

Second quarter 2014

July 31, 2014

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Disclaimer



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.

Introduction & overview



Highlights:

- Health and Safety frequency rate of 1.4x in Q2 2014 compared to 1.0x in Q1 2014
- Shipments of 466 thousand tonnes in Q2 2014, a 2% decrease compared to shipments of 475 thousand tonnes in Q1 2014
- EBITDA of USD 164 million in Q2 2014, compared to EBITDA of USD 129 million in Q1 2014
- Basic earnings per share of USD 0.46 in Q2 2014
- Cash flow from operations amounted to USD 47 million in Q2 2014
- Net debt of USD 663 million on June 30, 2014, representing a gearing of 21% compared to a net debt of USD 689 million on March 31, 2014

Prospects:

- EBITDA in Q3 2014 is expected to be lower compared to EBITDA in Q2 2014 due, in particular, to the traditional seasonal effect
- Net debt to decrease in Q3 2014

Plan 2014 Update:

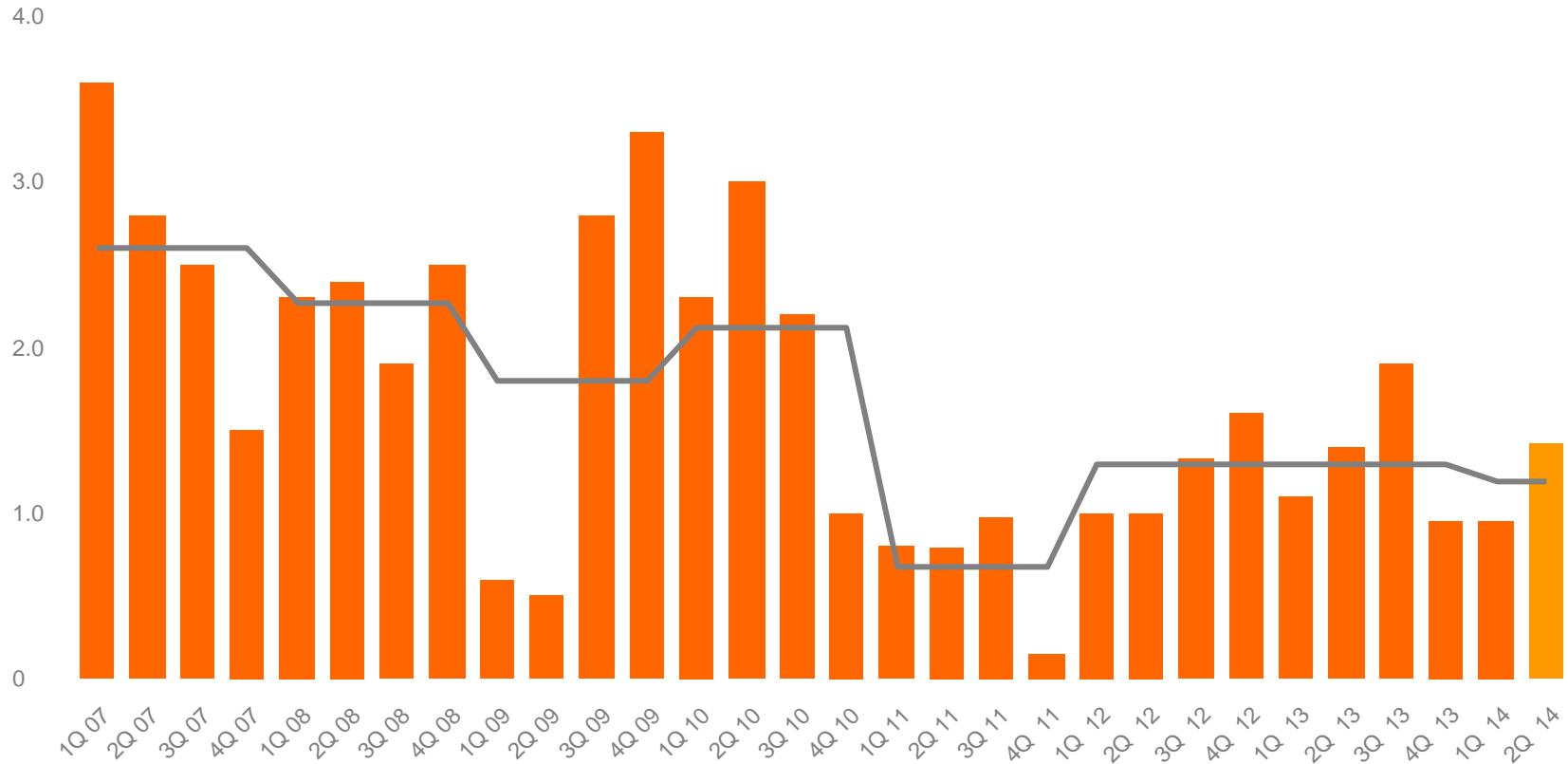
- Further strengthening of balance sheet with enhancement of the net debt reduction program to reach USD 550 million by the end of 2014

