco’s loss for the first quarter 2011 is included in share of loss of associates on AMG’s income statement and the carrying value of AMG’s investment in Timminco of \$13.3 million is listed as an asset on AMG’s balance sheet. Additional information on Timminco can be found at www.Timminco.com.

Financial Review

Tax

AMG recorded a tax expense of \$5.0 million in the first quarter 2011 as compared to a tax expense of \$3.9 million in the first quarter 2010. Excluding share of loss of associates, for which AMG cannot recognize a tax benefit since these companies are not consolidated, AMG’s effective tax rate was 29% in the first quarter 2011.

SG&A

AMG’s SG&A expenses were \$42.9 million in the first quarter 2011, compared to \$30.6 million in the first quarter 2010. The \$12.3 million change in SG&A expenses was primarily due to an increase in long-term incentive expenses as well as acquisition costs related to the KB Alloys LLC transaction and the additional SG&A expenses incurred by AMG Idealcast Solar (formerly BP Solar), and KB Alloys LLC.

Currency Fluctuations

AMG transacts business in many currencies other than the US dollar, our reporting currency. As our financial statements are prepared in US dollars, fluctuations in the exchange rates between the US dollar and other currencies have an effect both on our results of operations and on the reported value of our assets and liabilities as measured in US dollars. The decline in the value of the US dollar as of March 31, 2011 resulted in an increase in the assets and liabilities on the balance sheet of \$32.5 million and \$25.4 million, respectively. The net result of the appreciation in the value of the US dollar quarter over quarter resulted in a decrease in revenue and EBITDA of \$2.2 million and \$0.3 million, respectively in the first quarter 2011.

Liquidity

	March 31, 2011	December 31, 2010	Change
Total debt	\$267,060	\$237,089	13%
Cash & short-term investments	66,071	89,311	(26%)
Net debt	200,989	147,778	36%

AMG had a net debt position of \$201.0 million as of March 31, 2011. AMG's net debt position increased \$53.2 million since December 31, 2010 primarily due to \$16.3 million of cash tax payments, \$8.2 million in capital investments, the \$24.3 million acquisition of KB Alloys LLC, and a \$39.1 million increase in working capital due to increasing material costs, reduced by EBITDA of \$26.2 million.

Following the close of the first quarter, AMG refinanced its primary credit facility and secured a \$300 million credit facility composed of a Euro denominated, U.S. dollar equivalent, \$100 million term loan and a \$200 million revolving credit facility. This facility has a five-year term and matures in April 2016.

Cash Flow

	Q1'11	Q1'10
Net cash flows used in operations	\$(13,753)	\$(14,921)
Capital expenditures	(8,249)	(5,146)
Acquisitions, net of cash	(26,823)	(600)
Cash flows used in other investing	2,195	(191)
Net cash flows used in investing activities	(32,877)	(5,937)
Cash flows generated from financing activities	19,389	7,643

Cash flows used in operations were \$13.8 million in the first quarter 2011 as compared to \$14.9 million in the first quarter 2010. The cash flows used in operations in the first quarter 2011 are a result of \$16.3 million in cash tax payments as well as a \$29.0 million increase in working capital and provisions, offset by \$26.2 million in EBITDA. The substantial cash tax payments are partially due to the difference between IFRS percentage of completion accounting as

compared to completed contract methodology for tax payments in the Engineering Systems division.

Cash used in investing activities was \$32.9 million in the first quarter 2011. This increase of \$26.9 million from the first quarter 2010 is composed of a \$26.2 million increase in acquisitions, primarily for KB Alloys LLC, and a \$3.1 million increase in capital investments, slightly offset by a \$2.4 million decrease in cash flows in other investing activities due to a decrease in restricted cash for project work at the Engineering Systems division.

Cash generated from financing activities was \$19.4 million in the first quarter 2011, an \$11.8 million increase from the first quarter 2010. This increase was primarily attributable to \$15.0 million in draws on the revolving lines of credit, which were used to fund the acquisition of KB Alloys LLC.

Outlook

The Advanced Materials division is experiencing strong prices for some of its products including antimony trioxide, tantalum and chromium metal and improved operating results reflecting cost improvements made in 2009 and 2010. Requests for new orders in Engineering Systems are slowly increasing. Graphit Kropfmühl's end markets are improving, particularly natural graphite demand and silicon metal prices. Based upon current market conditions, AMG expects to generate EBITDA growth in excess of 20% in 2011.

