07:00 London, 09:00 Helsinki, 10 November 2014 - Afarak Group Plc (“Afarak” or “the Company”) (LSE: AFRK, OMX: AFAGR) Interim Report

AFARAK GROUP PLC’S INTERIM REPORT FOR 1 JULY – 30 SEPTEMBER 2014

Q3 HIGHLIGHTS (July-September 2014):

- Revenue increased by 32.1% to EUR 40.6 (Q3/2013: 30.7) million
- Processed material sold increased by 131.9% to 26,347 (Q3/2013: 11,359) tonnes
- EBITDA was EUR 2.1 (Q3/2013: 2.9) million and the EBITDA margin was 5.1% (Q3/2013: 9.4%)
- EBIT was EUR 0.5 (Q3/2013: -3.1) million and the EBIT margin was 1.3% (Q3/2013: 2.2%)
- Profit for the period totalled EUR -0.7 (Q3/2013: -1.9) million
- Ferrochrome production decreased by 21.4% to 20,163 (Q3/2013: 25,574) tonnes
- Tonnage mined decreased by 59.2% to 50,005 (Q3/2013: 122,573) tonnes
- Cash flow from operations was EUR 1.2 (Q3/2013: -1.8) million and liquid funds at 30 September were EUR 21.4 (30 September 2013: 13.1) (30 June 2014:17) million
- The Group updates its outlook for 2014

KEY FIGURES (EUR million)	**Q3/14**	**Q3/13**	**Change**	**Q1-Q3/14**	**Q1-Q3/13**	**Change**	**FY/13**
Revenue	**40.6**	30.7	32.1%	131.1	93.8	39.8%	135.5
EBITDA	**2.1**	2.9	-28.3%	8.4	13.3	-36.3%	14.0
EBITDA margin	**5.1%**	9.4%		6.4%	14.1%		10.4%
EBIT	**0.5**	-3.1		2.9	-5.1		-8.0
EBIT margin	**1.3%**	-10.2%		2.2%	-5.5%		-5.9%
Earnings before taxes	**-1.3**	-2.8		1.7	-8.1		-11.2
Earnings margin	**-3.3%**	-9.1%		1.3%	-8.6%		-8.2%
Profit	**-0.7**	-1.9		0.8	-3.7		-4.4
Earnings per share, basic, EUR	**-0.00**	-0.01		0.00	-0.02		-0.02

Commenting on the third quarter results, Danko Koncar, CEO, said:

“The volumes of ferrochrome processed decreased by 21.4% when compared to the same period last year as both EWW and Mogale Alloys had scheduled maintenance during this quarter. The tonnage mined continued to be negatively affected by the temporary suspension of the Mecklenburg mine and the lockout at the Turkish mines.

The Group’s revenue during this quarter remained strong with an increase of 32.1% when compared with the same period last year as a result of sales stockpiles. Ferrochrome prices remained weak during this quarter and remain below the high levels seen last year. The weak US dollar during the majority of this quarter has also continued to impact conversion of revenue and results from operations as has the increase in cost of production, due to higher raw material costs in the Speciality Alloys segment and higher energy cost in the Ferroalloys segment due to the South African winter energy tariffs.

The ferrochrome market remains difficult to predict with no signs of recovery in prices during this period. In the longer term we believe that ferrochrome prices, particularly the speciality and super alloys segment, have potential to recover to higher levels which we would expect to result in improved margins. We continue to evaluate initiatives with the objective of strengthening our position and providing new growth opportunities. Our focus remains on generating cash and increasing profits.

Finally, I'm pleased to announce that despite a lower EBITDA we managed to achieve positive EBIT for the third consecutive quarter."

2014 OUTLOOK

Afarak expects its financial performance to be better than 2013 but EBITDA is expected to be lower. The global economic outlook continues showing signs of recovery with western industrial nations issuing positive economic indicators. Demand for commodities is also showing recovery with increase in demand for speciality alloys in the United States. The ferroalloy market is expected to continue the positive trend of 2013 during which consumption reached record levels. To date, however, pricing has not responded to the increased demand. The Group continues to be prepared for significant price fluctuations and will continue to adapt its production levels accordingly. At Mogale Alloys, part of the FerroAlloys division, the Company expects to start production of medium carbon ferrochrome during the fourth quarter of 2014, which is expected to have a positive impact on our profit margins. In the Speciality Alloys division we are expecting to see an increase in our raw materials cost due to current market conditions. As a result the full year revenue and EBIT are expected to be higher but EBITDA lower as compared to 2013.

Fluctuations of exchange rates between the Euro, the South African Rand, the Turkish Lira and the US Dollar can significantly impact the Company's financial performance.

The previous outlook, published in the second quarter interim results on 14 August 2014, was:

Afarak still expects its financial performance to be better than 2013 but EBITDA will be lower as Q3 2014 is expected to be weaker as compared to Q3 2013. The global economic outlook continues showing signs of recovery with western industrial nations issuing positive economic indicators. Demand for commodities is also showing recovery with increase in demand for speciality alloys in the United States. The ferroalloy market is expected to continue the positive trend of 2013 during which consumption reached record levels. To date, however, pricing has not responded to the increased demand. The Group continues to be prepared for significant price fluctuations and will continue to adapt its production levels accordingly. At Mogale Alloys, part of the FerroAlloys division, the Company expects to start production of medium carbon ferrochrome during the fourth quarter of 2014, which is expected to have a positive impact on our profit margins. In the Speciality Alloys division we are expecting to see an increase in our raw materials cost due to current market conditions. As a result the full year revenue and EBIT are expected to be higher but EBITDA lower as compared to 2013.

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Disclosure procedure

Afarak follows the disclosure procedure enabled by Disclosure obligation of the issuer (7/2013) published by the Finnish Financial Supervision Authority, and hereby publishes its Q3/2014 interim report enclosed to this stock exchange release. The Interim Report is attached to this release and is also available on the Company's website at www.afarakgroup.com.

AFARAK GROUP PLC
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Financial reports and other investor information are available on the Company's website:
www.afarakgroup.com.