“We are pleased to have once again improved our profitability and strengthened our balance sheet in the second quarter.”

Health & Safety Performance



Lost Time Injury Frequency rate*



Health & Safety frequency rate of 1.4x in Q2 2014

* WorldSteel-standard: Fr = lost time Injuries per 1.000.000 worked hours; based on own personnel and contractors

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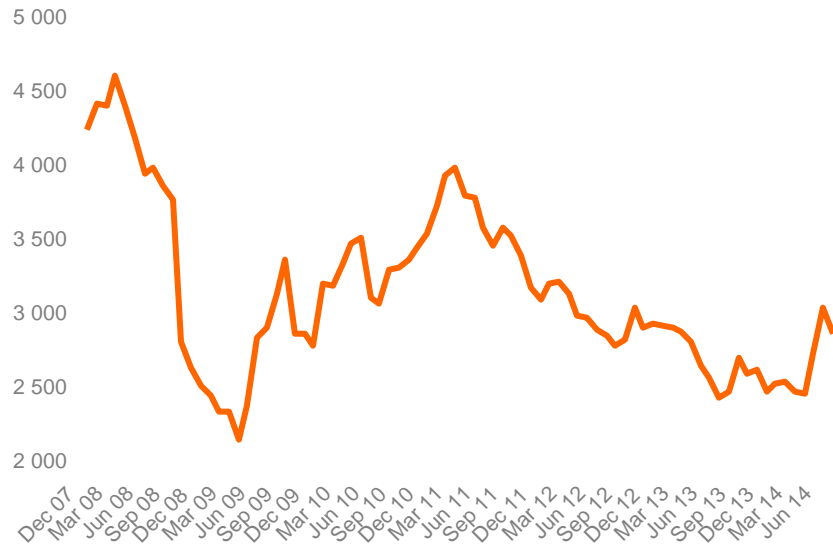
Environment and markets

Environment and markets

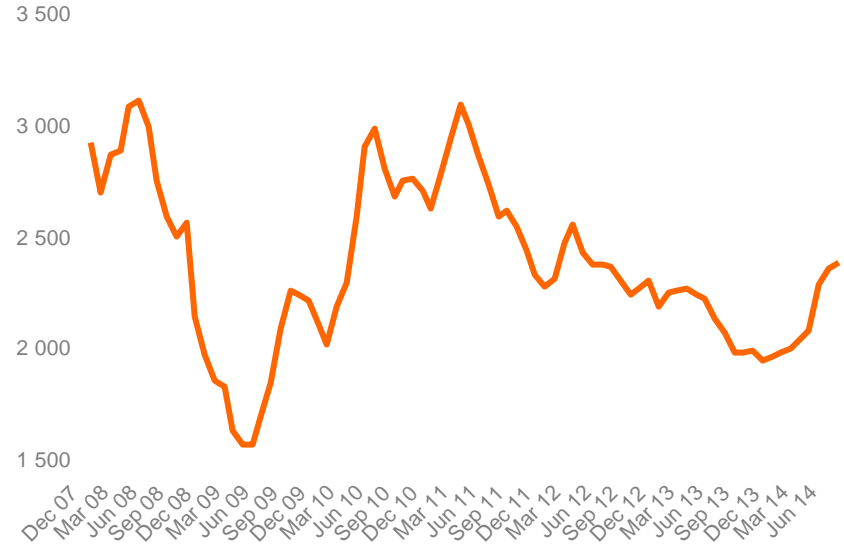
Stainless steel prices



China - CR 304 2B 2mm coil transaction price (USD/t)*



Southern Europe - CR 304 2B 2mm coil transaction price (€/t)*



Chinese prices partially integrated the impact of the nickel price increase in Q2

