

First quarter 2015 results[1]

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, 2015

Luxembourg, May 5, 2015

Highlights

- Health and Safety frequency rate^[2] of 1.3x in Q1 2015 compared to 1.8x in Q4 2014.
- Shipments of 469 thousand tonnes in Q1 2015 compared to shipments of 439 thousand tonnes in Q4 2014.
- EBITDA^[3] of USD 133 million in Q1 2015, compared to EBITDA of USD 117 million in Q4 2014.
- Net Income of USD 42 million in Q1 2015, compared to Net Income of USD 19 million in Q4 2014.
- Basic earnings per share of USD 0.54 in Q1 2015.
- Cash flow from operations amounted to USD 80 million in Q1 2015.
- Net debt⁴ of USD 508 million on March 31, 2015, representing a gearing of 22% compared to a net debt of USD 536 million on December 31, 2014.

Prospects

- EBITDA in Q2 2015 is expected to increase compared to EBITDA in Q1 2015.
- Net debt to slightly decrease in Q2 2015.

Leadership Journey update

- Announcement of additional Leadership Journey[®] gains target of USD 100 million to reach USD 575 million by the end of 2017.

Timoteo Di Maulo, CEO of Aperam, commented:

"With the best quarterly net result since the spin-off, the first quarter reflects Aperam's successful implementation of the Leadership Journey[®] and the Top Line strategy.

Looking forward, despite uncertainties regarding the current economic environment and the nickel price, we are convinced that we will continue to deliver solid set of performance."

Financial Highlights (on the basis of IFRS)

(USDm) unless otherwise stated	Q1'15	Q4'14	Q1'14
Sales	1,258	1,291	1,394
EBITDA	133	117	129
Operating income	86	53	54
Net income	42	19	19
Steel shipments (000t)	469	439	475
EBITDA/tonne (USD)	284	267	272
Basic earnings per share (USD)	0.54	0.24	0.24

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 first quarter of 2015 compared to 1.8x in the fourth quarter of 2014.

Financial results analysis

Sales in the first quarter of 2015 decreased by 3% to USD 1,258 million compared to USD 1,291 million in the fourth quarter of 2014. Shipments in the first quarter of 2015 were at 469 thousand tonnes compared to 439 thousand tonnes in the fourth quarter of 2014.

EBITDA was USD 133 million in the first quarter of 2015 compared to EBITDA of USD 117 million in the fourth quarter of 2014. Despite increasing pressure on selling prices, EBITDA increased quarter on quarter as a result of 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 440 million to EBITDA since the beginning of 2011.

Depreciation and amortization expense in the first quarter of 2015 was USD 47 million.

Aperam had an operating income in the first quarter of 2015 of USD 86 million compared to USD 53 million in the previous quarter.

Net interest expense and other net financing costs in the first quarter of 2015 were USD 35 million, including USD 12 million of financing costs and USD 14 million of non-recurring expenses. These extraordinary items were related to the early redemption of the USD 250 million Bonds due 2018 on April 1, 2015 and the early amortization of arrangement fees of the High Yield Bonds 2018 and the USD 400 million borrowing base facility which has been replaced with a new facility of USD 500 million in March 2015. Realized and unrealized foreign exchange and derivative gains were USD 3 million in Q1 2015.

The Company recorded a net income of USD 42 million, inclusive of an income tax expense of USD 12 million, in the first quarter of 2015.

Cash flows from operations in the first quarter of 2015 were USD 80 million, with a working capital increase of USD 43 million. CAPEX in the first quarter was USD 34 million.

As of March 31, 2015, shareholders' equity was USD 2,276 million and net financial debt⁴ was USD 508 million (gross financial debt as of March 31, 2015 was USD 784 million and cash and cash equivalents were USD 276 million).

The Company had liquidity of USD 776 million as of March 31, 2015, consisting of cash and cash equivalents of USD 276 million and undrawn credit lines⁶ of USD 500 million.

