

Full year and fourth quarter 2014 results¹

Luxembourg, February 12, 2015

Highlights

- Health and Safety frequency rate² of 1.1x in 2014 compared to 1.3x in 2013.
- Shipments of 1,813 thousand tonnes in full year 2014, a 5% increase compared to shipments of 1,728 thousand tonnes in full year 2013.
- EBITDA³ of USD 547 million in full year 2014, compared to EBITDA of USD 292 million in full year 2013.
- EBITDA of USD 117 million in Q4 2014, compared to EBITDA of USD 137 million in Q3 2014
- Net income of USD 95 million in full year 2014, compared to net loss of USD 100 million in full year 2013.
- Basic earnings per share of USD 1.21 in 2014.
- Cash flow from operations amounted to USD 240 million in 2014.
- Net debt⁴ of USD 536 million on December 31, 2014, representing a gearing of 20% 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), announced today results for the three month and full year periods ending December 31, 2014

Timoteo Di Maulo, CEO of Aperam, commented:

“In 2014, despite a historically high level of stainless steel imports in Europe, we were able to return to positive net result and reduce our net debt level thanks to the contribution of the Leadership Journey[®] and the Top Line strategy.”

Looking ahead, our focus remains on the improvement of our operational performance and balance sheet to be in a good position to capture any potential opportunities.”

Prospects

- EBITDA in Q1 2015 is expected to increase compared to EBITDA in Q4 2014.
- Net debt to slightly decrease in Q1 2015.

Financial Highlights (on the basis of IFRS)

(USDm) unless otherwise stated	12M '14	12M '13	Q4 '14	Q3 '14	Q4 '13
Sales	5,482	5,120	1,291	1,353	1,281
EBITDA	547	292	117	137	84
Operating income / (loss)	296	(11)	53	82	3
Net income / (loss)	95	(100)	19	21	(42)
Steel shipments (000t)	1,813	1,728	439	433	441
EBITDA/tonne (USD)	302	169	267	316	190
Basic earnings per share (USD)	1.21	(1.28)	0.24	0.27	(0.53)

Health & Safety results analysis

Health and Safety performance based on Aperam personnel figures and contractors' lost time injury frequency rate², was 1.8x in the fourth quarter of 2014 compared to 0.3x in the third quarter of 2014.

Financial results analysis for full year period ending December 31, 2014

Sales in the year ended December 31, 2014 increased by 7% at USD 5,482 million compared to USD 5,120 million in the year ended December 31, 2013. Shipments in 2014 increased by 5% at 1,813 thousand tonnes compared to 1,728 thousand tonnes in 2013.

EBITDA was USD 547 million in the year ended December 31, 2014, including USD 57 million positive results from the sale of electricity surplus, compared to EBITDA of USD 292 million in the year ended December 31, 2013. Despite a historically high level of imports in Europe in 2014, the company achieved higher EBITDA in the year primarily due to the solid contribution of the Leadership Journey® and the Top Line strategy. The Leadership Journey®⁵ has continued to progress over the year and has contributed a total amount of USD 428 million to EBITDA since the beginning of 2011.

Depreciation and impairment expense in the year ended December 31, 2014 was USD 251 million.

Aperam had an operating income in the year ended December 31, 2014 of USD 296 million compared to an operating loss of USD 11 million in the year ended December 31, 2013.

The Company recorded a loss from other investments of USD 54 million in the year ended December 31, 2014, related to an impairment loss of USD 51 million booked on the minority stake it holds in Gerdau, a Brazilian steelmaker, and USD 4 million booked on the minority stake it holds in General Moly, a US molybdenum mining company. The Company also received a dividend of USD 1 million from Gerdau.

Net interest expense and other financing costs in the year ended December 31, 2014 were USD 116 million, primarily related to financing costs of USD 73 million and USD 6 million of non-recurring expenses related to the announcement of the early redemption of the USD 250 million Bonds due 2016 on October 1, 2014. Net interest expense and other financing costs also include USD 21 million of amortization of arrangement fees on external debt and option premiums on convertible bonds in the year ended December 31, 2014. Realized and unrealized foreign exchange and derivative losses were USD 3 million in the year ended December 31, 2014.

The Company recorded a net income of USD 95 million, inclusive of an income tax expense of USD 28 million, in the year ended December 31, 2014.

Cash flows from operations in the year ended December 31, 2014 were positive at USD 240 million, with a working capital increase of USD 211 million. CAPEX in the year ended December 31, 2014 was USD 103 million.

