

Group presentation and presentation of the statutory accounts for the financial period from 1 to 25 January 2011

General Meeting

12 July 2011



Disclaimer



- **Forward-Looking Statements**

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Agenda



- **Health & Safety**
- **Business overview**
- **Unique strengths**
- **The Leadership Journey**
- **Performance**
- **Statutory accounts for the period 1 to 25 January 2011**

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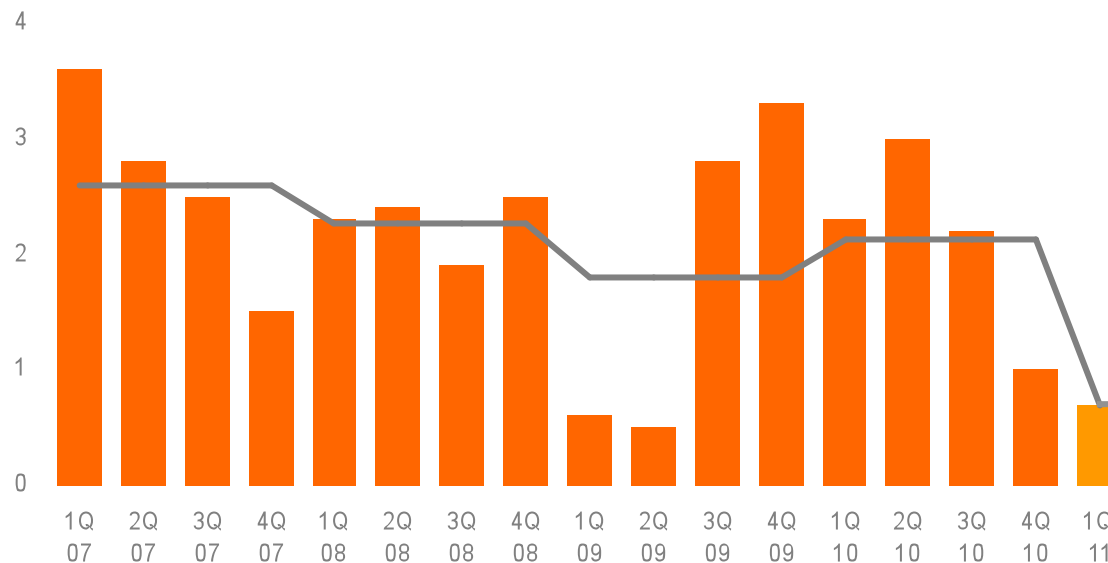


Health & Safety

Health & Safety Performance



Frequency rate*



Key initiatives:

- A successful first Health and Safety Day on 28 April 2011
- FTS4Good membership
- Framework for community-oriented actions
- Action plan launched to train all leaders in FPS (Fatality Prevention Standard) and HIRA (Hazard Identification Risk Assessment)

Health & Safety performance improving thanks to initiatives implemented further to 2010 deterioration

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

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Business overview

Business overview

Production facilities



Châtelet



Location & facts

- Melt shop and hot-rolling
- Belgium

Capacity:

- Slabs : 1,000 kt
- HSM : 3,400 kt

Genk



Location & facts

- Melt shop and rolling mill
- Belgium

Capacity:

- Slabs: 1,100 kt
- Finished: 740 kt
- 2,000 mm wide capacity, 316 and duplex grades

Gueugnon



Location & facts

- Cold-rolling mill
- France

Capacity:

- Finished: 400 kt
- Specialised in Bright Annealing (BA) products and stabilized ferritics

Isbergues



Location & facts

- Cold-rolling mill
- France

Capacity:

- Finished: 350 kt
- LC2i: integrated line

Timóteo



Location & facts

- Melt shop and finishing facilities
- Brazil

Capacity:

- Melt shop: 900kt
- 320kt cold rolled & 60kt hot rolled annealed and pickled
- Silicon cold rolling: 60kt GO and 120kt of NGO

Imphy



Location & facts

- Melt shop and finishing facilities
- France

Capacity:

- EAF: 60 kt
- 1 VIM, 1 VAR, Rotary Continuous Caster for Long Products
- Hot Rolling mill of wire: ~40 kt
- 6 Cold Rolling Mills

