

Third quarter 2013 results¹

Luxembourg, November 6, 2013

Highlights

- Health and Safety frequency rate² of 1.9x in Q3 2013 compared to 1.4x in Q2 2013.
- Shipments of 436 thousand tonnes in Q3 2013, a 3% decrease compared to shipments of 450 thousand tonnes in Q2 2013.
- EBITDA³ of USD 62 million in Q3 2013, compared to EBITDA of USD 81 million in Q2 2013.
- Basic loss per share of USD 0.24 in Q3 2013.
- Cash flow from operations amounted to USD 17 million in Q3 2013.
- Net debt⁴ of USD 808 million on September 30, 2013, representing a gearing of 27%.

Aperam (referred to as “Aperam” or the “Company”) (Amsterdam, Luxembourg, Paris: APAM and NYRS: APEMY), announced today results for the three month period ending September 30, 2013

Philippe Darmayan, CEO of Aperam, commented:

“Compared to last year, despite the market deterioration, we are pleased to have once again improved our operational performance.

For the end of the year, we remain cautious about the general environment. However we believe that we should be able to further improve our profitability and to continue reducing our debt thanks to the good progress of the Leadership Journey⁵.”

Prospects

- EBITDA in Q4 2013 is expected to slightly increase compared to EBITDA in Q3 2013.
- Net debt to decrease significantly in Q4 2013.

Financial Highlights (on the basis of IFRS)

(USDm) unless otherwise stated	Q3 13	Q2 13	Q3 12 ⁶	9M 2013	9M 2012 ⁶
Sales	1,204	1,366	1,207	3,839	3,967
EBITDA	62	81	43	208	174
Operating (loss) / income	(8)	5	(28)	(14)	(58)
Net loss	(19)	(11)	(18)	(58)	(58)
Steel shipments (000t)	436	450	410	1,287	1,276
EBITDA/tonne (USD)	142	180	105	162	136
Basic loss per share (USD)	(0.24)	(0.15)	(0.23)	(0.75)	(0.74)

Health & Safety results analysis

Health and Safety performance based on Aperam personnel figures and contractors' lost time injury frequency rate², was 1.9x in the third quarter of 2013 compared to 1.4x in the second quarter of 2013.

Financial results analysis

Sales in the third quarter of 2013 decreased by 12% at USD 1,204 million compared to USD 1,366 million in the second quarter of 2013. Shipments in the third quarter of 2013 decreased by 3% at 436 thousand tonnes compared to 450 thousand tonnes in the second quarter of 2013.

EBITDA was USD 62 million in the third quarter of 2013 compared to EBITDA of USD 81 million in the second quarter of 2013. The impact of traditional seasonality and the deterioration of the stainless steel market conditions resulted in lower EBITDA in the third quarter compared to the previous quarter. Despite lower stainless steel prices, Aperam has however significantly increased its profitability compared to Q3 2012. The Leadership Journey⁵ has continued to progress over the quarter and has contributed a total amount of USD 349 million to EBITDA since the beginning of 2011.

Depreciation and impairment expense in the third quarter of 2013 was USD 70 million.

Aperam had an operating loss in the third quarter of USD 8 million compared to an operating income of USD 5 million in the previous quarter.

Net interest expense and other financing costs in the third quarter of 2013 were USD 29 million, primarily related to financing costs of USD 22 million. Realized and unrealized foreign exchange and derivative losses were USD 2 million in the third quarter of 2013.

The Company recorded a net loss of USD 19 million, inclusive of an income tax benefit of USD 21 million, in the third quarter of 2013.

Cash flows from operations in the third quarter were positive at USD 17 million despite a working capital increase of USD 66 million. CAPEX in the third quarter was USD 28 million.

As of September 30, 2013, shareholders' equity was USD 3,017 million and net financial debt⁴ was USD 808 million (gross financial debt as of September 30, 2013 was USD 1,118 million and cash, cash equivalents and restricted cash were USD 310 million). This net financial debt includes a positive impact of USD 39 million related to the convertible bond issued on September 19, 2013.

The Company had liquidity of USD 698 million as of September 30, 2013, consisting of cash and cash equivalents of USD 309 million and undrawn credit lines^{7,8} of USD 389 million.

Operating segment results analysis

Stainless & Electrical Steel

The Stainless & Electrical Steel segment had sales of USD 915 million in the third quarter of 2013. This represents a decrease of 15% compared to sales of USD 1,078 million in the second quarter of 2013. Shipments during the third quarter were 408 thousand tonnes. This is a decrease of 5% compared to shipments of 429 thousand tonnes in the previous quarter. In Europe shipments were 226 thousand tonnes and in South America shipments were 182 thousand tonnes (compared to 267 thousand tonnes in Europe and 162 thousand tonnes in South America in Q2 2013). The volumes decline in Europe mainly due to the seasonal impact was partially compensated by higher volumes in Brazil. Overall, average selling prices for the Stainless & Electrical Steel segment were lower for the quarter.

