

Registered Number 961050

The Aluminium Powder Company Limited  
Annual Report  
for the year ended 31 December 2005



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for the year ended 31 December 2005  
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# **The Aluminium Powder Company Limited**

## **Directors and advisers for the year ended 31 December 2005**

### **Directors**

I Resende	(Chairman)	(appointed 10 May 2006)
A R Dixey		(resigned 8 May 2006)
Dr C H Entrekin		(resigned 3 March 2006)
D J E Beare		(appointed 10 May 2006)
T J Busby		(resigned 9 May 2006)
J D Tait		(resigned 30 September 2005)
C K Yarbrough		(resigned 31 August 2006)

### **Secretary**

D J E Beare

### **Registered Office**

Forge Lane  
Minworth  
Sutton Coldfield  
West Midlands  
B76 1AH

### **Auditors**

PricewaterhouseCoopers LLP  
1 East Parade  
Sheffield  
S1 2ET

### **Solicitors**

DLA Piper UK LLP  
1 St Paul's Place  
Sheffield  
S1 2JX

### **Bankers**

Barclays Bank plc  
North East and Yorkshire Larger Business Team  
PO Box 190  
3<sup>rd</sup> Floor  
6 East Parade  
Leeds  
LS1 2UX

# The Aluminium Powder Company Limited

## Directors' report for the year ended 31 December 2005

The directors present their report and the audited financial statements of the company for the year ended 31 December 2005.

### Principal activities

The principal activity of the company is manufacturing and trading in aluminium powder, together with the provision of expertise in this field.

### Review of business and future developments

Both the level of business and the year-end financial position were satisfactory.

On 17 May 2006 the company announced a restructuring programme, with the aim of reducing costs substantially in order to remain competitive.

The profit and loss account for the year is set out on page 6. The directors do not recommend payment of a final ordinary dividend in respect of the year ended 31 December 2005 (2004: \$nil).

### Principal risks and uncertainties

The management of the business is subject to a number of risks. The key business risks affecting the company are considered to relate to competition from manufacturers overseas, currency exchange and metal price volatility. Exposures to currency and metal prices are managed by the company's parent company, London & Scandinavian Metallurgical Co Limited.

On 1 January 2005 the group changed its functional currency from sterling to US dollars. Details of this change are included in the Statement of accounting policies on page 8.

### Strategy

The company's overriding objective is to achieve sustainable growth through increased market share for its products together with the benefits of its cost reduction programme.

### Directors and their interests

The directors who held office during the year are noted on page 1.

None of the directors had an interest in the shares of the company or any other company in the Metallurg Holdings Inc. group at any time during the year.

### Charitable donations

The charitable contributions made by the company during the year amounted to \$nil (2004: \$2,000).

### Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office as auditors to the company.

### By order of the Board

D J E Beare  
Secretary



18 September 2006

# **The Aluminium Powder Company Limited**

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements with the exception of certain new accounting standards as explained in the Statement of accounting policies on page 8.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**By order of the Board**



**D J E Beare**

**Secretary**

18 September 2006

# **The Aluminium Powder Company Limited**

## **Independent auditors' report to the members of The Aluminium Powder Company Limited**

We have audited the financial statements of The Aluminium Powder Company Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

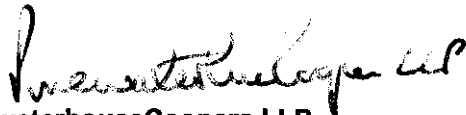
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# The Aluminium Powder Company Limited

## Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
Sheffield

18 September 2006

# The Aluminium Powder Company Limited

## Profit and loss account for the year ended 31 December 2005

	Note	2005 \$'000	2004 \$'000
Turnover	1	43,277	36,344
Cost of sales		(40,114)	(32,702)
Gross profit		3,163	3,642
Operating expenses	4	(1,783)	(2,353)
Operating profit		1,380	1,289
Interest receivable and similar income		2	4
Profit on ordinary activities before taxation	5	1,382	1,293
Tax on profit on ordinary activities	6	(562)	(402)
Profit on ordinary activities after taxation	14	820	891

All items dealt with in arriving at operating profit above relate to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

## Statement of total recognised gains and losses for the year ended 31 December 2005

	2005 \$'000	2004 \$'000
Retained profit for the financial year	820	891
Foreign exchange movements	-	978
Total recognised gains relating to the year	820	1,869




