

Deutsche Bank Small & Mid Cap Conference

March 28th, 2012

aperram

Philippe Darmayan – Chief Executive Officer

Disclaimer



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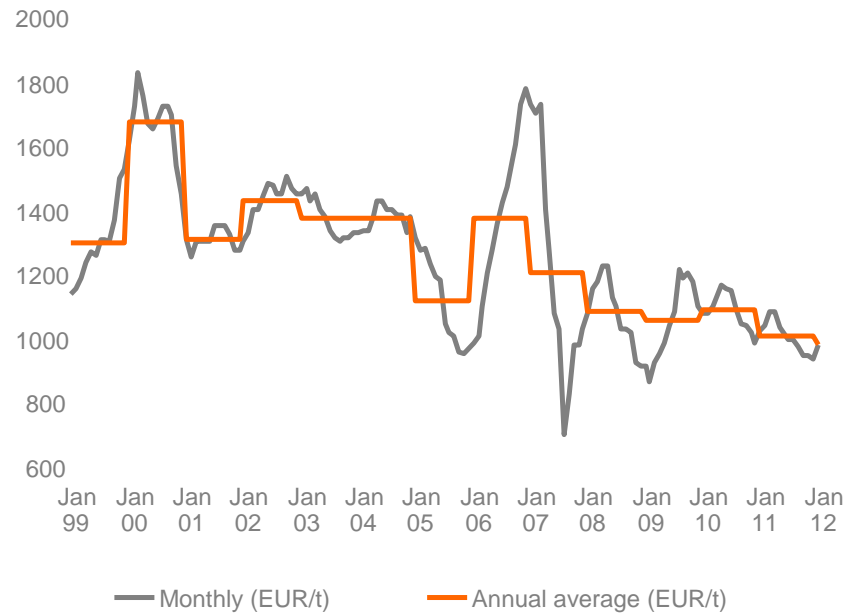
The transformation of the industry

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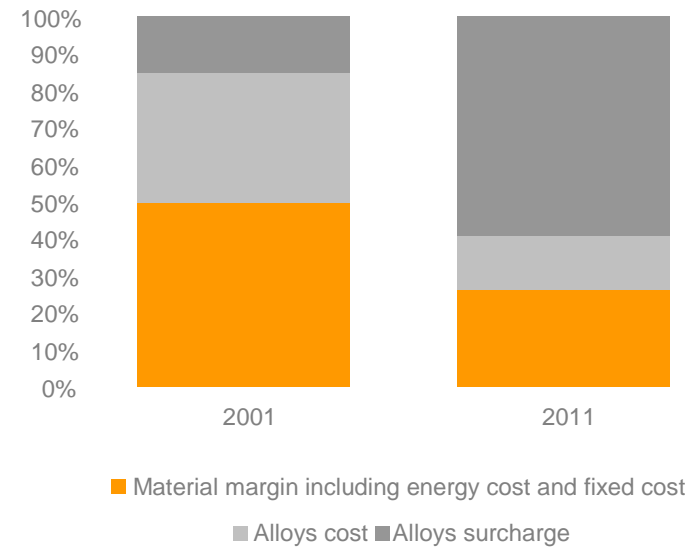
Prices and margins have been under strong pressure...



Southern European stainless steel base price (CR 304 2B 2mm coil)



Margin to stainless steel maker in % of total price



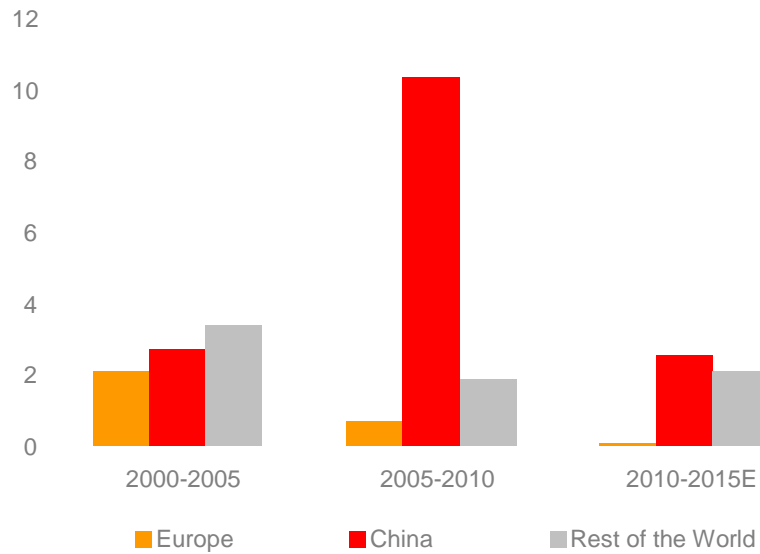
Margin to the stainless steel maker has become very limited relative to total stainless price

Source: SBB

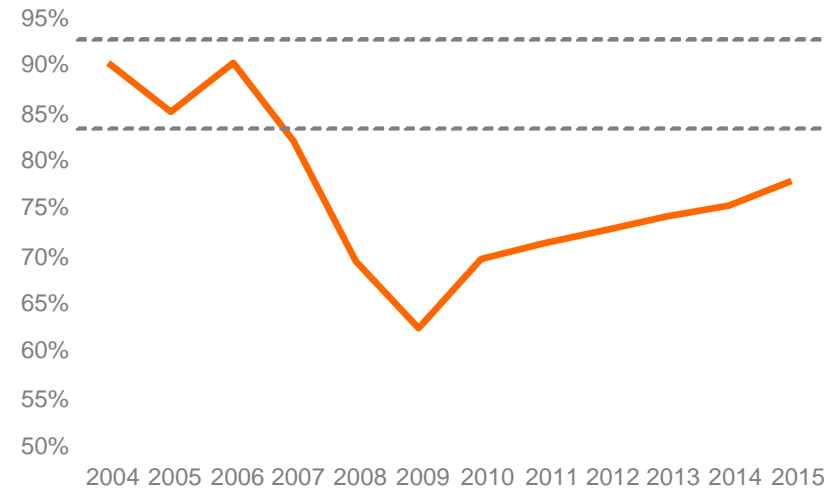
The transformation of the industry ... due to overinvestment and overcapacity



