Paris, February 21st, 2014

PRESS RELEASE

The ERAMET group's 2013 results

In a difficult global economic context, in 2013 the ERAMET group showed its responsiveness and was supported by the sound performance of ERAMET Manganese.

- **ERAMET Nickel: results hit by very low nickel prices in 2013, cost reduction plans stepped up, Weda Bay project postponed**
- **ERAMET Alloys: profitability improved**
- **ERAMET Manganese: very sound 2013 results, production records for high grade manganese ore and for refined alloys**
- **WCR reduced, lower capital expenditure marking the end of substantial expenditure for Moanda metallurgical complex and TIZIR**
- **Debt still moderate, financial liquidity preserved**

ERAMET's Board of Director, meeting on February 20th, 2014 under the chairmanship of Patrick Buffet, prepared the financial statements for 2013, which will be submitted to the General Shareholders' Meeting of May 14th, 2014.

(€ millions)	**2013**	**2012**
Turnover	**3 162**	3 447
EBITDA	**231**	407
Current operating income	**(45)**	153
Net income, Group share before impairments	**(74)**	9
Impairments – Group share*	**(296)**	-
Net income, Group share after impairments	**(370)**	9
(Debt)/Net cash	**(218)**	448

**impairments pursuant to the IAS 36 standard, with no impact on the ERAMET group's cash*

Patrick BUFFET, ERAMET group Chairman and CEO, stated:

"In a difficult economic environment, particularly in Europe, the ERAMET group proved its resilience in 2013 and showed responsiveness.

ERAMET Manganese's results remained firm with current operating income 218 M€ (i.e. current operating margin 14%), thanks in particular to a historical record for manganese ore and sinter production.

ERAMET Alloys' operating income became positive again.

Nevertheless, the Group's results in 2013 were essentially impacted by extremely low nickel prices (according to some analysts, at the end of 2013 almost 60% of the world's nickel production was made at a loss). ERAMET Nickel therefore posted a substantial decrease in current operating income, which totalled – 222 M€.

Given current nickel price conditions, the likely short-term outlook and the negotiations still needed with the Indonesian government in order to benefit from a suitable legal and tax framework, ERAMET and its partners judged that the conditions for considering a final investment decision on the Weda Bay project in 2014 were not met. This postponement of the project led the ERAMET group to record a 224 M€ write-down (ERAMET share) as of December 31st, 2013.

We remain confident in the nickel market's outlook. In that respect, the implementation in January 2014 of the ban on non-processed ore exports from Indonesia is a positive step towards restoring market balance.

Thanks to all of the measures taken to lower costs, improve productivity, reduce working capital requirement and revise capital expenditure downward, the Group ended the year with moderate net debt. In parallel, it consolidated its liquidity by carrying out several financing operations, particularly a major 7-year bond issue for 400 M€.

In addition, the 1st half of 2014 will see the completion of two major capital expenditure programmes with the start-up of Moanda metallurgical complex in Gabon and, through TIZIR, its 50/50 joint venture with the Australian company Mineral Deposits Limited, the Grande Côte project in Senegal on mineral sands that are rich in titanium dioxide and zirconium.

In 2014, the priority given for several years to crisis adaptation measures and to maintaining a sound financial situation will be enhanced with further measures to reduce both costs and working capital requirement. Moreover, capital expenditure will be brought below 400 M€ (40% less than the 2012/2013 average)."

- **The Group's key figures**

The Group's revenue totalled 3,162 M€ in 2013, an 8% decrease.

Its current operating income was lower in the 2nd half of 2013 than in the 1st half of 2013, due to the fall in nickel prices. The other divisions held out well in a deteriorated environment.

The productivity efforts made by the Group enabled it to achieve savings of 85 M€ in 2013.

The Group's share of net income amounted to -74 M€ before the effect of extraordinary impairments and -370 M€ after their effect. These impairments have no impact on the Group's cash and concern three entities: Weda Bay Nickel, recycling and high speed steels.

- **Thanks to the measures taken, the Group ended 2013 with moderate debt and stronger financial liquidity**

As of December 31st, 2013, ERAMET's net debt was 218 M€, a moderate amount equivalent to 7% of shareholders' equity and 1 year's EBITDA.

Working capital requirement decreased in 2013, which had a positive effect of 87 M€ on cash. At the same time, capital expenditure was reduced to 587 M€ (641 M€ invested in 2012), marking the final year of heavy capital expediture for Moanda metallurgical complex in Gabon and Tizir in Senegal. This trend will continue with a capital expenditure target below 400 M€ in 2014.

