

Second quarter 2016 results¹

Luxembourg, July 27, 2016

Highlights

- Health and Safety frequency rate² of 2.1x in Q2 2016 compared to 1.1x in Q1 2016
- Shipments of 520 thousand tonnes in Q2 2016, an 8% increase compared to shipments of 483 thousands tonnes in Q1 2016
- EBITDA³ of USD 123 million in Q2 2016, compared to EBITDA of USD 112 million in Q1 2016
- Net income of USD 53 million in Q2 2016, compared to a net income of USD 49 million in Q1 2016
- Basic earnings per share of USD 0.68 in Q2 2016 compared to basic earnings per share of USD 0.63 in Q1 2016
- Cash flow from operations amounted to USD 112 million in Q2 2016, compared to cash flow from operations of USD 39 million in Q1 2016
- Free cash flow before dividend⁴ amounted to USD 87 million in Q2 2016, compared to free cash flow before dividend of USD 6 million in Q1 2016
- Net debt⁵ of USD 280 million as of June 30, 2016, representing a gearing of 11% compared to a net debt of USD 338 million as of March 31, 2016

Aperam (referred to as “Aperam” or the “Company”) (Amsterdam, Luxembourg, Paris: APAM and NYRS: APEMY), announced today results for the three month ending June 30, 2016

Timoteo Di Maulo, CEO of Aperam, commented:

“Despite headwinds from the current market conditions, Aperam continues to improve its operational performance, delivering a record high of operating cash flow generation over a second quarter.

Looking ahead, we remain confident in our capacity to deliver solid operational results and cash flow with the contribution of our Leadership Journey^{®6} and Top Line strategy.”

Prospects

- EBITDA in Q3 2016 is expected to be comparable to EBITDA in Q2 2016
- Net debt⁵ to decrease in Q3 2016

Financial Highlights (on the basis of IFRS)

(USDm) unless otherwise stated	Q2 16	Q1 16	Q2 15	H1 2016	H1 2015
Sales	1,121	1,076	1,264	2,197	2,522
EBITDA	123	112	155	235	288
Operating income	80	73	109	153	195
Net income	53	49	66	102	108
Free cash flow before dividend ⁴	87	6	56	93	102
Steel shipments (000t)	520	483	486	1,003	955
EBITDA/tonne (USD)	237	232	319	234	302
Basic earnings per share (USD)	0.68	0.63	0.85	1.31	1.39
Diluted earnings per share (USD)	0.52	0.57	0.66	1.09	1.30

Health & Safety results

Health and Safety performance based on Aperam personnel figures and contractors' lost time injury frequency rate², was 2.1 in the second quarter of 2016 compared to 1.1 in the first quarter of 2016.

Financial results analysis for the three months period ending June 30, 2016

Sales in the second quarter of 2016 increased by 4% to USD 1,121 million compared to USD 1,076 million in the first quarter of 2016. Shipments in the second quarter of 2016 increased by 8% at 520 thousand tonnes compared to 483 thousand tonnes in the first quarter of 2016.

EBITDA continued to improve over the quarter from USD 112 million in the first quarter of 2016 to USD 123 million in the second quarter of 2016. The Leadership Journey^{®6} has continued to progress over the quarter and has contributed a total amount of USD 497 million to EBITDA since the beginning of 2011.

Depreciation and amortisation expense in the second quarter of 2016 was USD 43 million.

Aperam had an operating income in the second quarter of 2016 of USD 80 million compared to an operating income of USD 73 million in the previous quarter.

Net interest expense and other financing costs in the second quarter of 2016 were USD 13 million, primarily related to financing costs of USD 4 million. Realised and unrealised foreign exchange and derivative gains were USD 3 million in the second quarter of 2016.

The Company recorded a net income of USD 53 million, inclusive of an income tax expense of USD 17 million, in the second quarter of 2016.

Cash flows from operations in the second quarter of 2016 were positive at USD 112 million, with a working capital decrease of USD 18 million. CAPEX in the second quarter was USD 25 million.

Free cash flow before dividend⁴ in the second quarter of 2016 amounted to USD 87 million.

