

First quarter 2012 results (1)

Luxembourg, 9 May 2012

Highlights

Aperam (referred to as "Aperam" or the "Company") (Amsterdam, Luxembourg, Paris: APAM and NYRS: APEMY), today announced results for the three month period ending March 31, 2012

- Health and Safety frequency rate^[2] of 1.0x in Q1 2012 compared to 0.3x in Q4 2011
- Shipments of 433 thousand tonnes in Q1 2012, flat compared to shipments of 429 thousand tonnes in Q4 2011
- EBITDA^[3] of USD 64 million in Q1 2012 compared to EBITDA of USD 53 million in Q4 2011
- Basic earnings per share of USD (0.14) in Q1 2012
- Cash flow from operations amounted to USD 79 million in Q1 2012
- Net debt reduced to USD 857 million at March 31, 2012, representing a gearing of 24%

Prospects

- EBITDA in Q2 2012 is expected to be comparable to EBITDA in Q1 2012 and net debt to remain under control

Philippe Darmayan, CEO of Aperam, commented:

"Despite a more difficult environment than anticipated, Aperam has been able to achieve an improved performance in Q1 2012 compared to Q4 2011. Aperam was also able to slightly reduce net debt in the quarter.

Looking forward, we continue to remain cautious considering the global economic uncertainty for 2012. In this environment, our key priorities for 2012 will be to deliver on the Leadership Journey(TM) and to maintain a strong control on net debt."

Financial Highlights (on the basis of IFRS)

(USDm) unless otherwise stated	Q1 2012	Q4 2011	Q1 2011
Sales	1,409	1,436	1,681
EBITDA	64	53	139
Operating (loss) income	(13)	(29)	70
Net (loss) income	(11)	(46)	25

Steel shipments (000t)	433	429	452
EBITDA/tonne (USD)	148	124	308
Basic earnings per share (USD)	(0.14)	(0.57)	0.32

Health & Safety results analysis

Health and Safety performance, based on Aperam personnel figures and contractors lost time injury frequency rate², was 1.0x in the first quarter of 2012 compared to 0.3x in the fourth quarter of 2011.

Financial results analysis

Sales in the first quarter of 2012 decreased by 2% to USD 1,409 million compared to USD 1,436 million in the fourth quarter of 2011. Shipments in the first quarter of 2012 were flat at 433 thousand tonnes compared to 429 thousand tonnes in the fourth quarter of 2011.

EBITDA was USD 64 million in the first quarter of 2012 compared to EBITDA of USD 53 million in the fourth quarter of 2011. The increase in EBITDA quarter versus quarter was primarily driven by the continuing progress of the Leadership Journey(TM) ⁽⁴⁾. The Leadership Journey(TM) has contributed USD 204 million to EBITDA since the beginning of 2011.

Depreciation and amortization expense in the first quarter of 2012 was USD 77 million.

Aperam had an operating loss in the first quarter of USD 13 million compared to an operating loss of USD 29 million in the previous quarter.

Net interest expense and other financing costs in the first quarter of 2012 were USD 13 million, including financing costs of USD 15 million. Unrealized foreign exchange and derivative gains were USD 1 million in the first quarter of 2012.

The Company recorded a net loss of USD 11 million, inclusive of an income tax benefit of USD 14 million in the first quarter of 2012.

Cash flows from operations in the first quarter were USD 79 million, with a working capital decrease of USD 27 million. CAPEX in the first quarter was USD 40 million.

As of March 31, 2012, shareholder's equity was USD 3,545 million and net financial debt was USD 857 million (gross financial debt as of March 31, 2012 was USD 1,024 million and cash & cash equivalents were USD 167 million).

The Company had liquidity of USD 617 million as of March 31, 2012, consisting of cash and cash equivalents (including short-term investments) of USD 167 million and available credit lines of USD 450 million.

Operating segment results analysis

Stainless & Electrical Steel

The Stainless & Electrical Steel segment had sales of USD 1,122 million in the first quarter of 2012. This represents an increase of 1% compared to sales of USD 1,107 million in the fourth quarter of 2011. Shipments during the first quarter were 415 thousand tonnes, including 263 thousand tonnes in Europe and 152 thousand tonnes in South America. This is an increase of 19 thousand tonnes compared to the previous quarter's shipments of 396 thousand tonnes (238 thousand tonnes in Europe and 158 thousand

tonnes in South America). The 4% volume decrease in South America was offset by the 11% volume increase in Europe.