Stainless steel slab capacity expansion (in million tonnes)



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



Expansion of capacity is expected to slow

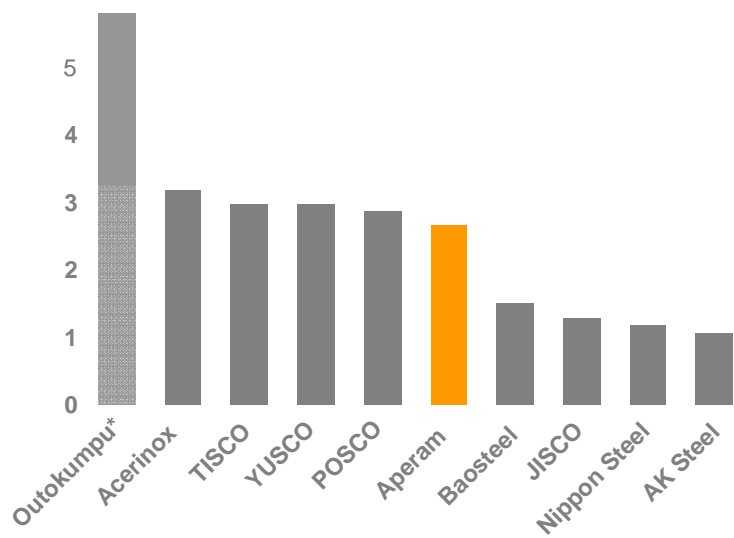
Source: CRU and Aperam estimates

The transformation of the industry

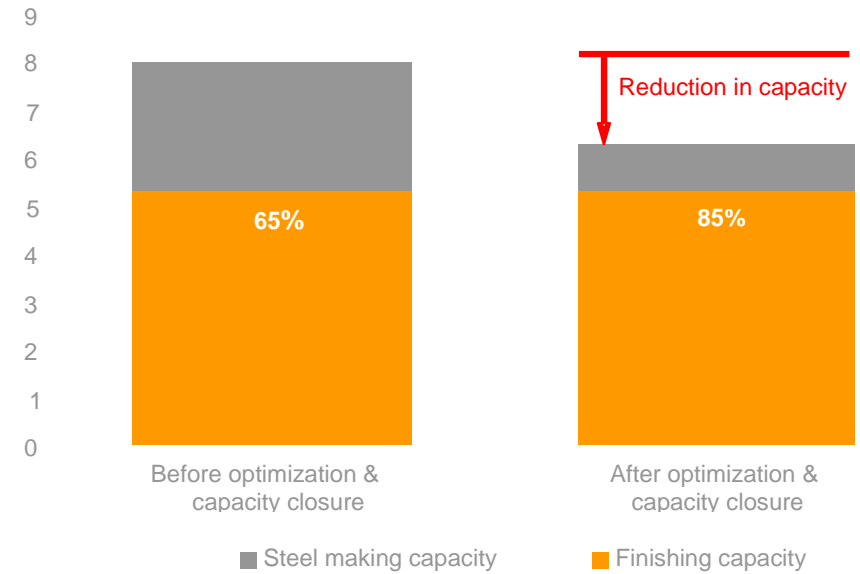
Consolidation has started and will benefit the industry



Flat product stainless steel global producers ranking by slab capacity (mt)



Steel making and finishing capacity for European producers (mt)



Consolidation should help the global stainless steel industry to become more efficient

Source: CRU and Aperam estimates

*Dependent upon regulatory and other approvals

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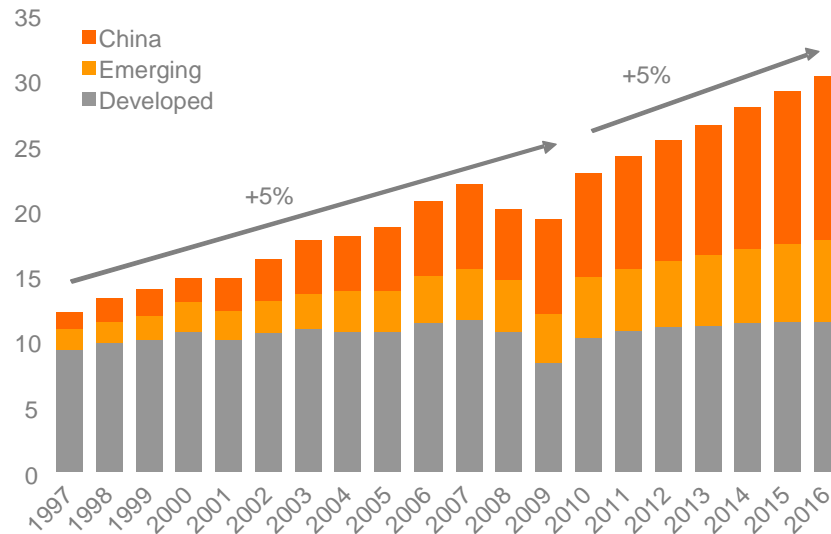
Unique strengths

