

Full year and fourth quarter 2013 results

Luxembourg, 6 February 2014

Aperam (referred to as "Aperam" or the "Company") (Amsterdam, Luxembourg, Paris: APAM and NYRS: APEMY), announced today results for the three month and full year periods ending December 31, 2013^[1]

Highlights

- Health and Safety frequency rate^[2] of 1.3x in 2013 compared to 1.3x in 2012
- Shipments of 1,728 thousand tonnes in full year 2013, a 3% increase compared to shipments of 1,683 thousand tonnes in full year 2012
- EBITDA^[3] of USD 292 million in full year 2013, compared to EBITDA of USD 217⁴ million in full year 2012
- Basic loss per share of USD 1.28 in 2013
- Cash flow from operations amounted to USD 204 million in 2013
- Net debt⁵ of USD 690 million on December 31, 2013, representing a gearing of 23% compared to a net debt of USD 816 million on December 31, 2012

Prospects

- EBITDA in Q1 2014 is expected to increase compared to EBITDA in Q4 2013
- Net debt to remain under control in Q1 2014

2014 - 2015 Plan

- Expansion of Leadership Journey® to USD 475 million by 2015, targeting more than USD 100 million of gains over next 2 years

Philippe Darmayan, CEO of Aperam, commented:

"In 2013, despite the deterioration of market conditions, we were able to improve our profitability and reduce our net debt level.

Looking ahead, we continue to remain cautious considering the global economic uncertainty for 2014. At the same time, we believe that Aperam is now well positioned to benefit from any market

recovery. We are also extending the Leadership Journey® to further improve our operational performance."

Financial Highlights (on the basis of IFRS)

(USDm) unless otherwise stated	12M '13	12M '12 ¹	Q4 '13	Q3 '13	Q4 '12 ¹
Sales	5,120	5,261	1,281	1,204	1,294
EBITDA	292	217	84	62	43
Operating (loss) / income	(11)	(103)	3	(8)	(45)
Net loss	(100)	(111)	(42)	(19)	(53)
Steel shipments (000t)	1,728	1,683	441	436	407
EBITDA/tonne (USD)	169	129	190	142	106
Basic loss per share (USD)	(1.28)	(1.43)	(0.53)	(0.24)	(0.69)

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 fourth quarter of 2013 compared to 1.9x in the third quarter of 2013.

Financial results analysis

Sales in the fourth quarter of 2013 increased by 6% at USD 1,281 million compared to USD 1,204 million in the third quarter of 2013. Shipments in the fourth quarter of 2013 increased by 1% at 441 thousand tonnes compared to 436 thousand tonnes in the third quarter of 2013.

EBITDA was USD 84 million in the fourth quarter of 2013 compared to EBITDA of USD 62 million in the third quarter of 2013. This increase was primarily driven by better activity in Europe and the contribution of the Leadership Journey® and the Top Line strategy. The Leadership Journey® has continued to progress over the quarter and has contributed a total amount of USD 369 million to EBITDA since the beginning of 2011.

Depreciation and impairment expense in the fourth quarter of 2013 was USD 81 million.

Aperam had an operating income in the fourth quarter of USD 3 million compared to an operating loss of USD 8 million in the previous quarter.

Net interest expense and other financing costs in the fourth quarter of 2013 were USD 32 million, primarily related to financing costs of USD 23 million. Realized and unrealized foreign exchange and derivative losses were USD 3 million in the fourth quarter of 2013.

The Company recorded a net loss of USD 42 million, inclusive of an income tax expense of USD 9 million, in the fourth quarter of 2013.

Cash flows from operations in the fourth quarter were positive at USD 143 million, with a working capital decrease of USD 45 million. In addition, the negative impact of the TSR change that was previously recorded in 2013 was offset over the quarter. CAPEX in the fourth quarter was USD 30 million.

As of December 31, 2013, shareholders' equity was USD 2,958 million and net financial debt⁵ was USD 690 million (gross financial debt as of December 31, 2013 was USD 982 million and cash, cash equivalents and restricted cash were USD 292 million).

The Company had liquidity of USD 797 million as of December 31, 2013, consisting of cash and cash equivalents of USD 291 million and undrawn credit lines^{7, 8} of USD 506 million.