# The Aluminium Powder Company Limited

## Balance sheet as at 31 December 2005

	Note	2005 \$'000	2004 \$'000
<b>Fixed assets</b>			
Tangible assets	7	5,823	6,383
Investments	8	426	426
		<b>6,249</b>	6,809
<b>Current assets</b>			
Stocks	9	4,265	4,394
Debtors	10	9,370	6,611
Cash at bank and in hand		163	698
		<b>13,798</b>	11,703
<b>Creditors: amounts falling due within one year</b>	11	<b>(5,059)</b>	(4,403)
<b>Net current assets</b>		<b>8,739</b>	7,300
<b>Total assets less current liabilities</b>		<b>14,988</b>	14,109
<b>Provisions for liabilities and charges</b>	12	<b>(548)</b>	(489)
<b>Net assets</b>		<b>14,440</b>	13,620
<b>Capital and reserves</b>			
Called up share capital	13	837	837
Profit and loss reserve	14	13,603	12,783
<b>Equity shareholders' funds</b>	15	<b>14,440</b>	13,620

The financial statements on pages 4 to 20 were approved by the board of directors on 18 September 2006 and were signed on its behalf by:



D J E Beare  
Director

# **The Aluminium Powder Company Limited**

## **Statement of accounting policies**

The financial statements have been prepared on the going concern basis, in accordance with applicable accounting standards in the United Kingdom. A summary of the more important policies, which have been applied consistently, with the exception of the first time adoption of new accounting standards as summarised below, is as follows:

### **Basis of accounting**

The financial statements are prepared under the historical cost convention.

### **Change in functional currency**

On 1 January 2005 the company changed its functional currency from sterling to US dollars. The change was made as The Aluminium Powder Company Limited has experienced a significant change in its commercial and economic circumstances.

A significant proportion of the company's sales and purchases are either in US dollars or based on US dollar pricing. The introduction of the euro in the European market has caused sales pricing to become more transparent and the previous ability to price differentiate has become difficult. Furthermore, price transparency has been affected by the consolidation within the major market sectors that The Aluminium Powder Company Limited serves. These factors have resulted in a migration towards the dollar as the universal currency for comparing sales pricing.

Similar pressures have been experienced with purchases as the pressure to remain competitive has resulted in reviewing the sourcing of raw materials as these account for a significant proportion of The Aluminium Powder Company Limited's cost base. A high proportion of the company's purchases is in US dollars.

Under SSAP 20 the 2004 balance sheet figures have been translated from sterling to dollars at the closing rate at 31 December 2004 of £1 = \$1.9186. Profit and loss account figures have been translated from sterling to dollars at the average rate for the year ended 31 December 2004 of £1 = \$1.8182. Exchange differences arising from the retranslation of comparative figures are taken to reserves.

### **Changes in accounting policies**

The company has adopted FRS 25 "Financial instruments: disclosure and presentation", FRS 21 "Events after the balance sheet date" and FRS 17 "Retirement Benefits" in these financial statements. The adoption of these standards represents a change in accounting policy. The adoption of these standards has no effect on these financial statements.

### **Consolidated financial statements**

The company is ultimately owned by Metallurg Holdings, Inc., and is included in the consolidated financial statements of that company which are publicly available. As such the company has availed itself of the exemption from preparing consolidated accounts under Section 228A of the Companies Act 1985.

### **Cash flow statement**

The company is ultimately owned by Metallurg Holdings, Inc., and is included in the consolidated financial statements of that company which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cashflow statement under the terms of FRS 1 (Revised 1996).

# The Aluminium Powder Company Limited

## Foreign currencies

Transactions denominated in foreign currencies are initially translated to dollars at the rates ruling at the dates of the transactions. Profits and losses on settlements during the year are reflected in the profit and loss account.

At the year end, current assets and liabilities in foreign currencies are translated to dollars at the hedged or spot rate, whichever is appropriate, and the resultant exchange differences are reflected through the profit and loss account.

## Revenue recognition

Turnover represents amounts invoiced to customers net of value added tax. Under normal circumstances, revenue from product sales is recognised upon despatch to the customer or, in case of goods supplied ex-works, upon collection by the customer or their agent. Where consignment stock arrangements are in place, revenue is recognised upon notification by the customer that the product has been withdrawn from consignment or, where relevant, on expiry of a fixed contractual term.

## Leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

## Investments

Investments held as fixed assets are stated at cost unless there is a permanent diminution in value, in which case they are stated at the net realisable value.

## Fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

The cost of tangible fixed assets is depreciated on a straight line basis over the estimated useful lives of the assets, unless there is a permanent diminution in value, in which case it is written down to its estimated recoverable amount. The annual rates generally used are:

Plant, machinery, fixtures and fittings	10% straight line
Laboratory equipment	20% straight line
Motor vehicles	25% straight line
Freehold property	4% straight line

## Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct material and labour costs together with the relevant overheads on the basis of normal activity levels. Provision is made for obsolete, slow-moving or defective items where appropriate.

## Government grants

Capital grants received are included under accruals and deferred income and amortised over the life of the related assets.

Revenue grants are recorded in the profit and loss account when received.

# **The Aluminium Powder Company Limited**

## **Pensions**

The London & Scandinavian Metallurgical Co Limited group operates pension schemes, comprising a final salary and a defined contribution plan, which require contributions to be made to separately administered funds.

Costs of defined contribution schemes represent the amounts payable in the year. As the company is unable to identify its share of the underlying assets and liabilities of the group defined benefit schemes, the schemes are accounted for by the company as defined contribution schemes under FRS 17.

## **Deferred taxation**

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax is not provided on timing differences arising from revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

## **Related party transactions**

The company is exempt under the terms of FRS 8 from disclosing related party transactions with entities where 90 percent or more of the voting rights are controlled within the Metallurg Holdings, Inc. group. For details of other related party transactions see note 18.

# The Aluminium Powder Company Limited

## Notes to the financial statements for the year ended 31 December 2005

### 1 Turnover

Turnover represents the amounts receivable in the ordinary course of business for goods sold and services provided to customers, excluding value added tax. It relates wholly to one class of business. The geographical analysis of turnover is:

	2005 \$'000	2004 \$'000
United Kingdom	15,202	14,653
Rest of Europe	15,929	15,811
Rest of the world	12,146	5,880
	43,277	36,344

### 2 Employee information

Average number of persons employed by activity	2005 Number	2004 Number
Production	66	62
Administration	5	6
Distribution	1	1
	72	69

Staff costs during the year (including directors)	2005 \$'000	2004 \$'000
Wages and salaries	3,556	3,255
Social security costs	370	325
Pensions costs	386	333
	4,312	3,913

# The Aluminium Powder Company Limited

## 3 Directors' emoluments

	2005	2004
	\$'000	\$'000
Aggregate emoluments	306	327
Compensation for loss of office	162	205

Compensation for loss of office in 2005 represented payments made in respect of one director. Compensation had been given in the form of cash.

Compensation for loss of office in 2004 represented payments made in respect of one director. Compensation had been given in the form of cash, pension contributions, medical insurance and the use of a company car.

Retirement benefits are accruing to two (2004: two) directors under a defined benefit scheme. There are no directors accruing benefits under a money purchase scheme (2004: none).

C H Entekin received no emoluments from this company. The emoluments of A R Dixey, and T J Busby were paid through London & Scandinavian Metallurgical Co Limited.

## 4 Operating expenses

	2005	2004
	\$'000	\$'000
Distribution costs	126	175
Administrative expenses	1,657	2,178
	1,783	2,353

# The Aluminium Powder Company Limited

## 5 Profit on ordinary activities before taxation

	2005 \$'000	2004 \$'000
<b>Operating profit is stated after charging/(crediting)</b>		
Depreciation of tangible fixed assets		
- owned assets	880	776
Rentals under operating leases		
- hire of plant and machinery	18	67
- other	77	102
(Profit)/loss on disposal of fixed assets	(2)	-
Auditors' remuneration	22	25
Amortisation of government grants	-	(82)

Fees paid to PricewaterhouseCoopers LLP for non-audit services in the UK were \$4,550 (2004: \$4,363).

