

## Full year and fourth quarter 2017 - results<sup>1</sup>

Luxembourg, January 30, 2018

### Highlights

- Health and Safety: LTI frequency rate of 1.4x in 2017 compared to 1.4x in 2016.
- Steel Shipments of 1,936 thousand tonnes in 2017, a 1% increase compared to steel shipments of 1,917 thousand tonnes in 2016.
- EBITDA of USD 619 million, including an exceptional charge<sup>2</sup> of USD 10 million, in 2017, compared to EBITDA of USD 492 million, including an exceptional charge<sup>3</sup> of USD 11 million, in 2016.
- EBITDA of USD 154 million in Q4 2017, compared to USD 125 million in Q3 2017.
- Net income of USD 361 million in 2017, compared to USD 214 million in 2016.
- Basic earnings per share of USD 4.51 in 2017, compared to USD 2.75 in 2016.
- Cash flow from operations amounted to USD 440 million in 2017, compared to cash flow from operations of USD 417 million in 2016.
- Free cash flow before dividend and share buy-back of USD 255 million in 2017, compared to free cash flow before dividend and share buy-back of USD 288 million in 2016.
- Net cash position of USD 75 million as of December 31, 2017 compared to a net financial debt of USD 154 million as of December 31, 2016.

### Prospects

- EBITDA in Q1 2018 is expected to slightly increase compared to EBITDA in Q4 2017.
- Net financial debt to be at low levels in Q1 2018.

### Financial Policy - Cash Deployment

In coherence to its Financial Policy, Aperam is announcing two actions regarding cash deployment:

- Aperam increases its base dividend from USD 1.50 per share to USD 1.80 per share (subject to AGM approval).
- Aperam announces a share buyback program of up to USD 100 million.

**Aperam (referred to as “Aperam” or the “Company”) (Amsterdam, Luxembourg, Paris, Brussels: APAM and NYRS: APEMY), announced today results for the three months and full year periods ending December 31, 2017**

Timoteo Di Mauro, CEO of Aperam, commented:

“In 2017, despite challenges in its environment, Aperam continued to significantly increase its performance and profitability, delivering once again record yearly EBITDA and Net Income.

Looking ahead and with the strength of a net cash Company, we continue to maintain strong cash returns to shareholders while also focusing on further transforming our footprint with new state of the art investments.”

## Financial Highlights (on the basis of financial information prepared under IFRS)

(USDm) unless otherwise stated	Q4 17	Q3 17	Q4 16	12M 2017	12M 2016
Sales	1,303	1,204	1,053	5,051	4,265
EBITDA	154	125	133	619	492
Operating income	104	82	83	447	317
Net income	121	62	58	361	214
Free cash flow before dividend and share buy-back	157	50	125	255	288
Steel shipments (000t)	495	477	457	1,936	1,917
EBITDA/tonne (USD)	311	262	291	320	257
Basic earnings per share (USD)	1.45	0.76	0.75	4.51	2.75
Diluted earnings per share (USD)	1.29	0.75	0.70	4.29	2.59

## Health & Safety results

Health and Safety performance based on Aperam personnel figures and contractors' lost time injury frequency rate was 1.3x in the fourth quarter of 2017 compared to 0.8x in the third quarter of 2017.

## Financial results analysis for full year period ending December 31, 2017

Sales for the year ended December 31, 2017 increased by 18%, at USD 5,051 million compared to USD 4,265 million for the year ended December 31, 2016, mainly due to higher stainless steel selling prices. Steel shipments in 2017 increased by 1% at 1,936 thousand tonnes compared to 1,917 thousand tonnes in 2016.

EBITDA reached USD 619 million for the year ended December 31, 2017 compared to EBITDA of USD 492 million for the year ended December 31, 2016. Despite challenging market conditions in South America and a technical outage at Châtelet hot strip mill (Belgium) in the first semester, the Company significantly increased its EBITDA level in the year primarily due to the Leadership Journey®<sup>4</sup>, the Top Line strategy and favorable conditions of the market, in particular in Europe. The first two phases of Leadership Journey® have been successfully realized contributing a total of USD 573 million to EBITDA by the end of 2017 since the beginning of 2011.

Depreciation and amortization was USD 172 million for the year ended December 31, 2017.

Aperam had an operating income for the year ended December 31, 2017 of USD 447 million compared to an operating income of USD 317 million for the year ended December 31, 2016.