The ERAMET group has a very sound liquidity situation, with more than €2.1 billion at year-end 2013 (of which 911 M€ in gross cash and a 981 M€ non-drawn syndicated credit line). The ERAMET group's liquidity was particularly strengthened in 2013 by:

- The issue of the Group's first bond, for 400 M€ and 7 years;
- The issue of a "Schuldschein*" for 60 M€ with a 7-year maturity;
- Successful renegotiation of a syndicated credit line, of which the amount was increased from 800 M€ to 981 M€ and the maturity for the most part extended by one year, from January 2017 to January 2018.

Over the next few months ERAMET intends to keep up its policy of diversifying financial resources as opportunities arise.

The policy of dividend distribution by the Group's subsidiaries, particularly SLN and COMILOG, continued in 2013, enabling ERAMET SA to increase its shareholders' equity and liquidity by 242 M€.

- **Dividend**

  The Board of Directors will submit to the shareholders' vote at the Combined General Meeting on May 14, 2014 that no dividends be paid out with respect to 2013.

- **ERAMET Nickel: results hit by especially low prices in 2013**

ERAMET Nickel's turnover decreased 22% compared with 2012, totalling 704 M€. ERAMET Nickel's production amounted to 53,000 tons in 2013, a slightly lower amount in line with market trends. Shipments were close to production at 52,400 t. ERAMET Nickel's current operating income totalled –222 M€ in 2013, compared with -38 M€ in 2012.

**Invested loan contract under German law*

These results reflect difficult conditions on the nickel market:

- Despite a 5% increase in global stainless steel production, the nickel market was affected by a fall in prices to very low levels, especially towards the end of the year. LME prices fell 14% on average to 6.8 USD/lb. in 2013, compared with 8.0 USD/lb. in 2012. They continued their slide in the 2nd half of 2013, averaging 6.3 USD/lb;
- This further drop in nickel prices results from continued excessive growth relating to China at every point in the nickel and stainless steel value chain. The production of Chinese nickel pig iron using ore imports from Indonesia and the Philippines has nearly tripled in three years and now totals almost a quarter of global supply;
- Nickel ore prices sold in China were almost halved in a year, substantially reducing the cost of nickel pig iron production.
- This development resulted in building up excess nickel inventories to even higher levels, particularly on the LME;
- In addition, Indonesia's ban on non-processed ore exports (announced in 2009 for implementation in 2014) resulted in inventory building as a precaution in China, which artificially swelled exports from Indonesia and the Philippines. The implementation of the ban in January 2014 is good news and will eventually support nickel prices.

Given the deterioration observed on the nickel market in 2013 and the short-term outlook for nickel prices, ERAMET, in agreement with its partners Mitsubishi Corp. and PT Antam, considered that the conditions that would allow them to consider an investment decision on the Weda Bay project in 2014 were not met:

- The particularly low levels of nickel prices would not enable the project to be financed on satisfactory terms. Furthermore, discussions are ongoing with the Indonesian government to clarify some important points in the regulatory and tax framework that would apply to the project.
- This postponement of the project led the ERAMET group to record, as of December 31st, 2013, a 224 M€ write-down (ERAMET's share) on its fixed assets with respect to the Weda Bay project.
- The postponement decision in no way calls into question the quality of the project, based on one of the largest world-class nickel deposits, nor the performance of the hydrometallurgical process successfully developed by ERAMET's teams for this type of deposit.

Finally, as regards Société le Nickel, further productivity improvement and cost reduction plans were defined for 2014. Furthermore, extensive thought was given to a substantial reduction of ERAMET Nickel's fixed costs.

- **ERAMET Alloys: profitability improved by ongoing reconfiguration and by improvement plans in phase with highly contrasting trends between different sectors of activity**

ERAMET Alloys' turnover decreased 9% in 2013 compared with 2012.

Thanks to substantial productivity efforts made in 2013 (31 M€), current operating income was positive at 4 M€, which was an improvement on the previous year (-5 M€ in 2012).

Nevertheless, the European economic climate remains highly unfavourable to some of ERAMET Alloys' activities and continues to weigh on its profitability.

In 2013, the performance of ERAMET Alloys' different activities varied widely:

- Sales to the aerospace sector rose slightly (+2%), despite the postponements of some new aircraft programmes;
- Sales to the tooling sector fell 27% and remain penalised above all by the crisis in the European automotive sector. Sales for power generation equipment also fell, by 22%;
- Given the excess capacities built in high speed steel production in recent years, Erasteel's repositioning is under examination, based on its strengths of powder metallurgy and alloy making.

