

## First quarter 2014 results<sup>1</sup>

Luxembourg, May 7, 2014

### Highlights

- Health and Safety frequency rate<sup>2</sup> of 1.0x in Q1 2014 compared to 1.0x in Q4 2013
- Shipments of 475 thousand tonnes in Q1 2014, an 8% increase compared to shipments of 441 thousand tonnes in Q4 2013
- EBITDA<sup>3</sup> of USD 129 million in Q1 2014, compared to EBITDA of USD 84 million in Q4 2013
- Basic earnings per share of USD 0.24 in Q1 2014
- Cash flow from operations amounted to USD 20 million in Q1 2014
- Net debt<sup>4</sup> of USD 689 million on March 31, 2014, representing a gearing of 23% compared to a net debt of USD 690 million on December 31, 2013

**Aperam (referred to as “Aperam” or the “Company”) (Amsterdam, Luxembourg, Paris: APAM and NYRS: APEMY), today announced results for the three month period ending March 31, 2014**

Philippe Darmayan, CEO of Aperam, commented:

“Our improved performance in the first quarter reflects Aperam’s agility to benefit from a better market environment while continuing to progress on our Leadership Journey<sup>®5</sup> and maintaining net debt under control.

### Prospects

- EBITDA in Q2 2014 is expected to increase compared to EBITDA in Q1 2014
- Net debt to slightly decrease in Q2 2014

Looking forward, despite the current recovery of the real stainless steel demand, we remain cautious given the uncertainties regarding the evolution of the nickel price and the apparent demand for 2014. However, we are confident we will be able to increase our profitability in the second quarter and continue the good progress of our Leadership Journey<sup>®</sup> and Top Line strategy.”

### Financial Highlights (on the basis of IFRS)

(USDm) unless otherwise stated	Q1 '14	Q4'13	Q1 '13
Sales	1,394	1,281	1,269
EBITDA	129	84	65
Operating income / (loss)	54	3	(11)
Net income / (loss)	19	(42)	(28)
Steel shipments (000t)	475	441	401
EBITDA/tonne (USD)	272	190	162
Basic earnings per share (USD)	0.24	(0.53)	(0.36)

## Health & Safety results analysis

Health and Safety performance based on Aperam personnel figures and contractors lost time injury frequency rate<sup>2</sup>, was 1.0x in the first quarter of 2014 compared to 1.0x in the fourth quarter of 2013.

## Financial results analysis

Sales in the first quarter of 2014 increased by 9% to USD 1,394 million compared to USD 1,281 million in the fourth quarter of 2013. Shipments in the first quarter of 2014 increased by 8% at 475 thousand tonnes compared to 441 thousand tonnes in the fourth quarter of 2013.

EBITDA was USD 129 million in the first quarter of 2014 compared to EBITDA of USD 84 million in the fourth quarter of 2013. EBITDA increased quarter on quarter as a result of higher activity including customers restocking effect, of a slight improvement on prices and of the contribution of the Leadership Journey® and the Top Line strategy. The Leadership Journey® has continued to progress over the quarter and has contributed a total amount of USD 385 million to EBITDA since the beginning of 2011.

Depreciation and amortization expense in the first quarter of 2014 was USD 75 million.

Aperam had an operating income in the first quarter of 2014 of USD 54 million compared to an operating income of USD 3 million in the previous quarter.

Net interest expense and other net financing costs in the first quarter of 2014 were USD 29 million, primarily related to financing costs of USD 20 million. Realized and unrealized foreign exchange and derivative losses were USD 3 million in Q1 2014.

The Company recorded a net income of USD 19 million, inclusive of an income tax expense of USD 3 million, in the first quarter of 2014.

Cash flows from operations in the first quarter of 2014 were USD 20 million, with a working capital increase of USD 56 million. CAPEX in the first quarter was USD 22 million.

As of March 31, 2014, shareholders' equity was USD 3,026 million and net financial debt<sup>4</sup> was USD 689 million (gross financial debt as of March 31, 2014 was USD 988 million and cash, cash equivalents and restricted cash were USD 299 million).

The Company had liquidity of USD 725 million as of March 31, 2014, consisting of cash and cash equivalents of USD 294 million and undrawn credit lines<sup>5</sup> of USD 431 million.

