

Third quarter 2015 results¹

Luxembourg, November 5, 2015

Highlights

- Health and Safety frequency rate² of 1.2x in Q3 2015 compared to 0.8x in Q2 2015.
- Shipments of 455 thousand tonnes in Q3 2015, a 6% decrease compared to shipments of 486 thousand tonnes in Q2 2015.
- EBITDA³ of USD 108 million in Q3 2015, compared to EBITDA of USD 155 million in Q2 2015.
- Basic earnings per share of USD 0.40 in Q3 2015 and USD 1.79 for year to date September 2015 compared to USD 0.97 for year to date September 2014.
- Cash flow from operations amounted to USD 65 million in Q3 2015 compared to USD 78 million in Q2 2015.
- Net debt⁴ of USD 419 million as of September 30, 2015, representing a gearing of 19% compared to a net debt of USD 454 million as of June 30, 2015.

Aperam (referred to as “Aperam” or the “Company”) (Amsterdam, Luxembourg, Paris: APAM and NYRS: APEMY), announced today results for the three-month period ended September 30, 2015

Timoteo Di Maulo, CEO of Aperam, commented:

“As expected, the third quarter was marked by seasonality and decline in nickel price. However, Aperam was able to offset most of these impacts thanks to the agility and the resilience of its business model.

For the fourth quarter, we remain cautious given the current economic environment but we are confident we will continue to deliver on the Leadership Journey^{®5} and the Top Line strategy.

Looking ahead, we see stainless steel fundamentals improving in our markets and we are confident in the ability of Aperam to generate sustainable cash returns. Therefore, we are happy to reinstate dividend.”

Prospects

- EBITDA in Q4 2015 is expected to be comparable to EBITDA in Q3 2015.
- Net debt is expected to decrease in Q4 2015.

Financial policy

- Aperam restates a base dividend of USD 1.25/share (subject to AGM approval), which is anticipated to progressively increase over time, as the company continues to improve its sustainable profitability benefiting from its strategic actions.

Financial Highlights (on the basis of IFRS)

(USDm) unless otherwise stated	Q3 15	Q2 15	Q3 14	9M 15	9M 14
Sales	1,113	1,264	1,353	3,635	4,191
EBITDA	108	155	137	396	430
Operating income	67	109	82	262	243
Net income	31	66	21	139	76
Steel shipments (000t)	455	486	433	1,410	1,374
EBITDA/tonne (USD)	237	319	316	281	313
Basic earnings per share (USD)	0.40	0.85	0.27	1.79	0.97

Health & Safety results analysis

Health and Safety performance, based on Aperam personnel figures and contractors' lost time injury frequency rate², was 1.2x in the third quarter of 2015 compared to 0.8x in the second quarter of 2015.

Financial results analysis

Sales in the third quarter of 2015 decreased by 12% at USD 1,113 million compared to USD 1,264 million in the second quarter of 2015. Shipments in the third quarter of 2015 decreased by 6% to 455 thousand tonnes compared to 486 thousand tonnes in the second quarter of 2015, mainly due to the seasonal effects in Europe.

EBITDA was USD 108 million in the third quarter of 2015 compared to EBITDA of USD 155 million in the second quarter of 2015. The continuing progress of the Leadership Journey^{®5} and the Top Line strategy as well as the agility of the Brazilian operations enabled to compensate most of the negative impacts of the traditional seasonality in Europe, the current economic environment, the recent decline in the nickel price and the tightness in raw material market conditions. The Leadership Journey[®] has continued to progress over the quarter and has contributed a total amount of USD 466 million to EBITDA since the beginning of 2011.

Depreciation and amortization expense in the third quarter of 2015 was USD 41 million.

Aperam had an operating income in the third quarter of USD 67 million compared to an operating income of USD 109 million in the previous quarter.

The Company recorded a loss from other investments of USD 6 million in the third quarter related to an impairment loss of USD 4 million booked on the minority stake it holds in Gerdau, a Brazilian steelmaker, and USD 2 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 third quarter of 2015 were USD 15 million, primarily related to financing costs of USD 6 million. Realized and unrealized foreign exchange and derivative losses were USD 7 million in the third quarter of 2015.

The Company recorded a net income of USD 31 million, inclusive of an income tax expense of USD 8 million, in the third quarter of 2015.

Cash flows from operations in the third quarter were positive at USD 65 million, despite a working capital increase of USD 43 million. CAPEX in the third quarter was USD 26 million.