Unique strengths

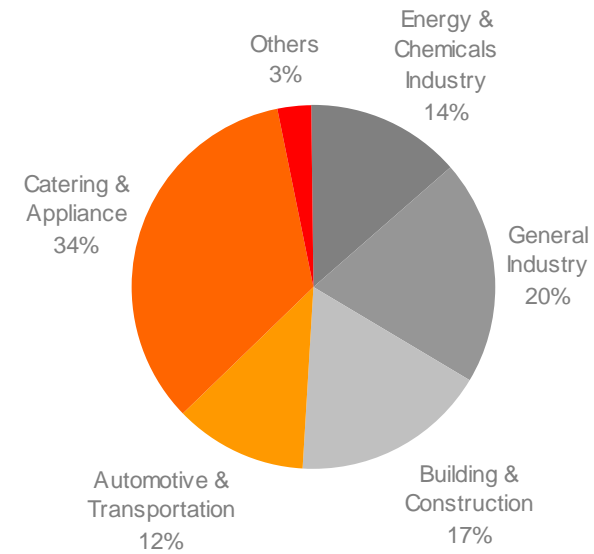
The stainless steel market is growing again following crisis



World stainless steel flat product demand (in million tonnes)



Stainless steel consumption by end user (%)

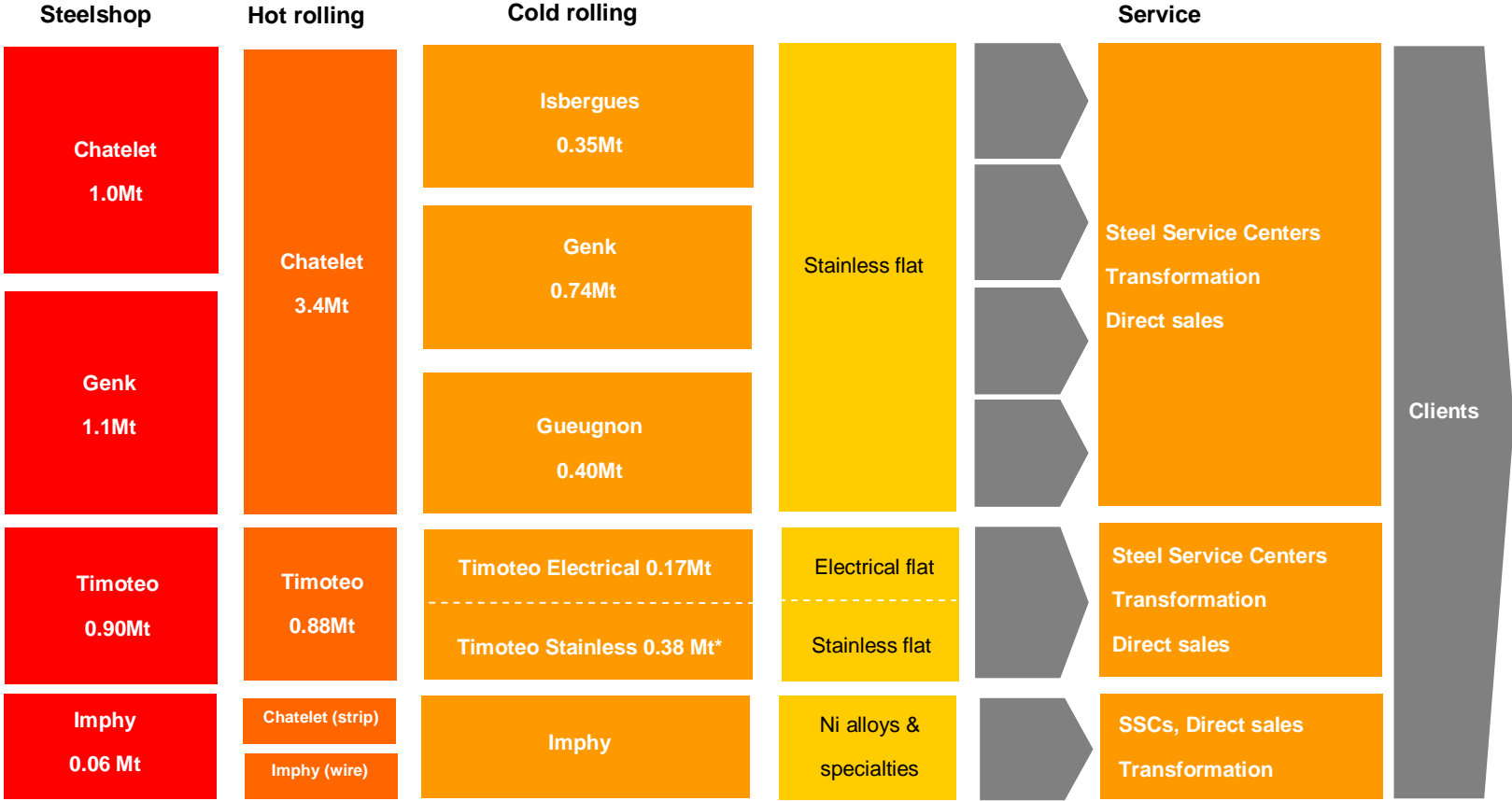


Demand expected to grow by less than 2% per year in Europe and by 7% in South America