## 6 Tax on profit on ordinary activities

	2005 \$'000	2004 \$'000
<b>Current tax:</b>		
UK Corporation tax on profits of the period	439	306
Adjustment in respect of prior periods	64	253
Total current tax	503	559
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(12)	96
Adjustment in respect of prior periods	71	(253)
Total deferred tax (note 12)	59	(157)
<b>Tax on profit on ordinary activities</b>	<b>562</b>	<b>402</b>

# The Aluminium Powder Company Limited

The tax assessed for the period is higher (2004: higher) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2005 \$'000	2004 \$'000
Profit on ordinary activities before tax	1,382	1,293
Profit on ordinary activities multiplied by standard rate in the UK 30% (2004: 30%)	415	388
Effects of:		
Expenses not deductible for tax purposes	12	16
Accelerated capital allowances and other timing differences	12	(98)
Adjustments to tax charge in respect of previous periods	64	253
Current tax charge for the period	503	559

## 7 Tangible assets

	Freehold buildings \$'000	Plant, machinery and motor vehicles \$'000	Fixtures and fittings \$'000	Total \$'000
<b>Cost</b>				
At 1 January 2005	3,684	11,331	384	15,399
Additions	-	320	-	320
Disposals	-	(66)	-	(66)
<b>At 31 December 2005</b>	<b>3,684</b>	<b>11,585</b>	<b>384</b>	<b>15,653</b>
<b>Depreciation</b>				
At 1 January 2005	2,020	6,612	384	9,016
Charge for the year	62	818	-	880
Disposals	-	(66)	-	(66)
<b>At 31 December 2005</b>	<b>2,082</b>	<b>7,364</b>	<b>384</b>	<b>9,830</b>
<b>Net book amount</b>				
<b>At 31 December 2005</b>	<b>1,602</b>	<b>4,221</b>	<b>-</b>	<b>5,823</b>
At 31 December 2004	1,664	4,719	-	6,383



# The Aluminium Powder Company Limited

## 8 Fixed asset investments

					\$'000
<b>Cost and net book value at 1 January 2005 and 31 December 2005</b>					<b>426</b>
<b>Interest in group undertakings</b>					
	<b>Principal activity</b>	<b>Description of shares held</b>	<b>Country of incorporation or registration</b>	<b>Proportion of nominal value of issued shares held by company</b>	
Benda-Lutz-Alpoco Sp.zo.o	Manufacturing aluminium powder	Ordinary shares	Poland	51% subsidiary	
Alpoco	Non-trading	Ordinary shares	England and Wales	100% subsidiary	
Metalloys Limited	Non-trading	Ordinary shares	England and Wales	100% subsidiary	
M&A Powders Limited	Non-trading	Ordinary shares	England and Wales	100% subsidiary	

## 9 Stocks

	<b>2005</b>	<b>2004</b>
	<b>\$'000</b>	<b>\$'000</b>
Raw materials and consumables	<b>1,313</b>	1,307
Finished goods and goods for resale	<b>2,952</b>	3,087
	<b>4,265</b>	4,394

## 10 Debtors

	<b>2005</b>	<b>2004</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade debtors	<b>6,700</b>	6,079
Amounts owed by group undertakings	<b>2,599</b>	509
Other debtors	<b>48</b>	-
Prepayments and accrued income	<b>23</b>	23
	<b>9,370</b>	6,611

# The Aluminium Powder Company Limited

## 11 Creditors – amounts falling due within one year

	2005 \$'000	2004 \$'000
Trade creditors	1,752	900
Amounts owed to group undertakings	2,313	2,819
Corporation tax payable	827	370
Other taxation and social security	55	65
Other creditors	-	15
Accruals and deferred income	112	234
	<b>5,059</b>	<b>4,403</b>

## 12 Provisions for liabilities and charges

	\$'000
<b>Deferred taxation</b>	
At 1 January 2005	489
Current year charge	59
<b>At 31 December 2005</b>	<b>548</b>

### Deferred taxation

Deferred taxation provided in the financial statements is analysed as follows:

	2005 \$'000	2004 \$'000
Excess of tax allowances over depreciation	556	495
Other timing differences	(8)	(6)
	<b>548</b>	<b>489</b>

The company does not have any unprovided deferred tax (2004: \$nil).

