

Annual General Meeting and Extraordinary General Meeting of Shareholders

8 May 2014

aperam

Annual and Extraordinary General Meetings of Shareholders

8 May 2014



Thank you



Annual General Meeting of Shareholders

1. **Presentation of the management report of the Board of Directors and the reports of the independent company auditor on the standalone annual accounts of the Company prepared in accordance with the laws and regulations of the Grand-Duchy of Luxembourg (the “Parent Company Annual Accounts”) and the consolidated financial statements of the Aperam group prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (the “Consolidated Financial Statements”) as of and for the year ended 31 December 2013**
2. **Approval of the Consolidated Financial Statements as of and for the year ended 31 December 2013**
3. **Approval of the Parent Company Annual Accounts as of and for the year ended 31 December 2013**
4. **Allocation of results and determination of the dividend and the compensation for the members of the Board of Directors in relation to the financial year 2013**
5. **Discharge of the directors**
6. **Election of members of the Board of Directors**
7. **Appointment of a réviseur d’entreprises agréé (authorised statutory auditor) for the purposes of the audit of the Consolidated Financial Statements and the Parent Company Annual Accounts as of and for the year ended 31 December 2014**
8. **Authorisation of grants of share based incentives**

Extraordinary General Meeting of Shareholders

1. **Decision to increase the authorised share capital of the Company by an amount equal to 23.3% of the current issued share capital, to authorise the Board of Directors to limit or suppress the preferential subscription right of existing shareholders, and to amend articles 5.2 and 5.5 of the articles of association accordingly**

Message from the Chairman

Key highlights of the year 2013



- **2013, a year marked by challenging market conditions for Aperam with pressure on prices of base metals and nickel and weak demand in its key markets**
- **Aperam's own actions started to yield results with improving operational and financial performance and reduction of net debt**
 - Cost savings under the Leadership Journey® at the end of 2013 of USD 369 million, increasing by 34% compared to the end of 2012
 - 2013 EBITDA of USD 292 million, increasing by 35% compared to 2012
 - Net debt of USD 690 million at the end of 2013, decreasing by 15% compared to the end of 2012
- **Stable 2013 lost time injury frequency rate of 1.3x compared to 2012. Zero accidents remain our ultimate goal**
- **Looking ahead, we started to see encouraging signs of market recovery since the end of 2013 and will focus on our key priorities to capture these opportunities:**
 - 1 Leadership Journey®** Expansion of the Leadership Journey® with USD 475 million of cost savings targeted by the end of 2015
 - 2 Top Line Strategy** Focus on high quality of services, innovation and high margin products
 - 3 Reduction of net debt and cost of debt** Net debt reduction target to reach USD 650 million by the end of 2014 with proposal to maintain paying no dividend in 2014 to accelerate the net debt reduction

Robust strategy with significant upsides

Annual General Meeting of Shareholders

Group presentation and presentation of the consolidated financial statements and the parent company accounts

8 May 2014

The logo for 'aperam' is rendered in a white, stylized outline font. Each letter is composed of multiple parallel lines, giving it a three-dimensional, architectural appearance. The letters are lowercase and spaced out across the width of the slide.

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

Agenda



- Health & Safety
- Aperam's profit driving pillars
- Performance
- Consolidated Financial Statements and Parent Company Accounts

