

Investor Day – Genk

November 27, 2013

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Philippe Darmayan – Chief Executive Officer

Disclaimer



Forward-Looking Statements

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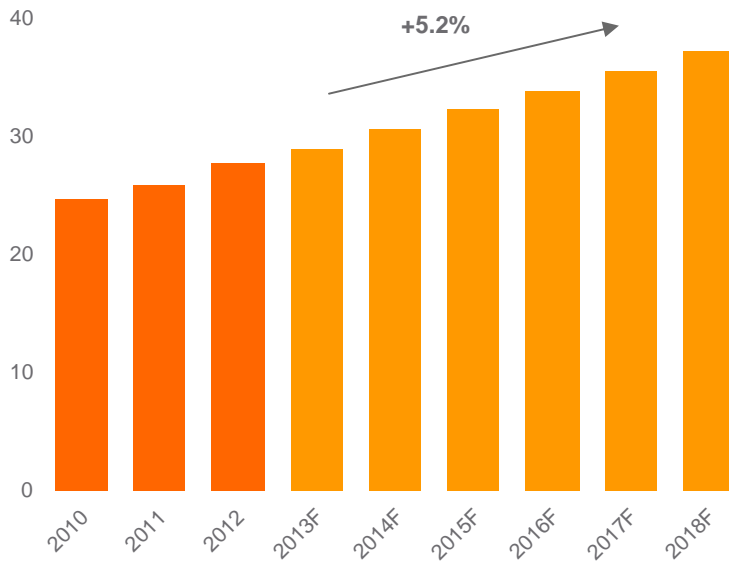
Stainless steel market: improving outlook

Stainless steel market: improving outlook

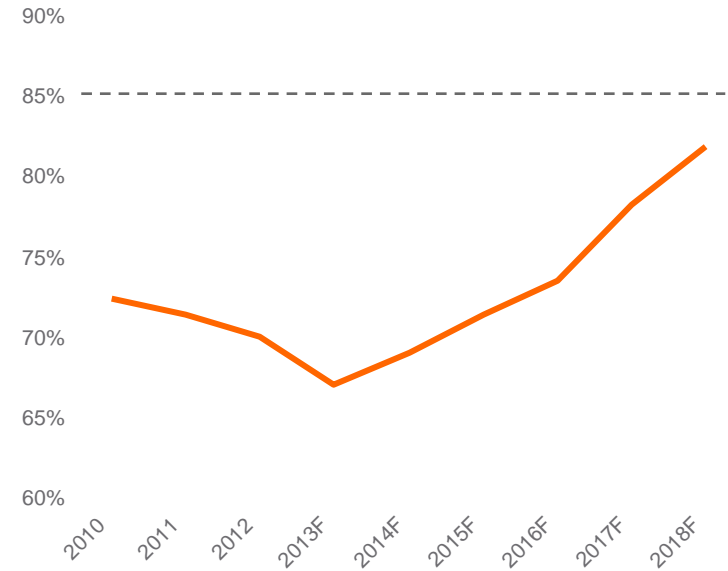
Stainless steel sustained growth worldwide



Stainless steel slab equivalent global demand (in million tonnes)



Stainless steel slab equivalent global utilization rates (% of capacity)



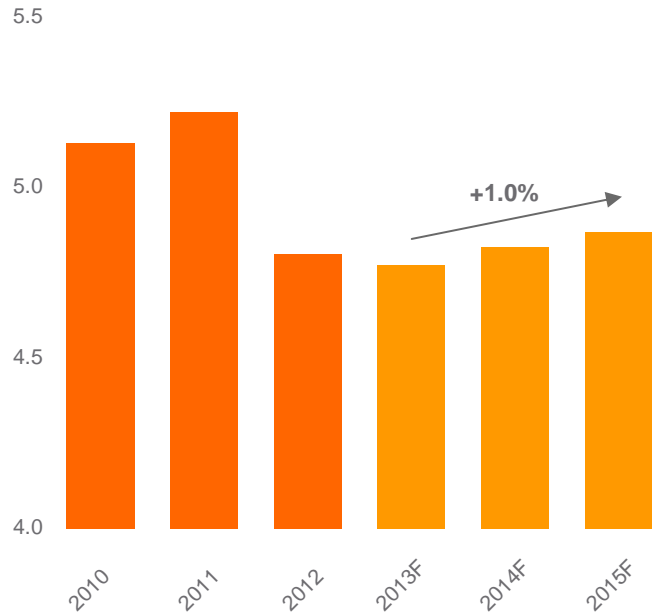
Demand growth expected to lead to capacity utilization improvement

Stainless steel market: improving outlook

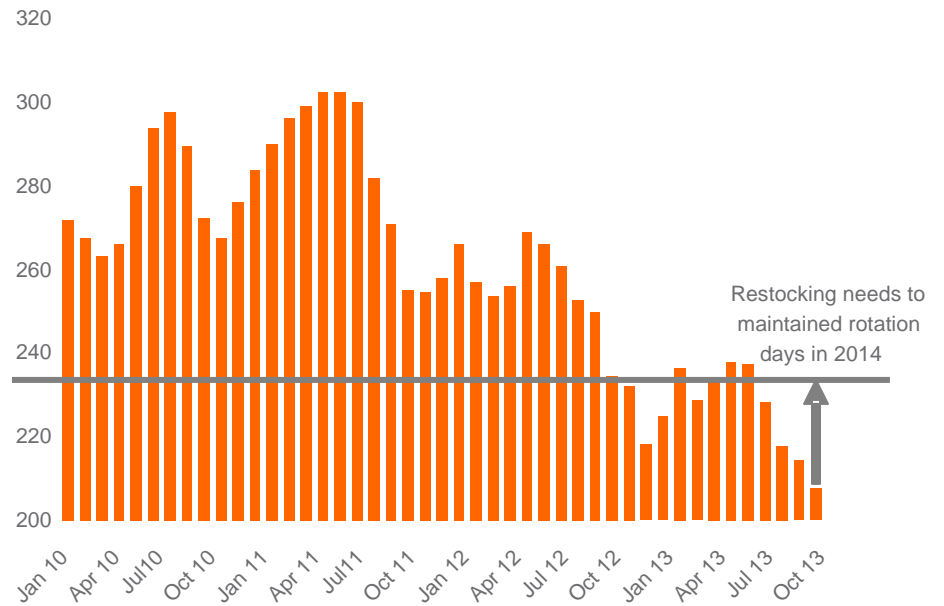
European demand expected to recover slowly



Stainless steel slab equivalent European demand (in million tonnes)



Stocks of flat stainless steel in EU-27 for distribution ('000t)