As of June 30, 2016, shareholders' equity was USD 2,466 million and net financial debt⁵ was USD 280 million (gross financial debt as of June 30, 2016 was USD 472 million and cash and cash equivalents were USD 192 million).

The Company had liquidity of USD 647 million as of June 30, 2016, consisting of cash and cash equivalents of USD 192 million and undrawn credit lines⁷ of USD 456 million (borrowing base facility of USD 400 million and EIB financing of EUR 50 million described below).

Operating segment results analysis

Stainless & Electrical Steel

The Stainless & Electrical Steel segment had sales of USD 932 million in the second quarter of 2016. This represents an increase of 6% compared to sales of USD 876 million in the first quarter of 2016. Shipments during the second quarter were 516 thousand tonnes. This is an increase of 9% compared to shipments of 474 thousand tonnes in the previous quarter. The volume increase was mainly due to the traditional seasonal recovery in South America. Overall, average selling prices for the Stainless & Electrical Steel segment slightly decreased compared to the previous quarter.

The segment had EBITDA of USD 101 million in the second quarter of 2016 compared to USD 90 million in the first quarter of 2016. The challenging environment, especially in Brazil, was more than compensated by volume recovery in South America as well as the good contribution of the Top Line strategy.

Depreciation and amortisation expense was USD 37 million in the second quarter of 2016.

The Stainless & Electrical Steel segment had an operating income of USD 64 million during the second quarter of 2016 compared to an operating income of USD 56 million in the first quarter of 2016.

Services & Solutions

The Services & Solutions segment had a 4% increase in sales during the quarter, from USD 500 million in the first quarter of 2016 to USD 519 million in the second quarter of 2016. In the second quarter of 2016, shipments were 213 thousand tonnes compared

to 210 thousand tonnes in the previous quarter. The Services & Solutions segment had higher average selling prices during the period compared to the previous period.

The segment had EBITDA in the second quarter of 2016 of USD 27 million compared to EBITDA of USD 19 million in the first quarter of 2016. Overall, the increase in EBITDA was mainly driven by good volumes and improvement of selling prices.

Depreciation and amortisation expense was USD 4 million in the second quarter of 2016.

The Services & Solutions segment had an operating income of USD 23 million in the second quarter of 2016 compared to an operating income of USD 16 million in the first quarter of 2016.

Alloys & Specialties

The Alloys & Specialties segment had sales of USD 107 million in the second quarter of 2016, representing a decrease of 2% compared to USD 109 million in the first quarter of 2016. Shipments were lower in the second quarter of 2016 at 7 thousand tonnes compared to 8 thousand tonnes in the first quarter of 2016. Average selling prices increased over the quarter due to mix.

The Alloys & Specialties segment achieved EBITDA of USD 7 million in the second quarter of 2016 compared to USD 6 million in the first quarter of 2016.

Depreciation and amortisation expense in the second quarter of 2016 was USD 2 million.

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

Recent developments

- On June 27, 2016, Aperam and the European Investment Bank announced the signature of a financing contract of an amount of EUR 50 million for the purpose of financing a research and development programme over the period 2016-2019 as well as the upgrade of two plants located in cohesion regions (Isbergues - Hauts-de-France and Châtelet - Hainaut).

New developments

- On July 27, 2016, Aperam announced a change to its dividend calendar for 2016 with the payment date of the 3rd quarterly payment to take place on September 9, 2016 instead of September 12, 2016 (the other dates remaining identical to the detailed dividend calendar announced on February 10, 2016). This change follows a recommendation of the Dutch Advisory Committee Securities Industry to avoid corporate transactions close to the migration date of the securities settlement system to a harmonised European system.
- On July 27, 2016, Aperam published its Half-Year Report for the six month period ended June 30, 2016. The report is available in the Luxembourg Stock Exchange's electronic database OAM on www.bourse.lu and on www.aperam.com under Investors & shareholders, Aperam Financial Reports.

Investor conference call

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

Date	New York	London	Luxembourg
Wednesday, July 27, 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 24); USA (+1212 444 0412); and international (+44(0)20 3427 1906). The participant access code is: 5905084#.

A replay of the conference call will be available until August 2nd, 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 5905084#.