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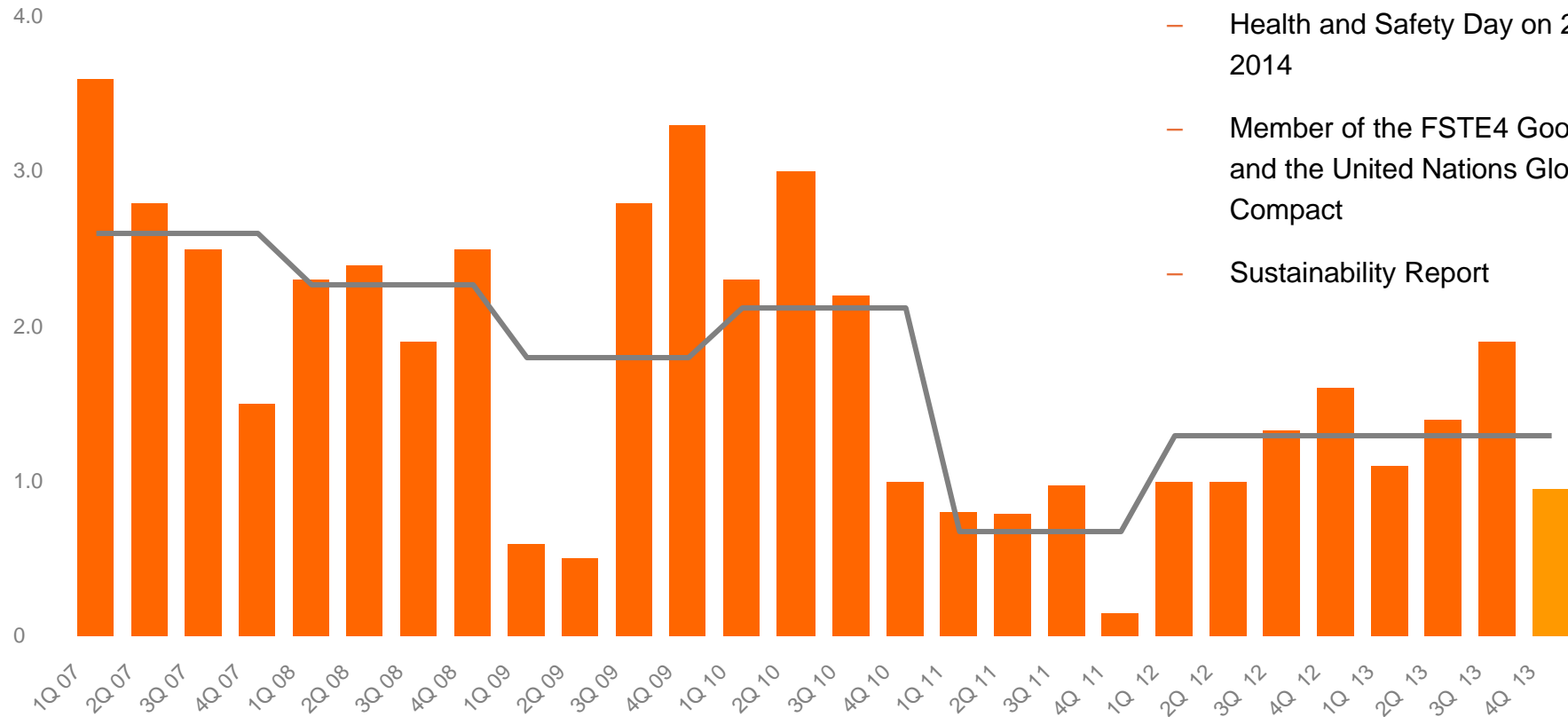


Health & Safety

Health & Safety Performance



Lost Time Injury Frequency rate*



Key Comments

- Health and Safety Day on 29 April 2014
- Member of the FSTE4 Good Index and the United Nations Global Compact
- Sustainability Report

Health and Safety is the top priority

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

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Aperam's Profit driving pillars

Aperam's profit driving pillars

Strategic priorities maintained allowing to capture new opportunities



Key strategic priorities

- 1 Leadership Journey®
- 2 Top Line Strategy
- 3 Reduction of net debt and cost of debt



5 profit-driving pillars

- 1 Aiming at “best in cost” with the Leadership Journey®
- 2 Optimizing portfolio with the Top Line Strategy
- 3 Brazilian development
- 4 Growing in Alloys specialties
- 5 European Restructuring

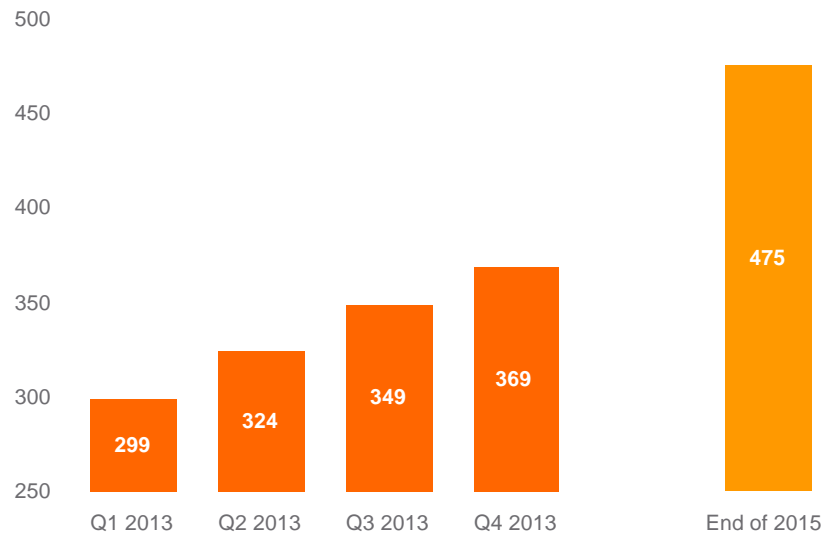
Capturing new opportunities based on Aperam's key priorities set by the Board of Directors