Afarak Group is a chrome mining and minerals producer focused on delivering sustainable growth with a Speciality Alloys business in southern Europe and a FerroAlloys business in southern Africa. The Company is listed on NASDAQ OMX Helsinki (AFAGR) and the Main Market of the London Stock Exchange (AFRK). www.afarakgroup.com

Distribution:
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AFARAK GROUP PLC: Q3 INTERIM REPORT FOR 1 JULY–30 SEPTEMBER 2014

This Interim Report is prepared in accordance with the IAS 34 standard and is unaudited. All the corresponding comparable figures of 2013 are presented in brackets, unless otherwise explicitly stated.

SALES

Processed material:

Tonnes	Q3/14	Q3/13	Q1-Q3/14	Q1-Q3/13	FY/13
Processing, Speciality Alloys	7,070	4,921	22,852	16,527	21,516
Processing, FerroAlloys	19,277	6,438	51,081	20,514	41,110
Processing, Total	26,347	11,359	73,933	37,041	62,626

The Group's processed material sold, which includes all the products produced at the Mogale Alloys and Elektrowerk Weisweiler processing plants, were 26,347 (Q3/2013: 11,359) tonnes, an increase of 131.9% compared to the equivalent period in 2013. This increase was mainly attributable to the continuing increase in demand in both Speciality Alloys and FerroAlloys segments. Sales prices continued to remain weak during this quarter. The increase in the FerroAlloys segment volumes in 2014 was a result of having Mogale Alloys operating at normal levels during this year. Last year sales volumes of the FerroAlloys segment were lower due to the participation in Eskom's electricity buyback program.

AFARAK GROUP'S FINANCIAL PERFORMANCE

REVENUE AND PROFITABILITY

EUR million	Q3/14	Q3/13	Change	Q1-Q3/14	Q1-Q3/13	Change	FY/13
Revenue	40.6	30.7	32,1 %	131.1	93.8	39.8%	135.5
EBITDA	2.1	2.9	-28,3 %	8.4	13.3	-36.3%	14.1
EBITDA margin	5.1%	9.4%		6.4%	14.1%		10.4%
EBIT	0.5	-3.1		2.9	-5.1		-8.0
EBIT margin	1.3%	-10.2%		2.2%	-5.5%		-5.9%
Profit	-0.7	-1.9		0.8	-3.7		-4.4

Revenue for the third quarter 2014 increased by 32.1% to EUR 40.6 (30.7) million compared to the equivalent period in 2013. This increase in revenue was mainly attributable to the increase in sales volumes of our processed material in both segments and the growth in our trading operations. The increase in revenue was not comparable to the same period last year due to the higher availability of inventories as a result of increased production earlier in 2014. Revenue was negatively affected due to lower commodity prices and weaker US Dollar which only started recovering in September 2014. EBITDA for the third quarter 2014 reduced compared to the equivalent period in 2013 to EUR 2.1 (2.9) million. Despite the increase in trading volumes this reduction in EBITDA was mainly due to profit margins remaining low during this quarter; the increase in production cost; and a continuing weak US dollar that led to lower profitability in both segments. The temporary suspension of the Mecklenburg mine and the lockout at the Turkish mines also continued negatively affecting our result during this quarter. EBITDA was positively affected by EUR 1.2 million relating to profit on the sale of land in Turkey. EBIT for the third quarter 2014 improved to EUR 0.5 (-3.1) million, primarily due to the beneficial effect of a lower depreciation charge in 2014, resulting from acquisition related assets acquired by Afarak in 2008, that were fully amortised in Q4 2013. Profit during this quarter was negatively affected by unrealised net foreign exchange losses of EUR 1.9 million.

Earnings per share was EUR -0.00 (-0.01).

BALANCE SHEET, CASH FLOW AND FINANCING

The Group's liquidity, as at 30 September 2014, was EUR 21.4 (13.1) (30 June 2014: 17.0) million. Operating cash flow in the third quarter was EUR 1.2 (-1.8) million. Afarak's gearing at the end of the third quarter was -3.9% (-5.4%) (30 June 2014: -3.7%). Net interest-bearing debt was EUR -11.6 (-10.5) (30 June 2014: -6.7) million.

Total assets on 30 September were EUR 281.9 (280.2) (30 June 2014: 279.2) million. The equity ratio was 65.6% (69.4%) (30 June 2014: 64.1%).

INVESTMENTS, ACQUISITIONS AND DIVESTMENTS

Capital expenditure for the third quarter 2014 totalled EUR 2.6 (2.4) million which relates primarily to the payments made in relation to the ferroalloy refining and granulation equipment at Mogale Alloys as well as sustaining capital expenditure at the Speciality Alloys segment.

PERSONNEL

At the end of the third quarter 2014, Afarak had 700 (747) employees. The average number of employees during the third quarter of 2014 was 705 (740).

Number of employees by segment *:

	30.9.2014	30.9.2013	Change	31.12.2013
Speciality Alloys	367	428	-14.3%	443
FerroAlloys	330	316	4.4%	333
Other operations	3	3	0.0%	3
Group total	**700**	**747**	**-6.3%**	**779**

*Including personnel of joint ventures.

SAFETY, HEALTH AND SUSTAINABLE DEVELOPMENT

The Group's target was to introduce standardised health, safety and environmental policies and procedures across the Group's operations and continue its programme focused on pro-active safety and environmental measurements as part of its aim to achieve "Zero Harm". This standardisation process was finalised in 2013.

In third quarter of 2014 lost time injuries were at the same levels of last year with only minor incidents reported. Afarak continues all efforts, including training, to further improve the safety performance.

Afarak aims to conduct its business in a sustainable way and to preserve the environment by minimising the environmental impact of its operations. The Group has programmes on all sites to monitor and address its impact on the environment.

Our aim is to guarantee our employees a safe working place and minimum impact towards the environment.

