

Third quarter 2011

November 2, 2011

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Disclaimer



Forward-Looking Statements

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Introduction & overview



Highlights:

- Health and Safety frequency rate of 0.9x compared to 0.8x in Q2 2011
- Shipments of 429 thousand tonnes in Q3 2011, a 2% decrease compared to shipments of 439 thousand tonnes in Q2 2011 due to seasonal slowdown
- EBITDA of USD 62 million in Q3 2011
- Earnings per share of USD (0.53) in Q3 2011
- Cash inflows from operations amounted to USD 120 million in Q3 2011 compared to cash outflows from operations of USD 198 million in Q2 2011
- Net debt of USD 1,038 million at September 30, 2011, representing a gearing of 29%, compared to net debt of USD 1,107 million at June 30, 2011
- Acceleration and USD 100 million increase of the “Leadership Journey” resulting in an overall total program size of USD 350 million by 2013

Prospects:

- EBITDA in Q4 2011 is expected to be comparable to Q3 2011
- Net debt is expected to continue to decrease in Q4 2011 compared to Q3 2011

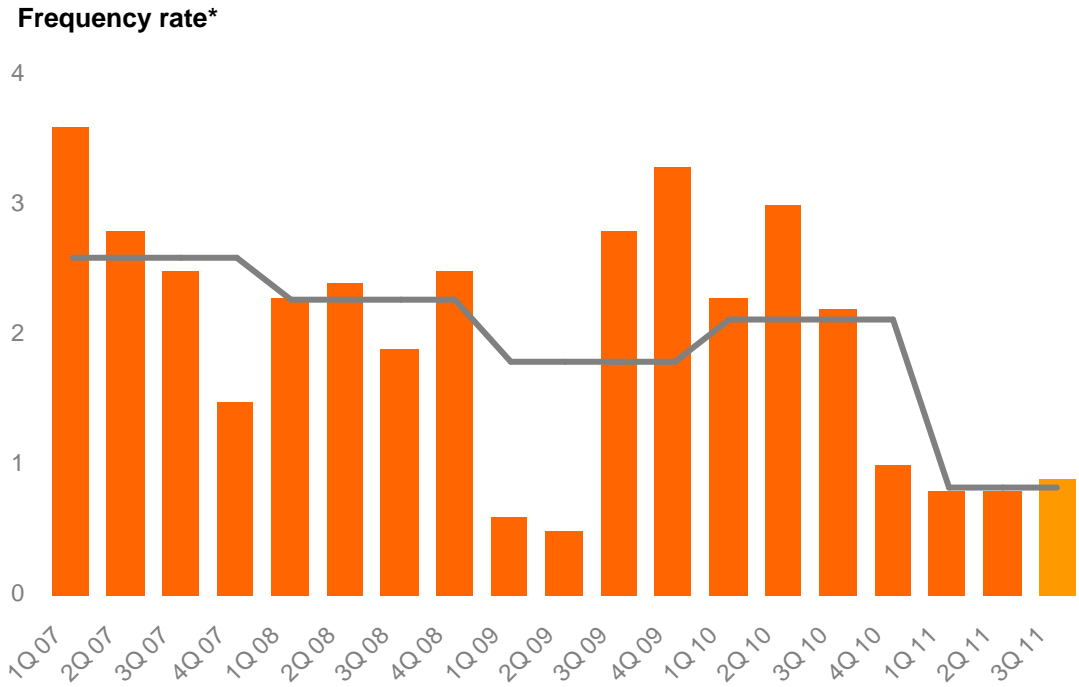
The seasonal slowdown in Europe, a base price decrease and the negative stock effect from nickel prices all impacted Q3 2011 results which benefited from continuing progress on the Leadership Journey

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Health & Safety

Health & Safety Performance



Despite a small deterioration this quarter, improvement in health & safety as a result of new measures confirmed

* IISI-standard: Fr = lost time Injuries per 1.000.000 worked hours; based on own personnel and contractors