Net interest expense and other financing costs for the year ended December 31, 2017 were USD 45 million, including cash cost of financing of USD 12 million.

Income tax result for the year ended December 31, 2017 was an income tax expense of USD 37 million, including USD 47 million one-off deferred tax income due to accounting consequences of changes in tax rates in some jurisdictions

The Company recorded a net income of USD 361 million for the year ended December 31, 2017.

Cash flows from operations for the year ended December 31, 2017 were positive at USD 440 million, including a working capital increase of USD 161 million. CAPEX for the year ended December 31, 2017 was USD 186 million.

Free cash flow before dividend and share buy-back for the year 2017 amounted to USD 255 million.

As of December 31, 2017, shareholders' equity was USD 3,050 million and net financial debt turned to positive net cash position of USD 75 million (gross financial debt as of December 31, 2017 was USD 292 million and cash and cash equivalents were USD 367 million).

During the fourth quarter of 2017, the cash returns to shareholders amounted to USD 32 million, consisting fully of dividend. Total cash returns to shareholders in 2017 amounted to USD 219 million consisting of USD 98 million of share buy-back and USD 121 million of dividend.

The Company had liquidity of USD 787 million as of December 31, 2017, consisting of cash and cash equivalents of USD 367 million and undrawn credit lines<sup>5</sup> of USD 420 million.

## Financial results analysis for the three-month period ending December 31, 2017

Sales for the fourth quarter of 2017 increased by 8% to USD 1,303 million compared to USD 1,204 million for the third quarter of 2017. Steel shipments increased from 477 thousand tonnes in the third quarter of 2017, to 495 thousand tonnes in the fourth quarter of 2017.

EBITDA has increased over the quarter from USD 125 million for the third quarter of 2017, which included a non-recurring charge of USD 10 million, to USD 154 million for the fourth quarter of 2017. The seasonality in Brazil was more than offset by the seasonal recovery in Europe, the absence of non recurring charge in Brazil and the good contribution of the Leadership Journey®.

Depreciation and amortization was USD 50 million for the fourth quarter of 2017.

Aperam had an operating income for the fourth quarter of 2017 of USD 104 million compared to an operating income of USD 82 million for the previous quarter.

Net interest expense and other financing costs for the fourth quarter of 2017 were USD 10 million, including cash cost of financing of USD 2 million.

Income tax result for the fourth quarter of 2017 was an income tax benefit of USD 30 million, including USD 47 million one-off deferred tax income due to accounting consequences of changes in tax rates in some jurisdictions.

The Company recorded a net income of USD 121 million for the fourth quarter of 2017.

Cash flows from operations for the fourth quarter of 2017 were positive at USD 231 million, with a working capital decrease of USD 88 million. CAPEX for the fourth quarter was USD 74 million.

Free cash flow before dividend and share buy-back for the fourth quarter of 2017 amounted to USD 157 million.

## Operating segment results analysis

### Stainless & Electrical Steel

The Stainless & Electrical Steel segment had sales of USD 1.12 billion for the fourth quarter of 2017. This represents a 17% increase compared to sales of USD 962 million for the third quarter of 2017. Steel shipments during the fourth quarter were 499 thousand tonnes. This is an increase of 11% compared to shipments of 451 thousand tonnes during the previous quarter. The volume increase was mainly due to the traditional seasonal recovery in Europe following the summer seasonal effect. Overall, average selling prices for the Stainless & Electrical Steel segment increased compared to the previous quarter.

The segment had EBITDA of USD 518 million (of which USD 395 million from Europe and USD 123 million from South America) for the year 2017 compared to USD 410 million (of which USD 286 million from Europe and USD 124 million from South America) for the year 2016. The Brazilian market continued to be challenging over 2017 due to macro-economic environment, leading to some decrease in volumes which have been fully mitigated thanks to the Top Line strategy and Leadership Journey®. The strong performance of Europe over 2017 is mainly due to the continuous contribution of the Leadership Journey®, healthy demand in Europe and some stainless steel prices recovery during the first half of the year.

The segment had EBITDA of USD 139 million for the fourth quarter of 2017 compared to USD 92 million for the third quarter of 2017. The seasonality in Brazil was more than offset by the seasonal recovery in Europe, the absence of non recurring charge in Brazil and the continuous contribution of the Leadership Journey® and the Top Line strategy.

