



First quarter 2016 - results¹

Luxembourg May 4th, 2016

Highlights

- Health and Safety frequency rate² of 1.1 in Q1 2016 compared to 0.7 in Q4 2015 and 1.0 in 2015
- Shipments of 483 thousand tonnes in Q1 2016, a 1% increase compared to shipments of 476 thousand tonnes in Q4 2015
- EBITDA of USD 112 million in Q1 2016, compared to EBITDA of USD 105 million in Q4 2015
- Net income of USD 49 million in Q1 2016, compared to a net income of USD 33 million in Q4 2015
- Basic earnings per share of USD 0.63 in Q1 2016
- Cash flow from operations amounted to USD 39 million in Q1 2016
- Net debt⁴ of USD 338 million on March 31, 2016, representing a gearing of 14% compared to a net debt of USD 316 million on December 31, 2015

Prospects

- EBITDA in Q2 2016 is expected to slightly increase compared to EBITDA in Q1 2016
- Net debt to decrease in Q2 2016

Aperam (referred to as “Aperam” or the “Company”) (Amsterdam, Luxembourg, Paris: APAM and NYRS: APEMY), announced today results for the three month period ending March 31, 2016

Timoteo Di Maulo, CEO of Aperam, commented:

“Despite market headwinds, we are pleased to have delivered the best first quarter net result since the spin-off. This makes us confident in the ability of Aperam to improve its performance continuously and capture any opportunity.

Looking ahead, we remain cautious given the economic environment. However, the first quarter confirmed that Q4 2015 was a trough in terms of market conditions and we believe that we will further improve our profitability.”

Financial Highlights (on the basis of IFRS)

(USDm) unless otherwise stated	Q1 '16	Q4 '15	Q1 '15
Sales	1,076	1,081	1,258
EBITDA	112	105	133
Operating income	73	65	86
Net income	49	33	42
Steel shipments (000t)	483	476	469
EBITDA/tonne (USD)	232	221	284
Basic earnings per share (USD)	0.63	0.42	0.54
Diluted earnings per share (USD)	0.57	0.40	0.50

Health & Safety results analysis

Health and Safety performance based on Aperam personnel figures and contractors lost time injury frequency rate², was 1.1 in the first quarter of 2016 compared to 0.7 in the fourth quarter of 2015.

Financial results analysis for the three months period ending March 31, 2016

Sales in the first quarter of 2016 were stable at USD 1,076 million compared to USD 1,081 million in the fourth quarter of 2015. Shipments in the first quarter of 2016 increased by 1% at 483 thousand tonnes compared to 476 thousand tonnes in the fourth quarter of 2015.

EBITDA was USD 112 million in the first quarter of 2016 compared to EBITDA of USD 105 million in the fourth quarter of 2015. Despite the traditional seasonal effect in Brazil, EBITDA increased quarter on quarter mainly due to solid performance of Stainless & Electrical Steel Europe and Services & Solutions segments. The Leadership Journey^{®5} has continued to progress over the quarter and has contributed a total amount of USD 487 million to EBITDA since the beginning of 2011.

Depreciation and amortization expense in the first quarter of 2016 was USD 39 million.

Aperam had an operating income in the first quarter of 2016 of USD 73 million compared to an operating income of USD 65 million in the previous quarter.

Net interest expense and other financing costs in the first quarter of 2016 were USD 9 million, primarily related to financing costs of USD 4 million and USD 6 million of non-cash interest expense related to the amortization of the option premium on convertible bonds. Realized and unrealized foreign exchange and derivative losses were USD 3 million in the first quarter of 2016.

The Company recorded a net income of USD 49 million, inclusive of an income tax expense of USD 12 million, in the first quarter of 2016.

Cash flows from operations in the first quarter were positive at USD 39 million, with a working capital increase of USD 40 million. CAPEX in the first quarter was USD 33 million.