The segment had EBITDA of USD 36 million in the third quarter of 2013 compared to USD 71 million in the second quarter of 2013. EBITDA from South America decreased in the third quarter of 2013 to USD 34 million from USD 41 million in the second quarter of 2013. The decrease in EBITDA in South America was mainly driven by the impact from deteriorating prices. EBITDA from Europe decreased from USD 30 million in the second quarter of 2013 to USD 2 million in the third quarter of 2013. The decrease in EBITDA in Europe was primarily driven by lower volumes due to the traditional seasonality slowdown in the third quarter and pricing pressure. The ramp-up of the new annealing and pickling line in Gueugnon was finalised over the quarter as expected.

Depreciation and amortization expense was USD 57 million in the third quarter of 2013.

The Stainless & Electrical Steel segment had an operating loss of USD 21 million during the third quarter of 2013 compared to an operating income of USD 12 million in the second quarter of 2013.

Services & Solutions

The Services & Solutions segment had a 9% decrease in sales during the quarter, from USD 566 million in the second quarter of 2013 to USD 516 million in the third quarter of 2013. In the third quarter of 2013, shipments were 165 thousand tonnes compared to 174 thousand tonnes in the previous quarter. The Services & Solutions segment had lower average selling prices during the period.

The segment had positive EBITDA in the third quarter of 2013 of USD 1 million compared to negative EBITDA of USD 5 million in the second quarter of 2013. Overall, excluding the USD 7 million restructuring provision recorded in Q2 2013, there is a slight decline of EBITDA due to the seasonal effect in Europe.

Depreciation and amortization expense was USD 6 million in the third quarter of 2013.

The Services & Solutions segment had an operating loss of USD 5 million in the third quarter of 2013 compared to an operating loss of USD 15 million in the second quarter of 2013.

Alloys & Specialties

The Alloys & Specialties segment had sales in the third quarter of 2013 of USD 148 million, representing a decrease of 13% compared to USD 170 million in the second quarter of 2013. Shipments were lower in the third quarter of 2013 at 8 thousand tonnes compared to 10 thousand tonnes in the second quarter of 2013. Average selling prices increased over the quarter.

The Alloys & Specialties segment achieved EBITDA of USD 16 million in the third quarter of 2013 compared to USD 15 million in the second quarter of 2013. The EBITDA improvement is mainly due to product mix improvement.

Depreciation and amortization expense in the third quarter of 2013 was USD 2 million.

The Alloys & Specialties segment had an operating income in the third quarter of 2013 comparable to its operating income in the second quarter at USD 14 million.

Recent developments

- On August 7, 2013 Aperam published its Half-Year Report for the six month period ended June 30, 2013. 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.
- On September 19, 2013 Aperam announced the successful placing and pricing of its offering of convertible and/or exchangeable bonds due 2020 (the "Bonds") of a size of USD 200 million. The Mittal Family, the Company's main shareholder, subscribed for USD 81.8 million of Bonds, equal to its current 40.85% stake in the Company's share capital. The net proceeds of the offering targeted general corporate purposes, including the refinancing of existing indebtedness. The issue of the Bonds allowed the Company to extend the average maturity of its existing debt, diversify its financing resources and increase its financial flexibility. The senior and unsecured Bonds have an annual coupon of 2.625% payable semi-annually in arrear and an initial conversion price of USD 21.96. The Bonds are rated B+ by S&P and B3 by Moody's. Additional information with respect to the Bonds is available on www.aperam.com under Media, Press Releases, September 2013.

Investor conference call

Aperam management will host a conference call for members of the investment community to discuss the third quarter 2013 financial performance at the following time:

Date	New York	London	Luxembourg
Wednesday, November 6, 2013	12:30 pm	5:30 pm	6:30 pm

The dial-in numbers for the call are: France (+33(0)1 76 77 22 22); USA (+1212 444 0481); and international (+44(0)20 3427 1903). The participant access code is: 2828095#.

A replay of the conference call will be available until November 13th, 2013: 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 2828095#.

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About Aperam

Aperam is a global player in stainless, electrical and specialty steel, with operations in more than 30 countries. The business is organized in three divisions: Stainless & Electrical Steel, Services & Solutions and Alloys & Specialties.

Aperam has 2.5 million tonnes of flat stainless steel capacity in Brazil and Europe and is a leader in high value added niches - alloys and specialties. 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 main plants located in Brazil, Belgium and France. Aperam has about 9,700 employees.