Operating segment results analysis

Stainless & Electrical Steel

The Stainless & Electrical Steel segment had sales of USD 1,021 million in the first quarter of 2015. This represents an increase of 1% compared to sales of USD 1,008 million in the fourth quarter of 2014. Shipments during the first quarter were 462 thousand tonnes compared to shipments of 412 thousand tonnes in the previous quarter. The segment had EBITDA of USD 110 million in the first quarter of 2015, including USD 4 million positive results from sale of electricity surplus in Brazil, compared to USD 94 million in the fourth quarter of 2014, including a positive USD 13 million from the sale of electricity surplus. Despite the impact of the traditional seasonality on volumes in Brazil, the operational profitability improved in South America mainly due to the continuous contribution of the Leadership Journey® and Top Line strategy. The performance in Europe improved mainly as a result of better activity as well as the good progress on Top Line strategy and Leadership Journey® actions. Overall, average steel selling prices for the Stainless & Electrical Steel segment were lower for the quarter.

Depreciation and amortization expense was USD 40 million in the first quarter of 2015.

The Stainless & Electrical Steel segment had an operating income of USD 70 million during the first quarter of 2015 compared to USD 37 million in the fourth quarter of 2014.

Services & Solutions

The Services & Solutions segment had a 10% increase in sales during the quarter, from USD 526 million in the fourth quarter of 2014 to USD 580 million in the first quarter of 2015. In the first quarter of 2015, shipments were 200 thousand tonnes compared to 165 thousand tonnes in the previous quarter. The Services & Solutions segment had lower average selling prices for the period compared to the previous quarter.

The segment had EBITDA in the first quarter of 2015 of USD 18 million compared to EBITDA of USD 13 million in the fourth quarter of 2014. The increase of volumes and the Top Line strategy enabled to more than compensate the negative impact of the nickel price decrease.

Depreciation and amortization expense in the first quarter of 2015 was USD 5 million.

The Services & Solutions segment had an operating income of USD 13 million in the first quarter of 2015 compared to USD 8 million in the fourth quarter of 2014.

Alloys & Specialties

The Alloys & Specialties segment had sales in the first quarter of 2015 of USD 154 million, representing a decrease of 7% compared to USD 165 million in the fourth quarter of 2014. Shipments increased from 9 thousand tonnes in the fourth quarter of 2014 to 10 thousand tonnes the first quarter of 2015, while average selling prices decreased quarter over quarter.

The Alloys & Specialties segment achieved EBITDA of USD 14 million in the first quarter of 2015 compared to USD 11 million in the fourth quarter of 2014. The EBITDA increased over the quarter as a result of operational performance recovery.

Depreciation and amortization expense in the first quarter of 2015 was USD 2 million.

The Alloys & Specialties segment had operating income of USD 12 million in the first quarter of 2015 compared to USD 10 million in the fourth quarter of 2014.

Recent developments

- On March 2, 2015, Aperam announced that Bert Lyssens is appointed Head of Sustainability, Human Resources and Communications effective April 1, 2015. Bert is a Member of Aperam's Leadership Team and reports to Timoteo Di Maulo, CEO of Aperam.
- On April 1, 2015, Aperam early redeemed its High Yield Bond USD 250 million, due in 2018.

- On April 3, 2015, Aperam announced the publication of the convening notice for its Annual General Meeting of shareholders to be held on May 5, 2015.
- On April 8, 2015, Moody's Investors Service upgraded Aperam's corporate family rating to Ba2 from Ba3. The outlook is positive.
- On April 15, 2015, Aperam announced the publication of its "made for life" report for 2014, which constitutes Aperam's sustainability performance report.
- On April 30, 2015, Standard & Poor's Ratings Services upgraded Aperam's long-term corporate credit rating from 'BB-' to 'BB'. The outlook is stable.

New developments

- On May 5, 2015, Aperam announces that the Annual General Meeting of Shareholders of Aperam held in Luxembourg on the same day approved all resolutions on the agenda by a large majority.
- On May 5, 2015, Aperam announces tranche 2 of its assets base upgrade with an additional USD 30 million CAPEX program to be implemented by 2016.
- On May 5, 2015, Aperam announces expansion of its Leadership Journey® program to reach USD 575 million gains by the end of 2017 targeting further improvement of costs competitiveness and productivity.

Investor conference call

Aperam management will host a conference call for members of the investment community to discuss the first quarter 2015 financial performance at the following time:

Date	New York	London	Luxembourg
Tuesday, May 5, 2015	12:30 pm	5:30 pm	6:30 pm

The dial-in numbers for the call are: France (+33(0) 1 76 77 22 31); USA (+1212 444 0481); and international +44(0) 20 3427 1914). The participant access code is: 7293656#.