Operating segment results analysis

Stainless & Electrical Steel

The Stainless & Electrical Steel segment had sales of USD 997 million in the fourth quarter of 2013. This represents an increase of 9% compared to sales of USD 915 million in the third quarter of 2013. Shipments during the fourth quarter were 425 thousand tonnes. This is an increase of 4% compared to shipments of 408 thousand tonnes in the previous quarter. In Europe, shipments were 261 thousand tonnes and in South America shipments were 164 thousand tonnes (compared to 226 thousand tonnes in Europe and 182 thousand tonnes in South America in Q3 2013). Although the volumes declined in Brazil due to the seasonal impact, the overall volumes were higher over the quarter mainly as a result of higher activity in Europe. Overall, average selling prices for the Stainless & Electrical Steel segment were higher for the quarter.

The segment had EBITDA of USD 58 million in the fourth quarter of 2013 compared to USD 36 million in the third quarter of 2013. EBITDA from South America increased in the fourth quarter of 2013 to USD 37 million from USD 34 million in the third quarter of 2013. Over the quarter, a USD 9 million of capital gain was recognized in relation to the sale of some real estates in Brazil. Excluding this one-off item, the EBITDA in South America decreased as a result of the seasonal effect partially offset by the impacts of the Leadership Journey® and the Top Line strategy. EBITDA from Europe increased from USD 2 million in the third quarter of 2013 to USD 21 million in the fourth quarter of 2013. The increase in EBITDA in Europe was primarily driven by higher volumes due to the demand improvement in the fourth quarter and the continuing progress of the Leadership Journey®.

Depreciation and amortization expense was USD 63 million and impairment expense was USD 2 million in the fourth quarter of 2013.

The Stainless & Electrical Steel segment had an operating loss of USD 7 million during the fourth quarter of 2013 compared to an operating loss of USD 21 million in the third quarter of 2013.

Services & Solutions

The Services & Solutions segment had a 4% increase in sales during the quarter, from USD 516 million in the third quarter of 2013 to USD 535 million in the fourth quarter of 2013. In the fourth quarter of 2013, shipments were 169 thousand tonnes compared to 165 thousand tonnes in the previous quarter. The Services & Solutions segment had lower average selling prices during the period.

The segment had positive EBITDA in the fourth quarter of 2013 of USD 5 million compared to positive EBITDA of USD 1 million in the third quarter of 2013. Overall, the increase of EBITDA was mainly driven by higher volumes and the good progress on the Leadership Journey®.

Depreciation and amortization expense was USD 6 million and impairment expense was USD 5 million in the fourth quarter of 2013.

The Services & Solutions segment had an operating loss of USD 6 million in the fourth quarter of 2013 compared to an operating loss of USD 5 million in the third quarter of 2013.

Alloys & Specialties

The Alloys & Specialties segment had sales in the fourth quarter of 2013 of USD 160 million, representing an increase of 8% compared to USD 148 million in the third quarter of 2013. Shipments were higher in the fourth quarter of 2013 at 9 thousand tonnes compared to 8 thousand tonnes in the third quarter of 2013. Average selling prices decreased over the quarter.

The Alloys & Specialties segment achieved EBITDA of USD 17 million in the fourth quarter of 2013 compared to USD 16 million in the third quarter of 2013. The EBITDA improvement is mainly due to higher volumes and the completion of the investment launched in 2011 as part of the Leadership Journey®.

Depreciation and amortization expense in the fourth quarter of 2013 was USD 2 million.

The Alloys & Specialties segment had an operating income of USD 15 million in the fourth quarter of 2013 compared to an operating income of USD 14 million in the third quarter of 2013.

Recent developments

- On November 6, 2013 Aperam announced the appointment of Mr. Sandeep Jalan as the Company's new Chief Financial Officer effective January 15, 2014 following the resignation of Mr. Julien Onillon to realize a personal project. Mr. Jalan has over twenty years of experience in finance and was previously the CFO of ArcelorMittal Long Carbon Europe, responsible for finance and strategy.
- On December 23, 2013 Aperam announced its financial calendar for 2014. The financial calendar is available on the Company's website at the following link: <http://www.aperam.com/about-2/investors-shareholders/2014-financial-calendar>

