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## Advanced Metallurgical Group Q3 loss wider than expected

*Sunday, 15 Nov, 2009*

Dutch listed Advanced Metallurgical Group reported a wider than expected net loss for the Q3 and said that the outlook was unclear as sluggish industrial activity limits metals demand.

Shares in the niche metals maker fell as much as 17% after it swung to a net loss of USD 20.3 million in the quarter compared to an average forecast of USD 3.9 million losses in a Reuters poll of analysts. It was also uncertain about the timing of a recovery in demand for its specialty metals and furnace systems which it supplies to industries such as solar energy, transport, electronics, chemicals and consumer products.

Mr Heinz Schimmelbusch CEO of AMG said that despite the apparent bottoming of economic activity, the recovery process may be slow and uneven. He added that its volumes and prices were still suffering from a slowdown in global industrial activity.

Mr Schimmelbusch said in a statement that "Although signs of an ongoing bottoming of the severe drop in demand are evident, it is still undetermined if the markets are improving. He said that the company would continue to limit capital investment and reduce costs to preserve free cash flow.

Mr Luuk van Beek analyst of Petercam said that the outlook appeared bleak for AMG. The positive impact of an economic recovery on AMG will be smaller than for other metals companies. He added that the results of the firm's Engineering Systems division, which makes furnaces that transform silicon into bricks for solar wafer production, would remain weak as long as an overcapacity in the solar industry has not been absorbed.

(Sourced from Reuters)

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