

Fourth quarter and annual results 2010

8 February 2011

The logo for Aperam, featuring the word "aperam" in a stylized, lowercase, white font. The letters are composed of multiple parallel lines, giving it a three-dimensional or wireframe appearance. The background is a gradient from dark purple on the left to a lighter, warm orange-brown on the right.

Disclaimer



- **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 the 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, whether as a result of new information, future events, or otherwise

Introduction and overview



- **Highlights:**

- Health and Safety frequency rate of 2.1x in 2010 (1.8x in 2009) and 1.0x in Q4 2010
- Shipments of 1,741 thousand tonnes in 2010 (1,447 thousand tonnes in 2009)
- Sales of USD 5.6 billion in 2010 (USD 4.2 billion in 2009)
- EBITDA of USD 410 million in 2010 (USD 226 million in 2009) and of USD 22 million in Q4 2010
- Pro forma earnings per share of USD 1.64 in 2010 (loss per share of USD 1.54 in 2009)
- Pro forma net debt of USD 851 million at December 31, 2010 represented a gearing of 22% compared to USD 953 million at September 30, 2010
- Aperam launched an initiative, known as the “Leadership Journey” to target management gains and profit enhancement of USD 250 million over the next two years

- **Prospects:**

- Volume and pricing are expected to improve in Q1 2011 compared to Q4 2010 resulting in a strong increase in EBITDA and working capital requirements. Net debt is expected to increase.
- Approximately USD 40 to USD 50 million of non-recurring charges expected in Q1 2011 as part of the implementation of the Leadership Journey

“In an effort to enhance competitiveness, the Company has initiated the Leadership Journey, aimed at significantly increasing our level of profitability”

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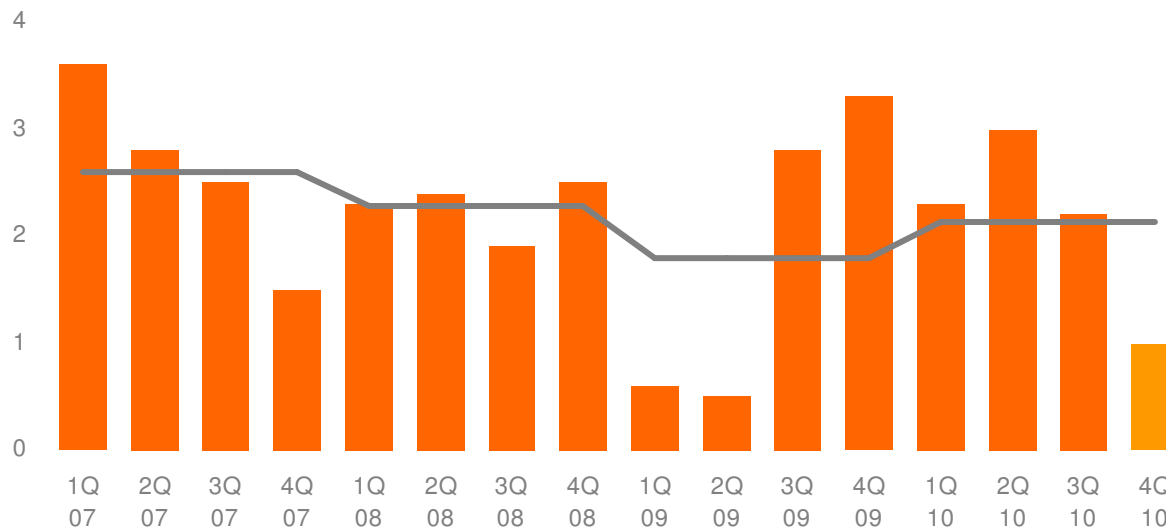


Health & Safety

Health & Safety Performance



Frequency rate*



New initiatives put in place following deterioration of Health & Safety performance

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

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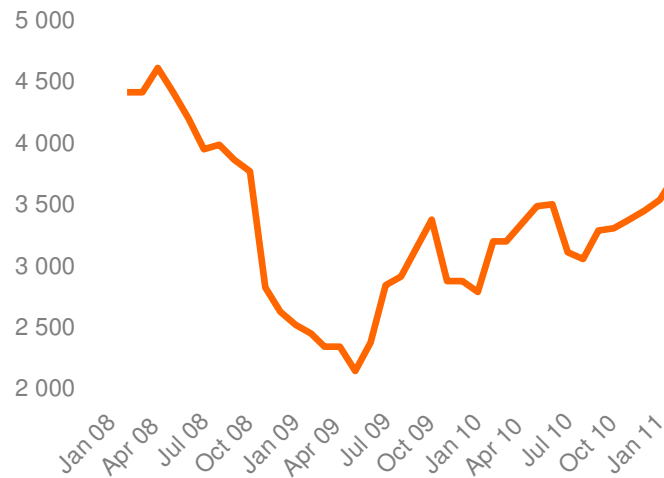
Environment and markets