Depreciation and amortisation expense was USD 44 million for the fourth quarter of 2017.

The Stainless & Electrical Steel segment had an operating income of USD 95 million for the fourth quarter of 2017 compared to an operating income of USD 53 million for the third quarter of 2017.

## Services & Solutions

The Services & Solutions segment had sales of USD 559 million for the fourth quarter of 2017, representing a decrease of 1% compared to USD 565 million for the third quarter of 2017. For the fourth quarter of 2017, steel shipments were 195 thousand tonnes compared to 203 thousand tonnes during the previous quarter. The Services & Solutions segment had higher average selling prices during the period compared to the previous period.

The segment had EBITDA of USD 78 million for the year 2017 compared to USD 82 million for the year 2016. The impacts from technical outage of Châtelet hot strip mill during the first half of the year were mostly compensated by slightly higher volumes and positive contribution of the Top Line strategy.

The segment had EBITDA for the fourth quarter of 2017 of USD 25 million compared to EBITDA of USD 8 million for the third quarter of 2017. EBITDA increased mainly due to some positive stock effects in fourth quarter compared to negative stock effects in third quarter.

Depreciation and amortisation was USD 4 million for the fourth quarter of 2017.

The Services & Solutions segment had an operating income of USD 21 million for the fourth quarter of 2017 compared to an operating income of USD 5 million for the third quarter of 2017.

## Alloys & Specialties

The Alloys & Specialties segment had sales of USD 142 million for the fourth quarter of 2017, representing an increase of 16% compared to USD 122 million for the third quarter of 2017. Steel shipments were higher during the fourth quarter of 2017 at 9 thousand tonnes compared to 7 thousand tonnes during the third quarter of 2017. Average selling prices decreased over the quarter.

The segment had EBITDA of USD 52 million for the year 2017 compared to USD 30 million for the year 2016. This is mainly due to the continuous recovery of market demand over the year as well as the contribution of the Top Line strategy.

The Alloys & Specialties segment achieved EBITDA of USD 12 million for the fourth quarter of 2017 compared to USD 15 million for the third quarter of 2017. The decrease in EBITDA was mainly due to the seasonality and product mix.

Depreciation and amortisation expense for the fourth quarter of 2017 was USD 1 million.

The Alloys & Specialties segment had an operating income of USD 11 million for the fourth quarter of 2017 compared to an operating income of USD 14 million for the third quarter of 2017.

## Recent developments

- On January 19, 2018 Aperam announced its financial calendar for 2018. The financial calendar is available on the Company's website [www.aperam.com](http://www.aperam.com), section Investors & shareholders, Financial calendars.

## New developments

- On January 30, 2018 Aperam announced its detailed dividend payment schedule for 2018. The Company also proposes to increase its base dividend from USD 1.50 per share to USD 1.80, subject to shareholder approval at the 2018 Annual General Meeting, as the Company continues to improve its sustainable profitability benefiting from its strategic actions. The schedule is available on Aperam's website [www.aperam.com](http://www.aperam.com), section Investors & shareholders, Equity Investors, Dividends.
- On January 30, 2018, Aperam announced a share buyback program of up to USD 100 million, and a maximum of 1.8 million shares under the authorization given by the Annual General Meeting of shareholders held on May 5, 2015. The details of the program are available in a separate Press Release.
- On January 30, 2018, Aperam announced a new investment project in its Genk plant (Belgium) consisting in a new Cold Rolling and Annealing and Pickling Line. The investment project targets to further facilitate transformation of our business with state of the art modern lines using latest technology, to enlarge our product range to the most demanding applications, to improve lead-time and flexibility to the market demand, to increase efficiency and cost competitiveness of our assets, and to continuously enhance our health, safety and environmental impact. Further details regarding the project are to be provided with the next quarterly earnings release.

- On January 30, 2018, Aperam announced an investment to transfer its German Service Center from Duisburg to Haan. The investment will enable to further improve our supply chain, reduce working capital and decrease our costs while continuously improving our health and safety environment. Further details regarding the project are to be provided with the next quarterly earnings release.
- On January 30, 2018, Aperam announced that the Company will report its financial results in EURO starting from its Q1 2018 Earnings Release. As indicative information and to support investors and analysts in this change, an unaudited Aperam Model in EURO is available on the Company's website [www.aperam.com](http://www.aperam.com), section Investors & shareholders, Earnings.