SEGMENT PERFORMANCE

SPECIALITY ALLOYS BUSINESS

The Speciality Alloys business consists of Türk Maadin Şirketi A.S ("TMS"), the mining and beneficiation operation in Turkey, and Elektrowerk Weisweiler GmbH ("EWW"), the chromite concentrate processing plant in Germany. TMS supplies EWW with high quality chromite concentrate which produces speciality products including Specialised low carbon and ultra low carbon ferrochrome. Chrome ore from TMS that is not utilised for the production of specialised low carbon ferrochrome is sold to the market as lumpy chrome ore.

Production:

Tonnes	Q3/14	Q3/13	Change	Q1-Q3/14	Q1-Q3/13	Change	FY/13
Mining*	0	18,810	-100.0%	34,142	51,867	-34.2%	70,988
Processing	5,337	6,719	-20.6%	21,427	18,312	17.0%	23,242

* Including both chromite concentrate and lumpy ore production

Production decreased to 5,337 (25,529) tonnes for the third quarter 2014, compared to the equivalent period in 2013. Scheduled maintenance shutdown at EWW was carried out in July 2014 as opposed to June 2013, this led to lower processing volumes during this quarter. Mining at TMS stopped in June following the temporary closure of the mines due to the strike notification which continued throughout this quarter. The Group does not expect that production of processed material will be affected by the Lockout of the TMS mines as commitments were made to source chromite concentrate from the market.

EUR million	Q3/14	Q3/13	Change	Q1-Q3/14	Q1-Q3/13	Change	FY/13
Revenue	24.3	17.6	37.7%	75.2	54.6	37.7%	74.5
EBITDA	3.0	2.5	21.5%	6.7	8.5	-21.3%	9.0
EBITDA margin	12.3%	13.9%	-11.7%	8.9%	15.6%	-42.9%	12.1%
EBIT	2.4	-1.9	-227.5%	4.9	-4.6	-206.4%	-6.1
EBIT margin	10.0%	-10.8%	-192.6%	6.5%	-8.4%	-177.2%	-8.2%

Revenue for the third quarter increased by 37.7% to EUR 24.3 (17.6) million and EBITDA increased by 21.5% to EUR 3.0 (2.5) million compared to the equivalent period in 2013. The increase in revenue was due to higher sales volumes. Despite the improvement in sales volumes EBITDA continued to be negatively affected by lower sales prices; a weaker US Dollar rate on conversion of revenue which only started recovering in September 2014, and an increase in raw material costs. EBITDA was positively affected by EUR1.2 million relating to profit on sale of land in Turkey.

As at 30 September 2014, the Speciality Alloys business had 367 (428) employees.

FERROALLOYS BUSINESS

The FerroAlloys business consists of the processing plant Mogale Alloys and the joint ventures Stellite mine and Mecklenburg mine in South Africa. The business produces chrome ore, charge chrome and silico manganese for sale to global markets.

Production:

Tonnes	Q3/14	Q3/13	Change	Q1-Q3/14	Q1-Q3/13	Change	FY/13
Mining*	50,005	103,763	-51.8%	205,182	292,257	-29.8%	425,585
Processing	14,826	18,855	-21.4%	49,412	31,140	58.7%	42,955

* Including both chromite concentrate and lumpy ore production by the joint ventures

Production in this segment decreased substantially to 64,831 (122,618) tonnes in the third quarter of 2014 when compared to the same period in 2013. Suspension of the mining operations at Mecklenburg mine continued to be the main driver of reduced production during this quarter due to unrest in the local community. The Stellite mine operated at normal levels during this quarter. Operations levels at Mogale Alloys were lower as a result of a partial shut-down of the plant due to scheduled maintenance which lasted unitl mid-August 2014.

EUR million	Q3/14	Q3/13	Change	Q1-Q3/14	Q1-Q3/13	Change	FY/13
Revenue	16.3	13.1	24.5%	55,9	39.1	42.7%	61.0
EBITDA	-0.2	0.9	-123.4%	3,4	8.2	-58.0%	8.8
EBITDA margin	-1.3 %	7.0%	-118.8%	6.2%	20.9%	-70.6%	14.4%
EBIT	-1.2	-0.7	-65.6%	-0.3	2.9	-109.2%	2.0
EBIT margin	-7.6%	-5.7%	-32.9%	-0.5%	7.5%	-106.4%	3.3%

* Revenue of the joint ventures is not included in the Group’s revenue

Despite the reduced production, revenue for the third quarter improved to EUR 16.3 (13.1) million compared to the equivalent period in 2013, representing an increase of 24.5%. This increase is a reflection of higher trading volumes of processed material when compared to the same period last year. EBITDA for the third quarter decreased to EUR -0.2 (0.9) million as a result of lower sales prices; a weaker US Dollar rate on conversion of revenue which only started to recover in September 2014; increased cost of production as a result of higher energy costs; and a reduction in sales of mining material. EBITDA also includes joint venture share of profits amounting to EUR -0.9 (0.0) million which were negatively affected by higher depreciation as a result of a change in accounting estimates, and unrealised exchange differences.

The share of profit from joint ventures is made up as follows:

EUR million	Q3/14	Q3/13	Change	Q1-Q3/14	Q1-Q3/13	Change	FY/13
Revenue	**1,1**	2.7	-58.7%	**5,0**	6.8	-25.8%	9.5
EBITDA	**-0,2**	0.2		**-0,1**	0.5		0.9
EBITDA margin	**-20,8%**	8.6%		**-2,4%**	7.4%		9.8%
EBIT	**-0,5**	-0.2		**-0,8**	-0.3		-0.2
EBIT margin	**-40,7%**	-6.2%		**-15,9%**	-4.4%		-1.8%
Financial income and expense	**-0,5**	0.3		**-0,4**	-2.0		-2.3
Profit for the period	**-0,9**	0.0		**-1,1**	-2.4		-2.3

Afarak's share of joint ventures revenue for the third quarter decreased to EUR 1.1 (2.7) million compared to the equivalent period in 2013, representing a decrease of 58.7%. The decrease in revenue was mainly due to the reduction in sales volumes of the Mecklenburg mine material as operations were suspended in Q2 2014 due to the unrest in the local community. Joint venture EBITDA for the third quarter decrease to EUR -0.2 (0.2) million. The decrease in EBITDA was driven by a higher overhead cost per ton produced as production volumes were lower during this quarter. EBIT was negatively affected by higher depreciation as a result of change in accounting estimates, the adjustment has been implemented to reflect changes as from the beginning of the year.