Environment and markets

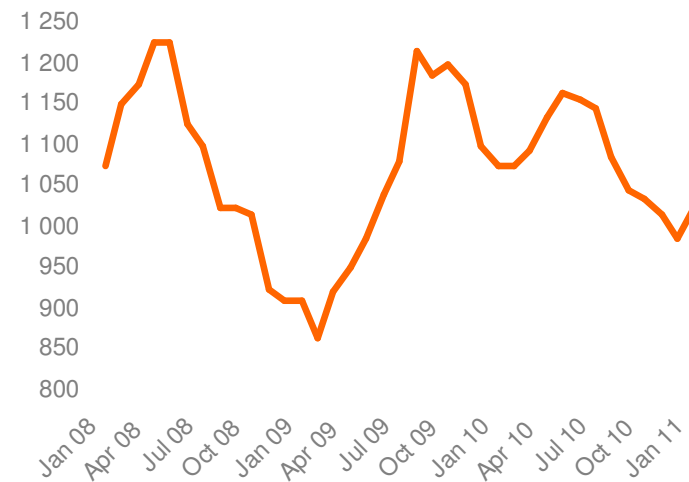
After a weak 4th quarter, stainless steel prices are rebounding



China - CR 304 2B 2mm coil price (USD/t)*



Southern Europe - CR 304 2B 2mm coil base price (€/t)*



Low inventory and nickel price rise are driving rebound

*Source: SBB

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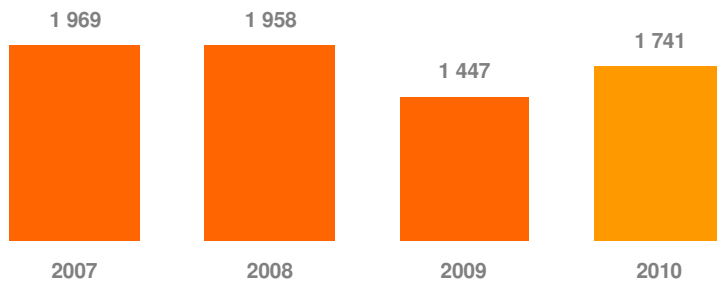
Performance and prospects

Performance and prospects

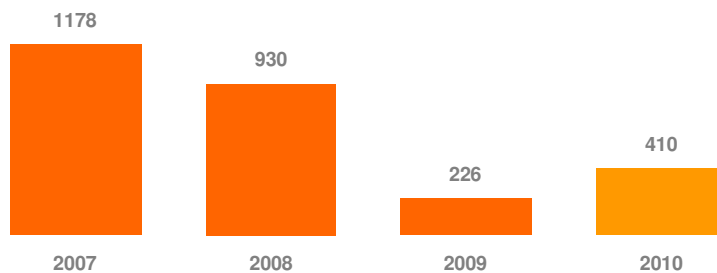
Operations: 2009 & 2010



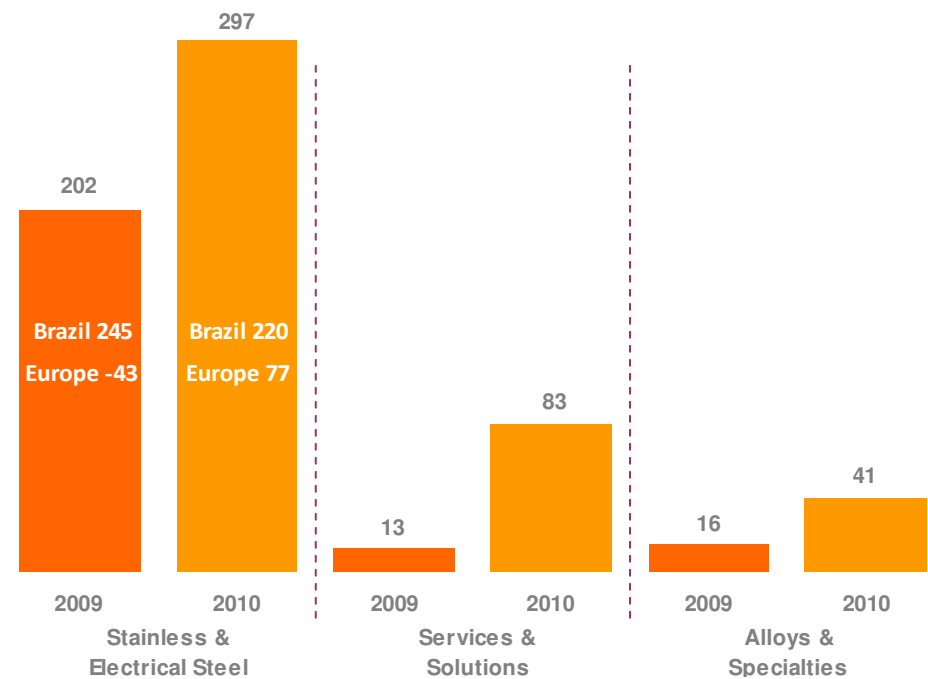
Shipments ('000t)