As of December 31, 2014, shareholders' equity was USD 2,676 million and net financial debt⁴ was USD 536 million (gross financial debt as of December 31, 2014 was USD 733 million and cash & cash equivalents were USD 197 million).

The Company had liquidity of USD 597 million as of December 31, 2014, consisting of cash and cash equivalents of USD 197 million and undrawn credit lines⁶ of USD 400 million.

Financial results analysis for the three month period ending December 31, 2014

Sales in the fourth quarter of 2014 decreased by 5% at USD 1,291 million compared to USD 1,353 million in the third quarter of 2014. Shipments in the fourth quarter of 2014 increased by 1% at 439 thousand tonnes compared to 433 thousand tonnes in the third quarter of 2014.

EBITDA was USD 117 million in the fourth quarter of 2014 compared to EBITDA of USD 137 million in the third quarter of 2014. This decrease was primarily driven by a more challenging market conditions, especially in Europe at year end. These factors impacting EBITDA were partially offset by better operational performance in Brazil and the continuing progress of the Top Line strategy.

Depreciation and impairment expense in the fourth quarter of 2014 was USD 64 million.

Aperam had an operating income in the fourth quarter of USD 53 million compared to an operating income of USD 82 million in the previous quarter.

The Company recorded a loss from other investments of USD 9 million in the fourth quarter of 2014, related to an impairment loss of USD 8 million booked on the minority stake it holds in Gerdau, a Brazilian steelmaker, and USD 1 million booked on the minority stake it holds in General Moly, a US molybdenum mining company.

Net interest expense and other financing costs in the fourth quarter of 2014 were USD 21 million, primarily related to financing costs of USD 13 million. Net interest expense and other financing costs also include USD 6 million of amortization of arrangement fees on external debt and option premiums on convertible bonds in the fourth quarter of 2014. Realized and unrealized foreign exchange and derivative gains were USD 2 million in the fourth quarter of 2014.

The Company recorded a net income of USD 19 million, inclusive of an income tax expense of USD 6 million, in the fourth quarter of 2014.

Cash flows from operations in the fourth quarter were positive at USD 108 million, with a working capital increase of USD 3 million. CAPEX in the fourth quarter was USD 38 million.

Operating segment results analysis

Stainless & Electrical Steel

The Stainless & Electrical Steel segment had sales of USD 1,008 million in the fourth quarter of 2014. This represents a decrease of 10% compared to sales of USD 1,116 million in the third quarter of 2014. Shipments during the fourth quarter were 412 thousand tonnes. This is a decrease of 2% compared to shipments of 422 thousand tonnes in the previous quarter. In Europe, shipments were 244 thousand tonnes and in South America shipments were 168 thousand tonnes (compared to 250 thousand tonnes in Europe and 172 thousand tonnes in South America in the third quarter of 2014). The volume decrease was mainly due to the lower apparent demand in Europe and the traditional seasonal impact in South America compared to the third quarter. Overall, average selling prices for the Stainless & Electrical Steel segment were lower for the quarter.

The segment had EBITDA of USD 94 million in the fourth quarter of 2014 compared to USD 109 million in the third quarter of 2014. EBITDA from South America increased in the fourth quarter of 2014 at USD 58 million, including USD 13 million positive results from the sale of electricity surplus (compared to an EBITDA of USD 54 million in Q3 2014 including USD 10 million positive results from the sale of electricity surplus). Despite lower shipments over the quarter, EBITDA in South America increased mainly as a result of better operational performance. EBITDA from Europe decreased from USD 55 million in the third quarter of 2014 to USD 36 million in the fourth quarter of 2014. This decrease was primarily driven by a more challenging environment as a result of some customers' destocking and a continuous high level of imports in Europe.

Depreciation and amortization expense was USD 49 million and impairment loss was USD 8 million in the fourth quarter of 2014.

The Stainless & Electrical Steel segment had an operating income of USD 37 million during the fourth quarter of 2014 compared to an operating income of USD 62 million in the third quarter of 2014.

Services & Solutions

The Services & Solutions segment had a 10% decrease in sales during the quarter, from USD 584 million in the third quarter of 2014 to USD 526 million in the fourth quarter of 2014. In the fourth quarter of 2014, shipments were 165 thousand tonnes compared to 171 thousand tonnes in the previous quarter. The Services & Solutions segment had lower average selling prices during the period.

The segment had EBITDA in the fourth quarter of 2014 of USD 13 million compared to EBITDA of USD 21 million in the third quarter of 2014. Overall, the decrease in EBITDA was mainly driven by lower volumes and some negative stock effect related to the nickel price.