Aperam commits to operate in a responsible way with respect to health, safety and the well-being of its employees, contractors and the communities in which it operates. It is also committed to the sustainable management of the environment and of finite resources. In 2012, Aperam had revenues of USD 5.3 billion and shipments of 1.68 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, 2013	June 30, 2013	September 30, 2012 ⁶
Non current assets	3,792	3,774	3,954
Intangible assets	820	813	854
Property, plant and equipments	2,438	2,435	2,621
Investments and Other	534	526	479
Current assets & working capital	1,092	973	1,205
Inventories, trade receivables and trade payables	621	554	831
Other assets	161	176	146
Cash, cash equivalents and restricted cash	310	243	228
Shareholders' equity	3,017	2,935	3,213
Group share	3,012	2,931	3,209
Non-controlling interests	5	4	4
Non current liabilities	1,187	1,029	959
Interest bearing liabilities	773	616	559
Deferred employee benefits	216	211	177
Provisions and other	198	202	223
Current liabilities (excluding trade payables)	680	783	987
Interest bearing liabilities	345	468	656
Other	335	315	331

APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in million of U.S. dollars)	Three Months Ending			Nine Months Ending	
	September 30, 2013	June 30, 2013	September 30, 2012 ⁶	September 30, 2013	September 30, 2012 ⁶
Sales	1,204	1,366	1,207	3,839	3,967
EBITDA	62	81	43	208	174
Depreciation & impairment	70	76	71	222	232
Operating (loss) / income	(8)	5	(28)	(14)	(58)
Income from other investments	—	—	—	—	1
Net interest expense and other net financing costs	(29)	(30)	(16)	(86)	(52)
Foreign exchange and derivative (losses) / gains	(2)	1	10	(10)	1
Loss before taxes and non-controlling interests	(39)	(24)	(34)	(110)	(108)
Income tax benefit	21	13	16	53	50
Loss before non-controlling interests	(18)	(11)	(18)	(57)	(58)
Non-controlling interests	1	—	—	1	—
Net loss	(19)	(11)	(18)	(58)	(58)

APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in million of U.S. dollars)	Three Months Ending			Nine Months Ending	
	September 30, 2013	June 30, 2013	September 30, 2012 ⁶	September 30, 2013	September 30, 2012 ⁶
Net loss	(19)	(11)	(18)	(58)	(58)
Non-controlling interests	1	—	—	1	—
Depreciation and impairment	70	76	71	222	232
Change in working capital	(66)	(16)	(96)	(63)	(57)
Other	31	(15)	(7)	(41)	(60)
Net cash provided by / (used in) operating activities	17	34	(50)	61	57
Purchase of property, plant and equipment (CAPEX)	(28)	(33)	(41)	(95)	(124)
Other investing activities (net)	10	(9)	7	3	3
Net Cash used in investing activities	(18)	(42)	(34)	(92)	(121)
Proceeds (payment) from payable to banks and long term debt	73	(20)	92	125	93
Dividends paid	—	—	(17)	—	(46)
Other financing activities (net)	(2)	(1)	1	(4)	(2)
Net cash provided by / (used in) financing activities	71	(21)	76	121	45
Effect of exchange rate changes on cash	6	(9)	1	(7)	—
Change in cash and cash equivalent	76	(38)	(7)	83	(19)

Appendix 1a – Health & Safety statistics

Health & Safety Statistics	Three Months Ended		
	September 30, 2013	June 30, 2013	September 30, 2012
Frequency Rate	1.9	1.4	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 September 30, 2013	Stainless & Electrical Steel ^{1,2}	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	408	165	8	(145)	436
Steel selling price (USD/t)	2,157	2,999	18,860		2,664
Financial information					
Sales (USDm)	915	516	148	(375)	1,204
EBITDA (USDm)	36	1	16	9	62
Depreciation & Impairment (USDm)	57	6	2	5	70
Operating (loss) / income (USDm)	(21)	(5)	14	4	(8)

Note 1: Stainless & Electrical Steel Shipments of 408kt of which 182kt were from South America and 226kt were from Europe

Note 2: Stainless & Electrical Steel EBITDA of USD 36m of which USD 34m were from South America and USD 2m were from Europe

Quarter Ended June 30, 2013	Stainless & Electrical Steel ^{1,2}	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	429	174	10	(163)	450
Steel selling price (USD/t)	2,412	3,084	17,404		2,911
Financial information					
Sales (USDm)	1,078	566	170	(448)	1,366
EBITDA (USDm)	71	(5)	15	—	81
Depreciation & Impairment (USDm)	59	10	1	6	76
Operating income / (loss) (USDm)	12	(15)	14	(6)	5

Note 1: Stainless & Electrical Steel shipments of 429kt of which 162kt were from South America and 267kt were from Europe

Note 2: Stainless & Electrical Steel EBITDA of USD 71m of which USD 41m were from South America and USD 30m were from Europe

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 of USD 350 million by 2013. On February 4, 2013, Aperam announced an expansion of the Leadership Journey® to 2014 with USD 150 million targeted over the next 2 years. This expansion of the Leadership Journey® leads to a new combined target of USD 425 million by 2014.

⁶ Figures for 2012 have been restated due to change in accounting principle of defined benefit plans and other long-term employee benefits, and adoption of revised IAS 19 standard.

⁷ Subject to eligible collateral available.

⁸ Following the issuance of the convertible bond in September 2013, available commitments under Tranche A of the Borrowing Base Facility ("BBF") have been cancelled for an amount of USD 131 million, representing 2/3rd of the convertible bond net proceeds.