Aperam's profit driving pillars

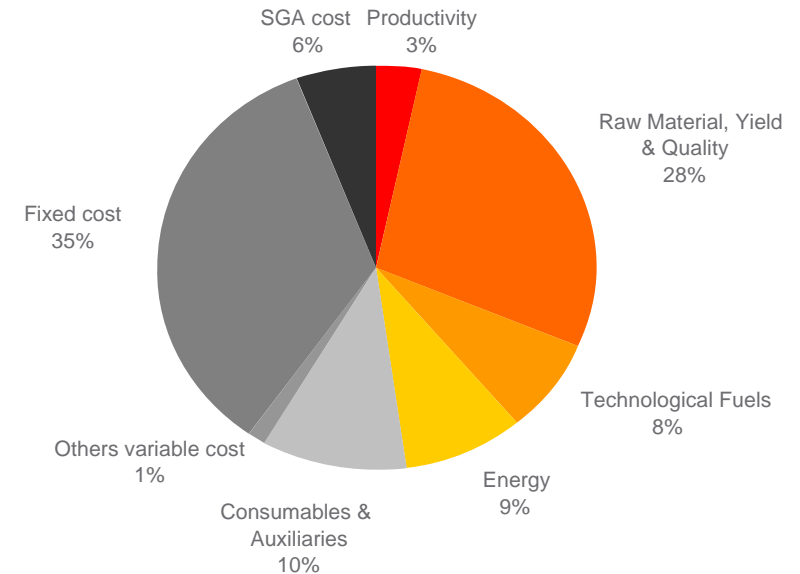
Leadership Journey® target



Cumulated gains (USD million)



Leadership Journey® breakdown for 2014



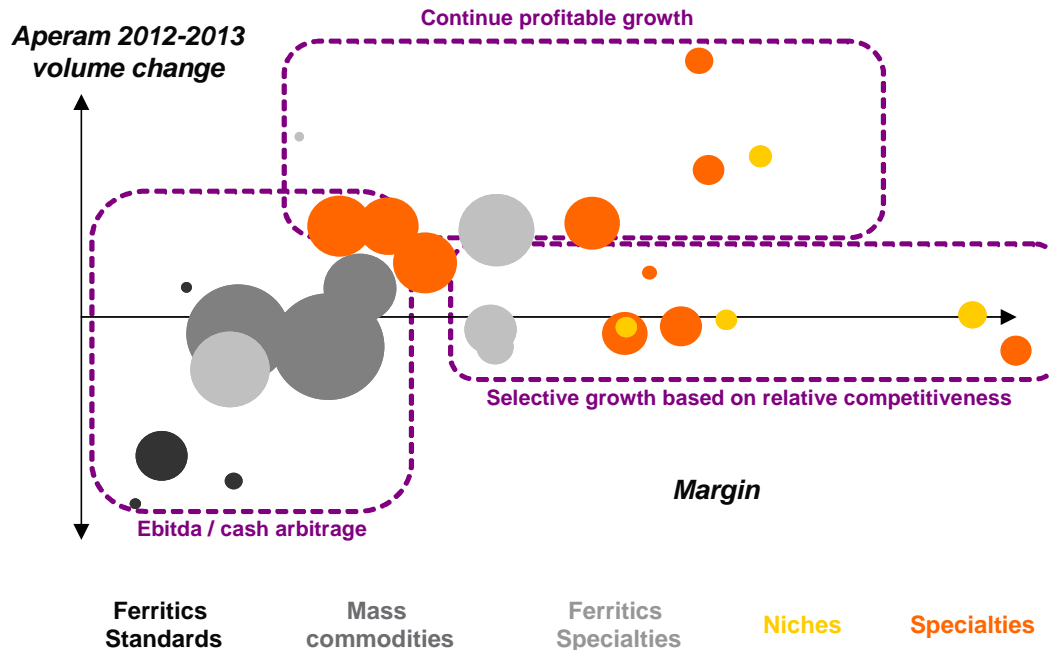
At the end of 2013, the Leadership Journey® has contributed a total amount of USD 369 million to EBITDA since the beginning 2011. Expansion of Leadership Journey® to USD 475 million by 2015.

Aperam's profit driving pillars

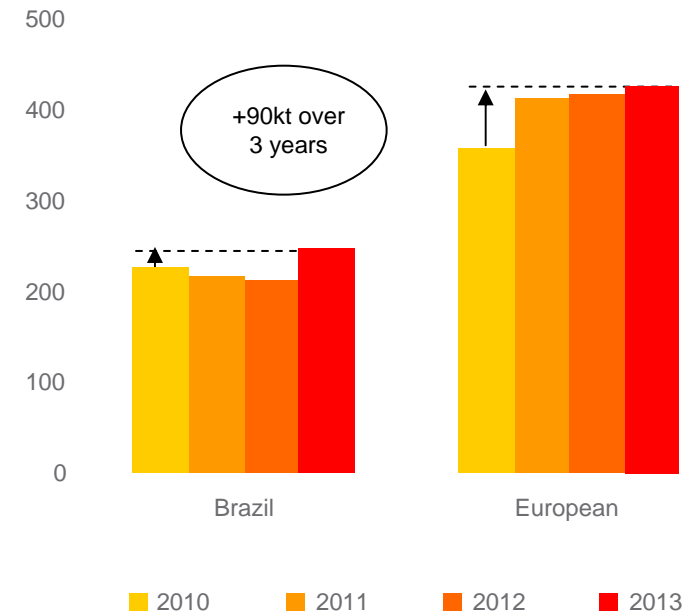
Further mix improvement expected



Market segments



Shipments of "Top line" products ('000t)