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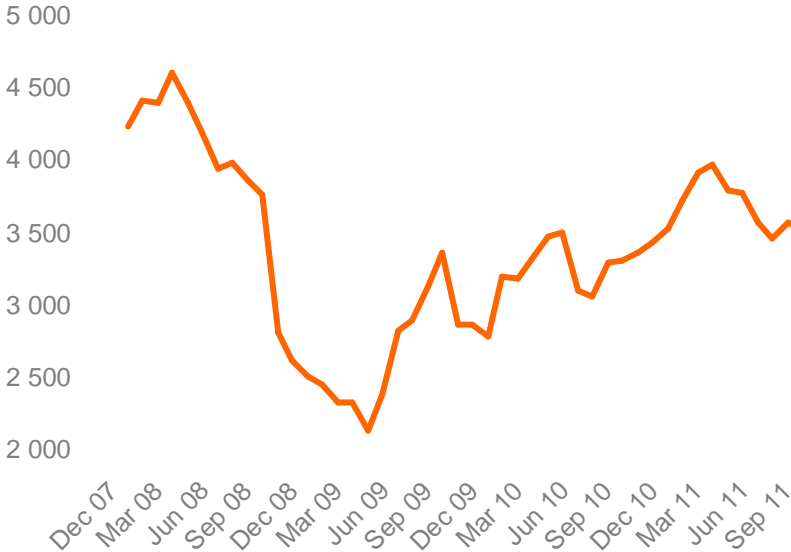
Environment and markets

Environment and markets

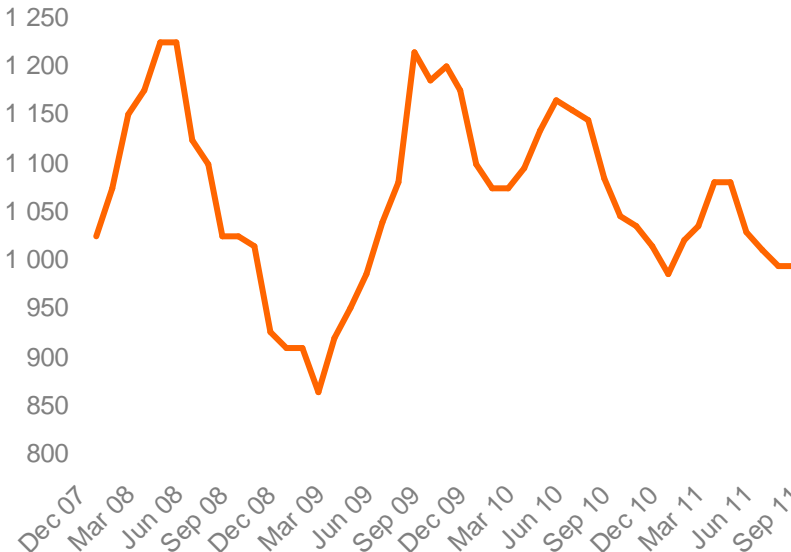
Markets under pressure



China - CR 304 2B 2mm coil transaction price (USD/t)*



Southern Europe - CR 304 2B 2mm coil base price (€/t)*



Nickel prices and current general economic uncertainty have put pressure on stainless steel market

*Source: SBB

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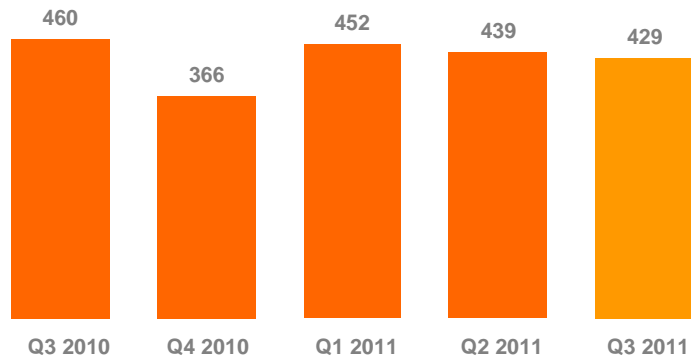
Performance and prospects