As at 30 September 2014, the FerroAlloys business had 330 (316) employees.

GLOBAL MARKET

STAINLESS STEEL MARKET

The stainless steel market continued to be strong in the third quarter in Europe and especially in the United States where demand has shown positive signs of recovery. Despite the improvement in volumes, sales prices have still not yet recovered due to aggressive price offers from various suppliers, including European mills, to retain their positions against the Asian producers, especially Chinese that were increasing their exports to the western markets. Domestic discrete plate producers in USA and Europe did announce lower prices as a result of Chinese producers lowering their prices further during this quarter.

Competition in the North American market where Far Eastern steelmakers are already trying to sell some of their excess production is expected to increase with the introduction of a new domestic rolling mill that is currently being commissioned.

Stainless steel volumes were at a satisfactory level with demand for commodity grades being stable earlier in the quarter, with higher demand for speciality products, such as those used in aerospace, automotive and energy applications. It is expected that this positive trend in speciality sectors will continue throughout the rest of this year.

FERROCHROME MARKET

Together with the stainless steel producers, the ferrochrome producers had to reduce their prices for their standard materials, to be able to compete with the Chinese producers which lowered their prices further during this quarter. South African ferrochrome producers benchmark prices for the third quarter was reduced from last quarter's high of US$ 1,22/lb Cr to US$ 1,19/lb Cr. This quarter's price was announced a month late, in early August, which led to delays is disclosing the price to ferrochrome customers.

Aerospace company, Boeing Co, stated another increase in the build rate for its 737 airliner due to strong customer demand, with production increase until year 2018. The backlog of Boeing 737 aircrafts is over 4000, and each Boeing aircraft has our EWW special low carbon ferrochrome in each aircraft turbine, landing gears, and other components, which secures Afarak's long term supply agreements on long term basis.

There has been positive feedback from potential customers for the new material from Mogale Alloys, and preliminary trial orders of the medium carbon granulated material have already been received. This gives promising signs for the future that the company will continue to secure increasing supply contracts for speciality ferrochrome products.

Inventories at services centres were low in the early stage of the quarter, but increased slowly towards the end of the quarter. At the same time Chinese ferrochrome prices continued to decrease while normally there are signs of increase in demand before and after the Chinese summer holiday season which ends in September.

European stainless steel producers seem to have overstocked in the second quarter and still have high stock levels at the end of the third quarter. They are also very disappointed with price differences between ferrochrome sold in China, and the rest of the world. This also includes price differences on the long-term benchmark price basis agreements and spot market prices. This led to several European customers cutting back on their requested tonnages in the third quarter, instead looking to purchase in the spot market. These potential spot market buyers have been requesting ferrochrome producers to keep stocks close to them in European warehouses, as they anticipate a need for spot tonnage later this year and even into the first quarter of 2015.

MANGANESE ALLOY MARKET

Low phosphorus silico manganese demand continued strong in USA, with increasing orders of additional tonnages. Also in some parts of Europe, especially in Eastern Europe we were able to benefit from higher orders due to the conflicts between Russia and Ukraine. The domestic South African market also continues to be very strong, where we have been short on surplus material for sale.

UNALLOCATED ITEMS

For the third quarter of 2014, the EBITDA from unallocated items was EUR -0.7 (-0.2) million.

LITIGATION

On 27 March 2014, Afarak announced that the Company had been served a notice of arbitration by Chinese Suzhou Kaiyuan Chemical Co. Ltd ("Suzhou"). Suzhou's claim of EUR 2.66 million relates to a chrome ore sales agreement entered into by Chromex Mining Plc ("Chromex") prior to the acquisition of Chromex by Afarak together in a joint venture with Kermas Limited. The claim has been served on Afarak's marketing arm RCS Limited and various companies which form part of the Chromex joint venture. The place of arbitration is Shanghai, China. The Company is strongly contesting the claim and aims to resolve the matter as soon as possible.

EVENTS DURING THE REVIEW PERIOD

On 10 July 2014, Afarak announced that it had resolved to offer 11,130,434 new ordinary shares in the Company ("New Shares") to the vendors of Mogale Alloys (a subsidiary of Afarak acquired in May 2009) under the settlement agreement announced on 11 October 2012. The New Shares represented approximately 4.48 per cent of the issued share capital and approximately 4.56 per cent of the total voting rights of the Company prior to the share issue. On 18 July 2014, Afarak announced that all of the New Shares had been subscribed for and that the total subscription price of EUR 5,565,217 (EUR 0.5 per share) was fully satisfied through offset against the settlement receivables of the Vendors related to the Mogale Alloys acquisition. A maximum of 3,478,261 shares remain to be offered under the agreed settlement. The New Shares were registered with the Finnish Trade Register on 24 July 2014 and admitted to the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange and NASDAQ OMX Helsinki on 25 July 2014.

On 12 August 2014, Afarak announced that the installation of new ferroalloy refining and granulation equipment for Company's subsidiary Mogale Alloys (Pty) Ltd as announced 1 July 2013 has been delayed. The Company now anticipates that the first production of specialty alloys at Mogale will commence during Q4 2014. The delay had a negative effect on the Company's Q3 results but full year guidance remained unchanged.

FLAGGING NOTIFICATIONS

On 25 July 2014, Ms Aida Djakov announced that as a result of the increase in the total number of shares from the directed share issue to the vendors of Mogale Alloys, the ownership percentage of Atkey Limited ("Atkey"), a controlled corporation of Ms Djakov, decreased below 20 per cent. Atkey currently holds 19.81 per cent of the shares and voting rights in Afarak. Ms Djakov also holds 6.58 per cent of the shares and voting rights directly, together Atkey and Ms Djakov hold 26.4 per cent of the Company's voting rights.