As of September 30, 2015, shareholders' equity was USD 2,225 million and net financial debt⁴ was USD 419 million (gross financial debt as of September 30, 2015 was USD 487 million, cash and cash equivalents were USD 68 million).

The Company had liquidity of USD 543 million as of September 30, 2015, consisting of cash and cash equivalents of USD 68 million and undrawn credit lines⁶ of USD 475 million.

Operating segment results analysis

Stainless & Electrical Steel

The Stainless & Electrical Steel segment had sales of USD 855 million in the third quarter of 2015. This represents a decrease of 17% compared to sales of USD 1,031 million in the second quarter of 2015. Shipments during the third quarter were 429 thousand tonnes. This is a decrease of 11% compared to shipments of 483 thousand tonnes in the previous quarter. The volume decrease was mainly due to the seasonal impact in Europe compared to the second 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 third quarter of 2015 compared to USD 139 million in the second quarter of 2015. In South America, the optimisation of sales portfolio and the positive contribution of the Leadership Journey[®] together with a lower Brazilian Real compensated the weaker domestic market conditions in Brazil. In Europe, the impact of lower volumes and the tension on scrap prices was partly compensated by the continuous contribution of the Leadership Journey[®] and the Top Line strategy.

Depreciation and amortization expense was USD 34 million in the third quarter of 2015.

The Stainless & Electrical Steel segment had an operating income of USD 60 million during the third quarter of 2015 compared to an operating income of USD 100 million in the second quarter of 2015.

Services & Solutions

The Services & Solutions segment had a 10% decrease in sales during the quarter, from USD 569 million in the second quarter of 2015 to USD 510 million in the third quarter of 2015. In the third quarter of 2015, shipments were 187 thousand tonnes compared to 202 thousand tonnes in the previous quarter. The Services & Solutions segment had lower average selling prices during the period compared to the previous period.

The segment had EBITDA of USD 2 million in the third quarter of 2015 compared to EBITDA of USD 14 million in the second quarter of 2015. The decline of EBITDA was due to the traditional seasonal impact in Europe and the negative stock effect resulting from the steep decline in nickel prices.

Depreciation and amortization expense was USD 4 million in the third quarter of 2015.

The Services & Solutions segment had an operating loss of USD 2 million in the third quarter of 2015 compared to an operating income of USD 9 million in the second quarter of 2015.

Alloys & Specialties

The Alloys & Specialties segment had sales in the third quarter of 2015 of USD 125 million, representing a decrease of 20% compared to USD 157 million in the second quarter of 2015. Shipments in the third quarter of 2015 were down by 30% to 7 thousand tonnes compared to 10 thousand tonnes in the previous quarter. Shipments for year to date September 2015 at 27 thousand tonnes show a 4% improvement compared to year to date September 2014 at 26 thousand tonnes. Average selling prices decreased quarter over quarter.

The Alloys & Specialties segment achieved EBITDA of USD 9 million in the third quarter of 2015 compared to USD 13 million in the second quarter of 2015. EBITDA was down in the third quarter compared to the second quarter primarily as a result of the seasonal impact in the third quarter. EBITDA for year to date September 2015 is at USD 36 million compared to year to date September 2014 at USD 47 million, mainly due to negative foreign exchange translation effects.

Depreciation and amortization expense in the third quarter of 2015 was USD 2 million.

The Alloys & Specialties segment had an operating income of USD 7 million in the third quarter of 2015 compared to an operating income of USD 12 million in the second quarter of 2015.

New developments

- On November 5 2015, Aperam declared its financial policy to maximize the long term growth and sustainability of the company as well as the value accretion for its shareholders while maintaining a strong balance sheet. Aperam restates a base dividend of USD 1.25/share (subject to AGM approval), as the company continues to improve its sustainable profitability benefiting from its strategic actions. The company targets a NFD/EBITDA ratio of <1x (through the cycle). In the (unlikely) event that NFD/EBITDA exceeds 1x, the company will suspend the cash dividend. The dividend will be paid in four equal quarterly installments of US\$0.3125 (gross) per share. The detailed dividend payment schedule will be published with the full year 2015 results and is expected to be similar to the previous dividend calendars.

Investor conference call

Aperam management will host a conference call for members of the investment community to discuss the third quarter 2015 financial performance at the following time:

Date	New York	London	Luxembourg
Thursday, Nov. 5, 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 (+1 212 444 0896); and international (+44(0)20 3427 1901). The participant access code is: 8443454.