## Investor conference call

Aperam management will host a conference call for members of the investment community to discuss the fourth quarter 2017 financial performance at the following time:

Date	New York	London	Luxembourg
Tuesday, January 30, 2018	12:30 pm	5:30 pm	6:30 pm

The dial-in numbers for the call are: France (+33 (0)1 76 77 22 74); USA (+1 646 828 8193); and international (+44 (0)330 336 9105). The participant access code is: 4562691#.

A replay of the conference call will be available until February 05, 2018: France (+33 (0) 1 70 48 00 94); USA (+1 719-457-0820) and international (+44 (0) 207 984 7568). The participant access code is 4562691#.

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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 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 2017, Aperam had sales of USD 5.1 billion and steel shipments of 1.94 million tonnes.

For further information, please refer to our website at [www.aperam.com](http://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)	December 31, 2017	September 30, 2017	December 31, 2016
<b>Non current assets</b>	<b>2,972</b>	<b>2,944</b>	<b>2,773</b>
Goodwill and intangible assets	610	609	565
Property, plant and equipments (incl. Biological assets)	1,887	1,814	1,691
Investments & Other	475	521	517
<b>Current assets &amp; working capital<sup>6</sup></b>	<b>1,188</b>	<b>1,174</b>	<b>955</b>
Inventories, trade receivables and trade payables <sup>6</sup>	723	815	517
Prepaid expenses and other current assets <sup>6</sup>	98	114	89
Cash and cash equivalents (C)	367	245	325
Assets held for sale	-	-	24
<b>Shareholders' equity</b>	<b>3,050</b>	<b>2,874</b>	<b>2,485</b>
Group share	3,046	2,870	2,481
Non-controlling interest	4	4	4
<b>Non current liabilities</b>	<b>809</b>	<b>855</b>	<b>768</b>
Long-term debt, net of current portion (A)	286	284	275
Deferred employee benefits	191	189	173
Provisions and other	332	382	320
<b>Current liabilities (excluding trade payables)<sup>6</sup></b>	<b>301</b>	<b>389</b>	<b>475</b>
Short-term debt and current portion of long-term debt (B)	6	77	204
Accrued expenses and other current liabilities <sup>6</sup>	295	312	247
Liabilities held for sale	-	-	24
<b>Net Financial Debt / (Net cash) (D = A+B+C)</b>	<b>(75)</b>	<b>116</b>	<b>154</b>

## APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in million of U.S. dollars)	Three Months Ended			Year Ended	
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
<b>Sales</b>	<b>1,303</b>	<b>1,204</b>	<b>1,053</b>	<b>5,051</b>	<b>4,265</b>
<b>Adjusted EBITDA (E = C-D)</b>	<b>154</b>	<b>135</b>	<b>144</b>	<b>629</b>	<b>503</b>
<i>Adjusted EBITDA margin (%)</i>	<i>11.8%</i>	<i>11.2%</i>	<i>13.7%</i>	<i>12.5%</i>	<i>11.8%</i>
Exceptional items (D)	-	(10)	(11)	(10)	(11)
<b>EBITDA (C = A-B)</b>	<b>154</b>	<b>125</b>	<b>133</b>	<b>619</b>	<b>492</b>
<i>EBITDA margin (%)</i>	<i>11.8%</i>	<i>10.4%</i>	<i>12.6%</i>	<i>12.3%</i>	<i>11.5%</i>
Depreciation, amortisation and impairment (B)	(50)	(43)	(50)	(172)	(175)
<b>Operating income (A)</b>	<b>104</b>	<b>82</b>	<b>83</b>	<b>447</b>	<b>317</b>
<i>Operating margin (%)</i>	<i>8.0%</i>	<i>6.8%</i>	<i>7.9%</i>	<i>8.8%</i>	<i>7.4%</i>
Loss from other investments	(4)	-	-	(4)	-
Net interest expense and other net financing costs	(10)	(10)	(9)	(45)	(43)
Foreign exchange and derivative gains	1	4	4	-	3
<b>Income before taxes</b>	<b>91</b>	<b>76</b>	<b>78</b>	<b>398</b>	<b>277</b>
Income tax benefit (expense)	30	(14)	(20)	(37)	(63)
<i>Effective tax rate %</i>	<i>(34.1)%</i>	<i>19.1%</i>	<i>25.6%</i>	<i>9.1%</i>	<i>22.8%</i>
<b>Net income</b>	<b>121</b>	<b>62</b>	<b>58</b>	<b>361</b>	<b>214</b>

## APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in million of U.S. dollars)	Three Months Ended			Year Ended	
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Net income	121	62	58	361	214
Depreciation, amortisation and impairment	50	43	50	172	175
Change in working capital <sup>6</sup>	88	(41)	65	(161)	(39)
Other operating activities (net) <sup>6</sup>	(28)	18	(10)	68	67
<b>Net cash provided by operating activities (A)</b>	<b>231</b>	<b>82</b>	<b>163</b>	<b>440</b>	<b>417</b>
Purchase of PPE, intangible and biological assets (CAPEX)	(74)	(31)	(39)	(186)	(130)
Other investing activities (net)	-	(1)	1	1	1
<b>Net cash used in investing activities (B)</b>	<b>(74)</b>	<b>(32)</b>	<b>(38)</b>	<b>(185)</b>	<b>(129)</b>
Net payments to banks and long term debt	(5)	(2)	(3)	(12)	(12)
Purchase of treasury stock	-	-	-	(98)	-
Dividend paid	(32)	(31)	(24)	(121)	(97)
Other financing activities (net)	-	(1)	-	(1)	(1)
<b>Net cash used in financing activities</b>	<b>(37)</b>	<b>(34)</b>	<b>(27)</b>	<b>(232)</b>	<b>(110)</b>
Effect of exchange rate changes on cash	2	4	(7)	19	(1)
<b>Change in cash and cash equivalent</b>	<b>122</b>	<b>20</b>	<b>91</b>	<b>42</b>	<b>177</b>
<b>Free cash flow before dividend and share buy-back (C = A+B)</b>	<b>157</b>	<b>50</b>	<b>125</b>	<b>255</b>	<b>288</b>



## Appendix 1a – Health & Safety statistics

Health & Safety Statistics	Three Months Ended			Year Ended	
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Frequency Rate	1.3	2.0	0.8	1.4	1.4

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

Year Ended December 31, 2017	Stainless & Electrical Steel <sup>a,b</sup>	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
<b>Operational information</b>					
Steel Shipment (000t)	1,882	818	33	(797)	1,936
Average steel selling price (USD/t)	2,162	2,699	14,984		2,525
<b>Financial information (USDm)</b>					
Sales	4,198	2,299	517	(1,963)	5,051
Adjusted EBITDA	528	78	52	(29)	629
EBITDA	518	78	52	(29)	619
Depreciation, amortisation and impairment	(152)	(12)	(6)	(2)	(172)
Operating income / (loss)	366	66	46	(31)	447

Note a: Stainless & Electrical Steel shipments of 1,882kt of which 629kt were from South America and 1,253kt were from Europe

Note b: Stainless & Electrical Steel Adjusted EBITDA of USD 528m of which USD 133m were from South America and USD 395m were from Europe

Year Ended December 31, 2016	Stainless & Electrical Steel <sup>a,b</sup>	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
<b>Operational information</b>					
Steel Shipment (000t)	1,880	799	30	(792)	1,917
Average steel selling price (USD/t)	1,817	2,366	13,046		2,162
<b>Financial information (USDm)</b>					
Sales	3,510	1,964	415	(1,624)	4,265
Adjusted EBITDA	410	93	30	(30)	503
EBITDA	410	82	30	(30)	492
Depreciation, amortisation and impairment	(145)	(22)	(6)	(2)	(175)
Operating income / (loss)	265	60	24	(32)	317

Note a: Stainless & Electrical Steel shipments of 1,880kt of which 639kt were from South America and 1,241kt were from Europe

Note b: Stainless & Electrical Steel Adjusted EBITDA of USD 410m of which USD 124m were from South America and USD 286m were from Europe

Quarter Ended December 31, 2017	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
<b>Operational information</b>					
Steel Shipment (000t)	499	195	9	(208)	495
Average steel selling price (USD/t)	2,175	2,729	15,646		2,538
<b>Financial information (USDm)</b>					
Sales	1,123	559	142	(521)	1,303
Adjusted EBITDA	139	25	12	(22)	154
EBITDA	139	25	12	(22)	154
Depreciation, amortisation and impairment	(44)	(4)	(1)	(1)	(50)
Operating income / (loss)	95	21	11	(23)	104