EVENTS SINCE THE END OF THE REVIEW PERIOD

On 10 October 2014, Afarak announced that Hino Resources Co. a company incorporated and existing under the laws of Hong Kong, has completed a sale of shares in Afarak Group Plc and the transaction resulted in Hino Resources Co. decreasing below 20 per cent and becoming a 19.26 per cent holder of the shares and voting rights in Afarak.

COMPANY'S SHARE

Afarak Group Plc's shares are listed on NASDAQ OMX Helsinki (AFAGR) and on the Main Market of the London Stock Exchange (AFRK).

On 30 September 2014, the registered number of Afarak Group Plc shares was 259,562,434 (248,432,000) and the share capital was EUR 23,644,146.37 (23,642,049.56).

On 30 September 2014, the Company had 4,244,717 (4,297,437) own shares in treasury, which was equivalent to 1.64% (1.73%) of the issued share capital. The total amount of shares outstanding, excluding the treasury shares held by the Company on 30 September 2014, was 255,317,717 (244,134,563).

At the beginning of the period under review, the Company's share price was EUR 0.37 on NASDAQ OMX Helsinki and GBP 0.30 on the London Stock Exchange. At the end of the review period, the share price was EUR 0.37 and GBP 0.32 respectively. During the third quarter of 2014 the Company's share price on NASDAQ OMX Helsinki ranged from EUR 0.26 to 0.38 per share and the market capitalisation, as at 30 September 2014, was EUR 96 (1 January 2014: 79.5) million. For the same period on the London Stock Exchange the share price range was GBP 0.30 to 0.32 per share and the market capitalisation was GBP 81.8 (1 January 2014: 74.5) million, as at 30 September 2014.

Based on the resolution at the AGM on 8 May 2014, the Board is authorised to buy-back up to a maximum of 15,000,000 of its own shares. This authorisation is valid until 8 November 2015. The Company did not carry out any share buy-backs during the third quarter of 2014.

MOST SIGNIFICANT SHORT TERM RISKS AND UNCERTAINTIES, CHANGES DURING AND AFTER THE PERIOD UNDER REVIEW

The changes in the key risks and uncertainties are set out below. Further details of the risks and uncertainties have been published in the Group's 2013 Financial Statements.

Afarak´s financial performance is dependent on the general market conditions of the mining, smelting and minerals processing business. Global financial markets have been very volatile, exacerbated by the Eurozone crisis, and there is uncertainty as to how commodity prices will respond for the rest of 2014, which could considerably impact the Company's revenue and financial performance in 2014.

Changes in foreign exchange rates, if adverse, could have a substantial negative impact on the Group's profitability, in particular changes in US Dollar/South African Rand. In order to better manage its foreign exchange US Dollar/South African Rand exposure, the Group has entered into forward contract arrangements.

Afarak's processing operations in Germany and South Africa are intensive users of energy, primarily electricity. Fuel and energy prices globally have been characterised by volatility and cost inflation. In South Africa the majority of the electricity supply, price and availability are controlled by one entity, Eskom. Increased electricity prices and/or reduced or uncertain electricity supply or allocation may negatively impact Afarak's current operations, which could have an impact on the Group's financial performance.

2014 OUTLOOK

Afarak expects its financial performance to be better than 2013 but EBITDA is expected to be lower. The global economic outlook continues showing signs of recovery with western industrial nations issuing positive economic indicators. Demand for commodities is also showing recovery with increase in demand for speciality alloys in the United States. The ferroalloy market is expected to continue the positive trend of 2013 during which consumption reached record levels. To date, however, pricing has not responded to the increased demand. The Group continues to be prepared for significant price fluctuations and will continue to adapt its production levels accordingly. At Mogale Alloys, part of the FerroAlloys division, the Company expects to start production of medium carbon ferrochrome during the fourth quarter of 2014, which is expected to have a positive impact on our profit margins. In the Speciality Alloys division we are expecting to see an increase in our raw materials cost due to current market conditions. As a result the full year revenue and EBIT are expected to be higher but EBITDA lower as compared to 2013.

Fluctuations of exchange rates between the Euro, the South African Rand, the Turkish Lira and the US Dollar can significantly impact the Company's financial performance.

The previous outlook, published in the second quarter interim results on 14 August 2014, was:

Afarak still expects its financial performance to be better than 2013 but EBITDA will be lower as Q3 2014 is expected to be weaker as compared to Q3 2013. The global economic outlook continues showing signs of recovery with western industrial nations issuing positive economic indicators. Demand for commodities is also showing recovery with increase in demand for speciality alloys in the United States. The ferroalloy market is expected to continue the positive trend of 2013 during which consumption reached record levels. To date, however, pricing has not responded to the increased demand. The Group continues to be prepared for significant price fluctuations and will continue to adapt its production levels accordingly. At Mogale Alloys, part of the FerroAlloys division, the Company expects to start production of medium carbon ferrochrome during the fourth quarter of 2014, which is expected to have a positive impact on our profit margins. In the Speciality Alloys division we are expecting to see an increase in our raw materials cost due to current market conditions. As a result the full year revenue and EBIT are expected to be higher but EBITDA lower as compared to 2013.

Fluctuations of exchange rates between the Euro, the South African Rand, the Turkish Lira and the US Dollar can significantly impact the Company's financial performance.

Helsinki, 10 November 2014

AFARAK GROUP PLC

BOARD OF DIRECTORS

FINANCIAL REPORTING IN 2014

	Closed period	Reporting date
Full Year Results 2014	1.1.-16.2.2015	16 February 2015
Q1 Interim Report 2015	8.4.-8.5.2015	8 May 2015
Q2 Interim Report 2015	15.7.-14.8.2015	14 August 2015
Q3 Interim Report 2015	10.10.-10.11.2015	10 November 2015

FINANCIAL TABLES

FINANCIAL DEVELOPMENT AND ASSETS AND LIABILITIES BY SEGMENT

Q1-Q3/2014 9 months EUR '000	Speciality Alloys	Ferro Alloys	Unallocated items	Eliminations	Group total
Revenue	75,195	55,854	570	-559	131,061
EBITDA	6,690	3,439	-1,692	0	8,437
EBIT	4,876	-268	-1,734	0	2,873
Segment's assets	202,905	106,207	59,684	-86,935	281,861
Segment's liabilities	73,027	38,840	12,179	-34,035	90,011

