

Third quarter 2011 results¹

Luxembourg, 2 November 2011

Highlights

- Health and Safety frequency rate² of 0.9x compared to 0.8x in Q2 2011
- Shipments of 429 thousand tonnes in Q3 2011, a 2% decrease compared to shipments of 439 thousand tonnes in Q2 2011 due to seasonal slowdown
- EBITDA³ of USD 62 million in Q3 2011
- Basic earnings per share of USD (0.53) in Q3 2011
- Cash inflows from operations amounted to USD 120 million in Q3 2011 compared to cash outflows from operations of USD 198 million in Q2 2011
- Net debt of USD 1,038 million at September 30, 2011, representing a gearing of 29%, compared to net debt of USD 1,107 million at June 30, 2011
- Acceleration and USD 100 million increase of the “Leadership Journey”⁴ resulting in an overall total program size of USD 350 million by 2013

Aperam (referred to as “Aperam” or the “Company”) (Amsterdam, Luxembourg, Paris: APAM and NYRS: APEMY), today announced results for the three month period ending September 30, 2011

Bernard Fontana, CEO Aperam, commented:

“Despite the recent financial market volatility and seasonal slowdown, we have been able to see the clear benefits from the Leadership Journey in our profitability when compared to the fourth quarter of 2010, the trough of the previous year.

Looking forward and to face the new uncertainty of 2012, we have decided to accelerate and enhance our current management gains program to further strengthen the cost position of Aperam.”

Prospects

- EBITDA in Q4 2011 is expected to be comparable to Q3 2011
- Net debt is expected to continue to decrease in Q4 2011 compared to Q3 2011

Financial Highlights (on the basis of IFRS)

(USDm) unless otherwise shown	Q3 '11	Q2 '11	Q3 '10	9M '11	9M '10
Sales	1,520	1,708	1,372	4,909	4,170
EBITDA	62	102	66	303	388
Operating (loss) income	(20)	24	(6)	74	170
Net (loss) income	(41)	2	(12)	(14)	102
Steel shipments (000t)	429	439	460	1,320	1,375
EBITDA/tonne (USD)	145	232	143	230	282
Basic earnings per share (USD)	(0.53)	0.02	N/A	(0.19)	N/A

Health & Safety results analysis

Health and Safety performance, based on Aperam personnel figures and contractors lost time injury frequency rate², was 0.9 in the third quarter of 2011 compared to 0.8 in the second quarter of 2011.

Financial results analysis

Sales in the third quarter of 2011 decreased by 11% to USD 1,520 million compared to USD 1,708 million in the second quarter of 2011. Shipments in the third quarter of 2011 decreased by 10 thousand tonnes or 2% to 429 thousand tonnes compared to 439 thousand tonnes in the second quarter of 2011.

EBITDA was USD 62 million in the third quarter of 2011 compared to EBITDA in the second quarter of 2011 of USD 102 million. The decrease in EBITDA quarter versus quarter was primarily driven by lower activity resulting from the seasonal slowdown in Europe, a decrease in base prices and the negative stock effect resulting mainly from the decline in nickel prices. These factors impacting EBITDA were partially offset by the full consolidation of Aperam Bioenergia in the third quarter and the continuing progress of the "Leadership Journey", which has contributed USD 123 million to EBITDA since the beginning of the year.

Depreciation and amortization expense in the third quarter of 2011 was USD 82 million.

Aperam had an operating loss in the third quarter of USD 20 million compared to an operating income of USD 24 million in the previous quarter.

Net interest expense and other financing costs in the third quarter of 2011 were USD 24 million, including financing costs of USD 20 million. Unrealized foreign exchange and derivative losses were USD 32 million which come primarily from the accounting revaluation of US dollar denominated external debt in Brazil at the end of the third quarter of 2011.

The Company recorded a net loss of USD 41 million in the third quarter of 2011, inclusive of an income tax benefit of USD 35 million.

Cash flows from operations in the third quarter were a positive USD 120 million, with working capital decrease of USD 58 million. CAPEX in the third quarter was USD 48 million.

At September 30, 2011, shareholder's equity was USD 3,580 million and net financial debt was USD 1,038 million (gross financial debt as of September 30, 2011 was USD 1,340 million and cash & cash equivalents were USD 302 million).

The Company had liquidity of USD 502 million at September 30, 2011, consisting of cash and cash equivalents (including short-term investments) of USD 302 million and USD 200 million of available credit lines.

Operating segment results analysis

Stainless & Electrical Steel

The Stainless & Electrical Steel segment had sales of USD 1,143 million in the third quarter of 2011. This represents a decrease of 18% compared to sales of USD 1,388 million in the second quarter of 2011. Shipments during the third quarter were 390 thousand tonnes, including 222 thousand tonnes in Europe and 168 thousand tonnes in South America. This is a decrease of 41 thousand tonnes compared to the previous quarter's shipments of 431 thousand tonnes (272 thousand tonnes in Europe and 159 thousand tonnes in South America). Although volumes in South America increased by 6% in the quarter, overall volumes decreased mainly as a result of the 18% fall in volumes in Europe due to the impact of seasonality. Average steel selling prices for the Stainless & Electrical Steel segment were lower for the quarter.