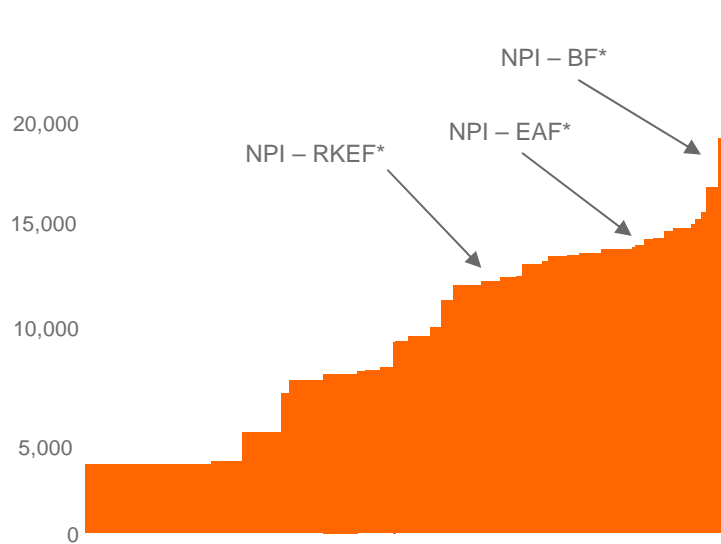
European slow economic recovery and restocking needs should lead to some demand improvement

Stainless steel market: improving outlook

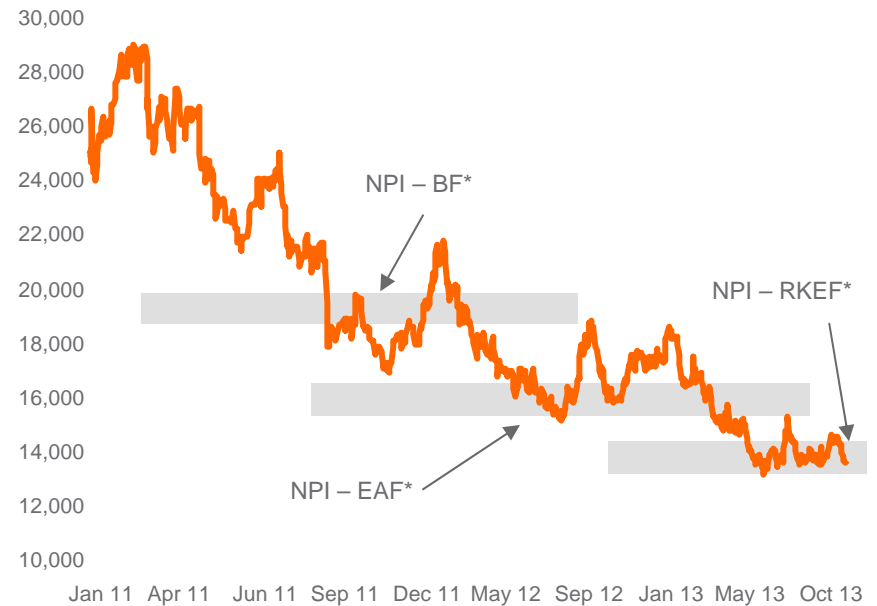
NPI* growth expected to stabilize nickel price at low level



Nickel production cost curve (USD/t)



Nickel - LME Cash (USD/t)



Stable and low nickel price expected to support stainless steel demand

* Nickel Pig Iron – Blast Furnace – Electric Arc Furnace - Rotary Kiln Electric Furnace
Source: SBB & Aperam estimates

Stainless steel market: improving outlook

Recent pricing outlook stable to favorable



Stainless steel transaction price in China for CR 304 2B 2mm coil (USD/t)



Stainless steel base price in South Europe for CR 304 2B 2mm coil (USD/t)



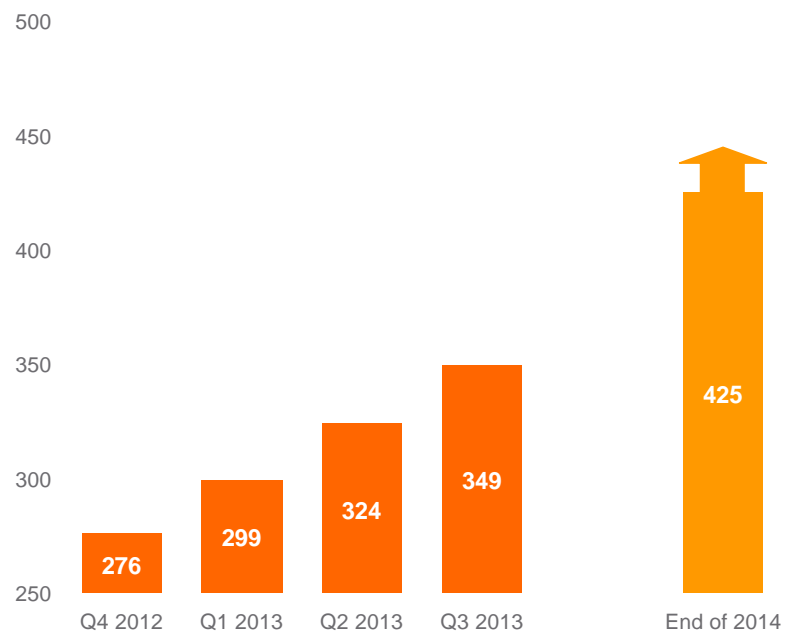
Improved demand, restocking and increase in capacity utilization is expected to support pricing but Chinese production should cap recovery

Leadership Journey[®] and top line strategy enhanced

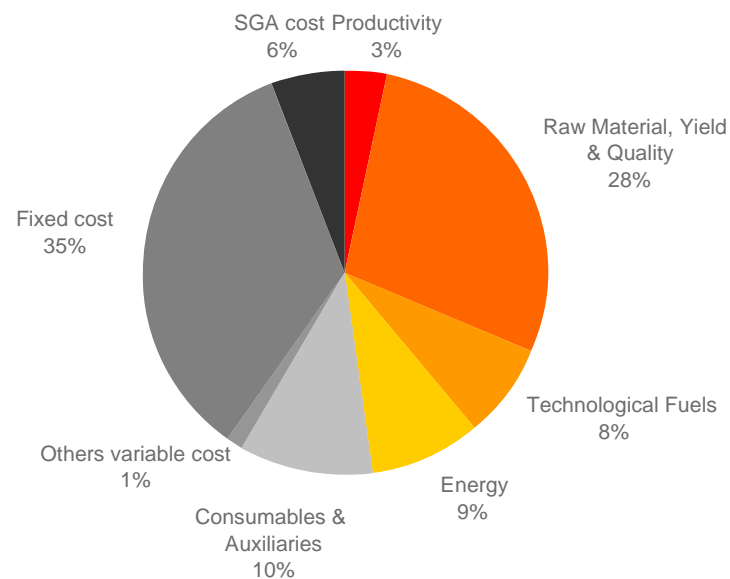
Leadership Journey[®] and top line strategy enhanced Leadership Journey[®] target



Cumulated gains (USD million)



Leadership Journey[®] breakdown for 2014



New projects under analysis to go beyond the current USD425m target

Leadership Journey® and top line strategy enhanced

Full impact of the cost cutting CAPEX



The new Hot Annealing and Picking line (RD79)



- Investment: USD 65 m
- Combining downstream tools in Europe
- The brand new line was damaged by a fire that occurred in December 2012 and rebuilt in 2013