Contacts

Corporate Communications / Laurent Beauloye: +352 27 36 27 27

Investor Relations / Romain Grandsart: +352 27 36 27 36

About Aperam

Aperam is a global player in stainless, electrical and specialty steel, with customers in over 40 countries. The business is organised 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)	June 30, 2016	March 31, 2016	June 30, 2015
Non current assets	2,780	2,771	2,894
Intangible assets	596	587	619
Property, plant and equipments (incl. Biological assets)	1,733	1,729	1,774
Investments & Other	451	455	501
Current assets & working capital	884	815	842
Inventories, trade receivables and trade payables	591	595	650
Other assets	101	90	120
Cash and cash equivalents	192	130	72
Shareholders' equity	2,466	2,411	2,449
Group share	2,461	2,406	2,445
Non-controlling interest	5	5	4
Non current liabilities	898	900	924
Interest bearing liabilities	458	454	446
Deferred employee benefits	184	191	193
Provisions and other	256	255	285
Current liabilities (excluding trade payables)	300	275	363
Interest bearing liabilities	14	14	80
Other	286	261	283

APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in million of U.S. dollars)	Three Months Ended			Six Months Ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Sales	1,121	1,076	1,264	2,197	2,522
EBITDA	123	112	155	235	288
<i>EBITDA margin (%)</i>	<i>11.0%</i>	<i>10.4%</i>	<i>12.3%</i>	<i>10.7%</i>	<i>11.4%</i>
Depreciation & amortisation	(43)	(39)	(46)	(82)	(93)
Operating income	80	73	109	153	195
Loss from other investments and associates	-	-	(6)	-	(6)
Net interest expense and other net financing costs	(13)	(9)	(15)	(22)	(50)
Foreign exchange and derivative gains / (losses)	3	(3)	2	-	5
Income before taxes and non-controlling interests	70	61	90	131	144
Income tax expense	(17)	(12)	(23)	(29)	(35)
Income before non-controlling interests	53	49	67	102	109
Non-controlling interests	-	-	1	-	1
Net income	53	49	66	102	108

APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in million of U.S. dollars)	Three Months Ended			Six Months Ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Net income	53	49	66	102	108
Non-controlling interests	-	-	1	-	1
Depreciation and amortisation	43	39	46	82	93
Change in working capital	18	(40)	(24)	(22)	(67)
Other	(2)	(9)	(11)	(11)	23
Net cash provided by operating activities	112	39	78	151	158
Purchase of PPE, intangible and biological assets (CAPEX)	(25)	(33)	(24)	(58)	(58)
Other investing activities (net)	-	-	3	-	2
Net cash used in investing activities	(25)	(33)	(21)	(58)	(56)
Payments to banks and long term debt	(3)	(4)	(265)	(7)	(213)
Dividends paid	(24)	(24)	-	(48)	-
Other financing activities (net)	-	-	(1)	(1)	(1)
Net cash used in financing activities	(28)	(28)	(266)	(56)	(214)
Effect of exchange rate changes on cash	3	4	5	7	(13)
Change in cash and cash equivalent	62	(18)	(204)	44	(125)
Free cash flow before dividend⁴	87	6	56	93	102

Appendix 1a – Health & Safety statistics

Health & Safety Statistics	Three Months Ended		
	June 30, 2016	March 31, 2016	June 30, 2015
Frequency Rate	2.1	1.1	0.8

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 June 30, 2016	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	516	213	7	(216)	520
Steel selling price (USD/t)	1,760	2,317	13,653		1,931
Financial information					
Sales (USDm)	932	519	107	(437)	1,121
EBITDA (USDm)	101	27	7	(12)	123
Depreciation & amortisation (USDm)	37	4	2	-	43
Operating income / (loss) (USDm)	64	23	5	(12)	80

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 & amortisation (USDm)	34	3	1	1	39
Operating income / (loss) (USDm)	56	16	5	(4)	73

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 Free cash flow before dividend is defined as net cash provided by operating activities less net cash used in investing activities.

⁵ Net debt refers to long-term debt, plus short-term debt, less cash and cash equivalents (including short-term investments) and restricted cash.

⁶ 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.

⁷ Subject to eligible collateral available.