EBITDA (USD million)



2009 & 2010 EBITDA per segment (USD million)



2010 EBITDA back to 235 USD/t at +51% vs. 2009

Performance and prospects

Leadership Journey



- **Targeting USD 250m over the next two years**

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 (France) traditional cold roll mill suspension
 - Investment in productivity including a new Hot Annealing and Pickling line in Gueugnon (France)
 - 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), development in Services & Solutions, new products...
 - Investment in a new induction furnace and an Electro Slag Remelting furnace in Imphy (France) to increase revenue and improve competitiveness in the Alloys & Specialties segment

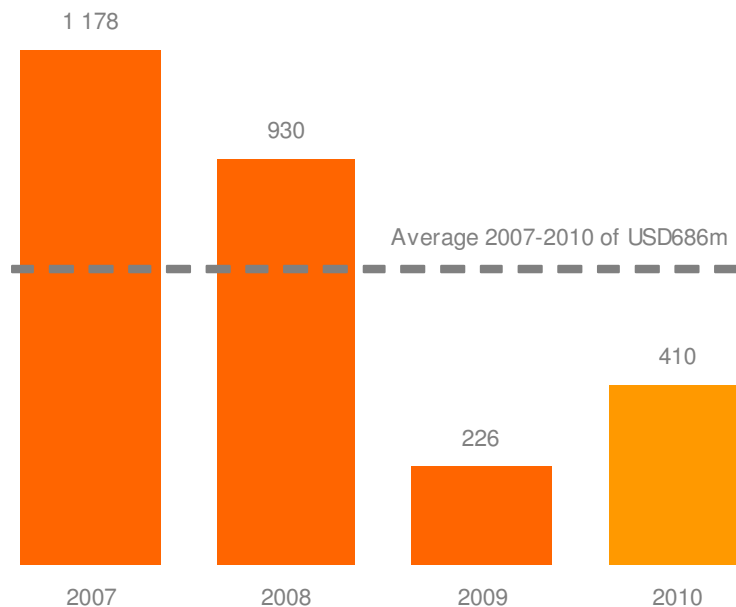
USD 40-50m of charges related to Leadership Journey expected in Q1 2011

Performance and prospects

Profitability drivers



EBITDA in millions of USD



Annual profitability key drivers for 2011

— Leadership Journey

- USD 250 million over the next two years resulting from fixed cost reductions, variable cost reductions and increasing productivity

— Volume

- According to CRU, stainless steel market expected to increase by 3%/4% in Europe and 6%/7% in South America
- Each additional tonne to contribute approximately USD 450 of EBITDA

— Price

- According to CRU, stainless steel base price expected to remain under pressure
- Each change of 10 USD/t in stainless steel base price to impact EBITDA by approximately USD 15m

Volume and pricing are expected to improve in Q1 2011 compared to Q4 2010 resulting in a strong increase in EBITDA and working capital requirements. Net debt is expected to increase.

