

Third quarter 2012 results¹

Luxembourg, October 30, 2012

Highlights

- Health and Safety frequency rate² of 1.3x in Q3 2012 compared to 1.0x in Q2 2012
- Shipments of 410 thousand tonnes in Q3 2012, a 5% decrease compared to shipments of 433 thousand tonnes in Q2 2012
- EBITDA³ of USD 42 million in Q3 2012 compared to EBITDA of USD 65 million in Q2 2012
- Basic earnings per share of USD (0.21) in Q3 2012
- Cash outflow from operations amounted to USD 50 million in Q3 2012
- Net debt of USD 987 million at September 30, 2012, representing a gearing of 31%

Prospects

- EBITDA in Q4 2012 is expected to be comparable to EBITDA in Q3 2012 due to uncertain stainless steel market conditions
- Net debt expected to decrease significantly in Q4 2012

Aperam (referred to as “Aperam” or the “Company”) (Amsterdam, Luxembourg, Paris: APAM and NYRS: APEMY), today announced results for the three month and nine month periods ending September 30, 2012

Philippe Darmayan, CEO of Aperam, commented:

“As expected, seasonality and low market prices resulted in lower EBITDA in Q3 compared to Q2. However, during the quarter, Aperam made good progress on the Leadership Journey with the completion of several key investment projects.

For the end of the year, we look positively on the recent base price increases and higher import duties in Brazil, but need to remain cautious as a result of the volatile and uncertain market conditions. In the current environment, we continue to remain focused on delivering the Leadership Journey.”

Financial Highlights (on the basis of IFRS)

(USDm) unless otherwise stated	Q3 2012	Q2 2012	Q3 2011	9M 2012	9M 2011
Sales	1,207	1,351	1,520	3,967	4,909
EBITDA	42	65	62	171	303
Operating (loss) income	(29)	(19)	(20)	(61)	74
Net loss	(17)	(28)	(41)	(56)	(14)
Steel shipments (000t)	410	433	429	1,276	1,320
EBITDA/tonne (USD)	102	150	145	134	230
Basic earnings per share (USD)	(0.21)	(0.36)	(0.53)	(0.71)	(0.19)

Health & Safety results analysis

Health and Safety performance, based on Aperam personnel figures and contractors lost time injury frequency rate², was 1.3x in the third quarter of 2012 compared to 1.0x in the second quarter of 2012.

Financial results analysis

Sales in the third quarter of 2012 decreased by 11% to USD 1,207 million compared to USD 1,351 million in the second quarter of 2012. Shipments in the third quarter of 2012 decreased by 5% to 410 thousand tonnes compared to 433 thousand tonnes in the second quarter of 2012.

EBITDA was USD 42 million in the third quarter of 2012 compared to EBITDA of USD 65 million in the second quarter of 2012. Although partly offset by the continuing progress of the Leadership Journey^{® 4}, the impact of traditional seasonality and difficult market conditions resulted in lower EBITDA in the quarter compared to the previous quarter. The Leadership Journey[®] has contributed USD 251 million to EBITDA since the beginning of 2011.

Depreciation and amortization expense in the third quarter of 2012 was USD 71 million.

Aperam had an operating loss in the third quarter of USD 29 million compared to an operating loss of USD 19 million in the previous quarter.

Net interest expense and other financing costs in the third quarter of 2012 were USD 12 million, including financing costs of USD 21 million. Unrealized foreign exchange and derivative gains were USD 8 million in the third quarter of 2012.

The Company recorded a net loss of USD 17 million, inclusive of an income tax benefit of USD 16 million, in the third quarter of 2012.

Cash outflows from operations in the third quarter were USD 50 million, with a working capital increase of USD 96 million. CAPEX in the third quarter was USD 41 million.

As of September 30, 2012, shareholder's equity was USD 3,218 million and net financial debt was USD 987 million (gross financial debt as of September 30, 2012 was USD 1,215 million and cash & cash equivalents were USD 228 million).

The Company had liquidity of USD 528 million as of September 30, 2012, consisting of cash and cash equivalents (including short-term investments) of USD 228 million and undrawn credit lines⁵ of USD 300 million.