*Source: SBB/Platts

Second quarter 2014



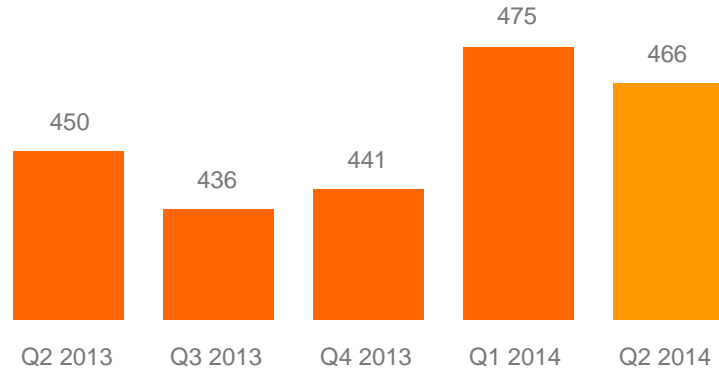
Performance and prospects

Performance and prospects

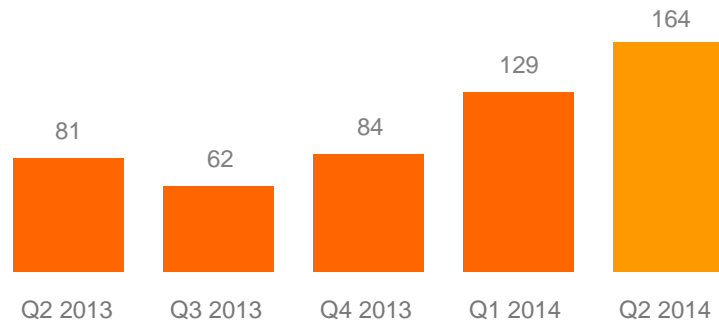
Second quarter operating performance



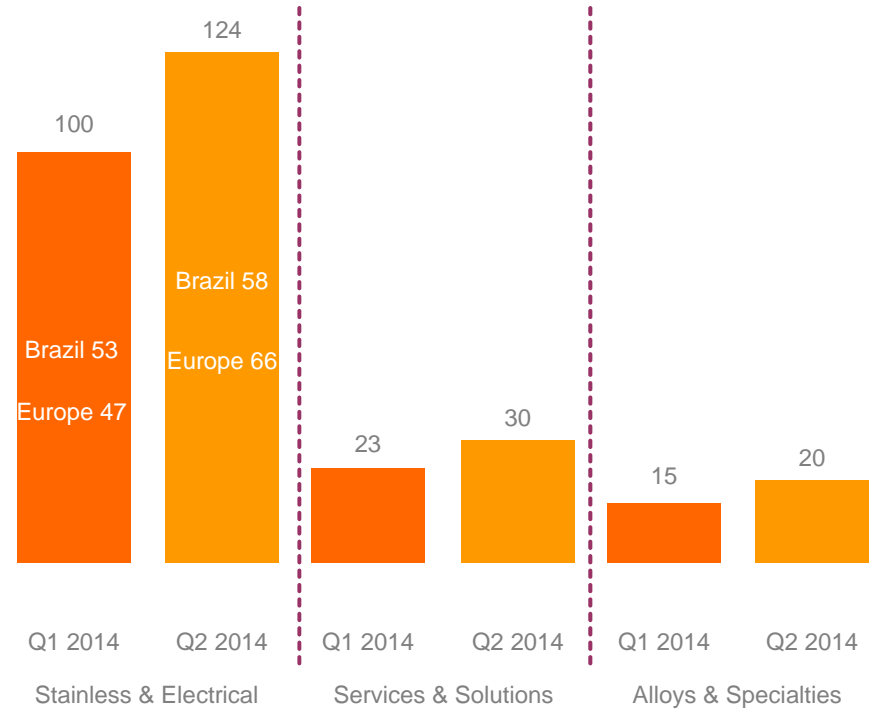
Shipments ('000t)