A replay of the conference call will be available until November 11th, 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 8443454.

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About Aperam

Aperam is a global player in stainless, electrical and specialty steel, with customers in over 40 countries. The business is organized in three primary operating segments: Stainless & Electrical Steel, Services & Solutions and Alloys & Specialties.

Aperam has 2.5 million tonnes of flat Stainless and Electrical steel capacity in Brazil and Europe and is a leader in high value specialty products. 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 production facilities located in Brazil, Belgium and France.

In 2014, Aperam had sales 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)	September 30, 2015	June 30, 2015	September 30, 2014
Non current assets	2,620	2,894	3,401
Intangible assets	565	619	737
PPE & Biological assets	1,653	1,774	2,130
Investments and Other	402	501	534
Current assets & working capital	818	842	1,226
Inventories, trade receivables and trade payables	640	650	681
Other assets	110	120	146
Cash and cash equivalents	68	72	399
Shareholders' equity	2,225	2,449	2,851
Group share	2,220	2,445	2,847
Non-controlling interests	5	4	4
Non current liabilities	853	924	1,162
Interest bearing liabilities	445	446	696
Deferred employee benefits	191	193	201
Provisions and other	217	285	265
Current liabilities (excluding trade payables)	360	363	614
Interest bearing liabilities	42	80	294
Other	318	283	320

APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in million of U.S. dollars)	Three Months Ended			Nine Months Ended	
	September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Sales	1,113	1,264	1,353	3,635	4,191
EBITDA	108	155	137	396	430
Depreciation & impairment	41	46	55	134	187
Operating income	67	109	82	262	243
Loss from other investments and associates	(6)	(6)	(17)	(12)	(45)
Net interest expense and other net financing costs	(15)	(15)	(36)	(65)	(95)
Foreign exchange and derivative gains (losses)	(7)	2	(2)	(2)	(5)
Income before taxes and non-controlling interests	39	90	27	183	98
Income tax expense	(8)	(23)	(6)	(43)	(22)
Income before non-controlling interests	31	67	21	140	76
Non-controlling interests	—	1	—	1	—
Net income	31	66	21	139	76

APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in million of U.S. dollars)	Three Months Ended			Nine Months Ended	
	September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Net income	31	66	21	139	76
Non-controlling interests	—	1	—	1	—
Depreciation and impairment	41	46	55	134	187
Change in working capital	(43)	(24)	(91)	(110)	(208)
Other	36	(11)	80	59	77
Net cash provided by operating activities	65	78	65	223	132
Purchase of PPE and biological assets (CAPEX)	(26)	(24)	(24)	(84)	(65)
Other investing activities (net)	1	3	1	3	9
Net cash used in investing activities	(25)	(21)	(23)	(81)	(56)
(Payments) / Proceeds from payable to banks and long term debt	(36)	(265)	217	(249)	60
Purchase of treasury stock	—	—	(3)	—	(3)
Dividends paid	—	—	(1)	—	(1)
Other financing activities (net)	(2)	(1)	(1)	(3)	(3)
Net cash (used in) / provided by financing activities	(38)	(266)	212	(252)	53
Effect of exchange rate changes on cash	(6)	5	(26)	(19)	(21)
Change in cash and cash equivalent	(4)	(204)	228	(129)	108

Appendix 1a – Health & Safety statistics

Health & Safety Statistics	Three Months Ended		
	September 30, 2015	June 30, 2015	September 30, 2014
Frequency Rate	1.2	0.8	0.3

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

Quarter Ended September 30, 2015	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	429	187	7	(168)	455
Steel selling price (USD/t)	1,978	2,592	17,612		2,394
Financial information					
Sales (USDm)	855	510	125	(377)	1,113
EBITDA (USDm)	94	2	9	3	108
Depreciation & Amortization (USDm)	34	4	2	1	41
Operating income / (loss) (USDm)	60	(2)	7	2	67

Quarter Ended June 30, 2015	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	483	202	10	(209)	486
Steel selling price (USD/t)	2,057	2,677	15,487		2,504
Financial information					
Sales (USDm)	1,031	569	157	(493)	1,264
EBITDA (USDm)	139	14	13	(11)	155
Depreciation & Amortization (USDm)	39	5	1	1	46
Operating income / (loss) (USDm)	100	9	12	(12)	109

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. Aperam targets a contribution to EBITDA of a total amount of USD 475 million by end of 2015 and of USD 575 million by end of 2017, since the beginning of 2011.

⁶ Subject to eligible collateral available.