Operating segment results analysis

Stainless & Electrical Steel

The Stainless & Electrical Steel segment had sales of USD 930 million in the third quarter of 2012. This represents a decrease of 16% compared to sales of USD 1,108 million in the second quarter of 2012. Shipments during the third quarter were 370 thousand tonnes, including 219 thousand tonnes in Europe and 151 thousand tonnes in South America. This is a decrease of 56 thousand tonnes compared to shipments in the previous quarter of 426 thousand tonnes (263 thousand tonnes in Europe and 163 thousand tonnes in South America).

The segment had EBITDA of USD 14 million in the third quarter of 2012 compared to USD 39 million in the second quarter of 2012. EBITDA from South America decreased from USD 33 million in the second quarter of 2012 to USD 26 million in the third quarter of 2012. The decrease in EBITDA in Brazil was primarily driven by lower volumes in the quarter and the impact from some negative pricing movements. EBITDA from Europe decreased from USD 6 million in the second quarter of 2012 to negative USD 12 million in the third quarter of 2012. The decrease in EBITDA in Europe was primarily driven by lower volumes due to traditional seasonality in the third quarter and pricing pressure.

The Stainless & Electrical Steel segment had an operating loss of USD 43 million during the third quarter of 2012 compared to an operating loss of USD 32 million in the second quarter of 2012. Depreciation and amortization expense was USD 57 million in the third quarter of 2012.

Services & Solutions

The Services & Solutions segment had a 6% decrease in sales during the period, from USD 559 million in the second quarter of 2012 to USD 526 million in the third quarter of 2012. In the third quarter of 2012, shipments were 165 thousand tonnes compared to 170 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 third quarter of 2012 of USD 9 million compared to EBITDA of USD 5 million in the second quarter of 2012. In the third quarter, there was a decrease in volumes but additionally, there was a USD 8 million capital gain resulting from the disposal of assets. These asset disposals are related to the key Leadership Journey[®] project of Campinas.

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

The Services & Solutions segment had an operating income of USD 2 million in the third quarter of 2012 compared to an operating loss of USD 3 million in the second quarter of 2012.

Alloys & Specialties

The Alloys & Specialties segment had sales in the third quarter of 2012 of USD 139 million, representing a decrease of 19% compared to USD 172 million in the second quarter of 2012. Shipments were lower in the third quarter of 2012 at 8 thousand tonnes compared to 10 thousand tonnes in the second quarter of 2012.

The Alloys & Specialties segment achieved EBITDA of USD 16 million in the third quarter of 2012 compared to USD 16 million in the second quarter of 2012. Despite lower volumes, EBITDA was flat in the third quarter compared to the second quarter primarily as a result of the continuing progress made on the Leadership Journey[®].

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

The Alloys & Specialties segment had operating income of USD 15 million in the third quarter of 2012 compared to operating income of USD 14 million in the second quarter of 2012.

New developments

- On September 28, 2012, Aperam entered into a USD 50 million facility secured by Gerdau shares. The two year facility, which will be accounted for as a secured bank loan, was fully drawn on October 3, 2012.

Investor conference call

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

Date	New York	London	Luxembourg
Tuesday, October 30, 2012	1:30 pm	5:30 pm	6:30 pm

The dial-in numbers for the call are: France (+33 (0) 170 99 42 70 and toll free 0805 631 580); USA (+1 212 444 0895 and toll free 1 877 249 9037); and international (+44 (0) 20 7136 2050). The participant access code is: Aperam.

A replay of the conference call will be available until November 6, 2012: France (+33 (0) 174 20 28 00); USA (+1 347 366 9565) and international (+44 (0) 20 3427 0598). The participant access code is 4200721#.

Contacts

Corporate Communications / Jean Lasar: +352 27 36 27 27
Investor Relations / Michael Bennett: +352 27 36 27 36

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 10,000 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*). For more information about these risks and uncertainties, the reader is encouraged to refer to page 5 of Aperam's interim financial report for the half year ended June 30, 2012 filed on July 31, 2012. 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)	September 30, 2012	June 30, 2012	September 30, 2011
Non current assets	3,954	3,936	4,258
Intangible assets	854	850	940
Property, plant and equipments	2,621	2,619	2,885
Investments & Other	479	467	433
Current assets & working capital	1,205	1,090	1,558
Inventories, trade receivables & trade payables	831	728	1,088
Other assets	146	127	168
Cash & cash equivalents	228	235	302
Shareholders' equity	3,218	3,176	3,580
Group share	3,214	3,170	3,576
Non-controlling interests	4	6	4
Non current liabilities	954	971	1,038
Interest bearing liabilities	559	578	594
Deferred employee benefits	171	168	179
Provisions and other	224	225	265
Current liabilities (excluding trade payables)	987	879	1,198
Interest bearing liabilities	656	539	746
Other	331	340	452