EBITDA (USD million)



Q2 2014 EBITDA per division (USD million) ^[1]



EBITDA of 352 USD/t in Q2 2014 compared to 272 USD/t in Q1 2014

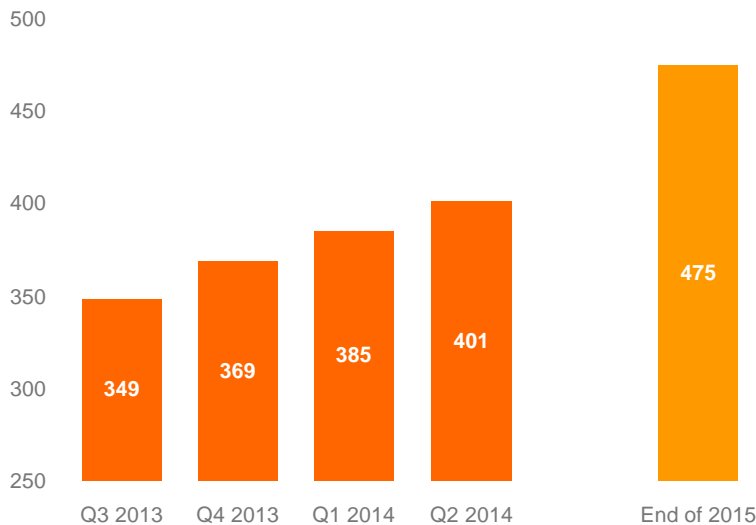
^[1] Difference with total Aperam's quarterly Ebitda comes from the Others & Eliminations division.

Performance and prospects

Leadership Journey®



Cumulated gains (USD million)



Leadership Journey initiatives by typology

- Restructuring**
Launched at the early stage of the program, the restructuring initiatives are focused on the closure or mothballing of non-competitive capacities and the reduction of fixed costs through, in particular, process simplification
- Cost cutting projects**
In parallel to the restructuring initiatives, major cost cutting investments have been launched with the goal to improve the industrial footprint and to reduce the number of tools.
- Performance projects**
Several performance projects have been launched in order to reinforce the existing continuous improvement program and accelerate cost reduction. In particular, specific action plans have been implemented for sourcing, IT and SG&A.
- Debottlenecking projects**
Since the beginning of 2014, 3 new projects totaling USD 52 million have been launched to debottleneck Aperam's downstream operations, improve cost competitiveness and enhance its product portfolio.

Closure of the Firminy plant was completed at the end of Q2 2014.

On July 31, a new investment of USD 17 million was approved to upgrade GO electrical steel operations in Brazil.