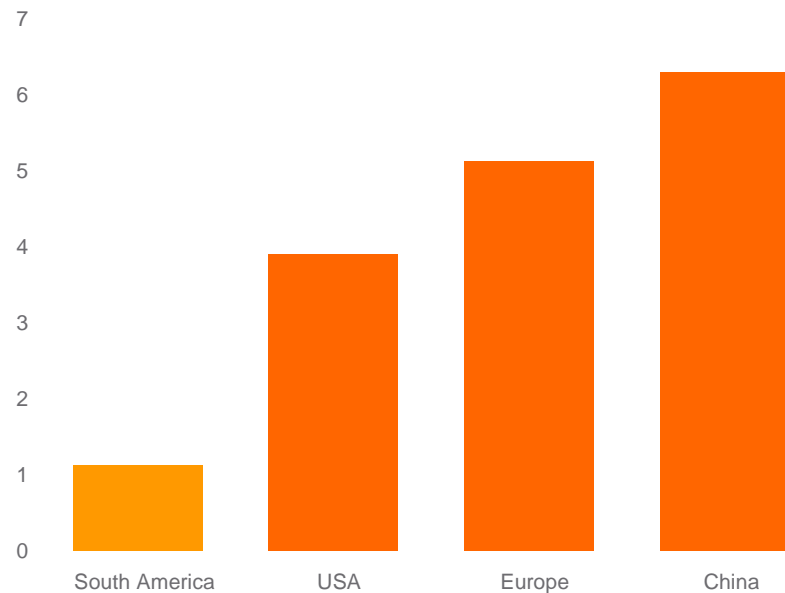
Expanding further high margin products to replace low contribution margin products

Aperam's profit driving pillars

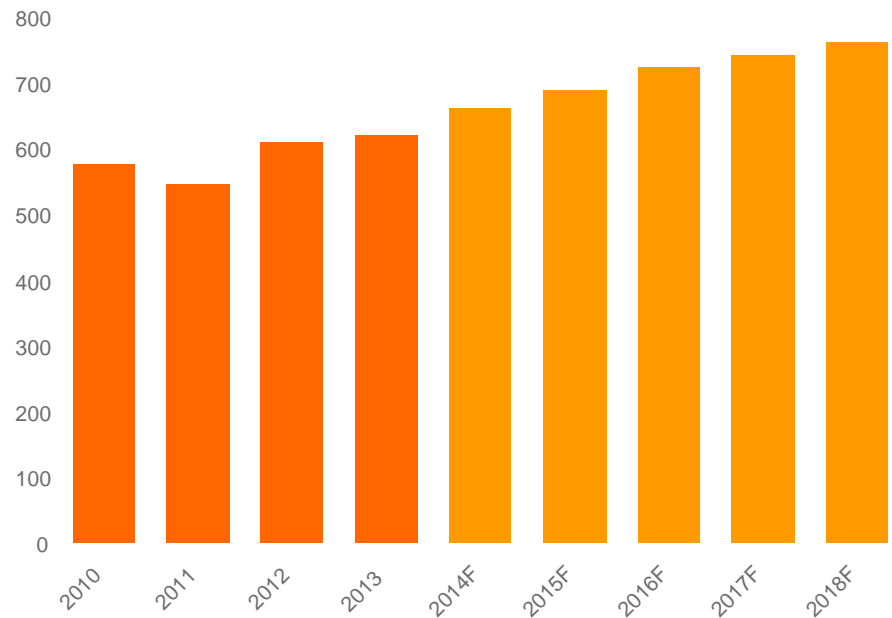
Brazilian development



Stainless steel flat stainless steel consumption per capita (kg/year)



South American Stainless steel demand (in kt)



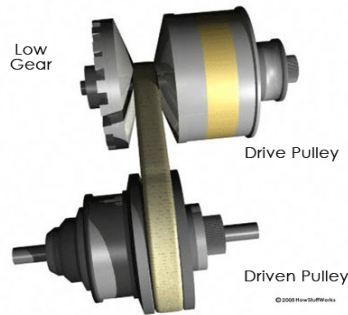
Aperam targeting to capture market growth and further improve its operational performance and product mix in Brazil