The new steel service center in Campinas

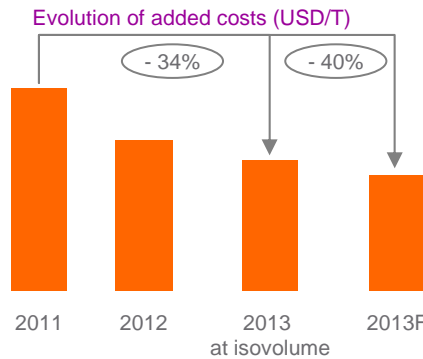
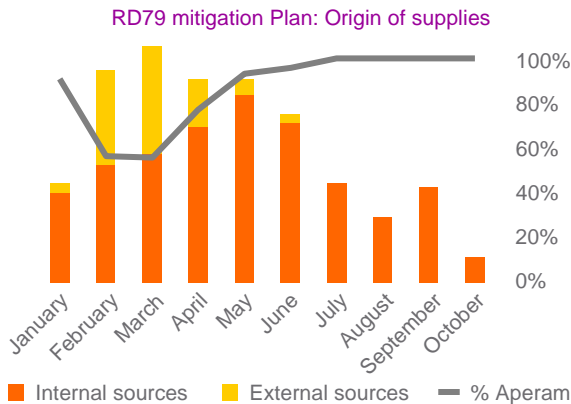


- Investment: USD 35 m
- Merging 2 service centers in Brazil:
 - A new industrial building for CR Products
 - Upgrade of an existing building for HR, tubes and bars activity
 - Shutdown of a service center

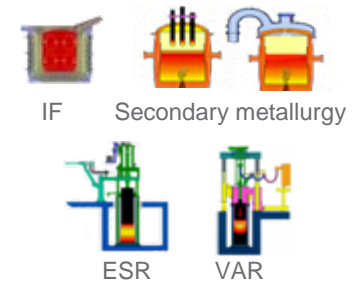
Imphy meltshop enhancement project



- Investment: USD 29 m
- Increase revenue and improve competitiveness of A&S division
 - Reduce subcontracting constraint
 - Reduce raw material costs
 - Increase capacity in growing niches



Imphy meltshop enhancement project



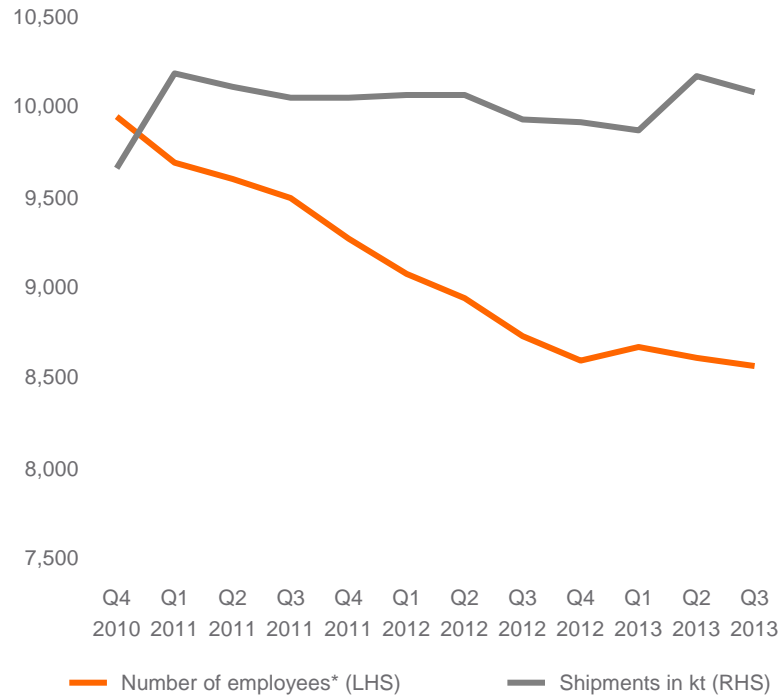
Main CAPEX projects are completed and will fully contribute to 2014 gains

Leadership Journey[®] and top line strategy enhanced

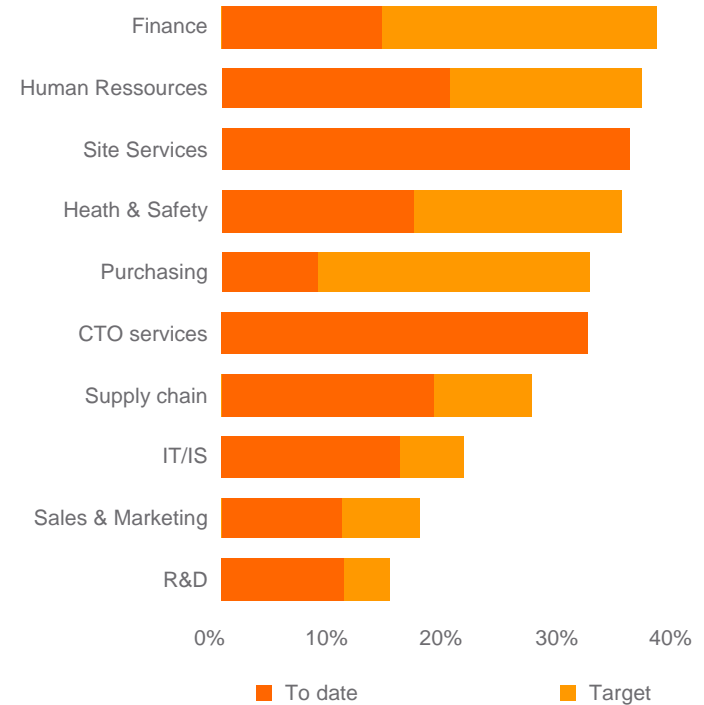
Productivity gains to continue



Productivity evolution



SSG&A cost reduction specific program (% of reduction since 2011)



After 35% improvement over the last 3 years, productivity expected to increase by more than 5% in 2014

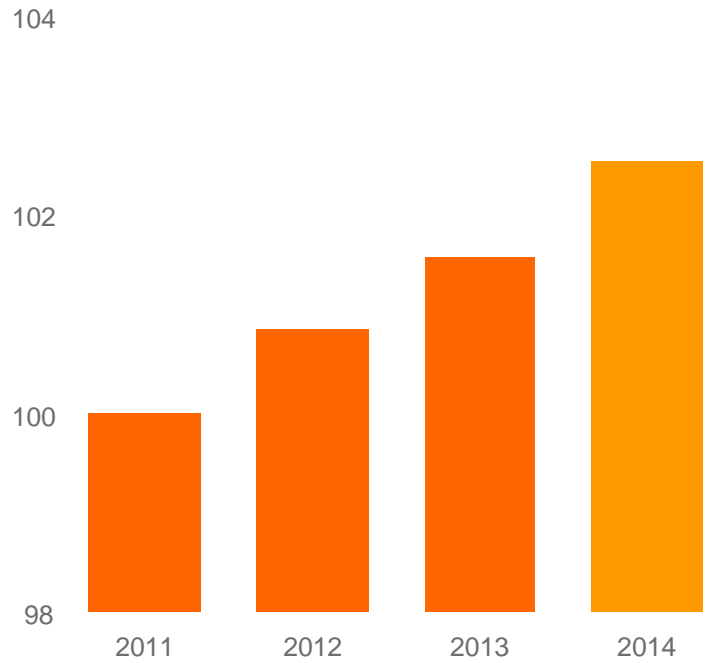
* Full time equivalent excluding Bioenergia