Second quarter 2014



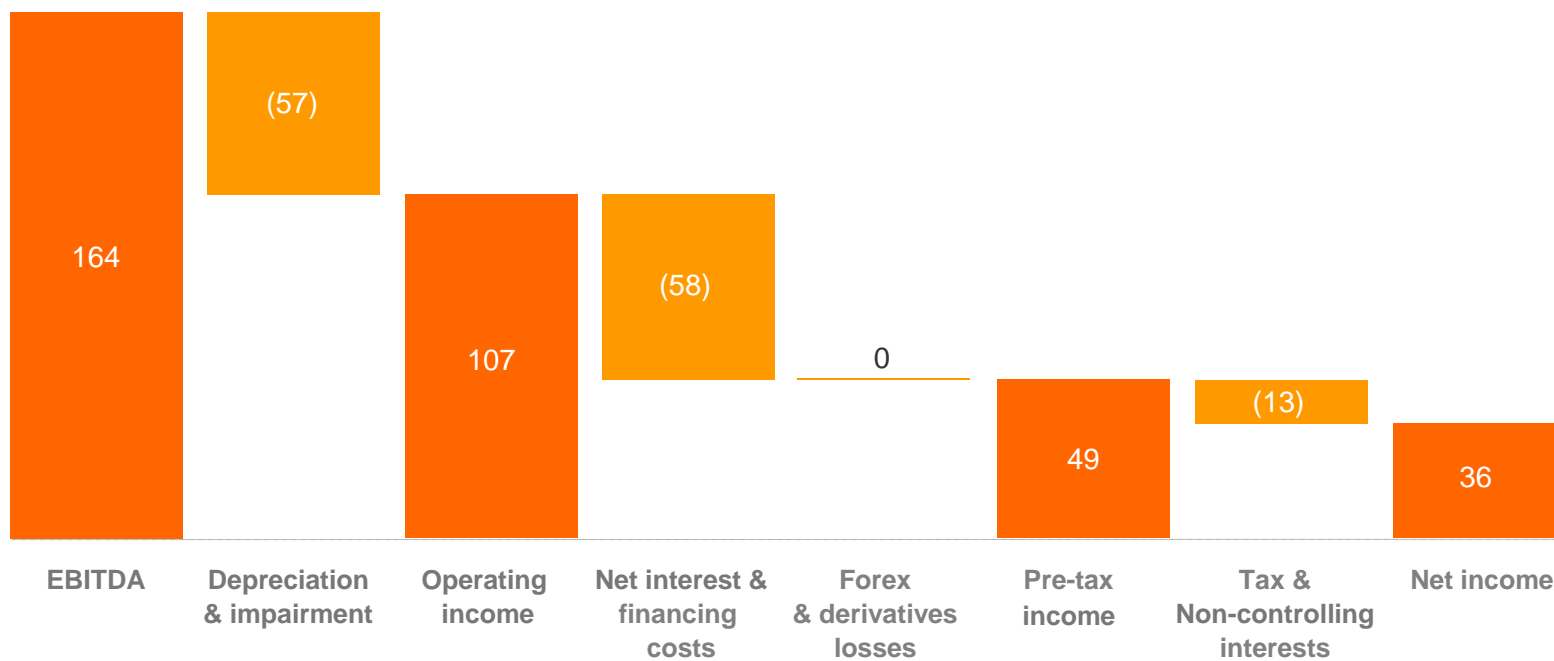
Financial results

Financial results

Second quarter P&L highlights



EBITDA to net income (USD million)



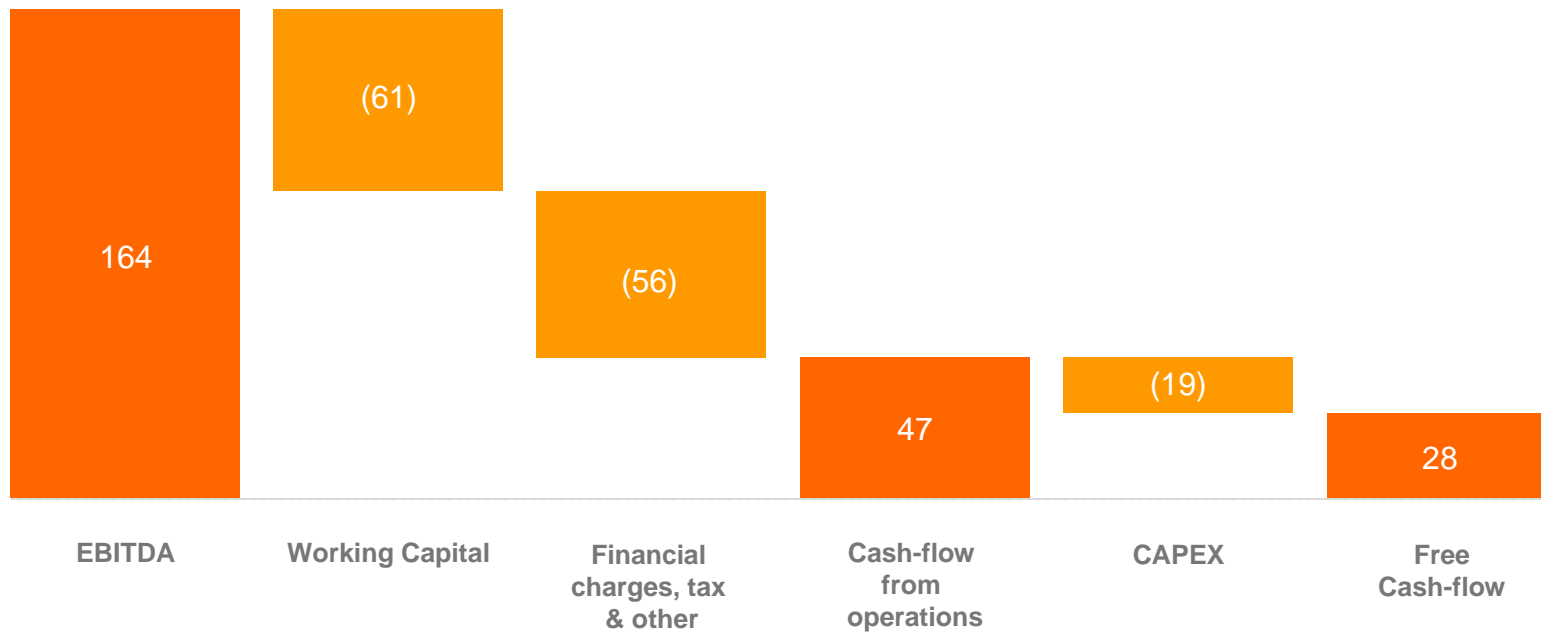
Basic earnings per share of USD 0.46 in the second quarter of 2014