Depreciation and amortization expense was USD 5 million in the fourth quarter of 2014.

The Services & Solutions segment had an operating income of USD 8 million in the fourth quarter of 2014 compared to an operating income of USD 15 million in the third quarter of 2014.

Alloys & Specialties

The Alloys & Specialties segment had sales in the fourth quarter of 2014 of USD 165 million, representing an increase of 17% compared to USD 141 million in the third quarter of 2014. Shipments were higher in the fourth quarter of 2014 at 9 thousand tonnes compared to 8 thousand tonnes in the third quarter of 2014. Average selling prices decreased over the quarter.

The Alloys & Specialties segment achieved EBITDA of USD 11 million in the fourth quarter of 2014 compared to USD 12 million in the third quarter of 2014. The EBITDA decrease is mainly due to production issues which have since being resolved.

Depreciation and amortization expense in the fourth quarter of 2014 was USD 1 million.

The Alloys & Specialties segment had an operating income of USD 10 million in the fourth quarter of 2014 compared to an operating income of USD 11 million in the third quarter of 2014.

Recent developments

- On November 7, 2014, Standard & Poor's Ratings Services raised Aperam's long-term corporate rating to 'BB-' from 'B+'. The outlook is stable
- On November 10, 2014, Aperam announced the appointment of Mr. Frederico Ayres Lima as Chief Operating Officer Stainless & Electrical Steel South America with effective date 1 December 2014, following the resignation of Clenio Guimarães who is pursuing other opportunities.
- On November 14, 2014, Moody's Ratings Services revised Aperam's corporate family rating to 'Ba3' from 'B1'. The outlook is positive.
- On December 19, 2014, Aperam announced its financial calendar for the year 2015

New developments

- On February 10, 2014, Aperam has obtained an "in-principle" agreement, subject to satisfactory documentation, to set up a USD 500 million Secured Borrowing Base Revolving Credit Facility with a group of 9 banks. The facility, which will refinance the existing Borrowing Base Facility of USD 400 million, is structured as a 3-year revolving credit facility and includes a one year extension option. It will be used for liquidity and working capital purposes.
- On February 12, 2015, Aperam announces its intention to redeem its High Yield Bond 2018 in the second quarter 2015.

Investor conference call

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

Date	New York	London	Luxembourg
Thursday, February 12, 2015	12:30 pm	5:30 pm	6:30 pm

The dial-in numbers for the call are: France (+33(0)1 70 48 01 66); USA (+1212 444 0896); and international (+44(0)20 3427 1910). The participant access code is: 9906056#.

A replay of the conference call will be available until February 19th, 2015: 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 9906056#.

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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 9,400 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 2014, Aperam had revenues of USD 5.5 billion and shipments of 1.81 million tonnes.

For further information, please refer to our website at 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)	December 31, 2014	September 30, 2014	December 31, 2013
Non current assets	3,221	3,401	3,709
Intangible assets	696	737	808
Property, plant and equipments	2,026	2,130	2,388
Investments & Other	499	534	513
Current assets & working capital	999	1,226	984
Inventories, trade receivables and trade payables	638	681	563
Other assets	164	146	129
Cash, cash equivalents and restricted cash	197	399	292
Shareholders' equity	2,676	2,851	2,958
Group share	2,672	2,847	2,953
Non-controlling interest	4	4	5
Non current liabilities	1,162	1,162	1,193
Interest bearing liabilities	693	696	773
Deferred employee benefits	213	201	220
Provisions and other	256	265	200
Current liabilities (excluding trade payables)	382	614	542
Interest bearing liabilities	40	294	209
Other	342	320	333

APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in million of U.S. dollars)	Three Months Ended			Year Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Sales	1,291	1,353	1,281	5,482	5,120
EBITDA	117	137	84	547	292
Depreciation & Impairment	64	55	81	251	303
Operating income / (loss)	53	82	3	296	(11)
Loss from other investments and associates	(9)	(17)	(1)	(54)	(1)
Net interest expense and other net financing costs	(21)	(36)	(32)	(116)	(118)
Foreign exchange and derivative gains / (losses)	2	(2)	(3)	(3)	(13)
Income / (loss) before taxes and non-controlling interests	25	27	(33)	123	(143)
Income tax (expense) / benefit	(6)	(6)	(9)	(28)	44
Income / (loss) before non-controlling interests	19	21	(42)	95	(99)
Non-controlling interests	—	—	—	—	1
Net income / (loss)	19	21	(42)	95	(100)

APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in million of U.S. dollars)	Three Months Ended			Year Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Net income / (loss)	19	21	(42)	95	(100)
Non-controlling interests	—	—	—	—	1
Depreciation and impairment	64	55	81	251	303
Change in working capital	(3)	(91)	45	(211)	(18)
Other	28	80	59	105	18
Net cash provided by operating activities	108	65	143	240	204
Purchase of property, plant and equipment (CAPEX)	(38)	(24)	(30)	(103)	(125)
Other investing activities (net)	(1)	1	3	8	6
Net cash used in investing activities	(39)	(23)	(27)	(95)	(119)
(Payments) / proceeds from payable to banks and long term debt	(258)	217	(131)	(198)	(6)
Purchase of treasury stock	—	(3)	—	(3)	—
Dividends paid	—	(1)	—	(1)	—
Other financing activities (net)	(8)	(1)	(4)	(11)	(8)
Net cash (used in) / provided by financing activities	(266)	212	(135)	(213)	(14)
Effect of exchange rate changes on cash	(5)	(26)	1	(26)	(6)
Change in cash and cash equivalent	(202)	228	(18)	(94)	65

Appendix 1a – Health & Safety statistics

Health & Safety Statistics	Three Months Ended			Year Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Frequency Rate	1.8	0.3	1.0	1.1	1.3

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

Year Ended December 31, 2014	Stainless & Electrical Steel ^{a,b}	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	1,736	721	35	(679)	1,813
Steel selling price (USD/t)	2,391	3,090	16,728		2,851
Financial information					
Sales (USDm)	4,390	2,363	618	(1,889)	5,482
EBITDA (USDm)	427	87	58	(25)	547
Depreciation & Impairment (USDm)	218	23	7	3	251
Operating income / (loss) (USDm)	209	64	51	(28)	296

Note a: Stainless & Electrical Steel Shipments of 1,736kt of which 654kt were from South America and 1,082kt were from Europe

Note b: Stainless & Electrical Steel EBITDA of USD 427m of which USD 223m were from South America and USD 204m were from Europe

Year Ended December 31, 2013 ⁷	Stainless & Electrical Steel ^{a,b}	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	1,650	679	36	(637)	1,728
Steel selling price (USD/t)	2,322	3,061	17,224		2,836
Financial information					
Sales (USDm)	4,001	2,189	641	(1,711)	5,120
EBITDA (USDm)	235	9	60	(12)	292
Depreciation & Impairment (USDm)	257	34	10	2	303
Operating (loss) / income (USDm)	(22)	(25)	50	(14)	(11)

Note a: Stainless & Electrical Steel Shipments of 1,650kt of which 646kt were from South America and 1,004kt were from Europe

Note b: Stainless & Electrical Steel EBITDA of USD 235m of which USD 159m were from South America and USD 76m were from Europe

Quarter Ended December 31, 2014	Stainless & Electrical Steel ^{a,b}	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	412	165	9	(147)	439
Steel selling price (USD/t)	2,316	2,992	16,577		2,792
Financial information					
Sales (USDm)	1,008	526	165	(408)	1,291
EBITDA (USDm)	94	13	11	(1)	117
Depreciation & Impairment (USDm)	57	5	1	1	64
Operating income / (loss) (USDm)	37	8	10	(2)	53

Note a: Stainless & Electrical Steel Shipments of 412kt of which 168kt were from South America and 244kt were from Europe

Note b: Stainless & Electrical Steel EBITDA of USD 94m of which USD 58m were from South America and USD 36m were from Europe

Quarter Ended September 30, 2014	Stainless & Electrical Steel ^{a,b}	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	422	171	8	(168)	433
Steel selling price (USD/t)	2,511	3,170	17,261		2,921
Financial information					
Sales (USDm)	1,116	584	141	(488)	1,353
EBITDA (USDm)	109	21	12	(5)	137
Depreciation & Impairment (USDm)	47	6	1	1	55
Operating (loss) / income (USDm)	62	15	11	(6)	82

Note a: Stainless & Electrical Steel Shipments of 422kt of which 172kt were from South America and 250kt were from Europe

Note b: Stainless & Electrical Steel EBITDA of USD 109m of which USD 54m were from South America and USD 55m were from Europe

¹ 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.

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

³ EBITDA is defined as operating income plus depreciation and impairment expenses.

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

⁵ 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 the Leadership Journey® to USD 475 million by 2015.

⁶ Subject to eligible collateral available.

⁷ Due to the transfer of the entity Aperam Bioenergia from the segment 'Other' to the segment 'Stainless & Electrical' starting January 1, 2014, segmented figures for the year ended December 31, 2013 have been restated.