Performance and prospects

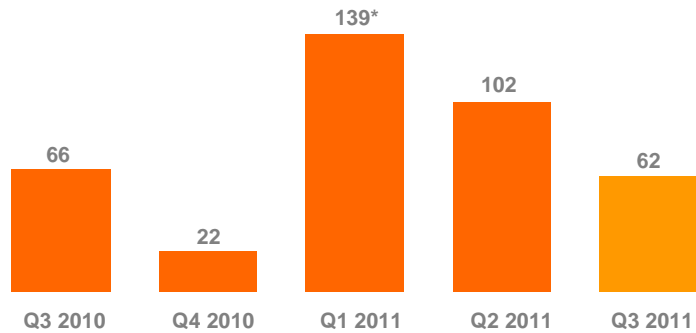
Operations: Q2 2011 & Q3 2011



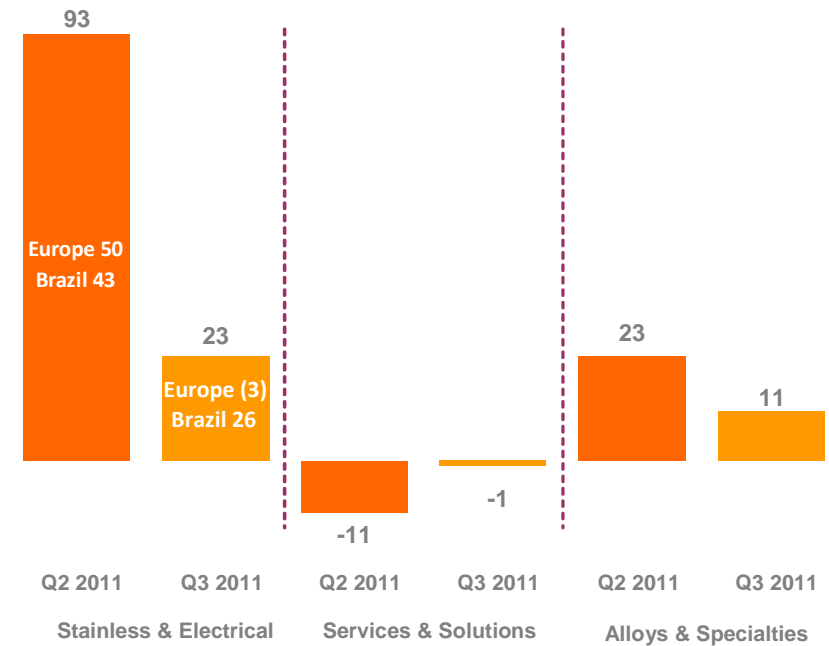
Shipments ('000t)



EBITDA (USD million)



Q2 2011 & Q3 2011 EBITDA per division (USD million)



EBITDA of 145 USD/t in Q3 2011 compared to 232 USD/t in Q2 2011

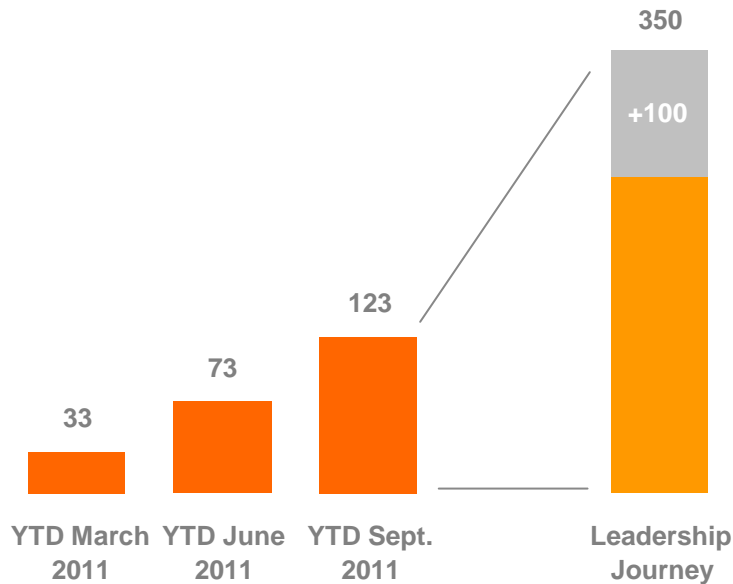
*A charge of USD 36 million (Europe USD 24m and Brazil USD 12m) relating to the implementation of the "Leadership Journey" was recorded within the EBITDA of Q1 2011

Performance and prospects

Leadership Journey



Cumulated gains and target 2013 (USD million)



Key projects completed since beginning of 2011

- In Brazil, VSS*, switch from LPG to natural gas and conversion of blast furnace number 2 from coke to biomass
- In Europe, suspension of traditional cold roll mill in Isbergues.