Source: CRU and Aperam estimates

Unique strengths

A solid industrial base



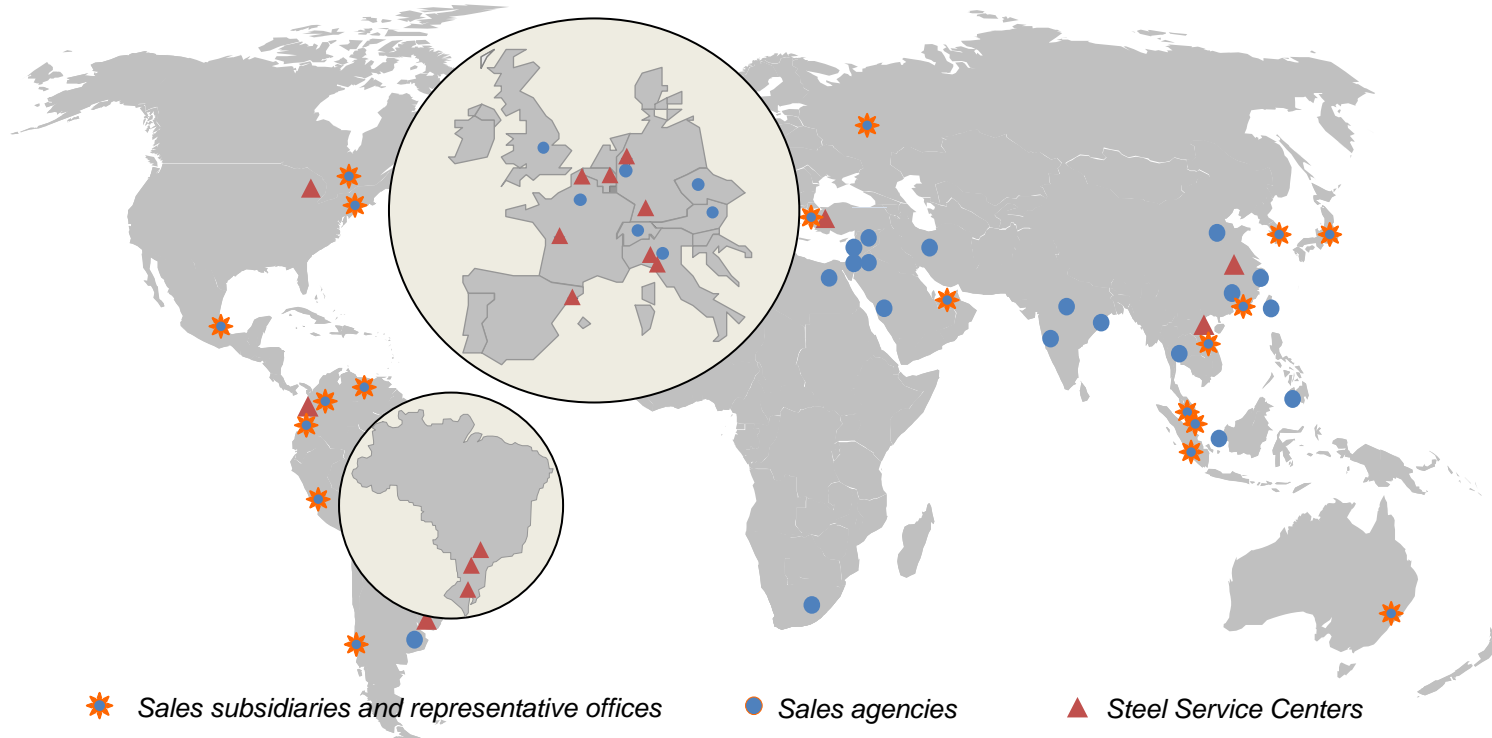
Built in 2005, Chatelet is the latest greenfield built in the developed world to date

* Includes 0.06Mt of finished HRAP products

Unique strengths

Close to customers through a highly integrated distribution network

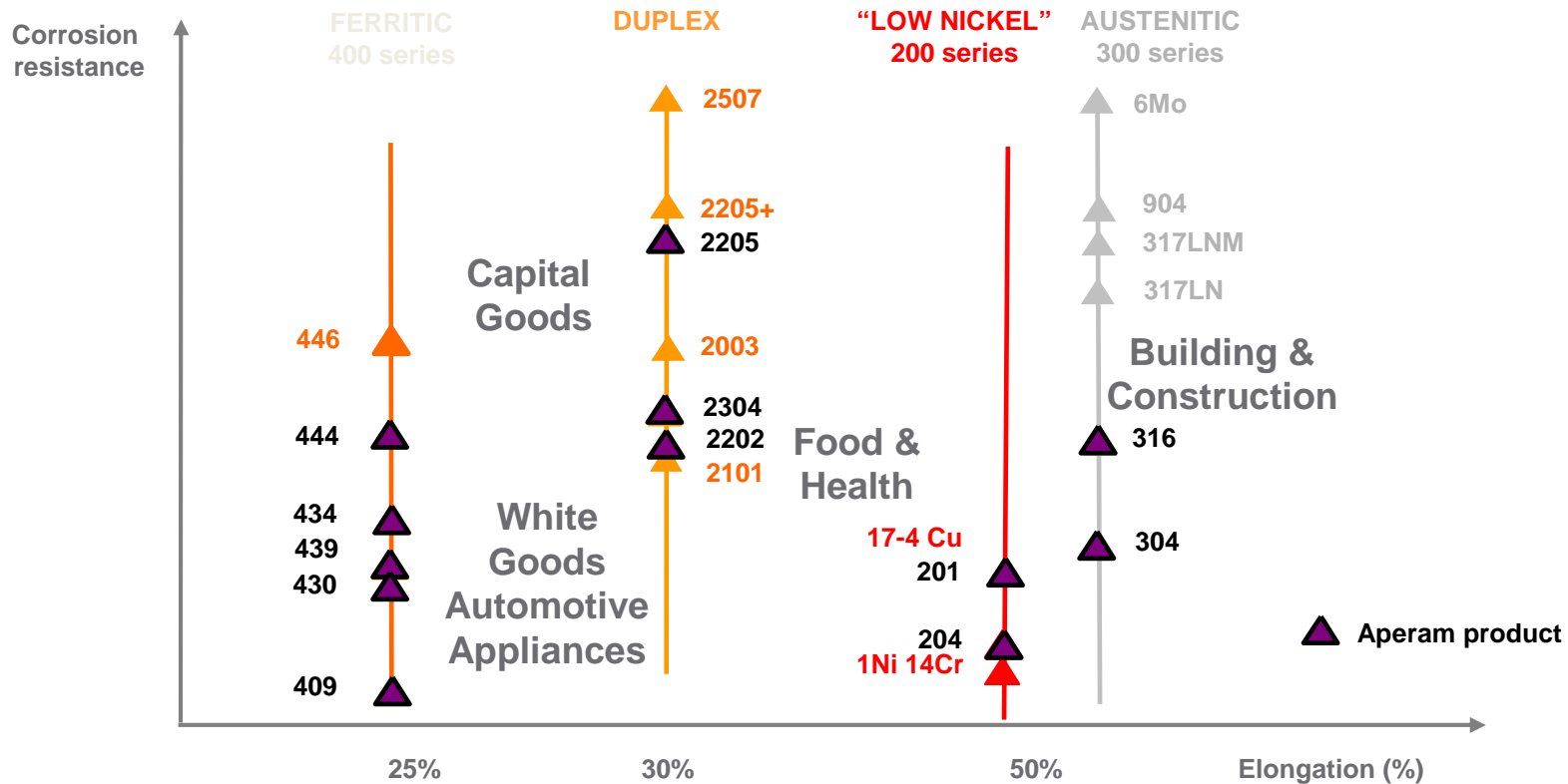
Sales, distribution and steel service centers network, including precision & tubes businesses