As of March 31, 2016, shareholders' equity was USD 2,411 million and net financial debt was USD 338 million (gross financial debt as of March 31, 2016 was USD 468 million and cash & cash equivalents were USD 130 million).

The Company had liquidity of USD 530 million as of March 31, 2016, consisting of cash and cash equivalents of USD 130 million and undrawn credit lines⁶ of USD 400 million.

Operating segment results analysis

Stainless & Electrical Steel

The Stainless & Electrical Steel segment had sales of USD 876 million in the first quarter of 2016. This is similar to sales of USD 869 million in the fourth quarter of 2015. Shipments during the first quarter were 474 thousand tonnes, a 2% increase compared to shipments in the fourth quarter of 2015 of 465 thousand tonnes. The volume increase was mainly due to seasonal recovery in Europe. Overall, average selling prices for the Stainless & Electrical Steel segment were slightly lower for the quarter mainly due to the raw material price effects.

The segment had EBITDA of USD 90 million in the first quarter of 2016 compared to USD 95 million in the fourth quarter of 2015. The seasonal effect in South America was compensated by the traditional seasonal recovery in Europe as well as the contribution of the Leadership Journey® and the Top Line strategy.

Depreciation and amortization expense was USD 34 million in the first quarter of 2016.

The Stainless & Electrical Steel segment had an operating income of USD 56 million during the first quarter of 2016 compared to an operating income of USD 61 million in the fourth quarter of 2015.

Services & Solutions

The Services & Solutions segment had a 13% increase in sales during the quarter, from USD 442 million in the fourth quarter of 2015 to USD 500 million in the first quarter of 2016. In the first quarter of 2016, shipments were 210 thousand tonnes compared to 174 thousand tonnes in the previous quarter. The Services & Solutions segment had lower average selling prices during the quarter.

The segment had EBITDA in the first quarter of 2016 of USD 19 million compared to EBITDA of USD 8 million in the fourth quarter of 2015. The increase in EBITDA was mainly driven by seasonal recovery and the contribution of Top Line strategy.

Depreciation and amortization expense was USD 3 million in the first quarter of 2016.

The Services & Solutions segment had an operating income of USD 16 million in the first quarter of 2016 compared to an operating income of USD 3 million in the fourth quarter of 2015.

Alloys & Specialties

The Alloys & Specialties segment had sales in the first quarter of 2016 of USD 109 million, representing a decrease of 16% compared to USD 130 million in the fourth quarter of 2015. Shipments were stable in the first quarter of 2016 at 8 thousand tonnes compared to 8 thousand tonnes in the fourth quarter of 2015. Average selling prices decreased over the quarter.

The Alloys & Specialties segment achieved EBITDA of USD 6 million in the first quarter of 2016 compared to USD 8 million in the fourth quarter of 2015. The EBITDA decrease is mainly due to raw material and product mix effects.

Depreciation and amortization expense in the first quarter of 2016 was USD 1 million.

The Alloys & Specialties segment had an operating income of USD 5 million in the first quarter of 2016 compared to an operating income of USD 7 million in the fourth quarter of 2015.

Recent developments

- On February 17, 2016, Moody's Investors Service upgraded Aperam's corporate family rating to Ba1 from Ba2. The outlook is stable.
- On March 6, 2016, Aperam announced the publication of its 2015 Annual Report.
- On April 4, 2016, Aperam announced the publication of the convening notice for its Annual General Meeting of shareholders to be held on May 4, 2016.
- On April 6, 2016, Aperam announced the publication of its "made for life" report for 2015, which constitutes Aperam's sustainability performance report.

New developments

- On May 4, 2016, Aperam announces that the Annual General Meeting of Shareholders of Aperam held in Luxembourg on the same day approved all resolutions on the agenda by a large majority.

Investor conference call

Aperam management will host a conference call for members of the investment community to discuss the first quarter 2016 financial performance at the following time:

Date	New York	London	Luxembourg
Wednesday, May 4, 2016	12:30 pm	5:30 pm	6:30 pm

The dial-in numbers for the call are: France (+33(0)1 76 77 22 25); USA (+1 646 254 3363); and international (+44(0)20 3427 1911). The participant access code is: 3849347#.