Key projects progressing

- Investment in productivity including a new Hot Annealing and Pickling line in Gueugnon (France - Stainless & Electrical Steel)
- Investment in a new induction furnace and Electro Slag Remelting furnace at Imphy (France – Alloys & Speciality)
- Service Center expansion in Campinas (Brazil – Services & Solutions)
- Yield and Quality improvement, SG&A reduction through organisation simplification, Biomass development, new product growth...

New initiatives launched

- Further industrial optimization and rationalization in Europe, systematic benchmarking in Brazil and new sourcing initiatives

“Leadership Journey” accelerated and increased by an additional USD 100 million by 2013

*VSS – Voluntary Separation Scheme

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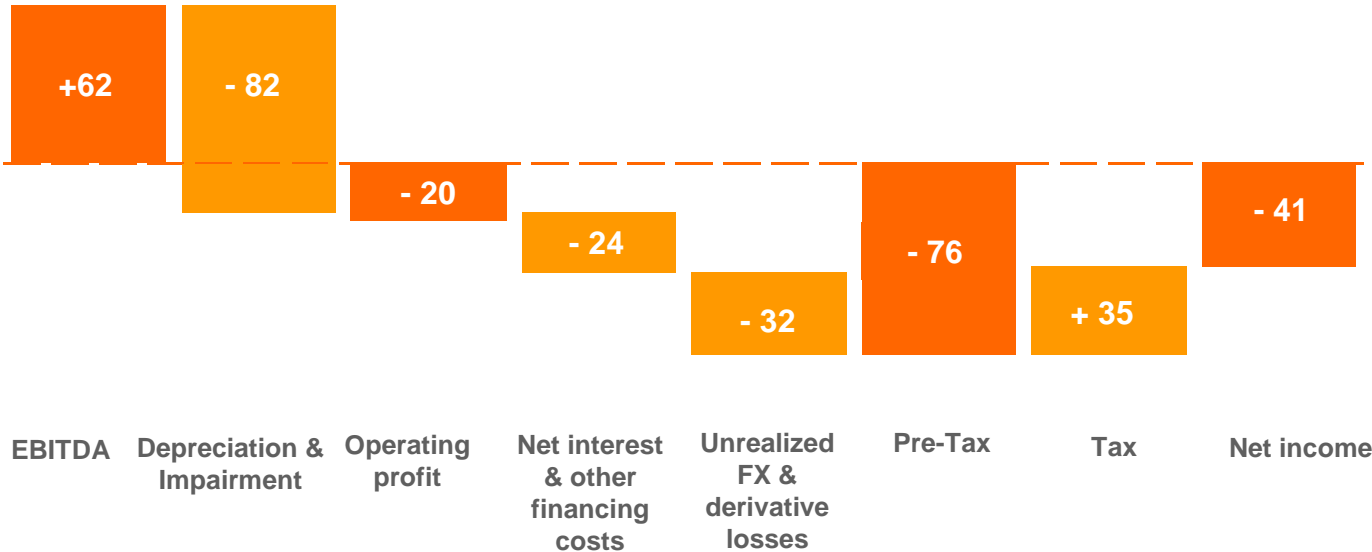
Financial results

Financial results

Third quarter P&L highlights



EBITDA to net income (USD million)