A key competitive advantage to maintaining market share and capturing growth opportunities

Unique strengths

A large product range of specialties supported by strong R&D



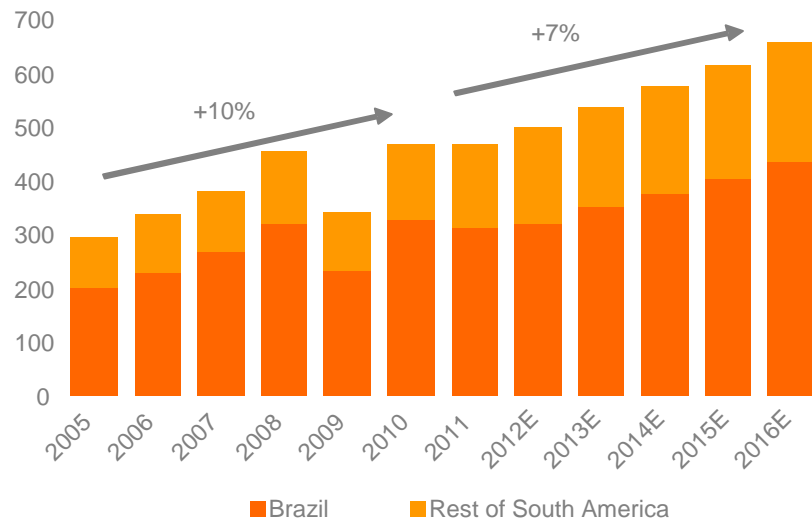
High-end application and specialty products benefiting from higher margins and growth

Unique strengths

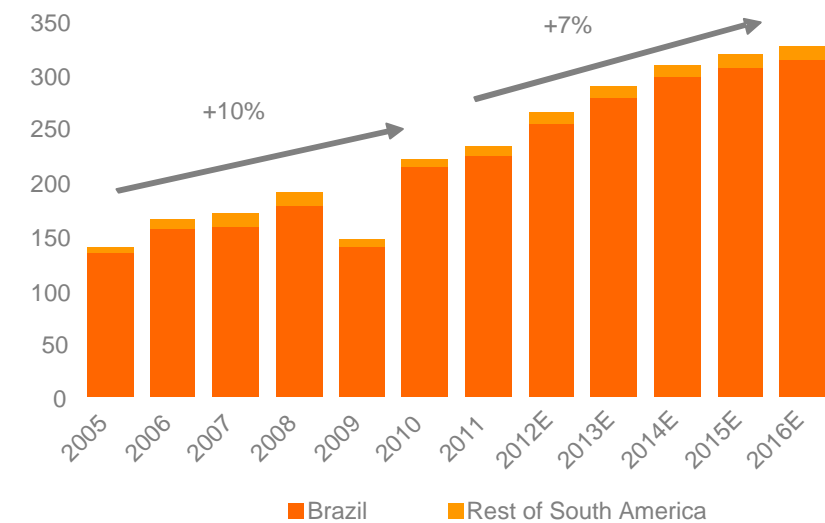
A unique exposure to Brazil



Apparent consumption in South America of stainless steel flat product ('000t)



Apparent consumption in South America of non grain oriented (NGO) electrical steel ('000t)



Brazilian operations, producing stainless & electrical steel represent approximately 30% of the group* and are running at nearly full capacity. As market grows, shipments expected to be redirected to profitable domestic market

*% shipments

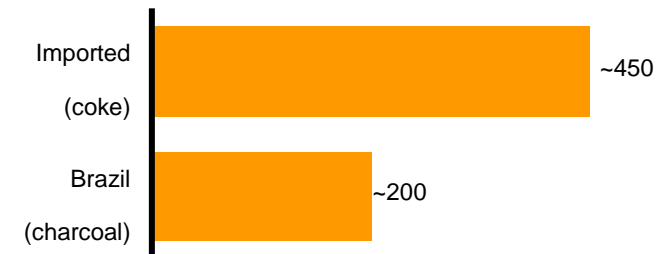
Unique strengths

A unique capability to produce stainless and specialties from biomass (charcoal)