The segment had EBITDA of USD 23 million in the third quarter of 2011 compared to USD 93 million in the second quarter of 2011. EBITDA from South America decreased from USD 43 million in the second quarter of 2011 to USD 26 million in the third quarter of 2011. EBITDA from Europe decreased from USD 50 million in the second quarter of 2011 to negative USD 3 million in the third quarter of 2011.

The Stainless & Electrical Steel segment had an operating loss of USD 45 million during the third quarter compared to an operating income of USD 24 million in the second quarter of 2011. Depreciation and amortization expense was USD 68 million in the third quarter of 2011.

Services & Solutions

The Services & Solutions segment had a 10% decrease in sales during the period, from USD 699 million in the second quarter of 2011 to USD 630 million in the third quarter of 2011. In the third quarter of 2011, shipments were 164 thousand tonnes compared to 168 thousand tonnes in the previous quarter. In addition to lower shipments, the Services & Solutions segment also had lower average selling prices for the period.

The segment had negative EBITDA in the third quarter of USD 1 million compared to negative EBITDA of USD 11 million in the second quarter of 2011. EBITDA for the quarter is again impacted by the seasonality in Europe and lower average selling prices. Although the segment was also impacted by a negative stock effect resulting primarily from the decline in nickel prices that occurred during the quarter, it was not to the same degree as the negative stock effect in the previous quarter.

Depreciation and amortization expense in the third quarter of 2011 was USD 7 million.

The Services & Solutions segment had an operating loss of USD 8 million in the third quarter of 2011 compared to an operating loss of USD 18 million in the second quarter of 2011.

Alloys & Specialties

The Alloys & Specialties segment had sales in the third quarter of USD 164 million, representing a decrease of 26% compared to USD 223 million in the second quarter of 2011. Shipments decreased from 11 thousand tonnes in the second quarter to 7 thousand tonnes in the third quarter, while average selling prices increased slightly quarter over quarter.

The Alloys & Specialties segment achieved EBITDA of USD 11 million in the third quarter of 2011 compared to USD 23 million in the second quarter of 2011. The lower EBITDA was primarily the result of lower volumes which again resulted from the seasonality experienced in Europe during the summer months.

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

The Alloys & Specialties segment had operating income of USD 10 million in the third quarter of 2011 compared to operating income of USD 21 million in the second quarter of 2011.

Recent developments

- On July 26, 2011, as part of the Leadership Journey, Aperam announced that its Brazilian operations (Timóteo) have finalized the conversion of blast furnace number two and will henceforth use biomass (charcoal) instead of coke.
- On August 11, 2011, Aperam joined OTCQX International as the 250th issuer on the platform.
- On September 20, 2011, Aperam announced the appointment of Philippe Darmayan as the Company's new Chief Executive Officer, following the resignation of Bernard Fontana. Philippe Darmayan, 59, is a French citizen with extensive experience in various industrial fields and will become a member of Aperam's Management Committee and CEO of Aperam effective December 1, 2011. Bernard Fontana is leaving Aperam to become the CEO of Holcim, a leading producer of cement and aggregates based in Zurich, Switzerland.
- On September 27, 2011, Aperam signed a EUR 17.5 million bilateral credit facility agreement. The purpose of the two year facility is general corporate purposes and/or the repayment of existing indebtedness.
- On October 25, 2011, S&P revised the outlook on Aperam from Stable to Negative. At the same time, they affirmed their 'BB' long-term corporate credit rating on the company.

New developments

- On November 2, 2011, Aperam announces that in response to the current economic uncertainty and in a continuing effort to improve Aperam's cost competitiveness and profitability the company targets an additional USD 100 million of management gains and profit enhancement under the Leadership Journey. This initiative is in addition to the current USD 250 million program with a new combined target of USD 350 million of management gains and profit enhancement by 2013. As part of this increase, Aperam will focus on further industrial optimization and rationalization in Europe, systematic benchmarking in Brazil and new sourcing initiatives.

Investor conference call

Aperam management will host a conference call for members of the investment community to discuss the third quarter 2011 financial performance at the following times:

Date	New York	London	Luxembourg
Wednesday, November 2, 2011	1:30 pm	5:30 pm	6:30 pm

The dial-in numbers for the call are: France (+33 (0) 170 99 4270 and toll free 0805 631 580); USA (+1 212 444 0895 and toll free +1 877 249 9037); and international (+44 (0) 20 7136 2056). The participant access code is 9963648.

A replay of the conference call will be available until November 9, 2011: France (+33 (0) 174 20 28 00); USA (+1 347 366 9565) and international (+44 (0) 20 7111 1244). The participant access code is 9963648.