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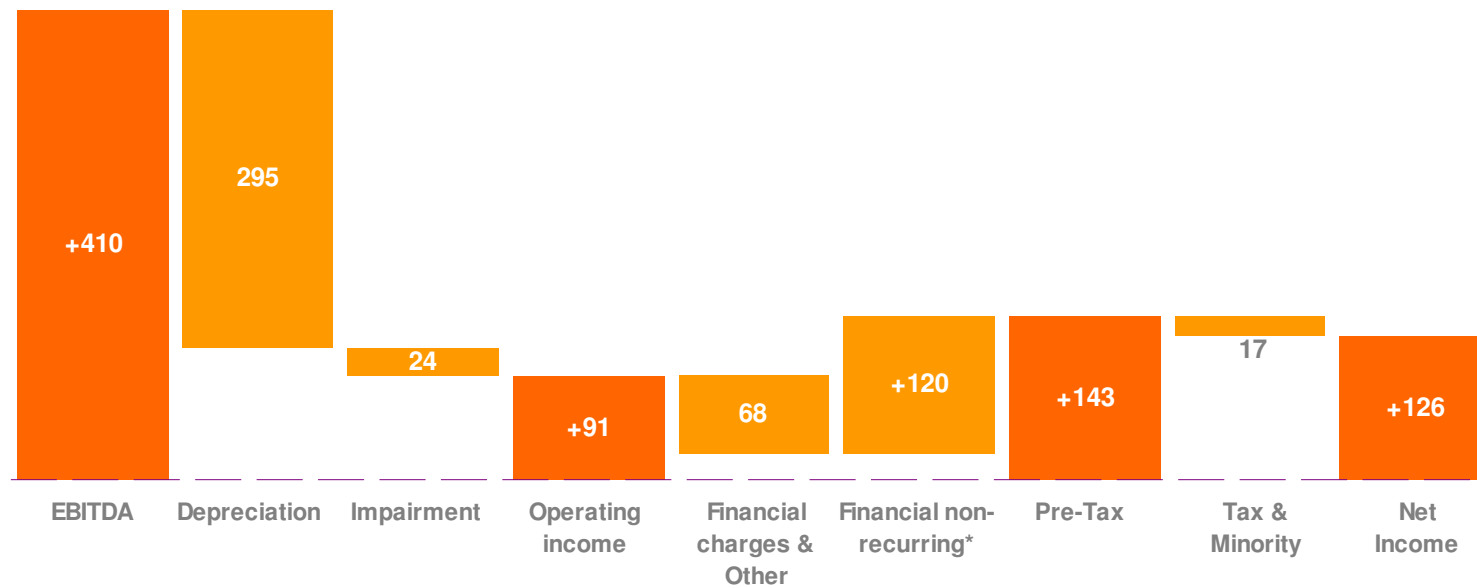
Pro forma financial results

Pro forma financial results

P&L highlights



EBITDA to Net Income (USD million)



USD 1.53 of earning per share

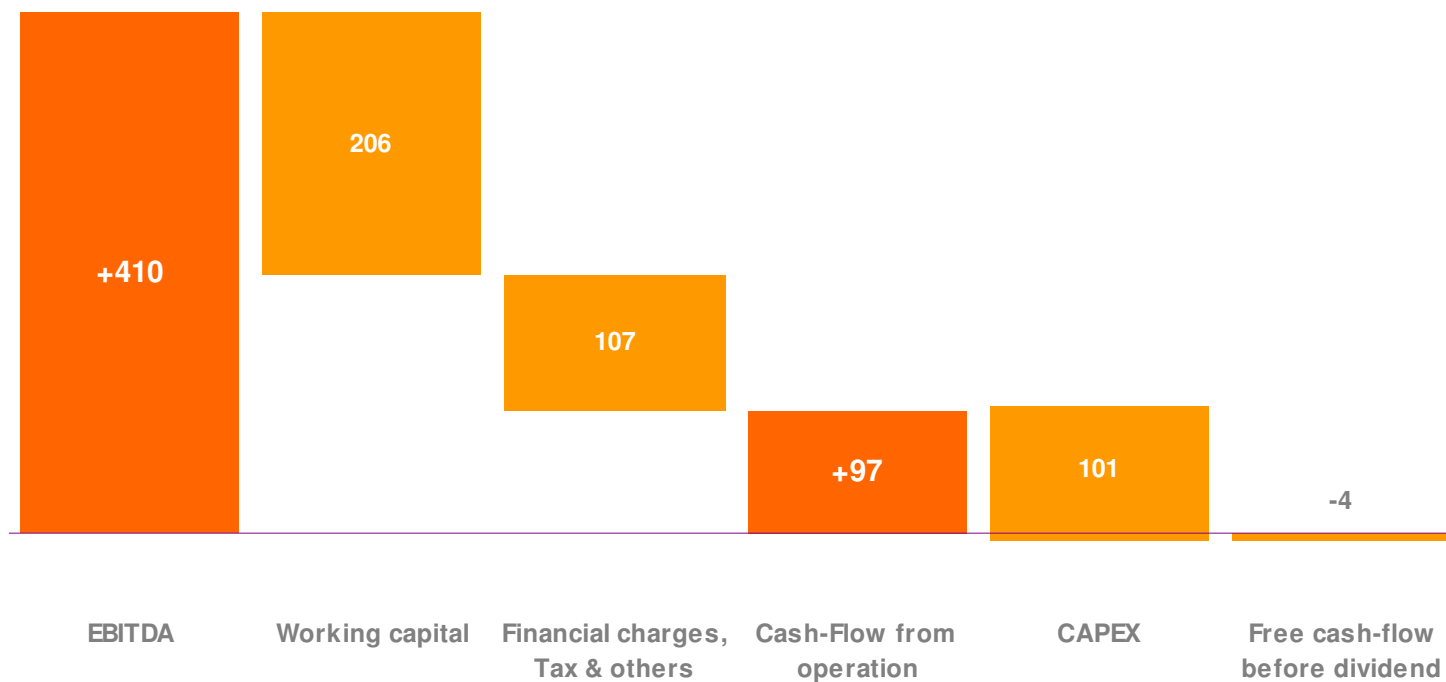
* Financial non-recurring related to the share exchange of Aceros Villares in Gerdau