- **ERAMET Manganese: resilient results in 2013, production records for high-grade manganese ore and for refined alloys**

ERAMET Manganese's results remained very sound in 2013. Its turnover was stable at 1,562 M€, while current operating income remained firm at 218 M€, compared with 240 M€ in 2012.

Global production of carbon steel rose more than 3% in 2013, reflecting slower production outside China and a 7% increase inside China. Demand for manganese ore grew more sharply because of the inventory building needed after the low stock levels reached in late 2012.

CRU CIF China spot prices for high-grade manganese ore rose 10% on average in 2013 compared with 2012, buoyed by high steel production in China and the low inventories observed at the end of 2012. Nevertheless, the two halves were contrasting, with prices gradually eroded in the 2nd half to end the year around 5.1 USD/dmtu.

ERAMET Manganese kept up its policy of renewing and extending capacities at existing units and consolidating its position on high value-added products:

- New production records were achieved in ERAMET Manganese's two main areas of leadership: high-grade manganese ore and refined manganese alloys. Ore and sinter production totalled 3.7 million tons (+22%) in Gabon, while external ore shipments rose 29%.
- Manganese alloy production increased by almost 2% to 746,000 tons, with a production record for refined alloys (366,000 tons), thanks to the start-up of the New Guilin, China plant in particular. Manganese alloy prices were affected by a surplus capacity market in China. Furthermore, in 2013 ERAMET Manganese finished concentrating all of its Chinese alloy production on the New Guilin site, which replaces two old, less efficient units that did not produce refined alloys.
- Manganese chemistry, in which ERAMET Manganese is one of the world leaders, maintained its turnover at a level close to 2012, at 165 M€, while its current operating margin decreased slightly but was still over 13%.

In Gabon, research and development work on the Mabounié project (niobium, rare earths, tantalum and uranium) led to very significant progress in 2013.

- **The ERAMET group's outlook in 2014**

The 1st half of 2014 will be marked by the start-up of two major projects:

- The production of ilmenite (an ore upstream of the titanium dioxide chain) and zircon at Grande-Côte represents the development of a new deposit outside nickel and manganese for the Group, as well as its first base in Senegal. The Senegalese state has a 10% capital stake in the project alongside TIZIR, of which ERAMET is a 50/50 shareholder under a partnership with the Australian group Mineral Deposits Limited. With the Tyssedal, Norway plant, this 650 M USD project will form a powerful player in the titanium dioxide value chain, upstream of white pigment producers.
- Moanda metallurgical complex, which consists of two plants next to the mine, will produce silicomanganese and manganese metal for the first time on Gabonese soil. Through this COMILOG project, Gabon will be the only African country, apart from South Africa, to have developed this kind of processing for its manganese ore. The project represented total capital expenditure of 228 M€.

Given the outlook for economic conditions and for markets, which in early 2014 are in line with the end of 2013 overall, the Group will keep up its competiveness efforts in each of its divisions. The Group's 2014 target in terms of productivity improvement is approximately 110 M€, following the 85 M€ savings already achieved in 2013.

In 2014, ERAMET will also continue its efforts to reduce working capital requirement and will keep its capital expenditure below 400 M€.

Finally, ERAMET intends to continue implementing its strategy of diversifying its financial resources. The Group's financial structure will remain sound.

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WEBCAST OF RESULTS PRESENTATION

The presentation of the 2013 results will be webcast at 10am (Paris time) today in French with simultaneous English translation. To register click on the link displayed on the Group's website: **www.eramet.com**

ABOUT ERAMET

ERAMET is a leading global producer of:

- alloying metals, particularly manganese and nickel, used to improve the properties of steel,
- high-performance special steels and alloys used in industries such as aerospace, power generation and tooling.

ERAMET is also studying or developing major projects in new activities with high growth potential, such as mineral sands (titanium dioxide and zircon), niobium and rare earths, as well as in recycling. The Group employs approximately 14,000 people in 20 countries. ERAMET is part of Euronext Paris Compartment A.

CONTACT

Head of Financial Communications and Economic Studies
Philippe Joly
Tel: +33 (0)1 4538 4202

Investor Relations and Economic Analyst
David Fortin
Tel: +33 (0)1 4538 4286

For more information: www.eramet.com

ERAMET
DES ALLIAGES,
DES MINERAIS ET DES HOMMES.