New developments

- During its meeting on 6 February 2014, Aperam's Board of Directors decided to submit to the shareholders' vote, at the Company's next annual general meeting scheduled on May 8, 2014, a proposal to continue paying no dividend in 2014 in order to support the previously announced net debt reduction program.
- On 6 February 2014, Aperam announces that in order to continuously enhance its costs competitiveness, the company will expand the Leadership Journey® to a new target of USD 475 million by 2015. This includes the previously announced target of USD 425 m by the end of 2014.
- On 6 February 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. This follows the completion of the Imphy meltshop enhancement and aims at further improving competitiveness and increasing revenue in the Alloys & Specialties segment.
- On 6 February 2014, Aperam announces that it obtained a new in-principle refinancing commitment to extend Tranche B portion of USD 600 million Borrowing Base Facility from March 2015 until March 2016.

Investor conference call

Aperam management will host a conference call for members of the investment community to discuss the fourth quarter 2013 financial performance at the following time:

Date	New York	London	Luxembourg
Thursday, February 6, 2014	12:30 pm	5:30 pm	6:30 pm

The dial-in numbers for the call are: France (+33(0)1 70 48 01 66); USA (+1646 254 3367); and international (+44(0)20 3427 1914). The participant access code is: 6868059#.

A replay of the conference call will be available until February 13th, 2014: France (+33 (0)1 74 20 28 00); USA (+1 347 366 9565) and international (+44 (0)20 3427 0598). The participant access code is 6868059#.

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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 9,500 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 2013, Aperam had revenues of USD 5.1 billion and shipments of 1.73 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 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, 2013	September 30, 2013	December 31, 2012 ¹
Non current assets	3,709	3,792	4,006
Intangible assets	808	820	859
Property, plant and equipments	2,388	2,438	2,609
Investments and Other	513	534	538
Current assets & working capital	984	1,092	967
Inventories, trade receivables and trade payables	563	621	607

Other assets	129	161	134
Cash, cash equivalents and restricted cash	292	310	226
Shareholders' equity	2,958	3,017	3,162
Group share	2,953	3,012	3,158
Non-controlling interests	5	5	4
Non current liabilities	1,193	1,187	1,043
Interest bearing liabilities	773	773	607
Deferred employee benefits	220	216	211
Provisions and other	200	198	225
Current liabilities (excluding trade payables)	542	680	768
Interest bearing liabilities	209	345	435
Other	333	335	333

APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in million of U.S. dollars)	Three Months Ended			Year Ended	
	December 31, 2013	September 30, 2013	December 31, 2012 ⁴	December 31, 2013	December 31, 2012 ⁴
Sales	1,281	1,204	1,294	5,120	5,261
EBITDA	84	62	43	292	217
Depreciation & impairment	81	70	88	303	320
Operating income / (loss)	3	(8)	(45)	(11)	(103)
(Loss) / income from other investments and associates	(1)	-	1	(1)	2
Net interest expense and other net financing costs	(32)	(29)	(22)	(118)	(74)
Foreign exchange and derivative losses	(3)	(2)	(3)	(13)	(2)
Loss before taxes and non-controlling interests	(33)	(39)	(69)	(143)	(177)
Income tax (expense) / benefit	(9)	21	16	44	66
Loss before non-	(42)	(18)	(53)		

controlling interests				(99)	(111)
Non-controlling interests	-	1	-	1	-
Net loss	(42)	(19)	(53)	(100)	(111)

APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in million of U.S. dollars)	Three Months Ended			Year Ended	
	December 31, 2013	September 30, 2013	December 31, 2012 ⁴	December 31, 2013	December 31, 2012 ⁴
Net loss	(42)	(19)	(53)	(100)	(111)
Non-controlling interests	-	1	-	1	-
Depreciation and impairment	81	70	88	303	320
Change in working capital	45	(66)	213	(18)	156
Other	59	31	(27)	18	(87)
Net cash provided by operating activities	143	17	221	204	278
Purchase of property, plant and equipment (CAPEX)	(30)	(28)	(37)	(125)	(161)
Other investing activities (net)	3	10	-	6	3
Net cash used in investing activities	(27)	(18)	(37)	(119)	(158)
Proceeds (payment) from payable to banks and long term debt	(131)	73	(176)	(6)	(83)
Dividends paid	-	-	(15)	-	(61)
Other financing activities (net)	(4)	(2)	-	(8)	(2)
Net cash(used in) / provided by financing activities	(135)	71	(191)	(14)	(146)
Effect of exchange rate changes on cash	1	6	5	(6)	5
Change in cash and cash equivalent	(18)	76	(2)	65	(21)