Financial results

Second quarter cash flow highlights



Free cash flow (USD million)



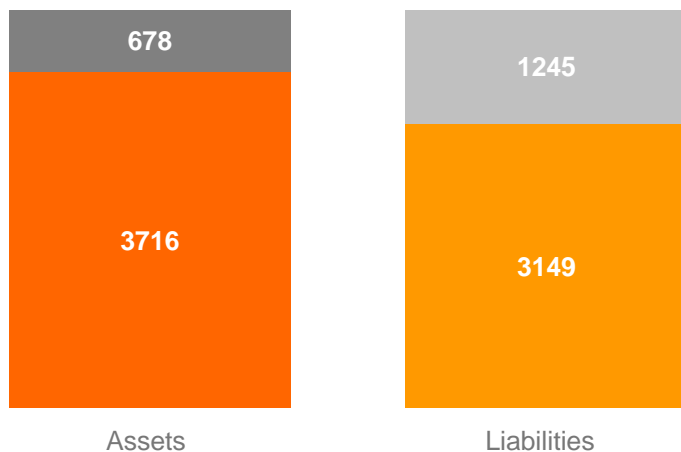
USD 47 million of cash from operations in Q2 2014

Financial results

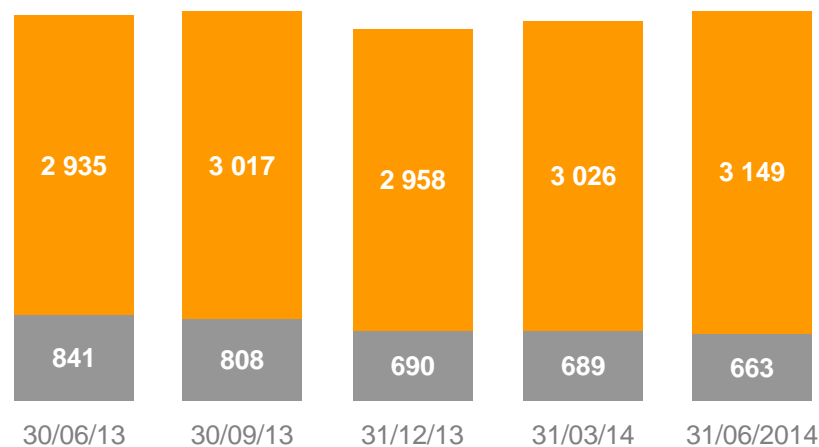
Second quarter balance sheet highlights



Assets & liabilities (USD million)