Leadership Journey[®] and top line strategy enhanced

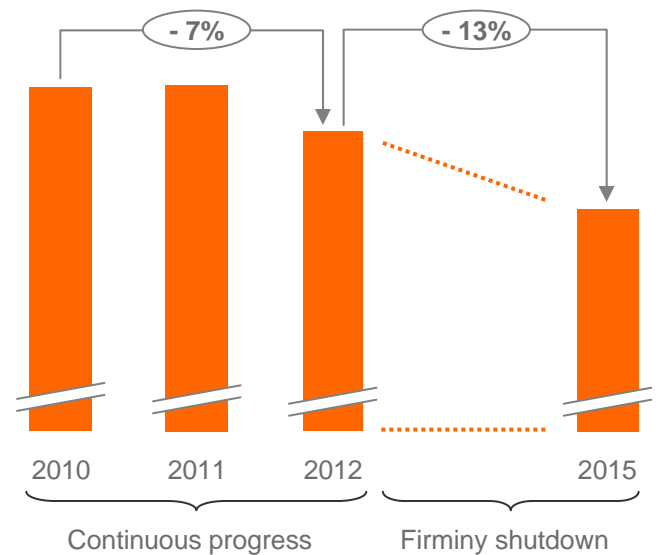
Changing the game for an improved industrial performance



Yield target for First choice products in Europe
(Base 100, 2011)



The Precision example: Evolution of Precision's added costs w/o raw material (EUR million)



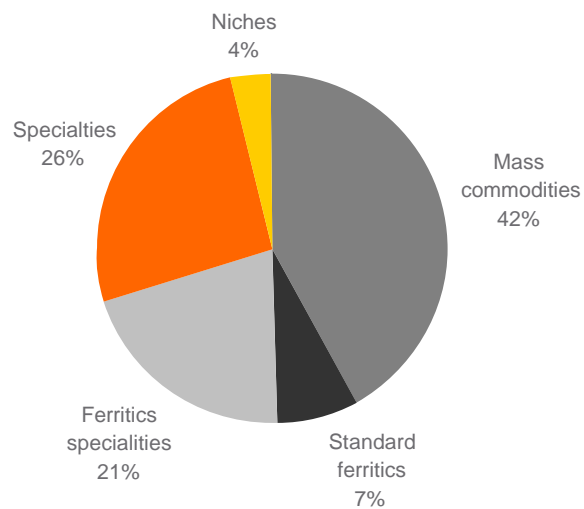
Significant cost cutting potential remaining

Leadership Journey® and top line strategy enhanced

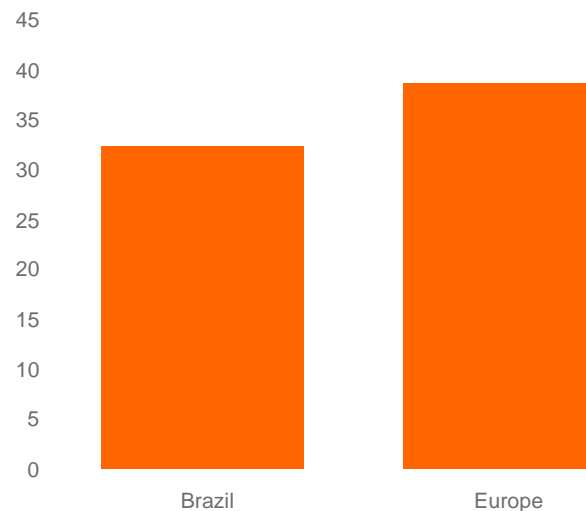
Further mix improvement expected



Aperam portfolio breakdown in Europe



Top line product growth target for 2014 ('000t)



Expanding further high margin products to replace low contribution margin products

Opportunities in the Brazilian market

Opportunities in the Brazilian market

Brazilian protections against unfair market behaviour



| Type of products | Import duties status | Anti-dumping status |
|--|--|--|
| Stainless Steel Flat Products | <ul style="list-style-type: none"> ✓ Import duties applicable on Cold Rolled product back from 25% to 14% in October 2013 | <ul style="list-style-type: none"> ✓ AD rights have just been published valid as of October 4th for 5 years from 236 USD/t to 1,077 USD/t. The case involves austenitic grades (types 304, 304L and 304H) and CR ferritic stainless 430 strip, in thicknesses between 0.35mm and 4.75mm. Countries involved are China, Finland, Germany, Korea, Taiwan and Vietnam |
| Stainless Steel Welded Tubes | <ul style="list-style-type: none"> • No import duties | <ul style="list-style-type: none"> ✓ AD rights have just been published valid as of July 29th for 5 years and up to 911USD/t. Countries involved are China and Taiwan. |
| Electrical steel – Non Grain Oriented | <ul style="list-style-type: none"> ✓ 14% of Import duties on NGO | <ul style="list-style-type: none"> ✓ AD rights imposed for NGO on July 17th with fixed USD/t values ranging from 133 USD/t to 567 USD/t for 5 years. The countries involved are China, Korea and Taiwan. |
| Electrical steel – Grain Oriented | <ul style="list-style-type: none"> ✓ Import duties applicable on Cold Rolled product back from 25% to 14% in October 2013 | <ul style="list-style-type: none"> ✗ No anti-dumping investigation |

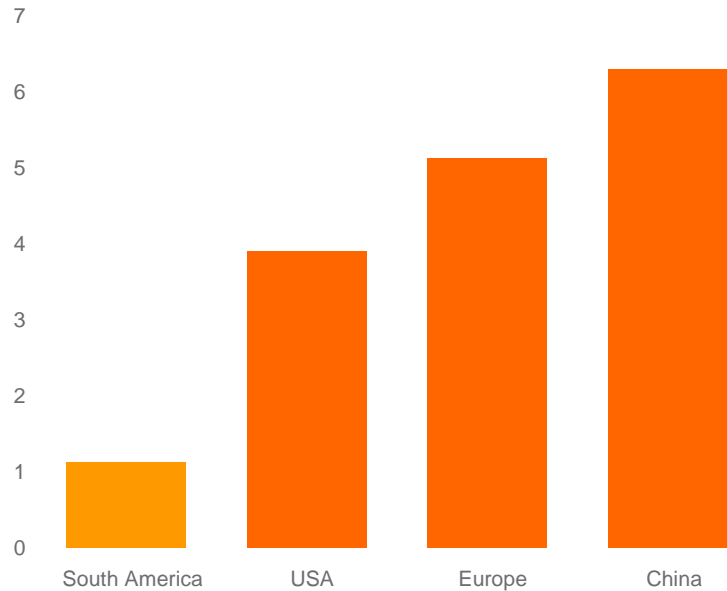
Recent anti-dumping measures should create a stable and fair market environment for next 5 years