Aperam's profit driving pillars

Specific markets' prospects to be key



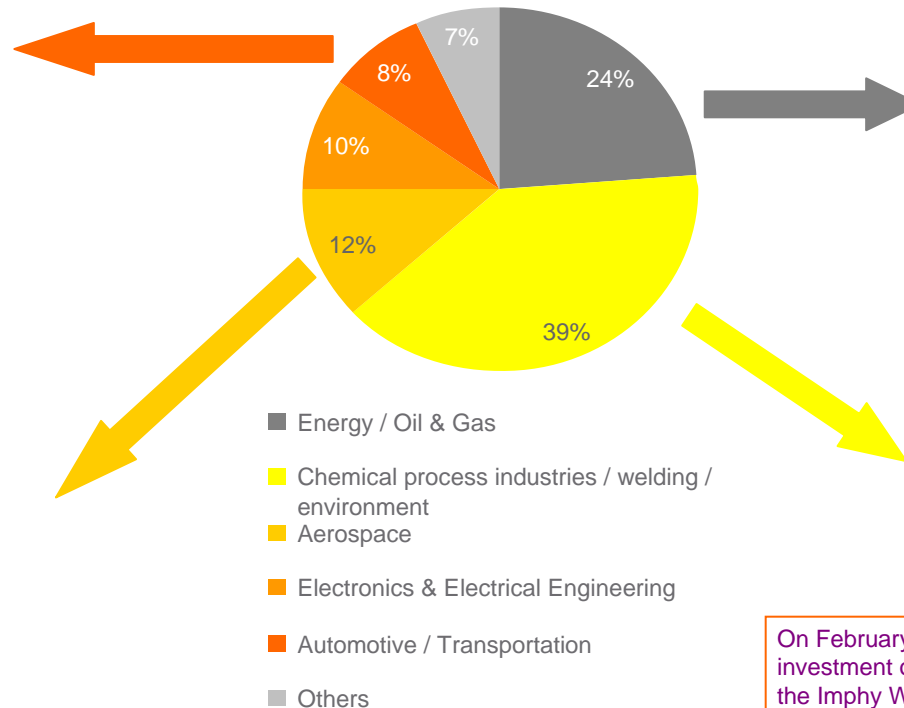
Continuously variable transmission belt



Mould for composite aircraft fuselage parts



Alloys & Specialties sales breakdown by market



LNG* tankers



Special welding



On February 6, 2014, the Board of Directors of Aperam approved an investment of USD 10 million in debottlenecking the finishing line of the Imphy Wire Rod mill.

Specific high margin products on “star segments” to drive Alloys & Specialties growth

Aperam's profit driving pillars

Three years of active restructuring



Key European restructuring milestone

➤ **January 2011: Aperam spin-off and Leadership Journey®**

Long term suspension of 100kt of downstream capacity in Isbergues (France) and mothballing of 80kt of downstream capacity at Gueugnon (France) and Genk (Belgium).

➤ **April 2011: ThyssenKrupp stainless steel operations strategic review**

Closure of the 220kt downstream plant of Benrath (Germany) and investment of 220kt of downstream capacity in Krefeld (Germany).

➤ **October 2011: Aperam Leadership Journey® extension**

Upstream optimization at Genk (Belgium) resulting a capacity reduction of 400kt.

➤ **February 2012: Acquisition by Outokumpu of ThyssenKrupp's stainless steel operations**

Closure of 500kt of upstream capacity at Krefeld (Germany).

➤ **October 2013: Outokumpu accelerating restructuring plan**

Announcement of the closure of 800kt of upstream capacity at Bochum (Germany) and reduction of 550kt of downstream capacity in Dillenburg (Germany), Krefeld (Germany) and Tornio (Finland).

European stainless steel industry footprint after restructuring



A more competitive European industry to better serve the local market base

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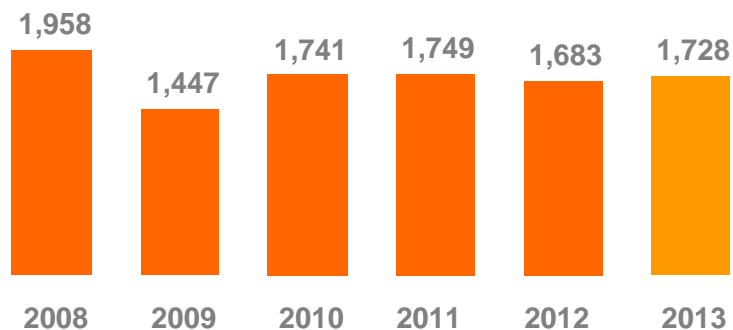
Performance