AMG Advanced Metallurgical Group N.V.
Condensed interim consolidated income statement

For the three months ended March 31

In thousands of US Dollars

	2011	2010
	Unaudited	Unaudited
Continuing operations		
Revenue	317,999	235,793
Cost of sales	258,219	193,209
Gross profit	59,780	42,584
Selling, general and administrative expenses	42,937	30,614
Restructuring expense	285	7
Environmental expense	105	257
Other income, net	(953)	(81)
Operating profit	17,406	11,787
Finance expense	3,760	6,320
Finance income	(3,255)	(547)
Foreign exchange gain	(17)	(2,164)
Net finance costs	488	3,609
Share of loss of associates	4,377	4,395
Profit before income tax	12,541	3,783
Income tax expense	4,964	3,867
Profit (loss) for the period	7,577	(84)
Attributable to:		
Shareholders of the Company	6,972	(64)
Non-controlling interests	605	(20)
	7,577	(84)
Earnings per share		
Basic earnings per share	0.25	0.00
Diluted earnings per share	0.25	0.00

AMG Advanced Metallurgical Group N.V.
 Condensed interim consolidated statement of financial position
In thousands of US Dollars

	March 31, 2011	December 31,
	Unaudited	2010
		Audited
Assets		
Property, plant and equipment	244,724	228,612
Intangible assets	36,641	27,002
Investments in associates and joint ventures	22,376	25,186
Deferred tax assets	23,716	22,107
Restricted cash	11,179	12,528
Notes receivable	733	322
Derivative financial instruments	7,427	5,199
Other assets	16,504	15,372
Total non-current assets	363,300	336,328
Inventories	244,920	207,204
Trade and other receivables	206,247	175,421
Derivative financial instruments	7,287	5,731
Other assets	43,427	41,080
Cash and cash equivalents	66,071	89,311
Total current assets	567,952	518,747
Total assets	931,252	855,075

AMG Advanced Metallurgical Group N.V.
 Condensed interim consolidated statement of financial position (continued)
 In thousands of US Dollars

	March 31, 2011	December 31, 2010
	Unaudited	Audited
Equity		
Issued capital	741	741
Share premium	381,636	381,636
Other reserves	42,210	36,158
Retained earnings (deficit)	(189,523)	(196,481)
Equity attributable to shareholders of the Company	235,064	222,054
Non-controlling interests	13,188	11,911
Total equity	248,252	233,965
Liabilities		
Loans and borrowings	211,027	187,813
Employee benefits	95,011	88,372
Provisions	21,097	20,607
Government grants	636	642
Other liabilities	5,848	5,517
Derivative financial instruments	470	698
Deferred tax liabilities	27,983	25,436
Total non-current liabilities	362,072	329,085
Loans and borrowings	4,820	4,254
Short term bank debt	51,213	45,022
Government grants	187	175
Other liabilities	55,732	43,287
Trade and other payables	115,877	102,253
Derivative financial instruments	3,971	1,754
Advance payments	53,541	49,597
Current taxes payable	15,749	24,979
Provisions	19,838	20,704
Total current liabilities	320,928	292,025
Total liabilities	683,000	621,110
Total equity and liabilities	931,252	855,075

AMG Advanced Metallurgical Group N.V.
Condensed interim consolidated statement of cash flows