Production assets in Europe & South America

Business overview

Segments



Segments	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties
	Revenue FY2010 (USDm) ^(a) 4,431	Revenue FY2010 (USDm) ^(a) 2,327	Revenue FY2010 (USDm) ^(a) 529
	% of Group Revenue ^(a) 61%	% of Group Revenue ^(a) 32%	% of Group Revenue ^(a) 7%
	EBITDA FY2010 (USDm) ^(a) 289	EBITDA FY2010 (USDm) ^(a) 83	EBITDA FY2010 (USDm) ^(a) 42
	% of Group EBITDA ^(a) 70%	% of Group EBITDA ^(a) 20%	% of Group EBITDA ^(a) 10%
	<ul style="list-style-type: none"> – Austenitics – Ferritics, Duplex, Martensitics – GO & NGO steels 	<ul style="list-style-type: none"> – Cutting – Wiring – Tubing 	<ul style="list-style-type: none"> – Various nickel alloys for high-end applications
			
	Strategic investments in Biomass and Upstream		

USD 410 million of EBITDA in 2010

(a) Pre consolidation and other

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Unique strengths

Unique strengths

What makes Aperam unique



- **Long-term growth trends in mature markets supported by emerging market demand**
 - Emerging markets representing approximately 30% of Aperam total sales
- **Global, integrated distribution network and proximity to customer**
 - Services & Solutions division provides exclusive global distribution channel
 - Focus on services, partnership and customer satisfaction offers growth opportunities
- **Leading R&D capabilities**
 - Continuous product development and innovation (Ferritics, High-end GO/NGO, Nickel Alloys, Duplex...)
 - R&D facilities in France and Brazil
- **Culture of continuous improvement**
 - Continuous improvement program ensuring cost effectiveness and focus on health & safety
- **Ability to produce stainless and speciality steel products from low-cost charcoal**
 - Unique upstream integration into forestry asset provides cost advantage and access to sustainable energy source
- **Strong financials through the cycle and effective working capital and risk management**
 - Superior earnings profile and lower volatility
 - Best in class working capital ratio
 - Active use of risk management tools to manage in particular Nickel exposure

Strategy to leverage and maximize unique strengths

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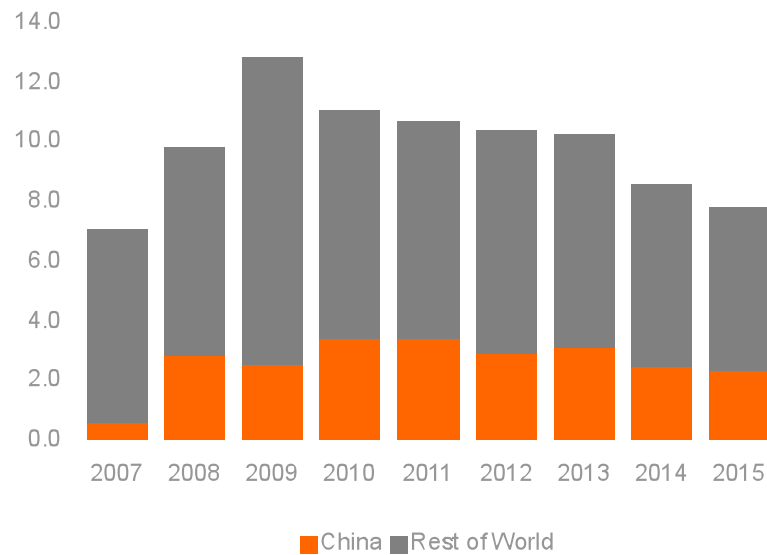
The Leadership Journey

Leadership Journey

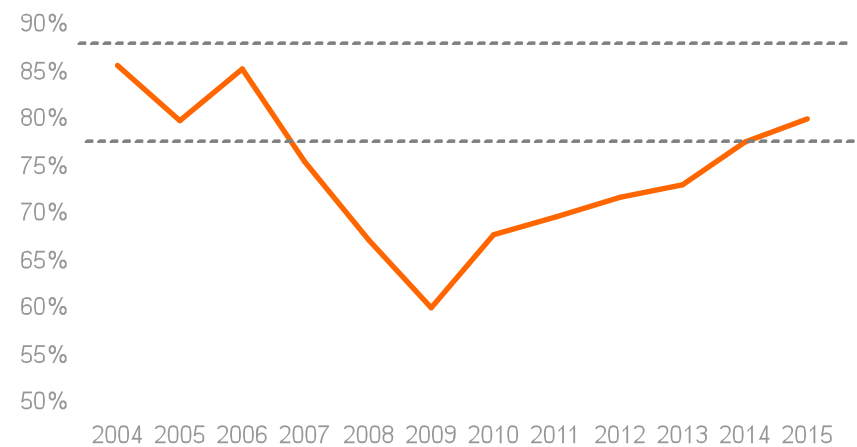
Market challenges



Stainless steel worldwide excess slab capacity* (mt)