Performance

Full year 2013

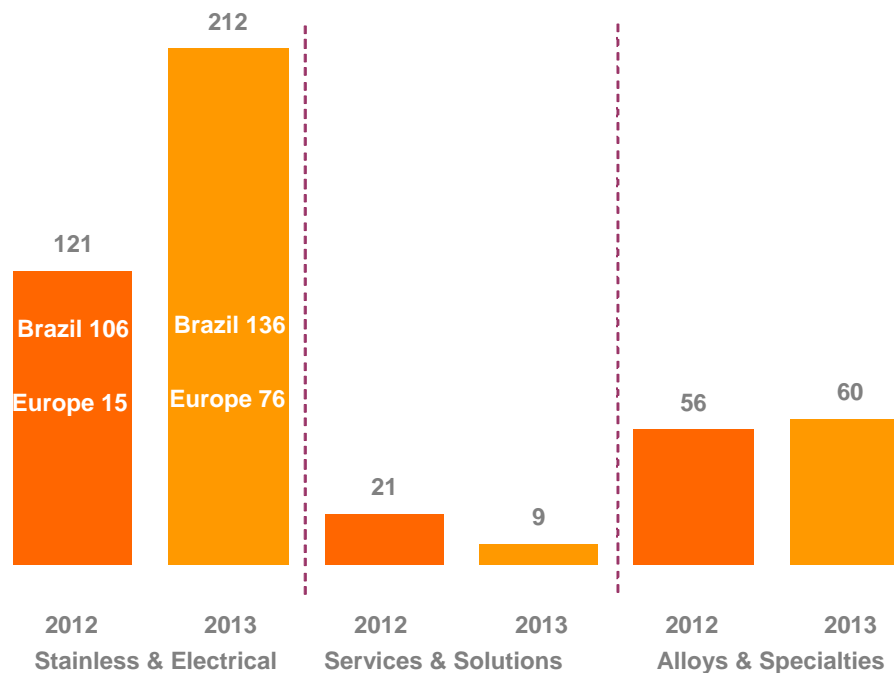
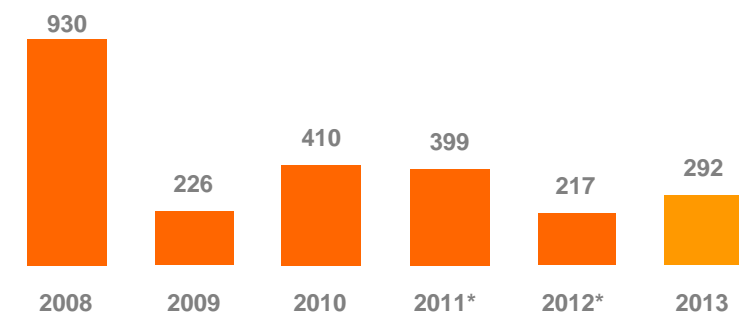


Shipments ('000t)



EBITDA per Division (USD million)

EBITDA (USD million)



EBITDA of 169 USD/t in full year 2013 compared to 129 USD/t in full year 2012

* Figures for 2011 and 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.

Performance

First Quarter 2014 – Key highlights



Highlights:

- Health and Safety frequency rate of 1.0x in Q1 2014 compared to 1.0x in Q4 2013.
- Shipments of 475 thousand tonnes in Q1 2014, a 8% increase compared to shipments of 441 thousand tonnes in Q4 2013.
- EBITDA of USD 129 million in Q1 2014, compared to EBITDA of USD 84 million in Q4 2013.
- Basic earnings per share of USD 0.24 in Q1 2014.
- Cash flow from operations amounted to USD 20 million in Q1 2014.
- Net debt of USD 689 million on March 31, 2014, representing a gearing of 23% compared to a net debt of USD 690 million on December 31, 2013.

Prospects:

- EBITDA in Q2 2014 is expected to increase compared to EBITDA in Q1 2014.
- Net debt to slightly decrease in Q2 2014.

“Our improved performance in the first quarter reflects Aperam’s agility to benefit from a better market environment while continuing to progress on our Leadership Journey and maintaining net debt under control.”

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Consolidated Financial Statements and Parent Company Accounts

Results 2013 – Aperam Group

Consolidated Statements of Operations



(USDm)	2012 *	2013
Sales	5 261	5 120
EBITDA	217	292
Depreciation and impairment	320	303
Operating loss	(103)	(11)
- <i>Operating margin %</i>	-2,0%	-0,2%
Income from investments, associates and joint ventures	2	(1)
Net interest expense and other financing income (costs) - net	(74)	(118)
Foreign exchange and derivatives losses	(2)	(13)
Loss before taxes and non-controlling interests	(177)	(143)
Income tax benefit	66	44
- <i>Effective tax rate %</i>	37%	31%
Loss before non-controlling interests	(111)	(99)
Non-controlling interests	-	1
Net loss	(111)	(100)

2013 versus 2012 :

- Sales decreased by 3%.
- EBITDA increased by 35% from USD 217 million to USD 292 million.
- Net result for the year 2013 is a loss of USD 100 million compared to a loss of USD 111 million in 2012.