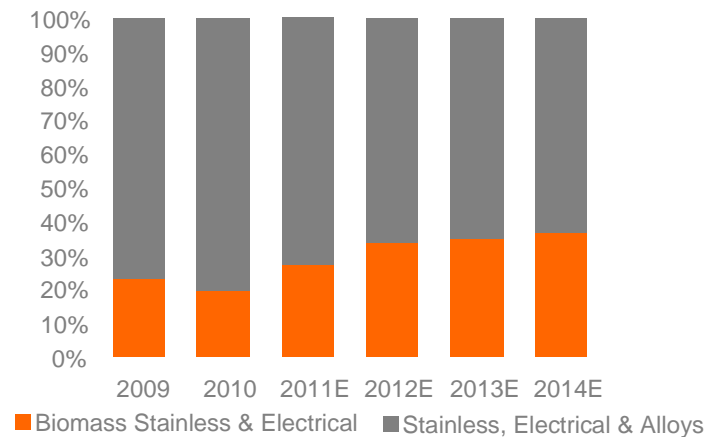
- Bioenergia produces biomass (charcoal) from eucalyptus - planting, maintenance and cutting at 7 years old
- Target to produce of 450,000t of biomass (charcoal) for 2012 following the forest development and the conversion of Blast Furnace #2 from coke to biomass
- Positive impact on environment



Equivalent coke and charcoal cost (USD/t)*



Biomass integration (% of Aperam production)



Fully integrated in biomass since mid-2011

*One tonne of charcoal is equivalent to approximately 0.90 tonne of coke
Source: Aperam

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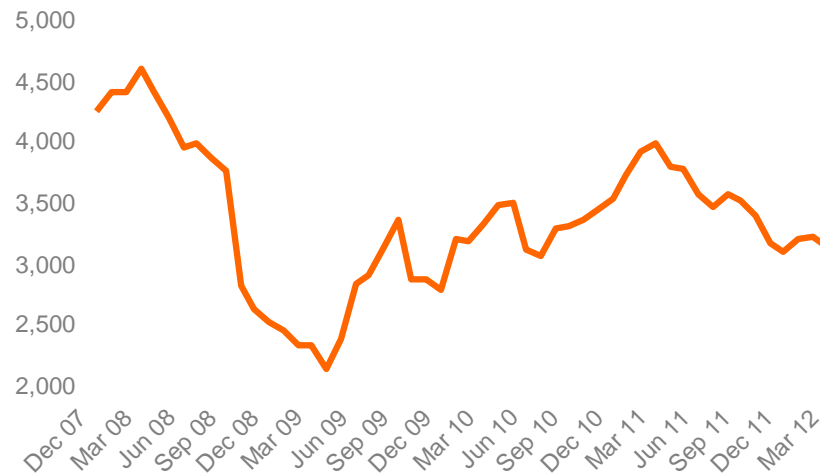
Markets & strategic priorities

Markets & strategic priorities

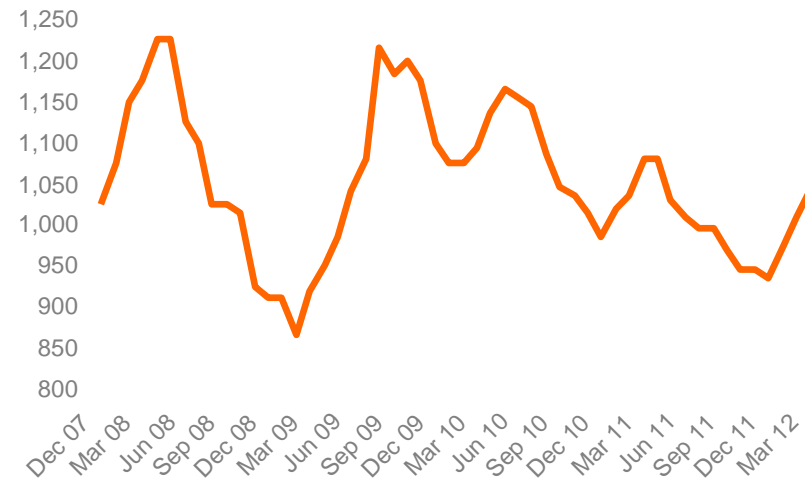
Markets under pressure



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 the stainless steel market at the end of 2011 but base prices have started to rise in 2012

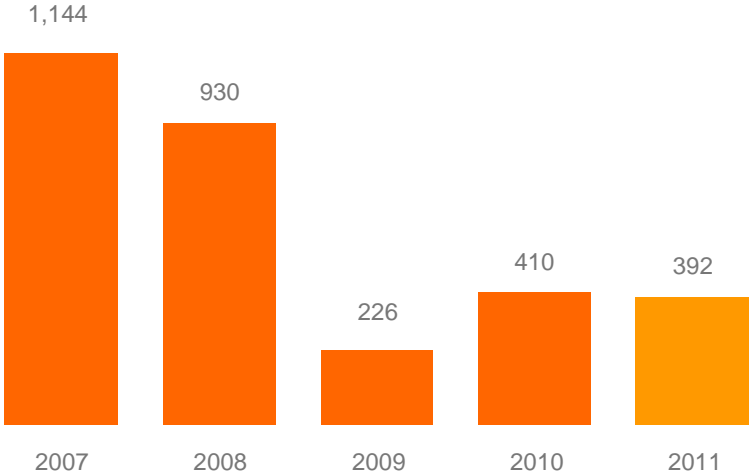
*Source: SBB

Markets & strategic priorities

Conservative strategy for 2012



Adjusted EBITDA* (USD)



Strategic priorities

- 1 Delivering Leadership Journey to allow profitability uplift
- 2 Targeting significant net debt reduction



Restrictive capital allocation based on cost cutting CAPEX and working capital control

Stainless steel industry fundamentals and economic uncertainty justify a conservative strategy for 2012