Equity & net debt (USD million)*



■ Non-current assets
■ Working capital

■ Shareholders' equity
■ Other net liabilities

■ Net Debt ■ Equity

Successful launch of the USD 300 million convertible bond *

Net debt of USD 663 million, representing a gearing of 21%

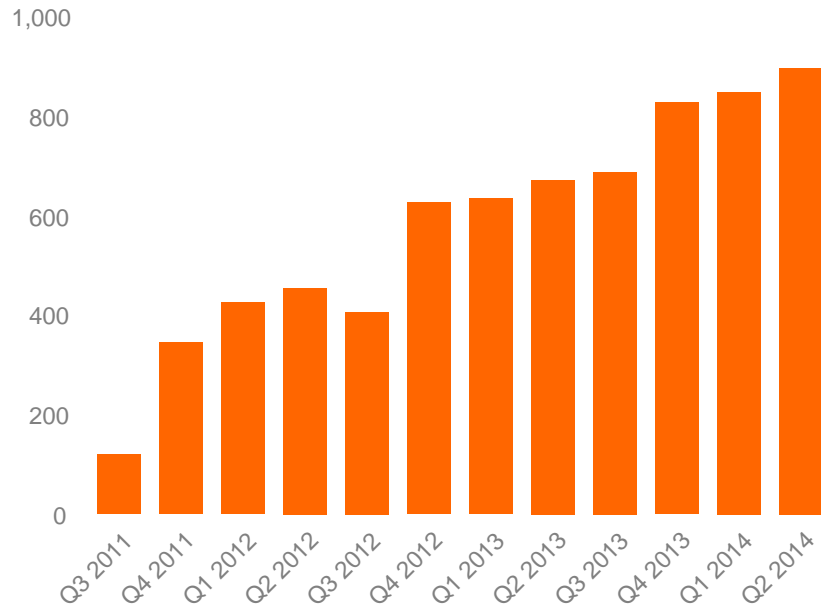
* On 27th June, successful launch of Convertible Bond \$300m due 2021 with coupon 0.625%, at initial conversion price of \$43.92, transaction closed in July.

Financial results

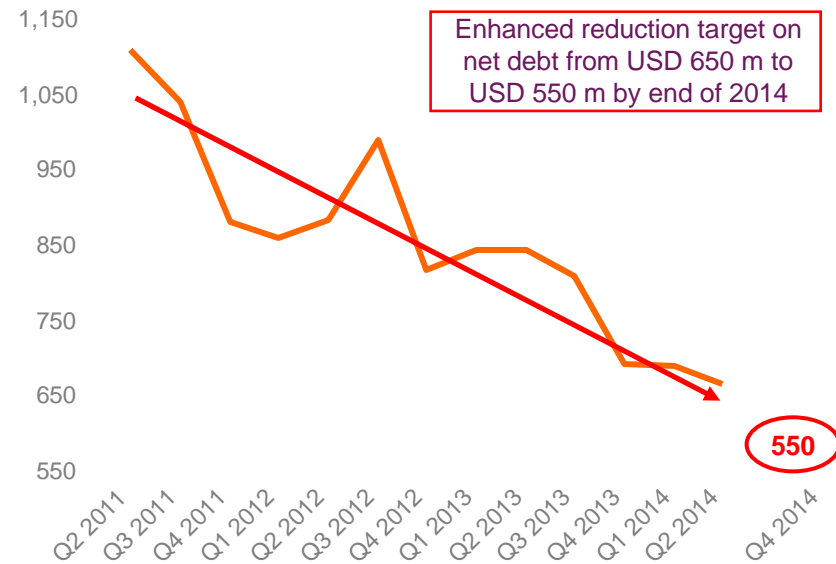


Sustainable cash flow from operations across the cycles

Cumulated net cash provided by operating activities (USD million)



Quarterly net debt of Aperam evolution (USD million)



Over the past 3 years, the company has continuously generated cash-flow to strengthen its balance sheet
Net debt will be reduced to half by the end of 2014 compared to mid 2011



Castelao stadium, Fortaleza – revamped with Aperam Stainless Steel