* 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.

Results 2013 – Aperam Group

Consolidated Statements of Cash Flows



(USDm)	2012 *	2013
Net loss	(111)	(100)
Non-controlling interests	-	1
Depreciation and impairment	320	303
Changes in working capital	156	(18)
Other	(87)	18
Net cash provided by operating activities	278	204
Purchase of property, plant and equipment (CAPEX)	(161)	(125)
Other investing activities	3	6
Net Cash used in investing activities	(158)	(119)
Payments from payable to banks and long term debt	(83)	(6)
Dividends paid	(61)	-
Other financing activities (net)	(2)	(8)
Net cash used in financing activities	(146)	(14)
Net increase / (decrease) in cash and cash equivalents	(26)	71
Effect of exchange rate changes	5	(6)
Change in cash and cash equivalents	(21)	65

2013 versus 2012 :

- Cash generated by operations decreased from USD 278 million to USD 204 million.
- Cash outflow on investing activities decreased from USD 158 million in 2012 to USD 119 million in 2013.
- Cash outflow on financing activities decreased from USD 146 million to USD 14 million.

* 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.

Results 2013 – Aperam Group

Consolidated Statements of Financial Position



(USDm)	2012 *	2 013
Non current assets	4 006	3 709
Intangible assets	859	808
Property, plant and equipment (PPE)	2 609	2 388
Investments & Other	538	513
Current assets & working capital	967	984
Inventories, trade receivables & trade payables (OWC)	607	563
Other assets	134	129
Cash & cash equivalents, including restricted cash	226	292
Shareholders' equity	3 162	2 958
Group share	3 158	2 953
Non-controlling interests	4	5
Non current liabilities	1 043	1 193
Interest bearing liabilities	607	773
Deferred employee benefits	211	220
Provisions and other	225	200
Current liabilities (excluding trade payables)	768	542
Interest bearing liabilities	435	209
Other	333	333
Invested Capital (Intangible assets+PPE+OWC)	4 075	3 759
Net financial debt	816	690
Working capital	607	563

December 31, 2013 versus December 31, 2012 :

- Net financial debt decreased by 15% from USD 816 million to USD 690 million, representing a gearing of 23% at year end 2013. The net financial debt as at December 31, 2013 includes a positive impact of USD 37 million related to the convertible bond issued in September 2013.
- Shareholder's equity is USD 2,958 million as at December 31, 2013, compared to USD 3,162 million at previous year end.
- Liquidity amounts to USD 797 million at year-end 2013 (cash and cash equivalents of USD 291 million and undrawn credit lines of USD 506 million** on USD 800 million BBF).

* 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.

** Subject to eligible collateral available. USD 131 million of BBF commitment (representing 2/3rd of convertible bond net proceeds) have been cancelled following to convertible bond issuance.

Parent Company Accounts

Agenda item 4



Proposal of the Board of Directors for the allocation of the results of the Parent Company Accounts in relation to the financial year 2013 (in USD):

Parent Company Accounts for the financial period 2013

Loss for the financial year	(57,220,541)
Profit brought forward (<i>Report à nouveau</i>)	1,870,572,908
Results to be allocated and distributed	1,813,352,367
Dividend	-
Directors' compensation	(786,087)
Profit carried forward	1,812,566,280

Annual General Meeting and Extraordinary General Meeting of Shareholders



8 May 2014

Slides on Agenda Items



- Election of members of the Board of Directors

Aperam places a strong emphasis on corporate governance.

Aperam has four independent directors on its seven members of the Board of Directors.

Mr. Lakshmi N. Mittal is the Chairman of the Board of Directors and Mr. Romain Bausch is the Lead Independent Director.

This year, the mandate of Ms. Laurence Mulliez will have come to an end on the date of this General Meeting.

On 24 May 2013 the Board of Directors decided to co-opt Mr. Joseph Greenwell as member of the Board of Directors as from the same date to fill the vacancy created by Mr. David B. Burritt's resignation which was effective 24 May 2013.

After consideration of the above, as well as the individual qualifications and experience of each of the proposed nominees to the Board of Directors and their contributions to the Board, the Board of Directors concluded that Ms. Laurence Mulliez and Mr. Joseph Greenwell should be elected as members of the Board of Directors for a three-year mandate that will automatically expire on the date of the annual general meeting of shareholders to be held in 2017.