Quarter Ended September 30, 2017	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
<b>Operational information</b>					
Steel Shipment (000t)	451	203	7	(184)	477
Average steel selling price (USD/t)	2,058	2,693	15,890		2,444
<b>Financial information (USDm)</b>					
Sales	962	565	122	(445)	1,204
Adjusted EBITDA	102	8	15	10	135
EBITDA	92	8	15	10	125
Depreciation, amortisation and impairment	(39)	(3)	(1)	-	(43)
Operating income / (loss)	53	5	14	10	82

## Appendix 2 – Terms and definitions

Unless indicated otherwise, or the context otherwise requires, references in this earnings release report to the following terms have the meanings set out next to them below:

**Adjusted EBITDA:** operating income before depreciation, amortization and impairment expenses and exceptional items.

**Average steel selling prices:** calculated as steel sales divided by steel shipments.

**Cash and cash equivalents:** represents cash and cash equivalents, restricted cash and short-term investments.

**CAPEX:** relates to capital expenditures and is defined as purchase of tangible assets, intangible assets and biological assets.

**EBITDA:** operating income before depreciation, amortisation and impairment expenses.

**EBITDA/tonne:** calculated as EBITDA divided by total steel shipments.

**Exceptional items:** consists of (i) inventory write-downs equal to or exceeding 10% of total related inventories values before write-down at the considered quarter end (ii) restructuring (charges)/gains equal to or exceeding USD 10 million for the considered quarter, (iii) capital (loss)/gain on asset disposals equal to or exceeding USD 10 million for the considered quarter or (iv) other non-recurring items equal to or exceeding USD 10 million for the considered quarter.

**Free cash flow before dividend and share buy-back:** net cash provided by operating activities less net cash used in investing activities.

**Gross financial debt:** long-term debt plus short-term debt.

**Liquidity:** Cash and cash equivalent and undrawn credit lines.

**LTI frequency rate:** Lost time injury frequency rate equals lost time injuries per 1,000,000 worked hours, based on own personnel and contractors.

**Net financial debt and / or Net cash:** long-term debt, plus short-term debt less cash and cash equivalents.

**Net financial debt/EBITDA or Gearing:** Refers to Net financial debt divided by last twelve months EBITDA calculation.

**Shipments:** information at segment and group level eliminates inter-segment shipments (which are primarily between Stainless & Electrical Steel and Services & Solutions) and intra-segment shipments, respectively.

**Working capital:** trade accounts receivable plus inventories less trade accounts payable.

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<sup>1</sup> 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. This press release also includes Alternative Performance Measures ("APM" hereafter). The Company believes that these APMs are relevant to enhance the understanding of its financial position and provides additional information to investors and management with respect to the Company's financial performance, capital structure and credit assessment. These non-GAAP financial measures should be read in conjunction with and not as an alternative for, Aperam's financial information prepared in accordance with IFRS. Such non-GAAP measures may not be comparable to similarly titled measures applied by other companies. The APM's used are defined under Appendix 2 "Terms & definitions".

<sup>2</sup> Exceptional charge of USD 10 million in 2017 mainly related to indirect taxes amnesty settlements in Brazil.

<sup>3</sup> Exceptional charge of USD 11 million in 2016 related to non-recurring and non-cash charge related to the announced intention of divestment of the French Tubes units of Services & Solutions division.

<sup>4</sup> 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 575 million by end of 2017. On June 7, 2017, Aperam announced the third phase of the Leadership Journey® - the Transformation Program - targeting USD 150 million of additional EBITDA gains per year by end of 2020.

<sup>5</sup> Includes revolving credit facility of EUR 300 million and EIB financing of EUR 50 million.

<sup>6</sup> Effective Q1 2017, the Company modified the presentation of assets and liabilities related to the TSR programs to more appropriately reflect the nature of these items. The comparative amount in the condensed consolidated statement of financial position was reclassified for consistency, which resulted in a net amount of USD 42 million being reclassified from "prepaid expenses and other current assets/accrued expenses and other current liabilities" to "inventories, trade receivables and trade payables" as of December 31, 2016. In addition, amounts in the condensed consolidated statement of cash flows were similarly reclassified, which resulted in USD 56 million and USD (13) million being reclassified from "other operating activities (net)" to "change in working capital" for the three months period ended December 31, 2016 and year ended December 31, 2016, respectively.