



## **AMG ANNOUNCES VOLUNTARY TENDER OFFER FOR GRAPHIT KROPFMÜHL**

*Amsterdam, 29 February 2012* --- AMG Advanced Metallurgical Group N.V.'s, ("AMG", Euronext Amsterdam: "AMG") wholly owned subsidiary, AMG Invest GmbH ("AMG Invest") has commenced the preparation of a voluntary public tender offer (the "Voluntary Tender") pursuant to the German Securities Acquisition and Tender Act to acquire all non-par value bearer shares in Graphit Kropfmühl AG, ("GK") Hauzenberg, Germany. AMG Invest will publish the Voluntary Tender document following approval of the German Federal Financial Supervisory Authority ("BaFin").

AMG Invest currently owns 88.15% of GK's shares. AMG Invest is offering €1.75 per share for the 341,321 GK shares that it does not own. The €1.75 price for the GK shares is a 29% premium compared to the current market price and a 37% premium to GK's fair market value as determined by Warth & Klein Grant Thornton AG under the IDW Standard S1 of the Institute of Public Auditors in Germany. The Voluntary Tender is expected to be completed during the second quarter of 2012. AMG intends to finance the Voluntary Tender from available balance sheet resources.

Upon acquiring the required amount of GK shares outstanding, AMG intends to initiate a squeeze out of the remaining minority shareholders with a goal to own 100% of GK. GK's vertically integrated high purity natural graphite business, with mines in Europe, Asia and Africa, is a key component in the previously announced formation of AMG Mining. Upon successful completion of the Voluntary Tender, AMG will begin segment reporting of AMG Mining's financial results, including the antimony mining, concentration and smelting operations in Turkey and antimony trioxide operations in France, and the tantalum and niobium mining operations in Brazil. The formation of this new operating structure will streamline the management and financing of AMG Mining's vertical integration expansion strategy.

### **Credit Facility Expansion**

In conjunction with the Voluntary Tender, AMG is in the process of exercising the incremental term and revolving facility feature of its primary multicurrency term loan and revolving credit facility and securing approximately \$62 million in incremental credit from its banking consortium. Upon successful completion of the Voluntary Tender, AMG's total credit facility will be a U.S. dollar equivalent \$377 million. The incremental borrowing costs are consistent with those in the existing facility. The term of

this facility remains the same, with an April 2016 maturity date. Upon successful completion of the Voluntary Tender, AMG intends to use the proceeds of the incremental facility to refinance GK's existing \$33.7 million debt facilities, of which \$25.3 million was drawn as of September 30, 2011, and to fund the squeeze out of minority shareholders.

Dr. Heinz Schimmelbusch, AMG's Chairman of the Management Board and CEO, said, "This is the next step in AMG's stated objective to expand AMG's mine based businesses and to simplify its corporate structure by consolidating all operating activities under one public entity, AMG. This also will lead to increased operational and financial flexibility and an elimination of redundancies."

## **About AMG**

AMG creates and applies innovative metallurgical solutions to the global trend of sustainable development of natural resources and CO<sub>2</sub> 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 an interest in publicly-listed Graphit Kropfmühl AG (Deutsche Börse: GKR.DE).

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, Asia 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.

With over 3,000 employees, AMG operates globally with production facilities in Germany, the United Kingdom, France, Czech Republic, United States, China, Mexico, Brazil, Turkey, Poland, India and Sri Lanka and has sales and customer service offices in Belgium, Russia and Japan ([www.amg-nv.com](http://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**

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