# The Aluminium Powder Company Limited

## 13 Called up share capital

	2005	2004
	\$'000	\$'000
<b>Authorised, called up, allotted and fully paid equity shares</b>		
436,037 ordinary shares of £1 each	837	837

## 14 Profit and loss reserve

	\$'000
At 1 January 2005	12,783
Retained profit for the financial year	820
<b>At 31 December 2005</b>	<b>13,603</b>

## 15 Reconciliation of movements in shareholders' funds

	2005	2004
	\$'000	\$'000
Profit for the financial year	820	891
Foreign exchange movements	-	978
<b>Net addition in equity shareholders' funds</b>	<b>820</b>	<b>1,869</b>
Equity shareholders' funds at 1 January	13,620	11,751
<b>Equity shareholders' funds at 31 December</b>	<b>14,440</b>	<b>13,620</b>

# The Aluminium Powder Company Limited

## 16 Financial commitments

### Operating lease commitments

At 31 December 2005 the company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings		Other	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
Leases which expire:				
Within one year	45	46	-	-
Within two to five years	-	-	7	21
	45	46	7	21

### Capital commitments

	2005	2004
	\$'000	\$'000
Contracts placed for future capital expenditure not provided for in the financial statements	-	36

# The Aluminium Powder Company Limited

## 17 Pension commitments

The company participates in the London & Scandinavian Metallurgical Co Limited group pension scheme. This consists of two parts, a defined benefits plan (the "RBP") and a defined contribution plan (the "CAP"). The RBP is a funded plan. The last actuarial valuation was carried out at 31 December 2005 and particulars of the valuation are contained in the consolidated financial statements of London & Scandinavian Metallurgical Co Limited. The pension cost charge for the year amounted to \$386,000 (2004: \$333,000).

On 31 May 2006 the group defined benefit plan was closed for all members. The group has set up a new defined contribution plan for current and future employees as from 1 June 2006

The disclosures in respect of pension commitments under FRS 17 are given in the accounts of London & Scandinavian Metallurgical Co Limited.

## 18 Related party disclosures

During the year The Aluminium Powder Company Limited made sales to Bostlan SA, an associate company of London & Scandinavian Metallurgical Co Limited, and made purchases from Benda-Lutz-Alpoco Sp.zo.o, a 51% owned subsidiary. The transactions for the year and the balances outstanding as at 31 December 2005 are summarised below:

	Sales		Debtors	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
Bostlan SA	183	978	-	90

	Purchases		Creditors	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
Benda-Lutz-Alpoco Sp.zo.o	328	404	-	6

All the above transactions are undertaken on normal commercial terms.

The Company has given a loan of \$159,000 to Benda-Lutz-Alpoco Sp.zo.o. The balance outstanding as at 31 December 2005 was \$nil (2004: \$50,000).

# **The Aluminium Powder Company Limited**

## **19 Contingent liabilities**

The company has given a guarantee to a supplier and at 31 December 2005 the guarantee amounted to \$768,000 (2004: \$nil).

The company has given a guarantee limited to \$1,716,800 (2004: \$1,918,600) in respect of bank overdrafts of its parent company. The company has given fixed and floating charges over all assets to secure the dollar loans of its parent company.

On 13 August 2004 the company gave a guarantee limited to £17,000,000 to MHR Institutional Partners II LLP ("MHR") secured by a second charge over all the assets of the company subordinate to the existing security granted against bank borrowings. On 29 September 2005 all amounts owing to MHR were repaid in full by Metallurg Holdings, Inc. and the guarantee was released in full.

## **20 Post balance sheet events**

On 17 May 2006 the company announced a restructuring programme with the aim of reducing costs substantially in order for the company to remain competitive.

On 31 May 2006 the London & Scandinavian Metallurgical Co Limited group defined benefit plan was closed for all members. The group has set up a new defined contribution plan for current and future employees as from 1 June 2006.

## **21 Ultimate parent company**

The immediate parent undertaking is London & Scandinavian Metallurgical Co Limited, a company registered in England and Wales, and is the smallest group in which the results of the company are consolidated. Copies of the immediate parent company's consolidated financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

The company's ultimate parent company is Metallurg Holdings, Inc., whose principal address is 400 The Safeguard Building, 435 Devon Park Drive, Wayne, PA 19087, USA., is the largest group in which the results of the company are consolidated. Metallurg Holdings, Inc. is controlled by Safeguard International Fund, L.P., which is the ultimate controlling party of the group. Copies of the financial statements of Metallurg Holdings, Inc. can be obtained from the principal address.