Q1-Q3/2013 9 months EUR '000	Speciality Alloys	Ferro Alloys	Unallocated items	Eliminations	Group total
Revenue	54,597	39,133	256	-228	93,758
EBITDA	8,504	8,193	-3,193	-253	13,251
EBIT	-4,584	2,919	-3,231	-253	-5,148
Segment's assets	140,789	106,358	92,658	-59,565	280,239
Segment's liabilities	84,308	45,252	12,889	-56,650	85,800

FY 2013 12 months EUR '000	Speciality Alloys	Ferro Alloys	Unallocated items	Eliminations	Group total
Revenue	74,461	61,011	342	-304	135,509
EBITDA	9,083	8,794	-3,787	0	14,090
EBIT	-6,096	2,003	-3,891	0	-7,984
Segment's assets	143,952	97,945	69,335	-32,866	277,924
Segment's liabilities	64,684	43,172	13,069	-33,329	87,596

RESULTS DEVELOPMENT

	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14
Sales (tonnes)							
Mining	16,221	76,830	103,739	98,507	97,281	45,341	34,846
Processing	14,992	10,689	11,359	23,593	22,146	22,948	26,347
Trading	0	809	1,387	2,133	3,909	6,405	8,268
Total	**31,213**	**88,328**	**116,485**	**124,233**	**123,336**	**74,694**	**69,461**
Average rates							
EUR/USD	1.321	1.313	1.317	1.328	1.370	1.370	1.355
EUR/ZAR	11.826	12.115	12.502	12.833	14.887	14.676	14.536
Euro (million)	**Q1/13**	**Q2/13**	**Q3/13**	**Q4/13**	**Q1/14**	**Q2/14**	**Q3/14**
Revenue*	31.6	31.4	30.7	41.8	43.2	47.3	40.6
Extraordinary items*	5.8	4.8	0.0	0.1	0.0	0.0	1.2
EBITDA	4.2	6.2	2.9	0.8	3.0	3.3	2.1
EBITDA margin	13.3%	19.7%	9.4%	1.9%	6.9%	7.1%	5.1%
EBIT	-2.1	-2.5	-3.1	-2.9	0.9	1.4	0.5
EBIT margin	-6.6%	-8.0%	-10.1%	-6.9%	2.1%	3.0%	1.3%

*Revenue in Q1/13 and Q2/13 is low due Mogale Alloys participation in Eskom's electricity buyback program. Income received in connection with Eskom's electricity buyback program is included in extraordinary items. Extraordinary items in Q3/14 relate to profit on sale of land in Turkey.

CONSOLIDATED INCOME STATEMENT, SUMMARY

EUR '000	Q3/14	Q3/13	Q1-Q3/14	Q1-Q3/13	FY/13
Revenue	**40,586**	**30,733**	**131,061**	**93,758**	**135,509**
Other operating income	1,741	316	2,585	11,665	12,936
Operating expenses	-39,325	-28,363	-124,108	-90,002	-132,061
Depreciation and amortisation	-1,572	-6,048	-5,564	-18,398	-22,074
Items related to associates (core)	2	2	4	4	6
Share of profit from joint ventures	-917	225	-1,104	-2,174	-2,300
Operating profit	**516**	**-3,136**	**2,873**	**-5,148**	**-7,984**
Financial income and expense	-1,858	328	-1,138	-2,925	-3,146
Profit before tax	**-1,342**	**-2,808**	**1,736**	**-8,072**	**-11,130**
Income tax	665	943	-934	4,348	6,728
Profit for the period	**-677**	**-1,864**	**802**	**-3,725**	**-4,403**
Profit attributable to:					
Owners of the parent	-456	-1,659	1,251	-3,722	-4,252
Non-controlling interests	-221	-205	-450	-2	-151
Total	-677	-1,864	802	-3,725	-4,403
Earnings per share for profit					

attributable to the shareholders of the parent company, EUR					
Basic earnings per share, EUR	-0.00	-0.01	0.00	-0.02	-0.02
Diluted earnings per share, EUR	-0.00	-0.01	0.00	-0.02	-0.02

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR ‘000	**Q3/14**	**Q3/13**	**Q1-Q3/14**	**Q1-Q3/13**	**FY/13**
Profit for the period	**-677**	**-1,864**	**802**	**-3,725**	**-4,403**
Other comprehensive income					
Remeasurement of defined benefit pension plans	0	0	0	0	-40
Exchange differences on translating foreign operations – Group	990	-2,901	-6,336	-16,857	-21,858
Exchange differences on translating foreign operations – Associate and JV	-588	-733	-1,242	-100	-348
Income tax relating to other comprehensive income	-358	1,103	-546	5,927	7,741
Other comprehensive income, net of tax	**44**	**-2,531**	**-8,124**	**-11,030**	**-14,505**
Total comprehensive income for the period	**-633**	**-4,395**	**-7,323**	**-14,755**	**-18,908**
Total comprehensive income attributable to:					
Owners of the parent	-510	-4,030	-6,981	-13,539	-17,130
Non-controlling interests	-122	-365	-342	-1,216	-1,778

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SUMMARY

EUR '000	**30.9.2014**	**30.9.2013**	**31.12.2013**
ASSETS			
Non-current assets			
Investments and intangible assets			
Goodwill	62,697	63,797	62,288
Investments in associates	87	76	76
Other intangible assets	20,352	26,592	22,040
Investments and intangible assets total	83,136	90,465	84,405
Property, plant and equipment	43,070	37,577	36,257
Other non-current assets	46,732	58,253	56,650
Non-current assets total	**172,938**	**186,295**	**177,312**
Current assets			
Inventories	51,094	46,622	46,284
Receivables	36,393	34,171	40,559
Cash and cash equivalents	21,436	13,151	13,769
Current assets total	**108,923**	**93,944**	**100,612**
Total assets	**281,861**	**280,239**	**277,924**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	23,644	23,642	23,642