- Election of members of the Board of Directors
 - *Resolution VI: The General Meeting re-elects Laurence Mulliez as director of Aperam for a three-year mandate that will automatically expire on the date of the annual general meeting of shareholders to be held in 2017.*

Laurence Mulliez was CEO of Eoxis from 2010 to 2013. Privately held Eoxis produces energy from renewable sources. Laurence Mulliez was previously CEO of Castrol Industrial Lubricants and Services at BP from 2007 to 2009 and held various Managing Director level positions in BP starting in 1999, including Head of Strategy and Financial Planning globally for all of BP's Gas, Power and Renewable Energy businesses. From 1993 to 1999, she held several positions at Amoco in finance, mergers and acquisition, business analysis and business development.

She is also a non-executive director at Voltalia, a renewable electricity producer, and spent ten years as a nonexecutive director at a leading international do-it-yourself retailer, Leroy Merlin. Laurence Mulliez holds a degree in business from the Ecole Supérieure de Commerce de Rouen and an MBA from the University of Chicago Booth, with a concentration in Finance and Strategy.



- Election of members of the Board of Directors
 - *Resolution VII: The General Meeting elects Joseph Greenwell as director of Aperam for a three-year mandate that will automatically expire on the date of the annual general meeting of shareholders to be held in 2017.*

Joseph Greenwell has a career of 40 years in the motor industry. He was appointed Chairman of Ford of Britain in 2009 and retired effective from this position end of April 2013. Prior to this role, he was Vice President, Government Affairs, Ford of Europe and Premier Automotive Group from 2005 to 2008 and Chairman and CEO of Jaguar and Land Rover from 2003 to 2005. Previously, he was Vice President, Marketing, Ford North America, Vice President, Global Marketing and Operations and Vice President Global Product Promotions from 2001 to 2003. Prior to that, he held senior roles in Communications and Public Affairs for Ford of Europe and Jaguar Cars. In recognition of his services to the automotive industry he was awarded a CBE (Commander of the Most Excellent Order of the British Empire) in the Queen's birthday honours list in 2011.

Joseph Greenwell is also Chief Executive Officer of The Automotive Investment Organisation, a UK Government association, and Chairman of the RAC Foundation, a UK transport research charity. Joseph Greenwell holds a Bachelor of Art degree from the University of East Anglia.





- Authorisation of grants of share based incentives

- Grants of Performance Share Units to the Aperam Management Committee ("MC") members.
- Main objective: effective performance enhancing scheme based on the achievement of Aperam's strategy aimed at creating measurable long term shareholder value.
- Cliff vesting on the third year anniversary of the grant date.
- Awards under the MC PSU Plan are subject to the fulfillment of cumulative performance criteria over a three-year period from the date of the PSU grant compared to a peer group of companies: Total Shareholder Return (TSR) & Earnings Per share (EPS). 50% of the criteria to be met is based on the development of TSR. 50% of the criteria to be met is based on the development of EPS.
- The value of the grant at grant date will equal 45% of the year base salary for the Chief Executive Officer and for the other MC members, compared to 35% in the previously approved MC PSU plan.
- Each PSU may give right to up to one and half (1.5) shares of the Company, compared to two (2) shares in the previously approved MC PSU plan.
- The 2014 Cap for the number of PSUs that may be allocated to the MC members and other retention based grants below the MC level, if any, is proposed to be set at a maximum of 220,000 shares, representing less than 0.27% on a diluted basis and less than 0.29% of the Company's issued share capital on an outstanding basis.



- Decision to increase the authorised share capital of the Company by an amount equal to 23.3% of the current issued share capital, to authorise the Board of Directors to limit or suppress the preferential subscription right of existing shareholders, and to amend articles 5.2 and 5.5 of the articles of association accordingly

- After Aperam's offering of its Convertible and/or Exchangeable Bonds due 2020 (the "Bonds") which closed on 30 September 2013, the Company has to increase its share capital so that it is able to deliver new shares (i) to Bondholders upon conversion of the Bonds and (ii) to option holders. The proposal consists in an authorised share capital necessary to meet the above obligation ("Minimum Requirement") plus a number of shares representing 10% of such Minimum Requirement, which in total equals 23.3% of the current issued share capital. The 10% flexibility for the Board to issue shares has been adopted as best practice since the creation of Aperam and is as a consequence in line with the Company's historical level of flexibility.

Detail of the computation:

	Number of shares
Current authorized share capital	85,854,303
Current issued share capital	78,049,730
Convertible and/or Exchangeable Bonds	9,107,468
Existing Equity Incentive plans	312,606
Shortage	1,615,501
Current authorized share capital	85,854,303
Minimum capital required	87,469,804
Proposed authorised capital (+10%)	96,216,785
<u>representing an increase in % of the</u>	
<u>current issued share capital of</u>	
	23.3%

Note: Figures of authorised share capital include issued share capital.

**Annual General Meeting and Extraordinary General
Meeting of Shareholders**



8 May 2014

Question & Answer Session