Stainless steel slab global utilization rates*



Despite increased demand, structural overcapacity and pricing remains a challenge

Leadership Journey

To confront challenges and seize opportunities



Variable
cost

USD100m

- **Forest expansion and biomass development**

- Biomass (charcoal) production doubling to permit full upstream integration in Brazil
- Connection to natural gas in Brazil, yield and quality plans

Fixed
cost

USD100m

- **Reconfiguring European downstream and fixed cost reduction to achieve cost leadership**

- Isbergues traditional cold roll mill suspension
- Investment in productivity including a new Hot Annealing and Pickling line in Gueugnon
- Other initiatives including tubes assets optimization in South America, fixed cost base improvement plan in Brazil, SG&A reduction plan through organization simplification

Revenue
upside
USD50m

- **Upside from additional business from existing assets**

- Growth in biomass (charcoal), investment at Imphy, development in Services & Solutions, new products...

Targeting USD 250 million over the next two years.
USD 33 million cumulated gains achieved at the end of Q1 2011

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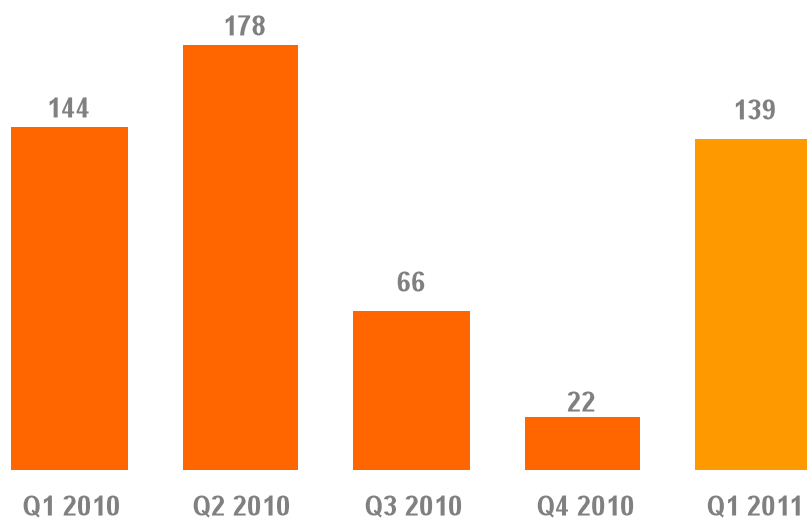
Performance

Performance

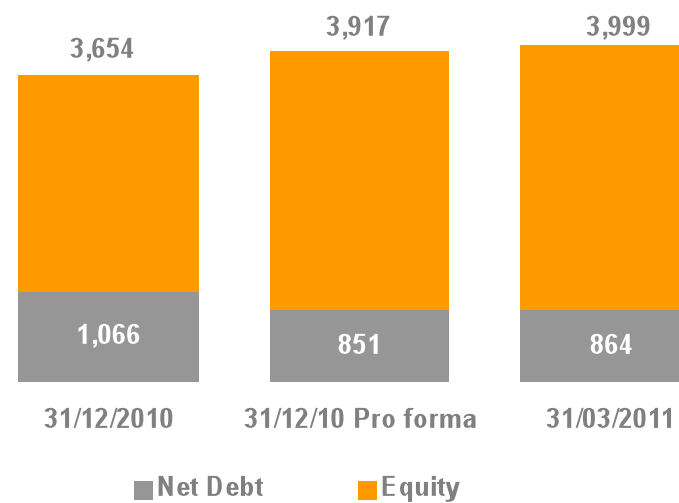
Quarterly highlights



EBITDA (USD million)



Equity and net debt (USD million)