Appendix 1a - Health & Safety statistics

Health & Safety Statistics	Three Months Ended			Year Ended	
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Frequency Rate	1.0	1.9	1.9	1.3	1.3

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, 2013	Stainless & Electrical Steel ^{a,b}	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	1,650	679	36	(638)	1,728
Steel selling price (USD/t)	2,322	3,061	17,224		2,836
Financial information					
Sales (USDm)	3,997	2,189	641	(1,707)	5,120
EBITDA (USDm)	212	9	60	11	292
Depreciation & Impairment (USDm)	241	34	10	18	303
Operating (loss) / income (USDm)	(29)	(25)	50	(7)	(11)

Note a: Stainless & Electrical Steel Shipments of 1,650kt of which 646kt were from South America and 1,004kt were from Europe

Note b: Stainless & Electrical Steel EBITDA of USD 212m of which USD 136m were from South America and USD 76m were from Europe

Year Ended December 31, 2012 ⁴	Stainless & Electrical Steel ^{a,b}	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	1,611	661	36	(625)	1,683
Steel selling price (USD/t)	2,489	3,148	17,405		2,991
Financial information					

Sales (USDm)	4,180	2,173	659	(1,751)	5,261
EBITDA (USDm)	121	21	56	19	217
Depreciation & Impairment (USDm)	268	29	6	17	320
Operating (loss) / income (USDm)	(147)	(8)	50	2	(103)

Note a: Stainless & Electrical Steel shipments of 1,611kt of which 617kt were from South America and 994kt were from Europe

Note b: Stainless & Electrical Steel EBITDA of USD 121m of which USD 106m were from South America and USD 15m were from Europe

Quarter Ended December 31, 2013	Stainless & Electrical Steel ^{a,b}	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	425	169	9	(162)	441
Steel selling price (USD/t)	2,235	2,980	17,184		2,758
Financial information					
Sales (USDm)	997	535	160	(411)	1,281
EBITDA (USDm)	58	5	17	4	84
Depreciation & Impairment (USDm)	65	11	2	3	81
Operating income / (loss) (USDm)	(7)	(6)	15	1	3

Note a: Stainless & Electrical Steel Shipments of 425kt of which 164kt were from South America and 261kt were from Europe

Note b: Stainless & Electrical Steel EBITDA of USD 58m of which USD 37m were from South America and USD 21m were from Europe

Quarter Ended September 30, 2013	Stainless & Electrical Steel ^{a,b}	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	408	165	8	(145)	436
Steel selling price (USD/t)	2,157	2,999	18,860		2,664
Financial					

information					
Sales (USDm)	915	516	148	(375)	1,204
EBITDA (USDm)	36	1	16	9	62
Depreciation & Impairment (USDm)	57	6	2	5	70
Operating (loss) / income (USDm)	(21)	(5)	14	4	(8)

Note a: Stainless & Electrical Steel shipments of 408kt of which 182kt were from South America and 226kt were from Europe

Note b: Stainless & Electrical Steel EBITDA of USD 36m of which USD 34m were from South America and USD 2m 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 Figures for 2012 have been restated due to a change in accounting principle of defined benefit plans and other long-term employee benefits, and adoption of revised IAS 19 standard.

⁵ Net debt refers to long-term debt, plus short-term debt, less cash and cash equivalents (including short-term investments) and restricted cash. The net financial debt as at December 31, 2013 includes a positive impact of USD 37 million related to the convertible bond issued on September 19, 2013.

⁶ The Leadership Journey® 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. On February 4, 2013, Aperam announced an expansion of the Leadership Journey® to 2014 with USD 150 million targeted over the next 2 years. On 6 February 2014, Aperam announced an expansion of the Leadership Journey® to 475 million by 2015.

⁷ Subject to eligible collateral available.

⁸ Following the issuance of the convertible bond in September 2013, available commitments under Tranche A of the Borrowing Base Facility ("BBF") have been cancelled for an amount of USD 131 million, representing 2/3rd of the convertible bond net proceeds.