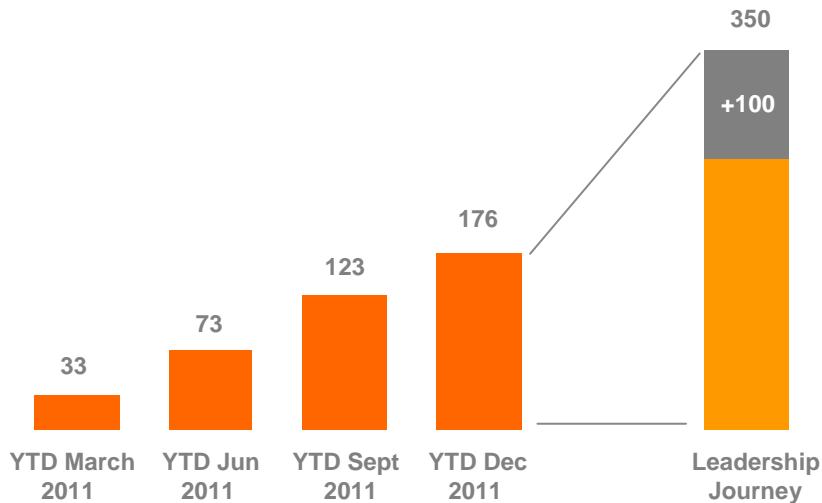
* Adjusted EBITDA is defined as operating income plus depreciation, impairment expenses and other items as defined in the "Aperam Model"

Markets & strategic priorities

Leadership Journey



Cumulated gains and 2013 target (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...

Initiatives launched in Q4 2011

- Industrial optimization and rationalization in Europe (from 20 tools to 17 tools)
- Systematic benchmarking in Brazil
- New sourcing initiatives

“Leadership Journey” accelerated and increased in 2011 by an additional USD 100 million by 2013

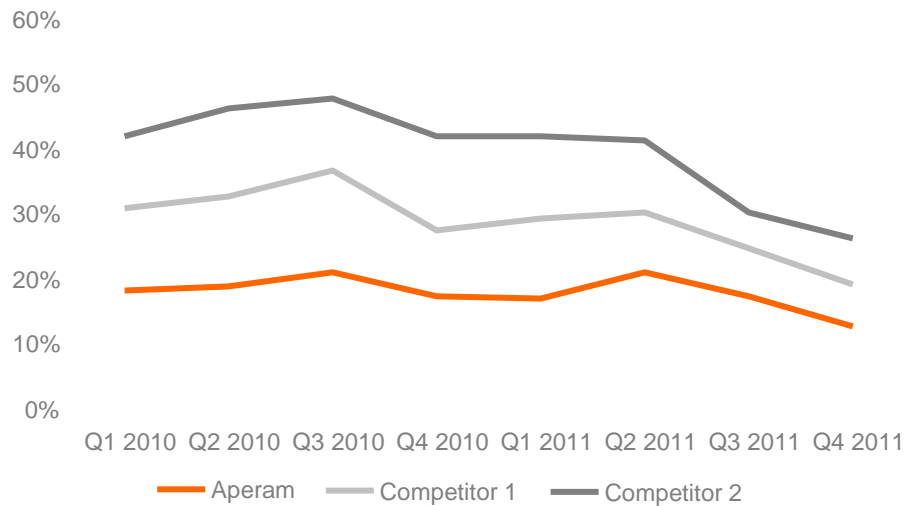
*VSS – Voluntary Separation Scheme

Markets & strategic priorities

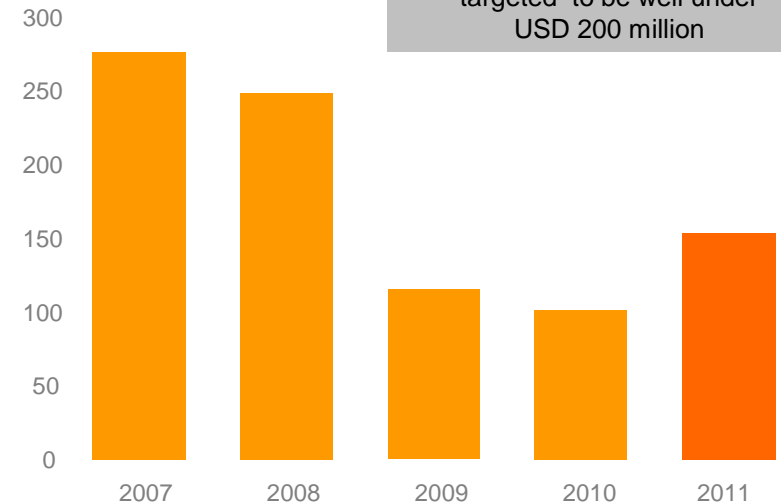
A focus on working capital and CAPEX



OWCR as a percentage of sales for European competitors



CAPEX (USDm)



Given the uncertain economic environment, 2012 CAPEX levels targeted to be well under USD 200 million

Restrictive capital allocation based upon cost cutting CAPEX and working capital control