APPENDIX

Turnover

Turnover (M€)	Q4 2013	Q3 2013	Q2 2013	Q1 2013	2013	2012	Change
ERAMET Manganese	**384**	401	389	388	**1 562**	1 560	**0%**
ERAMET Nickel	**186**	150	187	181	**704**	898	**-22%**
ERAMET Alloys	**227**	204	242	231	**904**	997	**-9%**
Holding company & eliminations	**(2)**	(1)	(2)	(3)	**(8)**	(8)	
ERAMET Group	**795**	**754**	**816**	**797**	**3 162**	**3 447**	**-8%**

Production and shipments

Metric tons	Q4 2013	Q3 2013	Q2 2013	Q1 2013	2013	2012	Change
Manganese ore and sinter production	**966 200**	969 400	907 700	859 600	**3 702 900**	3 036 800	**22%**
Manganese alloy production	**166 400**	194 400	188 100	197 300	**746 200**	730 100	**2%**
Manganese alloy sales	**192 000**	178 600	197 500	196 300	**764 400**	744 700	**3%**
Nickel production*	**13 358**	14 177	12 352	13 128	**53 015**	56 447	**-6%**
Nickel sales**	**15 085**	12 045	13 573	11 707	**52 411**	56 681	**-8%**

* Ferronickel and matte

** Finished products

Statement of comprehensive income

(millions of euros)	**Full year 2013**	**Full year 2012 Restated**
Sales	**3 162**	**3 447**
Other income	65	34
Cost of products sold	(2 745)	(2 823)
Administrative & selling costs	(204)	(200)
Research & development expenditure	(47)	(51)
EBITDA	**231**	**407**
Depreciation and amortisation of non-current assets	(262)	(245)
Impairment losses and provisions	(14)	(9)
Current operating income	**(45)**	**153**
Other operating income and expenses before impairment	(80)	(73)
Operating income before impairment	**(125)**	**80**
Impairment	(423)	(1)
Operating income	**(548)**	**79**
Net cost of debt	(7)	8
Other finance income and expenses	(25)	(15)
Share in earnings of affiliates	1	-
Income tax	72	(29)
Net income	**(507)**	**43**
- Minority interests	(137)	34
- Equity holders of the parent	**(370)**	**9**
Basic earnings per share (EUR)	(14,11)	0,34
Diluted earnings per share (EUR)	(14,11)	0,34
Net income	**(507)**	**43**
Exchange differences on translation of foreign operations	(60)	2
Net (loss) / gain on cash flow hedges	11	37
Net (loss) / gain on available for sale financial assets	(7)	6
Income tax	(2)	(12)
Items will be reclassified subsequently to profit & loss	**(58)**	**33**
Remeasurement of net defined benefit obligation	8	(4)
Income tax	(5)	5
Items will not be reclassified subsequently to profit & loss	**3**	**1**
Other comprehensive income (loss)	**(55)**	**34**
- Minority interests	2	(5)
- Equity holders of the parent	**(57)**	**39**
Total comprehensive income	**(562)**	**77**
- Minority interests	(135)	29
- Equity holders of the parent	**(427)**	**48**

The financial statements of the full year 2012 have been restated for the retrospective application of the revised IAS 19 standard.

Statement of financial position

ASSETS

(millions of euros)	**12/31/2013**	**12/31/2012 Restated**
Goodwill	163	173
Intangible assets	455	717
Property, plant & equipment	2 536	2 454
Companies accounted for using the equity method	32	33
Financial non-current assets	119	88
Deferred tax	77	31
Other non-current assets	5	7
Non-current assets	**3 387**	**3 503**
Inventories	989	1 038
Trade receivables and other current assets	580	690
Tax receivables	48	38
Financial derivatives	45	51
Financial current assets	169	368
Cash and cash equivalents	742	621
Current assets	**2 573**	**2 806**
TOTAL ASSETS	**5 960**	**6 309**

SHAREHOLDERS' EQUITY AND LIABILITIES

(millions of euros)	**12/31/2013**	**12/31/2012 Restated**
Share capital	81	81
Share premiums	373	373
Available for sale reserve	-	5
Cash flow hedge reserve	10	4
Net defined benefit obligation reserve	(37)	(40)
Foreign currency translation reserve	(29)	32
Other reserves	2 134	2 539
Shareholders' equity of the parent	**2 532**	**2 994**
Minority interests	478	815
Shareholders' equity	**3 010**	**3 809**
Employee benefits	183	188
Provisions	439	428
Deferred tax	279	355
Borrowings - due in more than one year	799	311
Other non-current liabilities	27	28
Non-current liabilities	**1 727**	**1 310**
Provisions - due in less than one year	32	30
Borrowings - due in less than one year	330	230
Trade payables and other current liabilities	746	805
Tax payables	80	72
Financial derivatives	35	53
Current liabilities	**1 223**	**1 190**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**5 960**	**6 309**

The financial statements of the full year 2012 have been restated for the retrospective application of the revised IAS 19 standard.