A replay of the conference call will be available until May 10th, 2016: 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 3849347#.

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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 2015, Aperam had sales of USD 4.7 billion and shipments of 1.89 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)	March 31, 2016	December 31, 2015	March 31, 2015
Non current assets	2,771	2,642	2,856
Intangible assets	587	556	599
Property, plant and equipments (incl. Biological assets)	1,729	1,652	1,737
Investments & Other	455	434	520
Current assets & working capital	815	808	999
Inventories, trade receivables and trade payables	595	520	603
Other assets	90	140	120
Cash and cash equivalents	130	148	276
Shareholders' equity	2,411	2,222	2,276
Group share	2,406	2,217	2,272
Non-controlling interest	5	5	4
Non current liabilities	900	883	906
Interest bearing liabilities	454	450	443
Deferred employee benefits	191	184	187
Provisions and other	255	249	276
Current liabilities (excluding trade payables)	275	345	673
Interest bearing liabilities	14	14	341
Other	261	331	332

APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in million of U.S. dollars)	Three Months Ended		
	March 31, 2016	December 31, 2015	March 31, 2015
Sales	1,076	1,081	1,258
EBITDA	112	105	133
Depreciation & amortization	39	40	47
Operating income	73	65	86
Loss from other investments and associates	—	(3)	—
Net interest expense and other net financing costs	(9)	(12)	(35)
Foreign exchange and derivative gains / (losses)	(3)	(5)	3
Income before taxes	61	45	54
Income expense	(12)	(12)	(12)
Net income	49	33	42

APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in million of U.S. dollars)	Three Months Ended		
	March 31, 2016	December 31, 2015	March 31, 2015
Net income	49	33	42
Depreciation and amortization	39	40	47
Change in working capital	(40)	107	(43)
Other	(9)	(11)	34
Net cash provided by operating activities	39	169	80
Purchase of PPE, intangible and biological assets (CAPEX)	(33)	(48)	(34)
Other investing activities (net)	—	3	(1)
Net cash used in investing activities	(33)	(45)	(35)
(Payments to) / proceeds from banks and long term debt	(4)	(30)	52
Purchase of treasury stock	—	(14)	—
Dividends paid	(24)	—	—
Net cash (used in) / provided by financing activities	(28)	(44)	52
Effect of exchange rate changes on cash	4	—	(18)
Change in cash and cash equivalent	(18)	80	79

Appendix 1a – Health & Safety statistics

Health & Safety Statistics	Three Months Ended		
	March 31, 2016	December 31, 2015	March 31, 2015
Frequency Rate	1.1	0.7	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

Quarter Ended March 31, 2016	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	474	210	8	(209)	483
Steel selling price (USD/t)	1 794	2 266	12 828		2 150
Financial information					
Sales (USDm)	876	500	109	(409)	1 076
EBITDA (USDm)	90	19	6	(3)	112
Depreciation & amortization (USDm)	34	3	1	1	39
Operating income / (loss) (USDm)	56	16	5	(4)	73

Quarter Ended December 31, 2015 ⁷	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	465	174	8	(171)	476
Steel selling price (USD/t)	1 813	2 380	16 228		2 185
Financial information					
Sales (USDm)	869	442	130	(360)	1 081
EBITDA (USDm)	95	8	8	(6)	105
Depreciation & amortization (USDm)	34	5	1	-	40
Operating income / (loss) (USDm)	61	3	7	(6)	65

¹ The financial information in this press release and Appendix 1 & 2 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.

⁷ Due to the transfer of the Business Unit "Precision" from the segment "Services & Solutions" to the segment "Stainless & Electrical Steel" as from January 1, 2016, segmented figures for the quarter ended December 31, 2015 have been restated.