A replay of the conference call will be available until May 11, 2015: 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 7293656#.

Contacts

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About Aperam

Aperam is a global player in stainless, electrical and specialty steel, with customers in over 40 countries. The business is organized in three primary operating segments: 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 specialty products. 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 production facilities located in Brazil, Belgium and France. Aperam has about 9,400 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 2014, Aperam had revenues of USD 5.5 billion and shipments of 1.81 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 forwardlooking 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)	March 31, 2015	December 31, 2014	March 31, 2014
Non current assets	2 856	3,221	3,687
Intangible assets	599	696	813
Property, plant and equipments	1 737	2,026	2,364
Investments & Other	520	499	510
Current assets & working capital	999	999	1,078
Inventories, trade receivables & trade payables	603	638	621
Other assets	120	164	158
Cash, cash equivalents and restricted cash	276	197	299
Shareholders' equity	2 276	2,676	3,026
Group share	2 272	2,672	3,021
Non-controlling interests	4	4	5
Non current liabilities	906	1,162	1,202
Interest bearing liabilities	443	693	770
Deferred employee benefits	187	213	221
Provisions and other	276	256	211
Current liabilities (excluding trade payables)	673	382	537
Interest bearing liabilities	341	40	218
Other	332	342	319

APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in million of U.S. dollars)	Three Months Ended		
	March 31, 2015	December 31, 2014	March 31, 2014
Sales	1 258	1,291	1,394
EBITDA	133	117	129
Depreciation & impairment	47	64	75
Operating income	86	53	54
Loss from other investments, associates and joint ventures	-	(9)	-
Net interest expense and other net financing costs	(35)	(21)	(29)
Foreign exchange and derivative gains / (losses)	3	2	(3)
Income before taxes	54	25	22
Income tax expense	(12)	(6)	(3)

Net income	42	19	19
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APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in million of U.S. dollars)	Three Months Ended		
	March 31, 2015	December 31, 2014	March 31, 2014
Net income	42	19	19
Depreciation and impairment	47	64	75
Change in working capital	(43)	(3)	(56)
Other	34	28	(18)
Net cash provided by operating activities	80	108	20
Purchase of property, plant and equipment (CAPEX)	(34)	(38)	(22)
Other investing activities (net)	(1)	(1)	-
Net Cash used in investing activities	(35)	(39)	(22)
Proceeds from (payments to) banks and long term debt	52	(258)	2
Other financing activities (net)	-	(8)	(1)
Net cash provided by / (used in) financing activities	52	(266)	1
Effect of exchange rate changes on cash	(18)	(5)	4
Change in cash and cash equivalent	79	(202)	3

Appendix 1a - Health & Safety statistics

Health & Safety Statistics	Three Months Ended		
	March 31, 2015	December 31, 2014	March 31, 2014
Frequency Rate	1.3	1.8	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 March 31, 2015	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	462	200	10	(203)	469
Steel selling price (USD/t)	2,123	2,737	14,795		2,568
Financial information					
Sales (USDm)	1,021	580	154	(497)	1,258
EBITDA (USDm)	110	18	14	(9)	133
Depreciation & Impairment (USDm)	40	5	2	-	47
Operating income / (loss) (USDm)	70	13	12	(9)	86

Quarter Ended December 31, 2014	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	412	165	9	(147)	439
Steel selling price (USD/t)	2,316	2,992	16,577		2,792
Financial information					
Sales (USDm)	1,008	526	165	(408)	1,291
EBITDA (USDm)	94	13	11	(1)	117
Depreciation & Impairment (USDm)	57	5	1	1	64
Operating income / (loss) (USDm)	37	8	10	(2)	53

^[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] Net debt refers to long-term debt, plus short-term debt, less cash and cash equivalents (including short-term investments) and restricted cash.

^[5] 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 February 6, 2014, Aperam announced an expansion of Leadership Journey® to

USD 475 million by 2015. On May 5, 2015, Aperam announces expansion of the Leadership Journey® program by USD 100 million by the end of 2017.

⁶ Subject to eligible collateral available.