



Press Release

May 14, 2009

ERAMET

Completion of second phase of Eralloys acquisition (formerly Tinfos) :

Acquisition of a 94.3% stake in Eralloys

ERAMET capital increase

Tinfos Acquisition

ERAMET acquired the majority of the share capital of the Norwegian company Tinfos on July 30, 2008. In November 2008, certain assets of Tinfos were spun off to separate those relating to electricity production (Tinfos-Notodden) from activities related to the production of manganese alloys and titanium dioxide slag and the trading of metallurgical products (Eralloys Holding or “Eralloys”).

On March 12, 2009, ERAMET’s Board of Directors approved a new agreement with Halvor H. Holta Holding AS pursuant to which ERAMET would increase its holding in the share capital of Eralloys to 94.3% and decrease its holding in Tinfos-Notodden to 34%.

Following approval by the relevant regulatory authorities, ERAMET is pleased to announce that the second phase of its acquisition of Eralloys was completed today.

In accordance with the agreement of March 12, 2009:

- Halvor H. Holta Holding AS transferred to ERAMET full ownership of 1,304 Eralloys shares in consideration for the issuance of 297.2 ERAMET shares for each Eralloys share;
- Notodden Calcium-Carbidfabrik (“NCC”) a Norwegian holding company, the majority of whose share capital has been held by ERAMET since the completion of the first phase of the transaction in July 2008 (which company holds 251 shares of Tinfos-Notodden and 251 shares of Eralloys

following the above-mentioned spin-off), transferred to ERAMET 251 Eralloys shares with a nominal value of NOK 4,000 each in exchange for 1,004 Tinfos-Notodden shares with a nominal value of NOK 4,000 each;

- Halvor H. Holta Holding AS transferred to ERAMET 110 Eralloys shares in exchange for the transfer by ERAMET to Halvor H. Holta Holding AS of 281 NCC shares (with ERAMET retaining 118 NCC shares);
- ERAMET paid €2,034,312 to Halvor H. Holta Holding AS, an amount equal to the dividend the latter would have received had the ERAMET shares been issued prior to the date of the annual general shareholders' meeting.

The ERAMET Board of Directors met on May 13, 2009 to carry out the actions contemplated in the March 2009 agreement. In consideration for its contribution, Halvor H. Holta Holding AS received a total of 387,488 new ERAMET shares. Based on a reference value for ERAMET shares of €128, the average monthly closing price on March 12, 2009, the contribution of Eralloys shares was valued at €49,598,464.

Pursuant to the authority delegated by the general shareholders' meeting of April 16, 2008 and the provisions of Article L.225-147 of the French Commercial Code, the ERAMET Board of Directors approved the terms of the contribution agreement (*traité d'apport*) concluded with Halvor H. Holta Holding AS in implementation of the March 12, 2009 agreement. Based on the report of the statutory appraisers (*commissaire aux apports*), the Board approved the capital increase of ERAMET of a nominal amount of €1,181,838.40 resulting from such contribution in kind, by way of an issuance of 387,488 new ERAMET shares having a nominal value of €3.05, allotted to the Tinfos selling shareholders. Taking into account, on the one hand, the value of the contributions (€49,598,464) and, on the other hand, the amount of the capital increase (€1,181,838.40), the transaction resulted in a premium (*prime d'apport*) in an amount of €48,461,625.60, for the benefit of all current and future ERAMET shareholders.

The 387,488 new ERAMET shares bear rights from their issue date and rank *pari passu* with existing ERAMET shares. Since they were issued after the general shareholders' meeting of May 13, 2009, these new shares do not grant a right to a dividend in 2009. Nevertheless, in accordance with the agreement of March 12, 2009, Halvor H. Holta Holding AS received from ERAMET an amount equivalent to the amount of the dividend to which would have been granted to the new shares had they been entitled to a dividend, that is €2,034,312, which was imputed to the premium described above.

Following the capital increase, ERAMET's share capital will amount to €81,138,292.95, divided into 26,602,719 shares of the same class, each having a nominal value of €3.05.

Application will be made to list the new ERAMET shares on Euronext Paris SA. Such listing shall be exempt from the prospectus requirements, as permitted by the provisions of Article 212-5-1° of the general rules of the AMF.

The statutory appraisers (*commissaires aux apports*) designated by order of the President of the Paris Commercial Court on March 20, 2009, Mssrs. Maurice Nussenbaum and Didier-Yves Racapé, provided reports to the Board of Directors in which they assessed (i) the value of the contributions and (ii) the fairness to ERAMET and its shareholders of the consideration. They concluded as follows:

On the value of the contributions:

“The net assets contributed are at least equal to the amount of the ERAMET capital increase plus the share premium.”

On the fairness of the consideration:

“Taking into account prior observations, we are of the opinion that the proposed consideration for the contributions, resulting in the issuance of 387,488 new ERAMET shares, is fair for ERAMET shareholders.”

These reports as well as the contribution agreement are available on ERAMET's website, at www.eramet.fr

In addition, ERAMET will propose to the minority shareholders of Eralloys who hold the remaining 229 shares of Eralloys, or approximately 6% of the share capital, to allot to them 297.2 ERAMET shares for each Eralloys share contributed to ERAMET. Should the minority shareholders not agree and, in compliance with Norwegian law, ERAMET will purchase the remaining Eralloys shares for cash.

ERAMET's Board of Directors is pleased to announce the completion of this transaction which, following the buyout of the minority shareholders, will allow ERAMET to hold the entire share capital of Eralloys.

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