## Operating segment results analysis

### Stainless & Electrical Steel

The Stainless & Electrical Steel segment had sales of USD 1,104 million in the first quarter of 2014. This represents an increase of 11% compared to sales of USD 997 million in the fourth quarter of 2013. Shipments during the first quarter were 453 thousand tonnes, including 301 thousand tonnes in Europe and 152 thousand tonnes in South America. This is an increase of 7% compared to shipments of 425 thousand tonnes in the previous quarter (261 thousand tonnes in Europe and 164 thousand tonnes in South America). The volumes decline in South America mainly due to the traditional seasonality was more than compensated by higher volumes in Europe. Overall, average steel selling prices for the Stainless & Electrical Steel segment were higher for the quarter.

The segment had EBITDA of USD 100 million in the first quarter of 2014 compared to USD 64 million in the fourth quarter of 2013. EBITDA from South America improved in the first quarter of 2014 at USD 53 million, including USD 15 million positive results from sale of electricity surplus (compared to an EBITDA of USD 43 million in Q4 2013 including a positive USD 9 million from the sale of real estate). The lower volumes in South America were mainly compensated by a slight price recovery and the continuous progress on the Top Line strategy. EBITDA from Europe increased from USD 21 million in the fourth quarter of 2013 to USD 47 million in the first quarter of 2014. The improvement in EBITDA in Europe was primarily driven by higher activity, Aperam's value strategy and the continuing progress of the Leadership Journey®.

The Stainless & Electrical Steel segment had an operating income of USD 34 million during the first quarter of 2014 compared to an operating loss of USD 4 million in the fourth quarter of 2013. Depreciation and amortization expense was USD 66 million in the first quarter of 2014.

Aperam Bioenergia (eucalyptus forests used in the production of charcoal) serves mostly the captive needs of the blast furnaces of Aperam South America's operations, allowing us to maintain a reduced carbon emissions footprint. Therefore Aperam Bioenergia, until now reported under the "Others" segment, has been transferred starting Q1 2014 to the 'Stainless & Electrical' segment under the management of Aperam South America to better reflect the actual configuration of our South

American operations' supply chain. Accordingly, segmented figures for Q4 2013 have been restated in this Earnings Release.

## Services & Solutions

The Services & Solutions segment had a 16% increase in sales during the quarter, from USD 535 million in the fourth quarter of 2013 to USD 623 million in the first quarter of 2014. In the first quarter of 2014, shipments were 197 thousand tonnes compared to 169 thousand tonnes in the previous quarter. The Services & Solutions segment had higher average selling prices for the period compared to the previous quarter.

The segment had EBITDA in the first quarter of 2014 of USD 23 million compared to EBITDA of USD 5 million in the fourth quarter of 2013. The improvement in EBITDA was mainly driven by increase in volumes and the positive contribution of the Leadership Journey® and the Top Line strategy.

Depreciation and amortization expense in the first quarter of 2014 was USD 6 million.

The Services & Solutions segment had an operating income of USD 17 million in the first quarter of 2014 compared to an operating loss of USD 6 million in the fourth quarter of 2013.

## Alloys & Specialties

The Alloys & Specialties segment had sales in the first quarter of 2014 of USD 149 million, representing a decrease of 7% compared to USD 160 million in the fourth quarter of 2013. Shipments were flat in the first quarter of 2014 at 9 thousand tonnes compared to last quarter, while average selling prices decreased quarter over quarter.

The Alloys & Specialties segment achieved EBITDA of USD 15 million in the first quarter of 2014 compared to USD 17 million in the fourth quarter of 2013. The EBITDA decreased over the quarter as a result of the product mix.

Depreciation and amortization expense in the first quarter of 2014 was USD 2 million.

The Alloys & Specialties segment had operating income of USD 13 million in the first quarter of 2014 compared to operating income of USD 15 million in the fourth quarter of 2013.

## Recent developments

- On March 6, 2014, Aperam announced the publication of its 2013 Annual Report.
- On March 17, 2014, Aperam announced the appointment of Frédéric Mattei as head of its Alloys and Specialties division and member of Aperam's Management Committee as of June 1, 2014.
- On April 7, 2014, Standard & Poor's Ratings Services revised Aperam's outlook to positive on strong performance and potential for market recovery and affirmed Aperam's long-term corporate credit rating of 'B+'.
- On April 8, 2014, Aperam announced the publication of the convening notice for its Annual and Extraordinary General Meetings of shareholders.

## New developments

- On April 30, 2014, Aperam exercised its option of early termination and repayment of its USD 50 million loan, which was secured with Gerdau shares.
- On May 7, 2014, as part of the Leadership Journey® and the Top Line strategy, the Board of Directors of Aperam approved an investment of USD 25 million in productivity improvement of the downstream facilities in Genk, Gueugnon and Timoteo.