APERAM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in million of U.S. dollars)	Three Months Ended			Nine Months Ended	
	September 30, 2012	June 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Sales	1,207	1,351	1,520	3,967	4,909
EBITDA	42	65	62	171	303
Depreciation & impairment	71	84	82	232	229
Operating (loss) / income	(29)	(19)	(20)	(61)	74
Income from other investments	-	1	-	1	1
Net interest expense and other net financing costs	(12)	(20)	(24)	(45)	(97)
Unrealized foreign exchange and derivative gains / (losses)	8	(9)	(32)	-	(32)
Loss before taxes	(33)	(47)	(76)	(105)	(54)
Income tax benefit	16	19	35	49	40
Net loss	(17)	(28)	(41)	(56)	(14)

APERAM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in million of U.S. dollars)	Three Months Ended			Nine Months Ended	
	September 30, 2012	June 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Net loss	(17)	(28)	(41)	(56)	(14)
Depreciation and impairment	71	84	82	232	229
Change in working capital	(96)	12	58	(57)	(219)
Other	(8)	(40)	21	(62)	(34)
Net cash (used in) provided by operating activities	(50)	28	120	57	(38)
Purchase of property, plant and equipments (CAPEX)	(41)	(43)	(48)	(124)	(107)
Loans under cash pooling arrangements	-	-	-	-	647
Other investing activities (net)	7	(1)	9	3	7
Net Cash (used in) provided by investing activities	(34)	(44)	(39)	(121)	547
Proceeds (payments) from payable to banks and long term debt	92	106	(12)	93	267
Borrowings (repayments) under cash pooling arrangements (net)	-	-	-	-	(540)
Dividends paid	(17)	(14)	(14)	(46)	(44)
Other financing activities (net)	1	(2)	(2)	(2)	(4)
Net cash provided by (used in) financing activities	76	90	(28)	45	(321)
Net (decrease) increase in cash and cash equivalents	(8)	74	53	(19)	188
Effect of exchange rate changes on cash	1	(6)	(17)	-	(6)
Change in cash and cash equivalents	(7)	68	36	(19)	182

Appendix 1a – Health & Safety statistics

Health & Safety Statistics	Three Months Ended		
	September 30, 2012	June 30, 2012	March 31, 2012
Frequency Rate	1.3	1.0	1.0

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, 2012	Stainless & Electrical Steel ^{1,2}	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	370	165	8	(133)	410
Steel selling price (USD/t)	2,423	3,060	16,962		2,830
Financial information					
Sales (USDm)	930	526	139	(388)	1,207
EBITDA (USDm)	14	9	16	3	42
Depreciation & Impairment (USDm)	57	7	1	6	71
Operating (loss) / income (USDm)	(43)	2	15	(3)	(29)

Note 1: Stainless & Electrical Steel shipments of 370kt of which 151kt were from South America and 219kt were from Europe

Note 2: Stainless & Electrical Steel EBITDA of USD 14m of which USD 26m were from South America and USD (12)m were from Europe

Quarter Ended June 30, 2012	Stainless & Electrical Steel ^{1,2}	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	426	170	10	(173)	433
Steel selling price (USD/t)	2,501	3,140	17,295		2,993
Financial information					
Sales (USDm)	1,108	559	172	(488)	1,351
EBITDA (USDm)	39	5	16	5	65
Depreciation & Impairment (USDm)	71	8	2	3	84
Operating (loss) / income (USDm)	(32)	(3)	14	2	(19)

Note 1: Stainless & Electrical Steel shipments of 426kt of which 163kt were from South America and 263kt were from Europe

Note 2: Stainless & Electrical Steel EBITDA of USD 39m of which USD 33m were from South America and USD 6m 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 launched on December 16, 2010, and subsequently accelerated and increased, to target management gains and profit enhancement of USD 350 million by 2013.

⁵ Subject to eligible collateral available