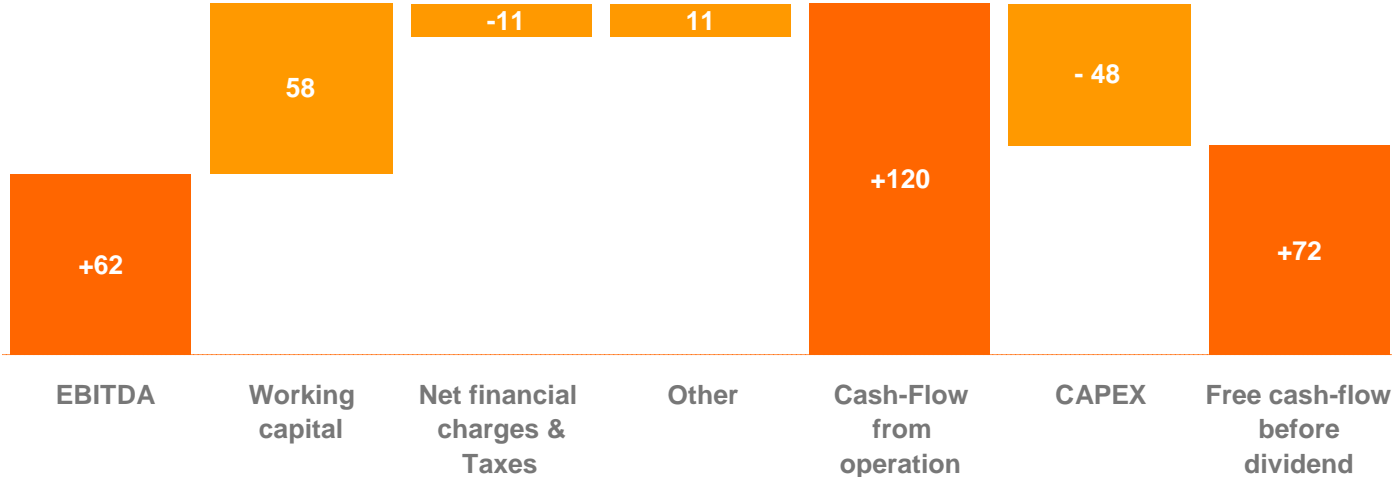
Earnings per share of USD (0.53)

Financial results

Third quarter cash flow highlights



Free cash flow (USD million)



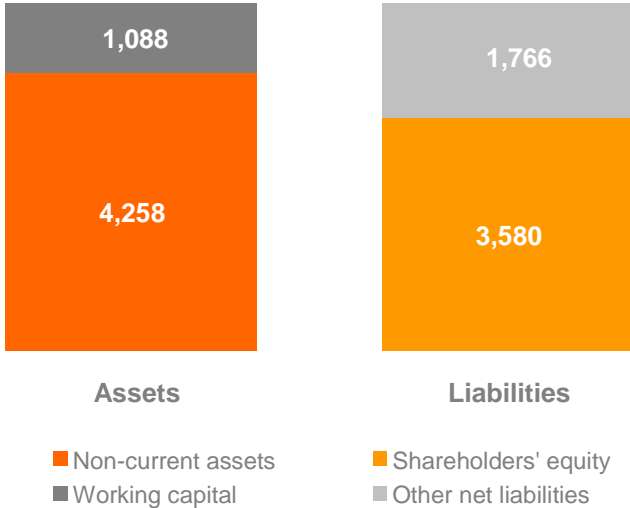
USD 72m of cash generated in Q3 2011 compared to USD 198m of cash consumed by operations in Q2 2011

Financial results

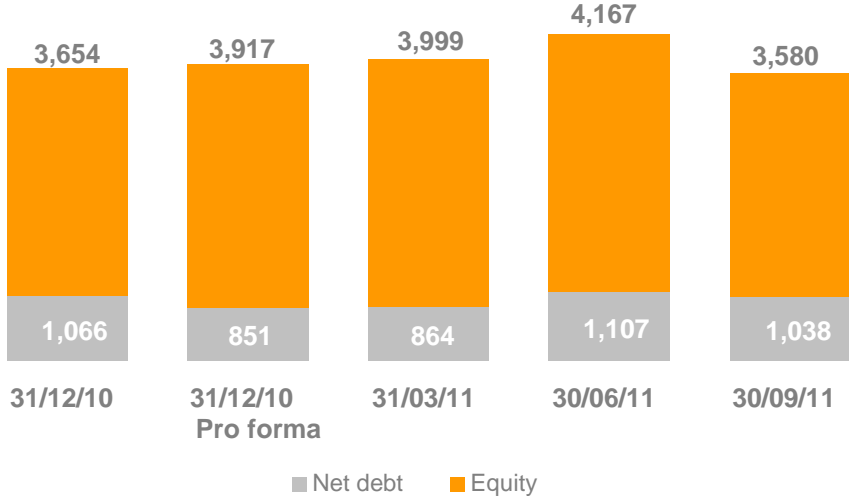
Third quarter balance sheet highlights



Assets & liabilities (USD million)



Equity & net debt (USD million)



Net debt of USD 1,038 million representing a gearing of 29%

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Q&A