For the three months ended March 31

In thousands of US Dollars

	2011	2010
	Unaudited	Unaudited
Cash flows used in operating activities		
Profit (loss) for the period	7,577	(84)
Adjustments to reconcile profit (loss) to net cash flows:		
Non-cash:		
Depreciation and amortization	7,314	6,181
Restructuring expense	285	7
Environmental expense	105	257
Net finance costs	488	3,610
Share of loss of associates	4,377	4,395
Equity-settled share-based payment transactions	1,044	1,650
Cash-settled share-based payment transactions	6,832	(309)
Income tax expense	4,964	3,867
Change in working capital and provisions	(29,015)	(23,210)
Other	(240)	2,410
Interest paid, net	(1,203)	(1,616)
Income tax paid, net	(16,281)	(12,079)
Net cash flows used in operating activities	(13,753)	(14,921)
Cash flows used in investing activities		
Proceeds from sale of property, plant and equipment	50	17
Acquisition of associates and joint ventures	-	(600)
Acquisition of subsidiaries (net of cash acquired of \$91)	(26,823)	-
Acquisition of property, plant and equipment and intangibles	(8,249)	(5,146)
Change in restricted cash	1,753	(208)
Other	392	-
Net cash flows used in investing activities	(32,877)	(5,937)
Cash flows from financing activities		
Net proceeds from issuance of debt	19,364	7,582
Other	25	61
Net cash flows from financing activities	19,389	7,643
Net decrease in cash and cash equivalents	(27,241)	(13,215)
Cash and cash equivalents at January 1	89,311	117,016
Effect of exchange rate fluctuations and consolidation changes on cash	4,001	(4,944)
Cash and cash equivalents at March 31	66,071	98,857

About AMG

AMG creates and applies innovative metallurgical solutions to the global trend of sustainable development of natural resources and CO₂ reduction. AMG produces highly engineered specialty metal products and advanced vacuum furnace systems for the Energy, Aerospace, Infrastructure and Specialty Metals and Chemicals end markets. AMG consists of two operating divisions, Advanced Materials and Engineering Systems, and owns interests in publicly-listed companies Graphit Kropfmühl AG (Deutsche Börse: GKR.DE) and Timminco Limited (TSX: "TIM").

The Advanced Materials Division develops and produces specialty metals, alloys and high performance materials. AMG is a significant producer of specialty metals, such as ferrovanadium, ferronickel-molybdenum, aluminum master alloys and additives, chromium metal and ferrotitanium, for Energy, Aerospace, Infrastructure and Specialty Metal and Chemicals applications. Other key products include specialty alloys for titanium and superalloys, coating materials, tantalum and niobium oxides, vanadium chemicals and antimony trioxide.

The Engineering Systems Division designs, engineers and produces advanced vacuum furnace systems and operates vacuum heat treatment facilities, primarily for the Aerospace and Energy (including solar and nuclear) industries. Furnace systems produced by AMG include vacuum remelting, solar silicon melting and crystallization, vacuum induction melting, vacuum heat treatment and high pressure gas quenching, turbine blade coating and sintering. AMG also provides vacuum case-hardening heat treatment services on a tolling basis.

Graphit Kropfmühl AG is a majority controlled, publicly listed subsidiary of AMG. Based on its secure raw material sources in Africa, China and Europe, Graphit Kropfmühl is a specialist in the production of silicon metal and the extraction, processing and refining of natural crystalline graphite for a wide range of energy saving industrial applications.

Timminco Limited is a publicly listed affiliate of AMG. Timminco produces silicon metal for the chemical, aluminum, electronic and solar industries. Timminco also produces solar grade silicon, using its proprietary technology for purifying silicon metal, for the solar energy industry.

With over 2,600 employees, AMG operates globally with production facilities in Germany, the United Kingdom, France, Czech Republic, United States, China, Canada, Mexico, Brazil, Turkey, Poland, India and Sri Lanka and also has sales and customer service offices in Belgium, Russia and Japan (www.amg-nv.com).

For further information please contact:

AMG Advanced Metallurgical Group N.V. +1 610 975 4901

Jonathan Costello

Vice President of Corporate Communications

jcostello@amg-nv.com

Disclaimer

Certain statements in this press release are not historical facts and are "forward looking." Forward looking statements include statements concerning AMG's plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans and intentions relating to acquisitions, AMG's competitive strengths and weaknesses, plans or goals relating to forecasted production, reserves, financial position and future operations and development, AMG's business strategy and the trends AMG anticipates in the industries and the political and legal environment in which it operates and other information that is not historical information. When used in this press release, the words "expects," "believes," "anticipates," "plans," "may," "will," "should," and similar expressions, and the negatives thereof, are intended to

identify forward looking statements. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward looking statements will not be achieved. These forward looking statements speak only as of the date of this press release. AMG expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statement contained herein to reflect any change in AMG's expectations with regard thereto or any change in events, conditions or circumstances on which any forward looking statement is based.