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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, Service & 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 10,700 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 2010, Aperam had revenues of USD 5.6 billion and shipments of 1.74 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)	September 30, 2011	June 30, 2011	September 30, 2010 COMBINED
Non current assets	4,258	4,681	4,475
Intangible assets	940	1,062	998
Property, plant and equipment	2,885	3,054	2,979
Investments & Other	433	565	498
Current assets & working capital	1,558	1,765	2,081
Inventories, trade receivables & trade payables	1,088	1,294	1,143
Other assets	168	205	211
ArcelorMittal tax indemnification	-	-	273
Amount receivable under cash-pooling arrangement	-	-	324
Cash & cash equivalents	302	266	130
Shareholders' equity	3,580	4,167	3,717
Group share	3,576	4,161	3,712
Non-controlling interests	4	6	5
Non current liabilities	1,038	1,022	1,429
Interest bearing liabilities	594	590	944
Deferred employee benefits	179	192	178
Provisions and other	265	240	307
Current liabilities (excluding trade payables)	1,198	1,257	1,410
Interest bearing liabilities	746	783	955
Other	452	474	455

APERAM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in million of U.S. dollars)	Three Months Ended			Nine Months Ended	
	September 30, 2011	June 30, 2011	September 30, 2010 COMBINED	September 30, 2011	September 30, 2010 COMBINED
Sales	1,520	1,708	1,372	4,909	4,170
EBITDA	62	102	66	303	388
Depreciation & impairment	82	78	72	229	218
Operating (loss) / income	(20)	24	(6)	74	170
Income from other investments	-	1	1	1	9
Net interest expense and other net financing costs	(24)	(29)	(18)	(97)	(68)
Unrealized foreign exchange and derivative gains (losses)	(32)	2	5	(32)	14
(Loss) / income before taxes and non-controlling interests	(76)	(2)	(18)	(54)	125
Income tax (benefit) expense	(35)	(4)	(6)	(40)	22
(Loss) / income before non-controlling interests	(41)	2	(12)	(14)	103
Non-controlling interests	-	-	-	-	1
Net (loss) / income	(41)	2	(12)	(14)	102

APERAM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in million of U.S. dollars)	Three Months Ended			Nine Months Ended	
	September 30, 2011	June 30, 2011	September 30, 2010 COMBINED	September 30, 2011	September 30, 2010 COMBINED
Net (loss) / income	(41)	2	(12)	(14)	102
Non-controlling interests	-	-	-	-	1
Depreciation and impairment	82	78	72	229	218
Changes in working capital	58	(268)	(94)	(219)	(372)
Other	21	(10)	34	(34)	11
Net cash provided by / (used in) operating activities	120	(198)	-	(38)	(40)
Purchase of property, plant and equipment (CAPEX)	(48)	(27)	(19)	(107)	(61)
Loans under cash pooling arrangements (net)	-	-	74	647	10
Other investing activities	9	(2)	17	7	20
Net Cash (used in) provided by investing activities	(39)	(29)	72	547	(31)
(Payments) / proceeds from payable to banks and long term debt	(12)	247	(40)	267	(171)
Borrowings (repayments) under cash pooling arrangements (net)	-	(10)	(18)	(540)	231
Dividends paid	(14)	(16)	(10)	(44)	(69)
Other financing activities (net)	(2)	(2)	(5)	(4)	91
Net cash (used in) provided by used in financial activities	(28)	219	(73)	(321)	82
Net increase (decrease) in cash and cash equivalents	53	(8)	(1)	188	11
Effect of exchange rate changes on cash	(17)	6	10	(6)	2
Change in cash and cash equivalents	36	(2)	9	182	13

Appendix 1a – Health & Safety statistics

Health & Safety Statistics	Three Months Ended			Nine Months Ended	
	September 30, 2011	June 30, 2011	March 31, 2010	September 30, 2011	September 30, 2010
Frequency Rate	0.9	0.8	0.7	0.8	2.5

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 September 30, 2011	Stainless & Electrical Steel ^{1,2}	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	390	164	7	(132)	429
Steel selling price (USD/t)	2,808	3,695	20,152		3,388
Financial information					
Sales (USDm)	1,143	630	164	(417)	1,520
EBITDA (USDm)	23	(1)	11	29	62
Depreciation & Impairment (USDm)	68	7	1	6	82
Operating income / loss (USDm)	(45)	(8)	10	23	(20)

Note 1: Stainless & Electrical Steel Shipments of 390 kt of which 168kt were from South America and 222 kt were from Europe

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

Quarter Ended June 30, 2011	Stainless & Electrical Steel ^{1,2}	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	431	168	11	(171)	439
Steel selling price (USD/t)	3,104	3,978	19,732		3,748
Financial information					
Sales (USDm)	1,388	699	223	(602)	1,708
EBITDA (USDm)	93	(11)	23	(3)	102
Depreciation & Impairment (USDm)	69	7	2	-	78
Operating income / loss (USDm)	24	(18)	21	(3)	24

Note 1: Stainless & Electrical Steel Shipments of 431kt of which 159kt were from South America and 272kt were from Europe

Note 2: Stainless & Electrical Steel EBITDA of USD 93m of which USD 43m were from South America and USD 50m 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" is an initiative that was launched on December 16, 2010, and subsequently accelerated and increased, to target management gains and profit enhancement of USD 350 million by 2013.