Opportunities in the Brazilian market

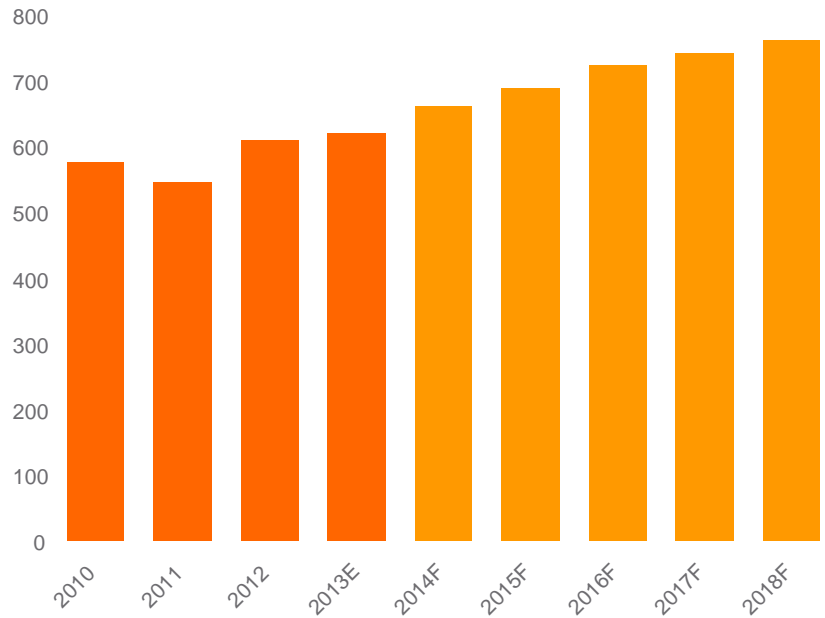
A growing market



Stainless steel flat stainless steel consumption per capita (kg/year)



South American Stainless steel demand (in kt)



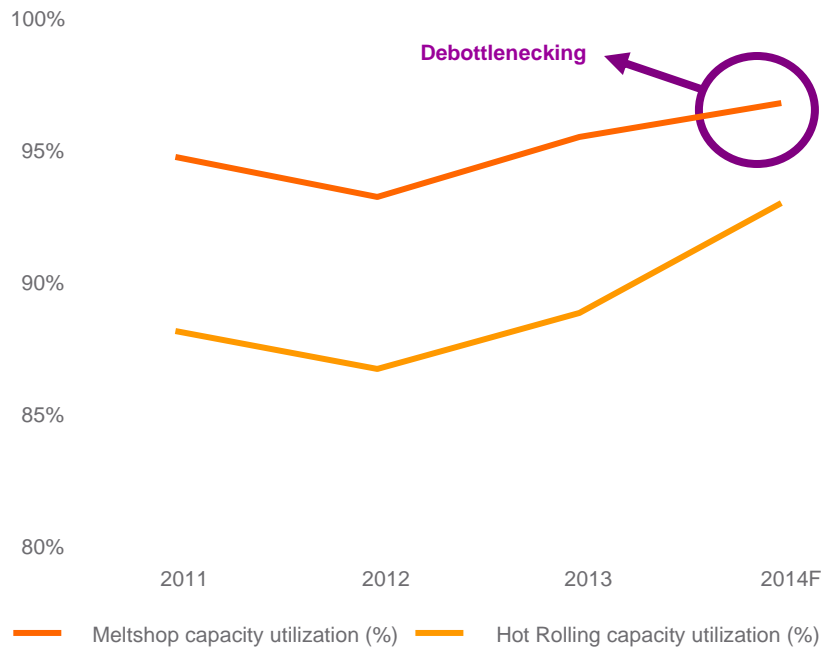
Aperam targeting to capture market growth

Opportunities in the Brazilian market

Beyond biomass integration and high capacity utilization, Aperam integrated plant can still improve



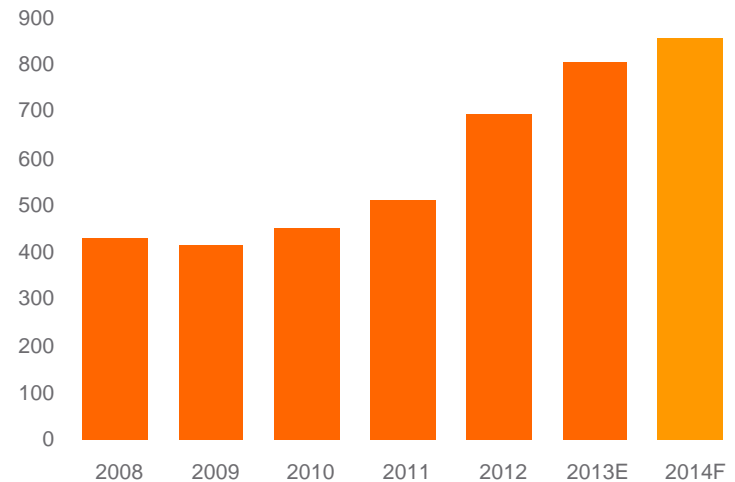
Timoteo plant capacity utilization



Bioenergia productivity (ton of Charcoal / Employee)



Forest Development Harvest Carbonization Charcoal stock & transport



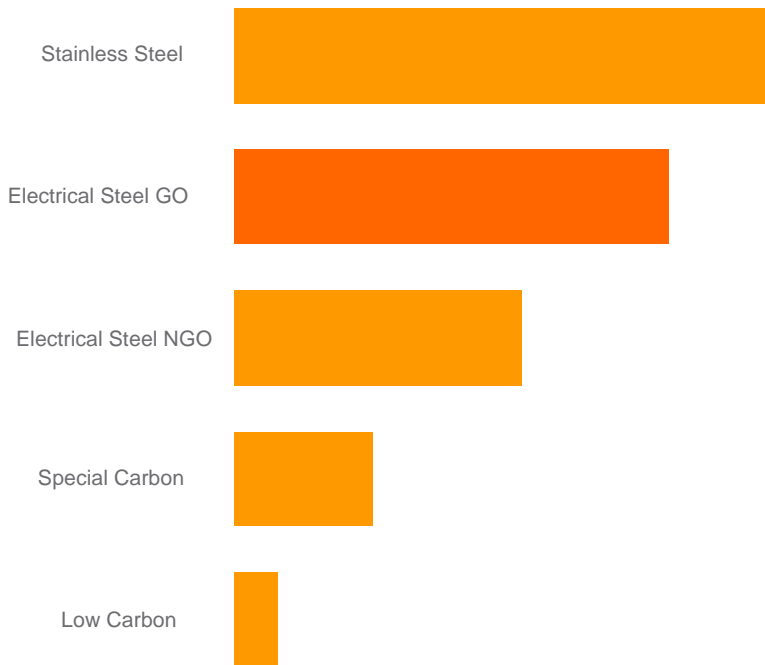
Significant improvement potential for industrial performance

Opportunities in the Brazilian market

Products mix optimization and opportunities



Contribution margin by products (USD/t)