Statement of changes in net cash / borrowing position

(millions of euros)	Full year 2013	Full year 2012 Restated
Opertating activities		
EBITDA	231	407
Cash impact of elements below EBITDA	(157)	(149)
Operating cash flow before changes in working capital	**74**	**258**
Changes in operating working capital requirement	87	(41)
Net cash flows from operating activities	**161**	**217**
Investing activities		
Capital expenditure	(587)	(641)
Non-current financial assets variation	(8)	(19)
Disposals of non-current assets	22	4
Net change in receivables / liabilities related to capital expenditure	12	7
Loans variation	(33)	13
Net cash flows from investing activities	**(594)**	**(636)**
Financing activities		
Dividends paid related to last year results	(221)	(319)
Dividends paid / to pay related to non-controlling interests of the Group	(31)	32
Share capital increases	-	2
Net cash flows from financing activities	**(252)**	**(285)**
Impact of translation adjustments	19	(1)
Decrease (increase) in net cash (borrowing) position	**(666)**	**(705)**
Opening net cash (borrowing) position	**448**	**1 153**
Closing net cash (borrowing) position	**(218)**	**448**

The financial statements of the full year 2012 have been restated for the retrospective application of the revised IAS 19 standard.

Segment reporting

By division

(millions of euros)	Nickel	Manganèse	Alloys	Holding & eliminations	Total
Full year 2013					
Non-Group sales	700	1 558	901	3	**3 162**
Intra-Group sales	4	4	3	(11)	**-**
Sales	704	1 562	904	(8)	**3 162**
Cash flows from operating activities	(150)	257	20	(53)	**74**
EBITDA	(130)	350	49	(38)	**231**
Current operating income	(222)	218	4	(45)	**(45)**
Non-cash expenses & income	327	170	74	10	**581**
- of which depreciation & amortisation	89	122	50	4	**265**
- of which provisions	13	1	(2)	5	**17**
- of which impairment losses	337	53	33	-	**423**
Capital expenditure (intangibles and property, plant & equipment)	172	346	64	5	**587**
Total balance sheet assets (current and non-current)	1 694	2 671	1 158	437	**5 960**
Total balance sheet liabilities (current and non-current excluding sareholde	1 068	1 249	834	(201)	**2 950**
Full year 2012 restated					
Non-Group sales	893	1 557	994	3	**3 447**
Intra-Group sales	5	3	3	(11)	**-**
Sales	898	1 560	997	(8)	**3 447**
Cash flows from operating activities	45	246	11	(44)	**258**
EBITDA	53	357	40	(43)	**407**
Current operating income	(38)	240	(5)	(44)	**153**
Non-cash expenses & income	79	106	37	(7)	**215**
- of which depreciation & amortisation	88	111	47	1	**247**
- of which provisions	14	8	(2)	(12)	**8**
- of which impairment losses	1	8	-	-	**9**
Capital expenditure (intangibles and property, plant & equipment)	146	399	84	12	**641**
Total balance sheet assets (current and non-current)	2 385	2 904	1 182	(162)	**6 309**
Total balance sheet liabilities (current and non-current excluding sareholde	996	1 294	808	(598)	**2 500**

Segment reporting

By geographic region

(millions of euros)	France	Europe	North America	Asia	Oceania	Africa	South America	Total
Sales (destination of sales)								
Full year 2013	**414**	**1 004**	**642**	**949**	**27**	**76**	**50**	**3 162**
Full year 2012 restated	455	1 143	686	992	29	84	58	**3 447**
Capital expenditure (intangibles and property, plant & equipment)								
Full year 2013	**82**	**35**	**20**	**86**	**77**	**286**	**1**	**587**
Full year 2012 restated	104	36	48	118	69	265	1	**641**
Total balance sheet assets (current and non-current)								
Full year 2013	**2 399**	**722**	**273**	**577**	**887**	**1 100**	**2**	**5 960**
Full year 2012 restated	2 502	778	363	869	904	892	1	**6 309**