The segment had EBITDA of USD 30 million in the first quarter of 2012 compared to USD 26 million in the fourth quarter of 2011. EBITDA from South America decreased from USD 23 million in the fourth quarter of 2011 to USD 20 million in the first quarter of 2012. The impact of lower volumes was partially offset by the continuing progress of the Leadership Journey(TM). EBITDA from Europe increased from USD 3 million in the fourth quarter of 2011 to USD 10 million in the first quarter of 2012. The improvement in EBITDA was driven by the increase in volumes in Europe during the quarter. Additionally, average steel selling prices for the Stainless & Electrical Steel segment were lower for the quarter.

The Stainless & Electrical Steel segment had an operating loss of USD 33 million during the first quarter of 2012 compared to an operating loss of USD 37 million in the fourth quarter of 2011. Depreciation and amortization expense was USD 63 million in the first quarter of 2012.

Services & Solutions

The Services & Solutions segment had a 7% increase in sales during the period, from USD 546 million in the fourth quarter of 2011 to USD 584 million in the first quarter of 2012. In the first quarter of 2012, shipments were 168 thousand tonnes compared to 149 thousand tonnes in the previous quarter. The Services & Solutions segment also had lower average selling prices for the period.

The segment had EBITDA in the first quarter of 2012 of USD 11 million compared to negative EBITDA of USD 6 million in the fourth quarter of 2011. The improvement in EBITDA was driven primarily by the increase in volumes. In addition, the segment was also impacted in the fourth quarter of 2011 by a negative stock effect resulting primarily from the decline in nickel prices.

Depreciation and amortization expense in the first quarter of 2012 was USD 7 million.

The Services & Solutions segment had operating income of USD 4 million in the first quarter of 2012 compared to an operating loss of USD 17 million in the fourth quarter of 2011.

Alloys & Specialties

The Alloys & Specialties segment had sales in the first quarter of 2012 of USD 178 million, representing an increase of 16% compared to USD 153 million in the fourth quarter of 2011. Shipments were higher in the first quarter of 2012 at 10 thousand tonnes compared to 8 thousand tonnes in the fourth quarter of 2011.

The Alloys & Specialties segment achieved EBITDA of USD 11 million in the first quarter of 2012 compared to USD 12 million in the fourth quarter of 2011. Volumes were higher and average selling prices were lower in the quarter.

Depreciation and amortization expense for the quarter was USD 1 million.

The Alloys & Specialties segment had operating income of USD 10 million in the first quarter of 2012 compared to operating income of USD 10 million in the fourth quarter of 2011.

New developments

- On May 8, 2012, the Annual and Extraordinary General Meetings of Shareholders of Aperam in Luxembourg approved all resolutions on the agenda by a large majority. 51,316,167 shares or 65.75% of the Company's share capital were represented at the meetings. The results of the votes will be posted in due course on www.aperam.com under "Investors" > "General Meeting - 8

May 2012". In particular, the shareholders approved the consolidated financial statements as of and for the fiscal year ended December 31, 2011. In addition, the shareholders approved the proposed amendments to the Articles of Association of the Company to reflect recent changes in Luxembourg law.

Investor conference call

Aperam management will host a conference call for members of the investment community to discuss the first quarter 2012 financial performance at the following time:

Date	New York	London	Luxembourg
Wednesday, May 9, 2012	12:30 pm	5:30 pm	6:30 pm

The dial-in numbers for the call are: France (+33 (0) 170 99 43 00 and toll free 0805 631 579); USA (+1 646 254 3388 and toll free +1 877 249 9037); and international (+44 (0) 20 7136 2055). The participant access code is: Aperam.

A replay of the conference call will be available until May 16, 2012: France (+33 (0) 174 20 28 00); USA (+1 347 366 9565) and international (+44 (0) 20 7111 1244). The participant access code is 4512872#.

Contacts

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About Aperam

Aperam is a global player in stainless, electrical and specialty steel, with operations in more than 30 countries. The business is organized in three divisions: Stainless & Electrical Steel, Services & Solutions and Alloys & Specialties.

Aperam has 2.5 million tonnes of flat stainless steel capacity in Brazil and Europe and is a leader in high value added niches - alloys and specialties. 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 main plants located in Brazil, Belgium and France. Aperam has about 10,400 employees.

Aperam commits to operate in a responsible way with respect to health, safety and the well-being of its employees, contractors and the communities in which it operates. It is also committed to the sustainable management of the environment and of finite resources. In 2011, Aperam had revenues of USD 6.3 billion and shipments of 1.75 million tonnes.

For further information, please refer to our website at 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, whether as a result of new information, future events, or otherwise.