Pro forma financial results

Cash flow highlights



Free cash flow (USD million)



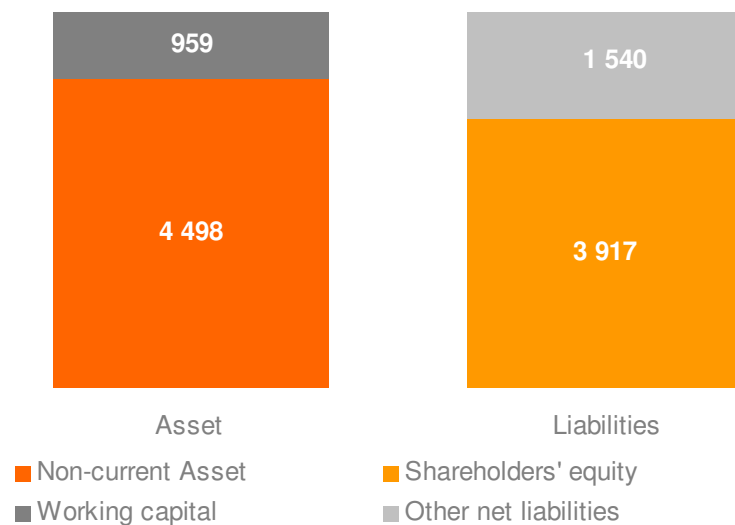
USD +97m of cash-flow from operation

Pro forma financial results

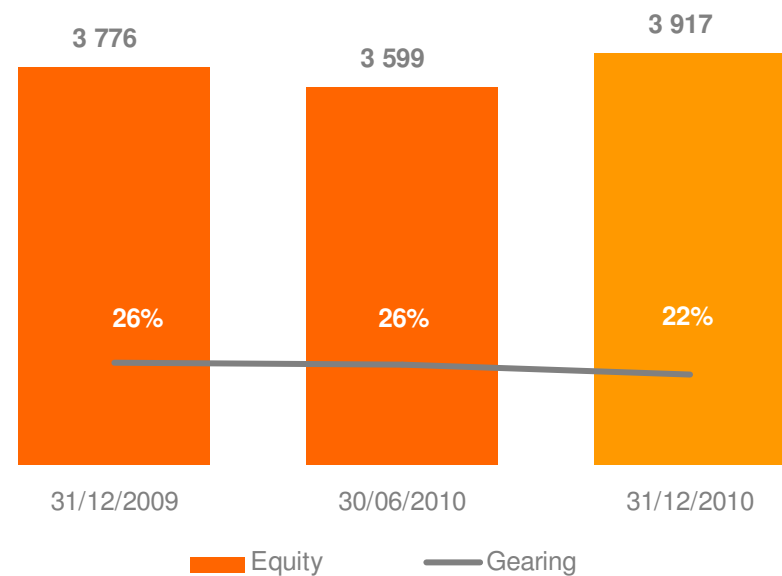
Balance sheet highlights



Asset & Liabilities (USD million)*



Equity and net debt (USD million)



A net debt pro forma of USD 851m

*At 31/12/2010

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Q & A