Example: Aperam's strategy for Oriented-Grain Electrical Steels



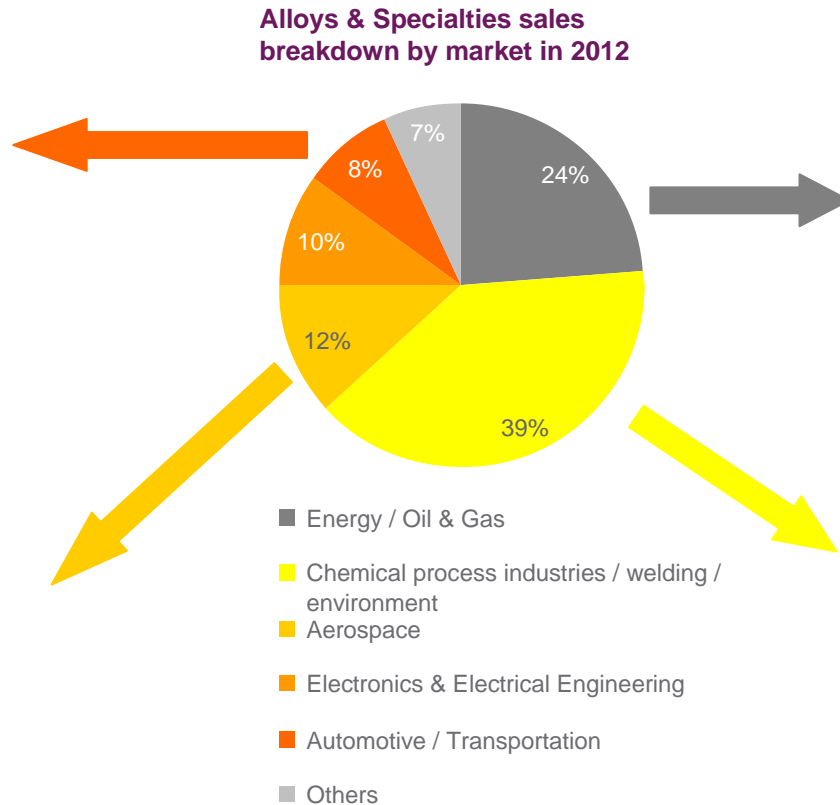
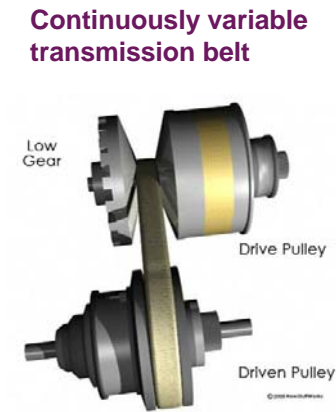
Grain oriented electric steel (GO) has the magnetic properties optimized in the rolling direction (opposite to grain-non oriented that has similar properties in all directions), aiming its use in stationary machines such as transformers.

Aperam to improve its efficiency in Grain Oriented production and to enter in the High Grain Oriented market

Growing in Alloys & Specialties

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Specific markets' prospects to be key



Specific high margin products on “star segments” to drive Alloys & Specialties growth

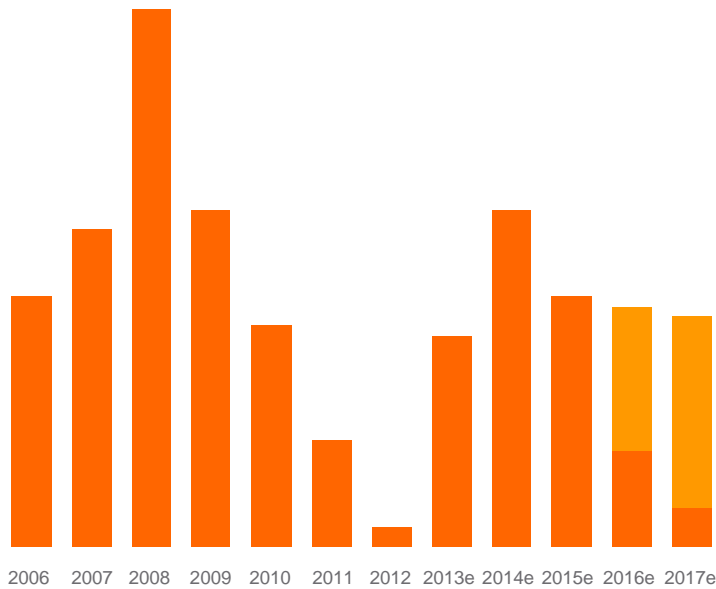
* Liquefied Natural Gas
Source: Aperam

Growing in Alloys & Specialties

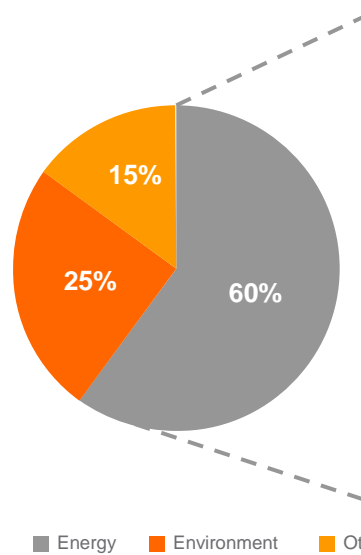
LNG* tankers and special welding solid prospects



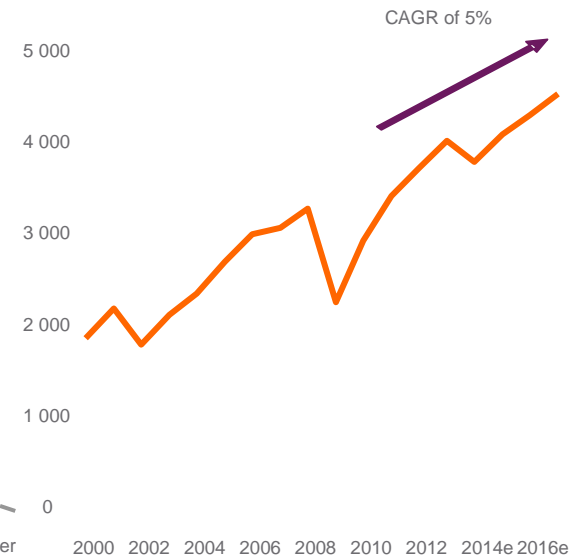
LNG tankers market estimates (in number)



Special welding market



Global rig count (Oil & Gas)