APERAM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in million of U.S. dollars)	March 31, 2012	December 31, 2011	March 31, 2011
Non current assets	4,271	4,156	4,641
Intangible assets	924	904	1,035
Property, plant and equipments	2,873	2,804	3,020
Investments & Other	474	448	586
Current assets & working capital	1,108	1,199	1,467
Inventories, trade receivables & trade payables	801	807	1,018
Other assets	140	145	181
Cash & cash equivalents	167	247	268
Shareholders' equity	3,545	3,443	3,999
Group share	3,539	3,437	3,993
Non-controlling interests	6	6	6
Non current liabilities	1,016	1,020	1,078
Interest bearing liabilities	581	587	603
Deferred employee benefits	179	174	191
Provisions and other	256	259	284

Current liabilities (excluding trade payables)	818	892	1,031
Interest bearing liabilities	443	538	529
Other	375	354	502

APERAM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in million of U.S. dollars)	Three Months Ended		
	March 31, 2012	December 31, 2011	March 31, 2011
Sales	1,409	1,436	1,681
EBITDA	64	53	139
Depreciation & impairment	77	82	69
Operating (loss) / income	(13)	(29)	70
Income from other investments	-	1	-
Net interest expense and other net financing costs	(13)	(27)	(44)
Unrealized foreign exchange and derivative gains / (losses)	1	2	(2)
(Loss) / income before taxes and non-controlling interests	(25)	(53)	24
Income tax benefit	14	8	1
(Loss) / income before non-controlling interests	(11)	(45)	25
Non-controlling interests	-	1	-
Net (loss) / income	(11)	(46)	25

APERAM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in million of U.S. dollars)	Three Months Ended		
	March 31, 2012	December 31, 2011	March 31, 2011
Net (loss) / income	(11)	(46)	25
Non-controlling interests	-	1	-
Depreciation and impairment	77	82	69

Change in working capital	27	253	(9)
Other	(14)	(63)	(45)
Net cash provided by / (used in) operating activities	79	227	40
Purchase of property, plant and equipments (CAPEX)	(40)	(51)	(32)
Loans under cash pooling arrangements (net)	-	-	647
Other investing activities	(3)	2	-
Net Cash (used in) / provided by investing activities	(43)	(49)	615
(Payments) / proceeds from payable to banks and long term debt	(105)	(212)	32
Borrowings / (repayments) under cash pooling arrangements (net)	-	-	(530)
Dividends paid	(15)	(17)	(14)
Other financing activities (net)	(1)	(2)	-
Net cash (used in) / provided by financial activities	(121)	(231)	(512)
Net (decrease) / increase in cash and cash equivalents	(85)	(53)	143
Effect of exchange rate changes on cash	5	(2)	5
Change in cash and cash equivalents	(80)	(55)	148

Appendix 1a - Health & Safety statistics

Health & Safety Statistics	Three Months Ended		
	March 31, 2012	December 31, 2011	September 30, 2011
Frequency Rate	1.0	0.3	0.9

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

Quarter Ended March 31, 2012	Stainless & Electrical Steel ^{1,2}	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	415	168	10	(160)	433
Steel selling price (USD/t)	2,607	3,319	16,962	-	3,123
Financial information					
Sales (USDm)	1,122	584	178	(475)	1,409
EBITDA (USDm)	30	11	11	12	64
Depreciation & Impairment (USDm)	63	7	1	6	77
Operating (loss) / income (USDm)	(33)	4	10	6	(13)

Note 1: Stainless & Electrical Steel shipments of 415kt of which 152kt were from South America and 263kt were from Europe

Note 2: Stainless & Electrical Steel EBITDA of USD 30m of which USD 20m were from South America and USD 10m were from Europe

Quarter Ended December 31, 2011	Stainless & Electrical Steel ^{1,2}	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	396	149	8	(124)	429
Steel selling price (USD/t)	2,676	3,487	17,399	-	3,200
Financial information					
Sales (USDm)	1,107	546	153	(370)	1,436
EBITDA (USDm)	26	(6)	12	21	53
Depreciation &	63		2	6	

Impairment (USDm)		11			82
Operating (loss) / income (USDm)	(37)	(17)	10	15	(29)

Note 1: Stainless & Electrical Steel shipments of 396kt of which 158kt were from South America and 238kt were from Europe

Note 2: Stainless & Electrical Steel EBITDA of USD 26m of which USD 23m were from South America and USD 3m were from Europe

[\[1\]](#) 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.

[\[2\]](#) Lost time injury frequency rate equals lost time injuries per 1,000,000 worked hours, based on own personnel and contractors.

[\[3\]](#) EBITDA is defined as operating income plus depreciation and impairment expenses.

[\[4\]](#) The Leadership Journey(TM) is an initiative launched on December 16, 2010, and subsequently accelerated and increased, to target management gains and profit enhancement of USD 350 million by 2013.