Share premium reserve	25,740	25,740	25,740
Paid-up unrestricted equity reserve	243,407	242,725	242,725
Legal Reserve	206	0	201
Translation reserves	-12,945	-1,772	-4,773
Retained earnings	-101,261	-101,846	-102,574
Equity attributable to owners of the parent	**178,791**	**188,489**	**184,960**
Non-controlling interests	**5,028**	**5,950**	**5368**
Total equity	**183,819**	**194,439**	**190,328**
Liabilities			
Non-current liabilities			
Deferred tax liabilities	7,850	8,934	8,507
Provisions	9,894	11,689	9,739
Share of joint ventures' losses	17,667	14,820	15,333
Pension liabilities	15,982	15,833	16,095
Financial liabilities	8,437	83	149
Non-current liabilities total	**59,830**	**51,359**	**49,823**
Current liabilities			
Advances received	0	0	0
Other current liabilities	38,212	34,441	37,773
Current liabilities total	**38,212**	**34,441**	**37,773**
Total liabilities	**98,042**	**85,800**	**87,596**
Total equity and liabilities	**281,861**	**280,239**	**277,924**

SUMMARY OF CASH, INTEREST-BEARING RECEIVABLES AND INTEREST-BEARING LIABILITIES

EUR '000	**30.9.2014**	**30.9.2013**	**31.12.2013**
Cash and cash equivalents	**21,436**	**13,151**	**13,769**
Interest-bearing receivables			
Current	4,195	4,556	8,133
Non-current	39,615	44,395	40,038
Interest-bearing receivables	**43,811**	**48,951**	**48,170**
Interest-bearing liabilities			
Current	1,419	2,565	1,362
Non-current	8,437	83	149
Interest-bearing liabilities	**9,856**	**2,648**	**1,511**
NET TOTAL	**55,391**	**59,454**	**60,429**

SUMMARY OF GROUP'S PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

EUR '000	**Property, plant and equipment**	**Intangible assets**
Acquisition cost 1.1.2014	92,724	223,883
Additions	9,371	242
Disposals	-84	0
Reclass between items	-30	0

Effect of movements in exchange rates	1,310	2,159
Acquisition cost 30.9.2014	103,291	226,285
Acquisition cost 1.1.2013	98,453	252,654
Additions	5,562	3,262
Disposals	-135	-4
Reclass between items	801	-253
Effect of movements in exchange rates	-10,186	-23,896
Acquisition cost 30.9.2013	94,495	231,764

CONSOLIDATED STATEMENT OF CASH FLOWS, SUMMARY

EUR '000	**Q1-Q3/14**	**Q1-Q3/13**	**FY/13**
Profit for the period	802	-3,725	-4,403
Adjustments to profit for the period	7,014	21,526	21,498
Changes in working capital	1,641	-6,648	-2,857
Discontinued operations	0	0	-504
Net cash from operating activities	**9,457**	**11,154**	**13,734**
Acquisition of subsidiaries and associates, net of cash acquired	-2	-404	-404
Disposal of subsidiaries and associates, net of cash sold	0	0	2
Capital expenditure and other investing activities	-8,139	-8,756	-10,192
Proceeds from repayments of loans and loans given	3,555	118	885
Net cash used in investing activities	**-4,586**	**-9,042**	**-9,708**
Capital Redemption	-4,884	-2,442	-2,442
Dividends paid	0	0	0
Proceeds from borrowings	8,827	0	0
Repayment of borrowings, and other financing activities	-1,190	-149	-1,405
Net cash used in financing activities	**2,753**	**-2,591**	**-3,847**
Net increase in cash and cash equivalents	**7,624**	**-479**	**179**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A = Share capital
B = Share premium reserve
C = Paid-up unrestricted equity reserve
D = Translation reserve
E = Retained earnings
F = Legal reserve
G = Equity attributable to owners of the parent, total
H = Non-controlling interests
I = Total equity

EUR '000	A	B	C	D	E	F	G	H	I
Equity at 31.12.2012	**23,642**	**25,740**	**245,167**	**8,045**	**-99,192**	**0**	**203,402**	**7,163**	**210,565**
Total comprehensive income 1-9/2013				-9,717	-3,722		-13,439	-1,215	-14,654
Share of other comprehensive income in associates and joint ventures				-100			-100		-100
Share-based payments					1,068		1,068	2	1,070
Capital redemption			-2,441				-2,441	0	-2,441
Equity at 30.9.2013	**23,642**	**25,740**	**242,726**	**-1,772**	**-101,846**	**0**	**188,490**	**5,950**	**194,440**
Total comprehensive income 10-12/2013				-2,753	-569		-3,322	1,064	- 2,258
Share of other comprehensive income in associates and joint ventures				-248			-248		-248
Translation differences								-1,647	-1,647
Share-based payments					42		42	0	42
Other changes in equity					-201	201	0	0	0
Equity at 31.12.2013	**23,642**	**25,740**	**242,726**	**-4,773**	**-102,574**	**201**	**184,962**	**5,367**	**190,329**
Total comprehensive income 1-9/2014				-6,930	1,251		-5,679	-450	-6,129
Share of other comprehensive income in associates and joint ventures				-1,242			-1,242		-1,242
Translation differences					-60		-60	108	48
Share-based payments					122		122	2	124
Rights Issue			5,565				5,565		5,565
Capital redemption			-4,884				-4,884	0	-4,884
Acquisitions and disposals of subsidiaries	2						2	0	2
Other changes in equity						6	6	0	6
Equity at 30.9.2014	**23,644**	**25,740**	**243,407**	**-12,945**	**-101,261**	**206**	**178,791**	**5,027**	**183,818**

RELATED PARTY TRANSACTIONS DURING THE REVIEW PERIOD

EUR '000	Q1-Q3/14	Q1-Q3/13	FY/13
Sales to joint ventures	129	35	44
Sales to other related parties	22	26	34
Purchases from joint ventures	-4,289	-8,201	-12,092
Financing income from joint ventures	773	845	1,108
Financing expense to other related parties	-255	-76	-100
Loan receivables from joint ventures	34,235	35,508	34,500
Loan receivables from other related parties	7,242	10,215	10,241
Trade and other receivables from joint ventures	6,080	4,927	5,125
Trade and other receivables from other related parties	8	12	8
Trade and other payables to joint ventures	293	1,817	2,364

FINANCIAL INDICATORS

	Q1-Q3/14	Q1-Q3/13	FY/13
Return on equity, % p.a.	-0.4 %	-2.5%	-2.2%
Return on capital employed, % p.a.	4.7 %	-0.2%	0.0%

Equity ratio, %	65.6 %	69.4%	68.5%
Gearing, %	-3.9 %	-5.4%	-6.4%
Personnel at the end of the period	700	747	779

EXCHANGE RATES

The balance sheet date rate is based on exchange rate published by the European Central Bank for the closing date. The average exchange rate is calculated as an average of daily rates from the European Central Bank during the year.