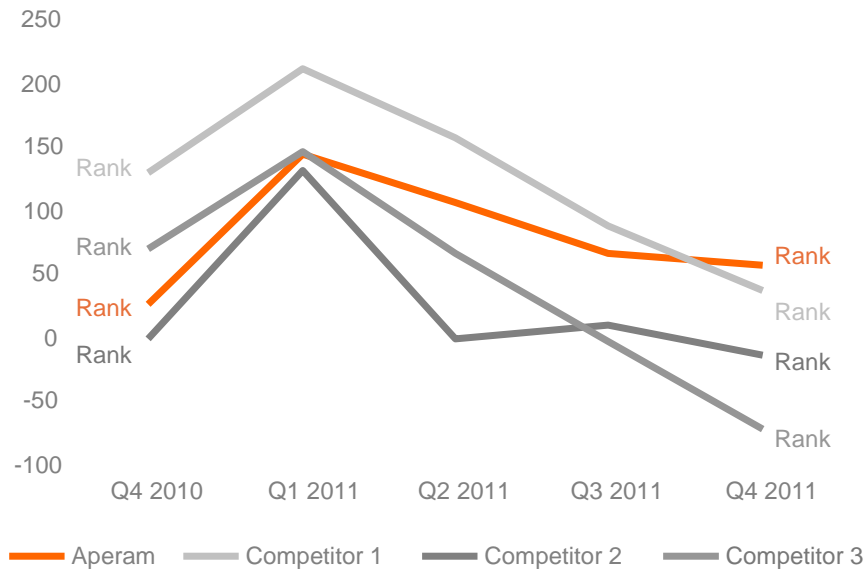
Source: based on earnings releases and annual reports

Markets & strategic priorities

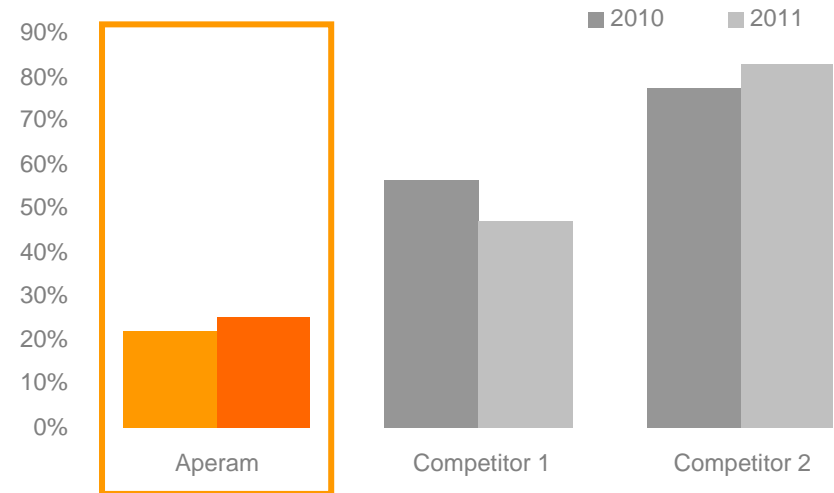
Solid financials relative to the sector



Quarterly EBITDA of the European stainless steel producers (USDm)



European producers gearing ratio (% on Equity)



Target to further reduce net debt

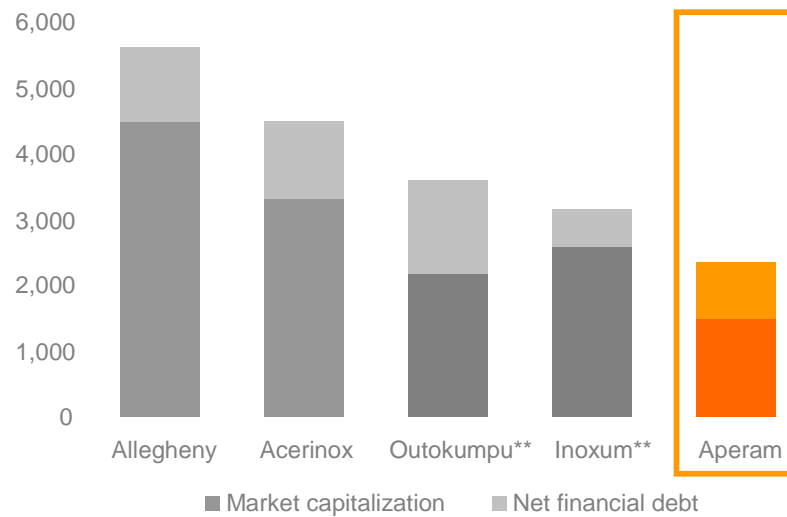
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Markets & strategic priorities

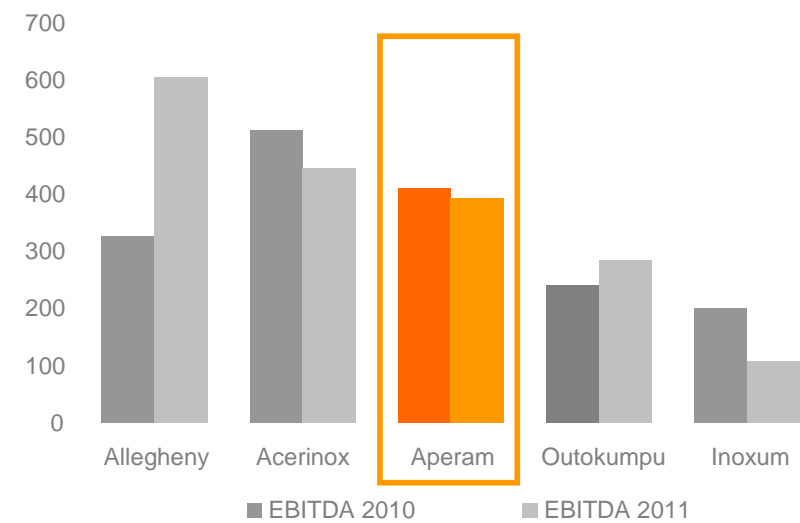
Conclusion



Enterprise Value ranking (USD million)*



Adj. EBITDA ranking (USD million)**



Aperam's enterprise value represents only half of its competitors

* Based on share prices of 03/09/2012 and net financial debt at FYE 2011

** Assumes completion of EUR 1 billion rights issue by Outokumpu and Inoxum figure based upon potential acquisition price

Source: Based on earning release, annual reports and company information

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Q&A