Aperam to benefit from energy market growth

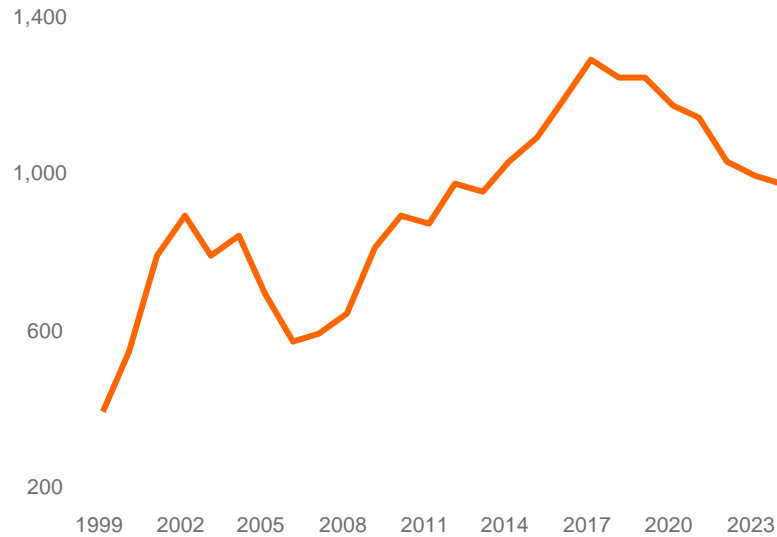
* Liquefied Natural Gas
Source: Aperam 2013, SMR, Advancy analysis, Baker Hughes rig count, Haynes & Aviation week

Growing in Alloys & Specialties

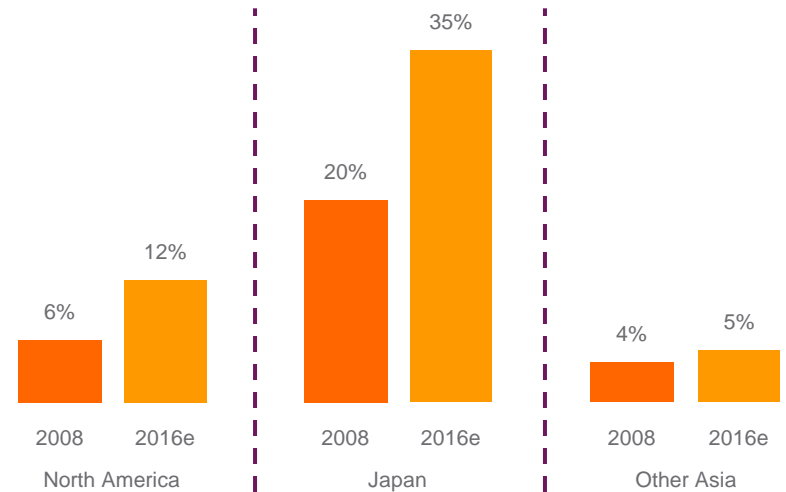
Aerospace and transportation dynamic growth



Commercial aircraft deliveries (in number)



Share of CVT* in passengers cars



Aperam well positioned to grow with global transportation needs

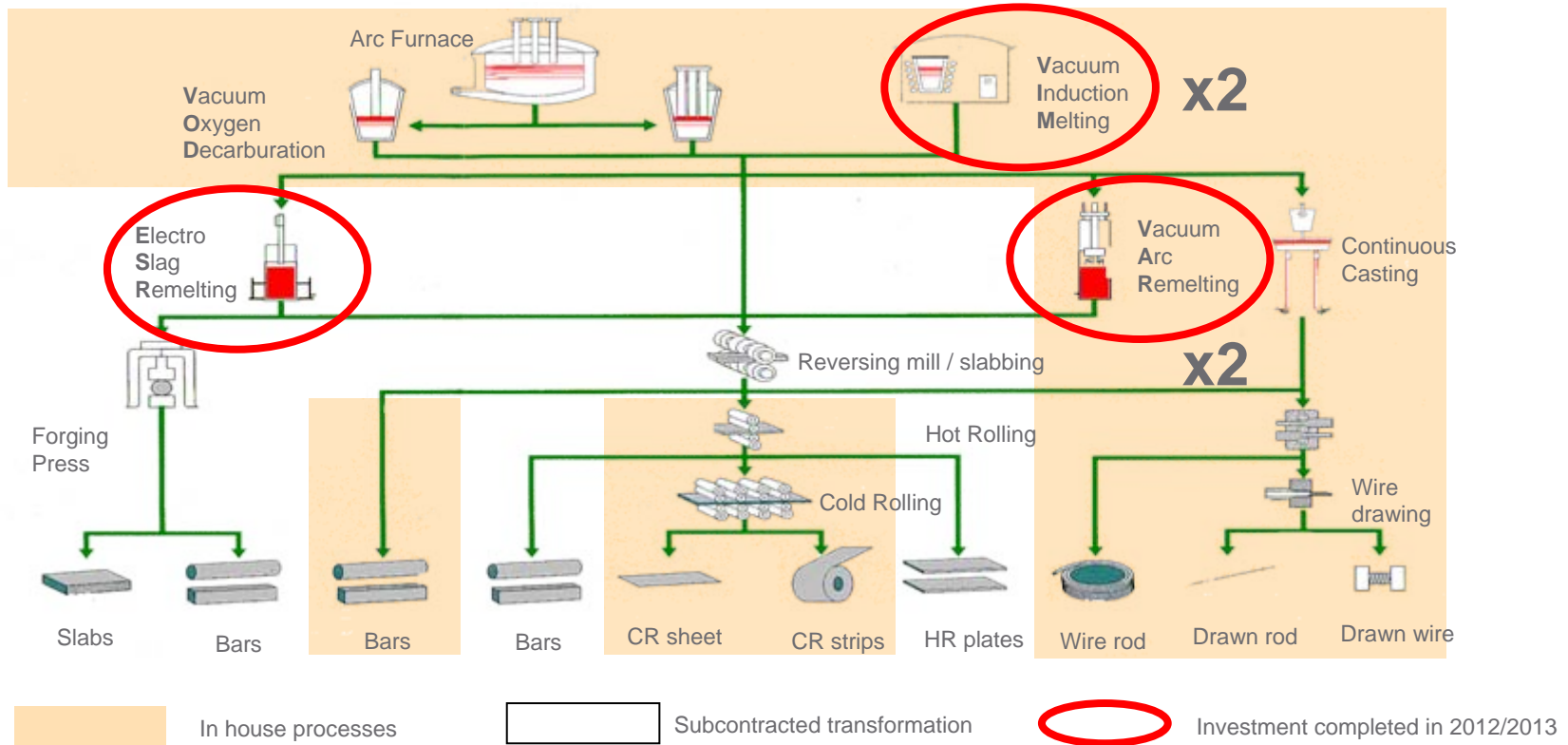
* Continuously Variable Transmission
Source: Aperam 2013 & Boeing, SMR, Advancy analysis, Haynes & Aviation week

Growing in Alloys & Specialties

Major investments realized to follow growth and to improve competitiveness



Imphy integrated plant



Targeting further profitability enhancement

Benefiting from the European restructuring

Benefiting from the European restructuring

Three years of active restructuring



Key European restructuring milestone

- **January 2011: Aperam spin-off and Leadership Journey®**
Long term suspension of 100kt of downstream capacity in Isbergues (France) and mothballing of 80kt of downstream capacity at Gueugnon (France) and Genk (Belgium)
- **April 2011: ThyssenKrupp stainless steel operations strategic review**
Closure of the 220kt downstream plant of Benrath (Germany) and investment of 220kt of downstream capacity in Krefeld (Germany)
- **October 2011: Aperam Leadership Journey® extension**
Upstream optimization at Genk (Belgium) resulting a capacity reduction of 400kt
- **February 2012: Acquisition by Outokumpu of ThyssenKrupp's stainless steel operations**
Closure of 500kt of upstream capacity at Krefeld (Germany)
- **October 2013: Outokumpu accelerating restructuring plan**
Closure of 800kt of upstream capacity at Bochum (Germany) and reduction of 550kt of downstream capacity in Dillenburg (Germany), Krefeld (Germany) and Tornio (Finland).