## Investor conference call

Aperam management will host a conference call for members of the investment community to discuss the first quarter 2014 financial performance at the following time:

Date	New York	London	Luxembourg
Wednesday, May 7, 2014	12:30 pm	5:30 pm	6:30 pm

The dial-in numbers for the call are: France (+33(0)1 76 77 22 20); USA (+1646 254 3388); and international +44(0)20 3427 1916). The participant access code is: 1377160#.

A replay of the conference call will be available until May 14, 2014: France (+33 (0) 1 74 20 28 00); USA (+1 347 366 9565) and international (+44 (0) 20 3427 0598). The participant access code is 1377160#.

## Contacts

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## About Aperam

Aperam is a global player in stainless, electrical and specialty steel, with operations in more than 30 countries. The business is organized in three divisions: Stainless & Electrical Steel, Services & Solutions and Alloys & Specialties.

Aperam has 2.5 million tonnes of flat stainless steel capacity in Brazil and Europe and is a leader in high value added niches - alloys and specialties. Aperam has a highly integrated distribution, processing and services network and a unique capability to produce stainless and specialty from low cost biomass (charcoal). Its industrial network is concentrated in six main plants located in Brazil, Belgium and France. Aperam has about 9,600 employees.

Aperam commits to operate in a responsible way with respect to health, safety and the well-being of its employees, contractors and the communities in which it operates. It is also committed to the sustainable management of the environment and of finite resources.

In 2013, Aperam had revenues of USD 5.1 billion and shipments of 1.73 million tonnes.

For further information, please refer to our website at: [www.aperam.com](http://www.aperam.com)

## Forward-looking statements

This document may contain forward-looking information and statements about Aperam and its subsidiaries. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements may be identified by the words "believe," "expect," "anticipate," "target" or similar expressions. Although Aperam's management believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of Aperam's securities are cautioned that forward-looking information and statements are subject to numerous risks and uncertainties, many of which are difficult to predict and generally beyond the control of Aperam, that could cause actual results and developments to differ materially and adversely from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in Aperam's filings with the Luxembourg Stock Market Authority for the Financial Markets (Commission de Surveillance du Secteur Financier). Aperam undertakes no obligation to publicly update its forward-looking statements or information, whether as a result of new information, future events, or otherwise.

**APERAM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(in million of U.S. dollars)	March 31, 2014	December 31, 2013	March 31, 2013
<b>Non current assets</b>	<b>3,687</b>	<b>3,709</b>	<b>3,916</b>
Intangible assets	813	808	845
Property, plant and equipments	2,364	2,388	2,539
Investments & Other	510	513	532
<b>Current assets &amp; working capital</b>	<b>1,078</b>	<b>984</b>	<b>1,006</b>
Inventories, trade receivables & trade payables	621	563	566
Other assets	158	129	169
Cash, cash equivalents and restricted cash	299	292	271
<b>Shareholders' equity</b>	<b>3,026</b>	<b>2,958</b>	<b>3,078</b>
Group share	3,021	2,953	3,074
Non-controlling interests	5	5	4
<b>Non current liabilities</b>	<b>1,202</b>	<b>1,193</b>	<b>1,023</b>
Interest bearing liabilities	770	773	600
Deferred employee benefits	221	220	204
Provisions and other	211	200	219
<b>Current liabilities (excluding trade payables)</b>	<b>537</b>	<b>542</b>	<b>821</b>
Interest bearing liabilities	218	209	513
Other	319	333	308

## APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in million of U.S. dollars)	Three Months Ended		
	March 31, 2014	December 31, 2013	March 31, 2013
<b>Sales</b>	<b>1,394</b>	<b>1,281</b>	<b>1,269</b>
<b>EBITDA</b>	<b>129</b>	<b>84</b>	<b>65</b>
Depreciation & impairment	75	81	76
<b>Operating income / (loss)</b>	<b>54</b>	<b>3</b>	<b>(11)</b>
Loss from other investments, associates and joint ventures	—	(1)	—
Net interest expense and other net financing costs	(29)	(32)	(27)
Foreign exchange and derivative losses	(3)	(3)	(9)
<b>Income / (loss) before taxes</b>	<b>22</b>	<b>(33)</b>	<b>(47)</b>
Income tax (expense) / benefit	(3)	(9)	19
<b>Net income / (loss)</b>	<b>19</b>	<b>(42)</b>	<b>(28)</b>

## APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in million of U.S. dollars)	Three Months Ended		
	March 31, 2014	December 31, 2013	March 31, 2013
Net income / (loss)	19	(42)	(28)
Depreciation and impairment	75	81	76
Change in working capital	(56)	45	19
Other	(18)	59	(57)
<b>Net cash provided by operating activities</b>	<b>20</b>	<b>143</b>	<b>10</b>
Purchase of property, plant and equipment (CAPEX)	(22)	(30)	(34)
Other investing activities (net)	—	3	2
<b>Net Cash used in investing activities</b>	<b>(22)</b>	<b>(27)</b>	<b>(32)</b>
Proceeds (payments) from payable to banks and long term debt	2	(131)	72
Other financing activities (net)	(1)	(4)	(1)
<b>Net cash provided by / (used in) financing activities</b>	<b>1</b>	<b>(135)</b>	<b>71</b>
Net (decrease) / increase in cash and cash equivalents	(1)	(19)	49
Effect of exchange rate changes on cash	4	1	(4)
<b>Change in cash and cash equivalent</b>	<b>3</b>	<b>(18)</b>	<b>45</b>

## Appendix 1a – Health & Safety statistics

Health & Safety Statistics	Three Months Ended		
	March 31, 2014	December 31, 2013	March 31, 2013
Frequency Rate	1.0	1.0	1.1

Lost time injury frequency rate equals lost time injuries per 1,000,000 worked hours, based on own personnel and contractors

## Appendix 1b - Key operational and financial information

Quarter Ended March 31, 2014	Stainless & Electrical Steel <sup>a,b</sup>	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
<b>Operational information</b>					
Steel Shipment (000t)	453	197	9	(184)	475
Steel selling price (USD/t)	2,297	3,011	16,195		2,770
<b>Financial information</b>					
Sales (USDm)	1,104	623	149	(482)	1,394
EBITDA (USDm)	100	23	15	(9)	129
Depreciation & Impairment (USDm)	66	6	2	1	75
Operating income / (loss) (USDm)	34	17	13	(10)	54

Note a: Stainless & Electrical Steel shipments of 453kt of which 152kt were from South America and 301kt were from Europe

Note b: Stainless & Electrical Steel EBITDA of USD 100m of which USD 53m were from South America and USD 47m were from Europe

Quarter Ended December 31, 2013 <sup>7</sup>	Stainless & Electrical Steel <sup>a,b</sup>	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
<b>Operational information</b>					
Steel Shipment (000t)	425	169	9	(162)	441
Steel selling price (USD/t)	2,235	2,980	17,184		2,758
<b>Financial information</b>					
Sales (USDm)	997	535	160	(411)	1,281
EBITDA (USDm)	64	5	17	(2)	84
Depreciation & Impairment (USDm)	68	11	2	—	81
Operating income / (loss) (USDm)	(4)	(6)	15	(2)	3

Note a: Stainless & Electrical Steel Shipments of 425kt of which 164kt were from South America and 261kt were from Europe

Note b: Stainless & Electrical Steel EBITDA of USD 64m of which USD 43m were from South America and USD 21m were from Europe

<sup>1</sup> The financial information in this press release and Appendix 1 has been prepared in accordance with the measurement and recognition criteria of International Financial Reporting Standards ("IFRS") as adopted in the European Union. While the interim financial information included in this announcement has been prepared in accordance with IFRS applicable to interim periods, this announcement does not contain sufficient information to constitute an interim financial report as defined in International Accounting Standard 34, "Interim Financial Reporting". Unless otherwise noted the numbers and information in the press release have not been audited. The financial information and certain other information presented in a number of tables in this press release have been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this press release reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

<sup>2</sup> Lost time injury frequency rate equals lost time injuries per 1,000,000 worked hours, based on own personnel and contractors.

<sup>3</sup> EBITDA is defined as operating income plus depreciation and impairment expenses.

<sup>4</sup> Net debt refers to long-term debt, plus short-term debt, less cash and cash equivalents (including short-term investments) and restricted cash.

<sup>5</sup> The Leadership Journey® is an initiative launched on December 16, 2010, and subsequently accelerated and increased, to target management gains and profit enhancement of USD 350 million by 2013. On February 4, 2013, Aperam announced an expansion of the Leadership Journey® to 2014 with USD 150 million targeted over the next 2 years. On February 6, 2014, Aperam announced an expansion of Leadership Journey® to USD 475 million by 2015.

<sup>6</sup> Subject to eligible collateral available.

<sup>7</sup> Due to the transfer of the entity Aperam Bioenergia from the segment 'Other' to the segment 'Stainless & Electrical' starting Q1 2014, segmented figures for Q4 2013 have been restated.