The key exchange rates applied in the accounts:

Average rates

	Q1-Q3/14	**Q1-Q3/13**	**FY/13**
TRY	2.9331	2.4598	2.5335
USD	1.3549	1.3171	1.3281
ZAR	14.5356	12.5015	12.8330

Balance sheet rates

	30.9.2014	**30.9.2013**	**31.12.2013**
TRY	2.8779	2.7510	2.9605
USD	1.2583	1.3505	1.3791
ZAR	14.2606	13.5985	14.5660

FORMULAS FOR FINANCIAL INDICATORS

Financial ratios and indicators have been calculated with the same principles as applied in the 2013 financial statements. These principles are presented below.

Return on equity, % = Profit for the period / Total equity (average for the period) * 100

Return on capital employed, % = (Profit before taxes + financing expenses) / (Total assets - interest-free liabilities) average * 100

Equity ratio, % = Total equity / (Total assets - prepayments received) * 100

Gearing, % = (Interest-bearing debt - liquid funds) / Total equity * 100

Net interest-bearing debt = Interest-bearing debt - liquid funds

Earnings per share, basic, EUR = Profit attributable to owners of the parent company / Average number of shares during the period

Earnings per share, diluted, EUR = Profit attributable to owners of the parent company / Average number of shares during the period, diluted

Operating profit (EBIT) = Operating profit is the net of revenue plus other operating income, plus gain/loss on finished goods inventory change, minus employee benefits expense, minus depreciation, amortisation and impairment and minus other operating expense. Foreign exchange gains or losses are included in operating profit when generated from ordinary activities. Exchange gains or losses related to financing activities are recognised as financial income or expense.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) = Operating profit + depreciation + amortisation + impairment losses

ACCOUNTING POLICIES

This Interim Report is prepared in accordance with IAS 34 ‘Interim Financial Reporting’ and should be read in conjunction with Afarak’s financial statements for 2013. Afarak has applied the same accounting principles in the preparation of this Interim Report as in its financial statements for 2013, except for the adoption of new standards and interpretations that become effective in 2014. The changes did not have material impact on the Interim Report.

The preparation of the Interim Report in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and other information, such as contingent liabilities and the recognition of income and expenses in the income statement. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the estimates.

The figures in the tables have been rounded off, which must be considered when calculating totals. Average exchange rates for the period have been used for income statement conversions, and period-end exchange rates for balance sheet.

The Interim Report data are unaudited.

Share-related key figures

		Q3/14	**Q3/13**	**Q1-Q3/14**	**Q1-Q3/13**	**FY/13**
Share price development in London Stock Exchange						
Average share price*	EUR	0.38	0.41	0.37	0.43	0.43
	GBP	0.31	0.35	0.31	0.37	0.37
Lowest share price*	EUR	0.37	0.41	0.37	0.39	0.35
	GBP	0.30	0.35	0.30	0.33	0.30
Highest share price*	EUR	0.39	0.41	0.39	0.47	0.47
	GBP	0.32	0.35	0.32	0.40	0.40
Share price at the end of the period**	EUR	0.41	0.42	0.41	0.42	0.43
	GBP	0.32	0.35	0.32	0.35	0.30
Market capitalisation at the end of the period**	EUR million	105.2	104.0	105.2	104.0	89.4
	GBP million	81.8	87.0	81.8	87.0	74.5
Share trading development						
Share turnover	thousand shares	0	0	0	45	45
Share turnover	EUR thousand	0	0	0	19	19
Share turnover	GBP thousand	0	0	0	16	16
Share turnover	%	0.0 %	0.0%	0.0 %	0.0%	0.0%
Share price development in NASDAQ OMX Helsinki						
Average share price	EUR	0.30	0.39	0.36	0.42	0.40
Lowest share price	EUR	0.26	0.36	0.26	0.36	0.30
Highest share price	EUR	0.38	0.44	0.42	0.48	0.48
Share price at the end of the period	EUR	0.37	0.36	0.37	0.36	0.32
Market capitalisation at the end of the period	EUR million	96.0	89.4	96.0	89.4	79.5
Share trading development						
Share turnover	thousand shares	2,202	1,310	10,451	3,304	4,554

Share turnover	EUR thousand	662	504	3,717	1,392	1,826
Share turnover	%	0.9%	0.5%	4.2%	1.3%	1.8%

* Share prices have been calculated on the average EUR/GBP exchange rate published by Bank of Finland.

** Share price and market capitalisation at the end of the period have been calculated on the EUR/GBP exchange rate published by Bank of Finland at the end of the period.

Formulas for share-related key indicators

Average share price = Total value of shares traded in currency / Number of shares traded during the period

Market capitalisation, million = Number of shares * Share price at the end of the period

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. By their nature, forward-looking statements involve uncertainty because they depend on future circumstances, and relate to events, not all of which are within the Company's control or can be predicted by the Company.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Actual results could differ materially from those set out in the forward-looking statements. Save as required by law (including the Finnish Securities Markets Acts (746/2012), as amended, or by the Listing Rules or the Disclosure and Transparency Rules of the UK Financial Services Authority), the Company undertakes no obligation to update any forward-looking statements in this report that may occur due to any changes in the Directors' expectations or to reflect events or circumstances after the date of this report.