European stainless steel industry footprint after restructuring



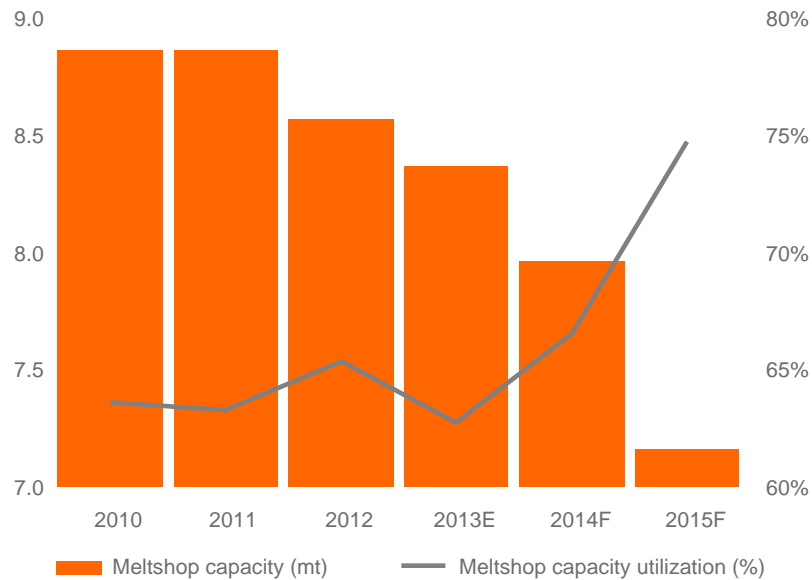
European restructuring to be completed by end of 2014

Benefiting from the European restructuring

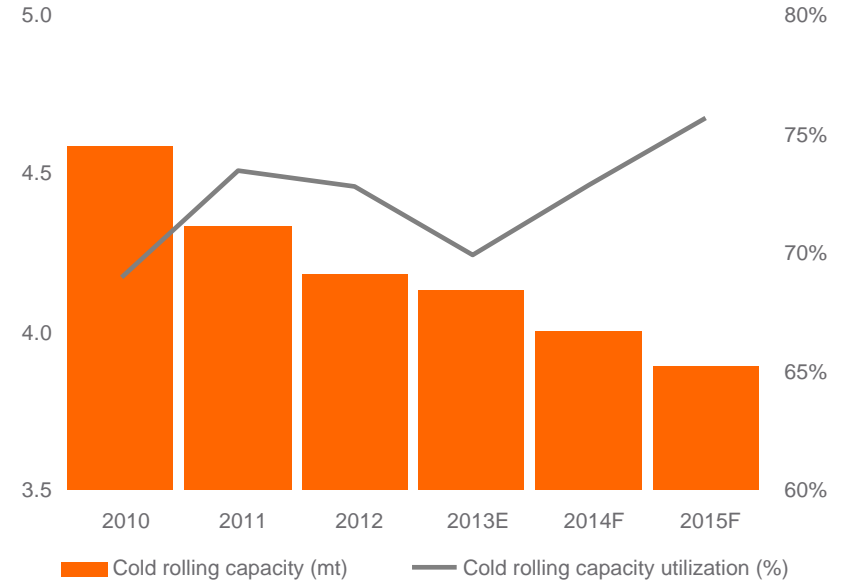
European capacity closures expected to improve capacity utilization



Upstream operational capacity and utilization rate of the European industry



Downstream operational capacity and utilization rate of the European industry



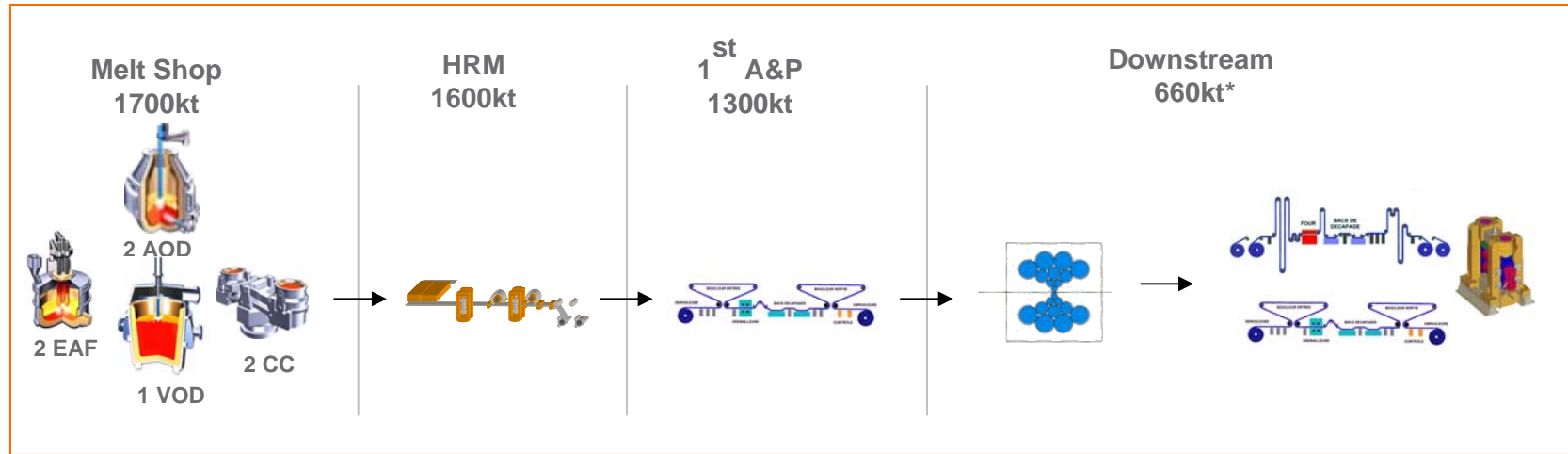
Restructuring to lead to strong competitiveness improvement

Benefiting from the European restructuring

The Terni remedy



Terni industrial foot print



A large and competitive integrated plant in which more than 1 billion Euro has been invested over the past years

But...

An unbalanced layout suffering from a disproportionately large upstream compared to downstream and from a lack of critical size

Terni's competitiveness could be significantly improved within Aperam


* Including HRAP
Source: CRU, Outokumpu and Aperam estimate

The 5 profit-driving pillars

The 5 profit-driving pillars

Strategic priority maintained allowing to capture new opportunities

Strategic priority

- 1 Leadership Journey®
 - 2 Top Line Strategy
 - 3 Reduction of net debt and cost of debt
- 

5 profit-driving pillars

- 1 Aiming at “best in cost” with the Leadership Journey®
- 2 Optimizing portfolio with the Top Line Strategy
- 3 Brazilian development
- 4 Growing in Alloys specialties
- 5 European Restructuring

Significant upsides

Q&A