At the end of Q1 2011 net debt of USD 864 million representing a gearing of 22%

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Statutory accounts for the financial period ending 25 January 2011

Statutory accounts Aperam S.A. *

Balance sheet – Assets 25 January 2011 (in thousands of USD)



	January 25, 2011	December 31, 2010
ASSETS		
B. FORMATION EXPENSES	2,553	
C. FIXED ASSETS	5,240,191	6,189,053
I. Intangible assets	9,834	-
2. Concessions, patents, licences, trademarks and similar rights and assets	9,834	-
III. Financial assets	5,230,357	6,189,053
1. Shares in affiliated undertakings	1,679,053	6,189,053
2. Loans to affiliated undertakings	3,551,304	-
D. CURRENT ASSETS	79	38
II. Debtors	79	38
Amounts owed by affiliated 2. undertakings	79	38
<i>Becoming due in one year or less</i>	79	38
TOTAL ASSETS	5,242,823	6,227,053

Key comments on Assets :

- Changes mainly explained by transfer of assets as a result of the spin-off of ArcelorMittal stainless steel business on January 25, 2011 into Aperam S.A.
- Increase in shares corresponds to 100% of Aperam Luxco shares for a value of USD 1,679 million
- Loans granted by ArcelorMittal to Aperam entities amounted USD 3,551 million at transfer date

Statutory accounts Aperam S.A. *

Balance sheet – Liabilities 25 January 2011 (in thousands of USD)

	January 25, 2011	December 31 2010
LIABILITIES		
A. CAPITAL AND RESERVES	4,336,096	(58)
I. Subscribed capital	546,652	40
II. Share premium account	1,600,321	-
IV. Reserves	134,401	-
1. Legal reserve	75,368	-
2. Reserve for treasury shares	59,033	-
V. Profit brought forward	2,055,164	-
VI. Loss for the period	(442)	(98)
C. LIABILITIES	906,727	6,285
4. Trade payable becoming due in one year or less	359	43
6. Amounts owed to affiliated undertakings	6,361	6,242
<i>Becoming due in one year or less</i>	6,361	6,242
9. Other payables	900,007	-
<i>Becoming due in one year or less</i>	900,007	-
TOTAL LIABILITIES	5,242,823	6,227



Key comments on Liabilities :

- Increase of capital and reserves approved by the Extraordinary General meeting held on January 25, 2011
- Newly issued shares paid up to ArcelorMittal S.A. shareholders in proportion of their holding of ArcelorMittal S.A. shares
- Other payables consist of USD 900 million credit facility due to ArcelorMittal transferred as a result of the spin-off of ArcelorMittal stainless steel business on January 25, 2011 into Aperam S.A.

* Note : Luxembourg GAAP

Statutory accounts Aperam S.A. *

Profit and loss account for the period 1 to 25 January 2011
(in thousands of USD)



	For the period from January 1 to January 25, 2011	For the period from September 9 to December 31, 2010
A. EXPENSES		
2. b) Other external expenses	14	.
5. Other operating expenses	1	4€
7. Interest payable and similar expenses	427	5€
In respect of affiliated		
a) undertakings	10	€
Other interest payable and		
b) expenses	417	4€
TOTAL EXPENSES	442	9€
B. INCOME		
10. Loss for the period	442	9€
TOTAL INCOME	442	9€

Key comments on P&L :

- Loss for the period mainly explained by :
 - fees (USD 0.298 million)
 - and foreign exchanges losses (USD 0.119 million)

Statutory accounts Aperam S.A. *

Allocation of Results for the period 1 to 25 January 2011 (in USD)



Loss for the financial period from 1 January to 25 January 2011	(442,434)
Profit brought forward (<i>Report à nouveau</i>)	2,055,163,917
Results to be allocated and distributed	2,054,721,483
Release of reserve for treasury shares**	59,032,548
Allocation to the legal reserve	-
Directors' compensation	(67,159)
Profit carried forward	2,113,686,872

* Note: Luxembourg GAAP

** As the Company does not own any treasury shares as at 25 January 2011 contrary to ArcelorMittal, the amount of USD 59,032,548 of *reserve for treasury shares* will be transferred to *other reserves* as from the next financial period onwards.

P.M. the dividend related to the period will be included in the dividend related to the remainder of the year at the next allocation of results.

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Question and Answer Session