

Second quarter 2015 results

Luxembourg, July 29, 2015

Aperam (referred to as "Aperam" or the "Company") (Amsterdam, Luxembourg, Paris: APAM and NYRS: APEMY), announced today results for the three month period ended June 30, 2015

Highlights

- Health and Safety frequency rate² of 0.8x in Q2 2015 compared to 1.3x in Q1 2015.
- Shipments of 486 thousand tonnes in Q2 2015 compared to 469 thousand tonnes in Q1 2015.
- EBITDA³ of USD 155 million in Q2 2015, compared to USD 133 million in Q1 2015.
- Net Income of USD 66 million in Q2 2015, compared to USD 42 million in Q1 2015.
- Basic earnings per share of USD 0.85 in Q2 2015 compared to USD 0.54 in Q1 2015.
- Cash flow from operations amounted to USD 78 million in Q2 2015 compared to USD 80 million in Q1 2015.
- Net debt⁴ of USD 454 million (with a gearing of 19%) as of June 30, 2015, compared to USD 508 million as of March 31, 2015.

Prospects

- EBITDA in Q3 2015 is expected to be lower compared to Q2 2015 due to the traditional seasonal slowdown and current economic environment.
- Net debt to slightly decrease in Q3 2015.

Timoteo Di Maulo, CEO of Aperam, commented:

"We are pleased to have continued to enhance our net income in the second quarter thanks to the Leadership Journey^{®5} and the Top Line strategy but also due to the recent actions to optimise Aperam's cost of debt. For the remainder of 2015, we are cautious in view of the current economic environment and in particular uncertainties regarding the nickel price evolution. However we are confident that the ongoing projects will continue to improve our operational agility and efficiency."

Financial Highlights (on the basis of IFRS)

(USDm) unless otherwise stated	Q2 15	Q1 15	Q2 14	H1 2015	H1 2014
Sales	1,264	1,258	1,444	2,522	2,838
EBITDA	155	133	164	288	293
Operating income	109	86	107	195	161
Net income	66	42	36	108	55
Steel shipments (000t)	486	469	466	955	941
EBITDA/tonne (USD)	319	284	352	302	311
Basic earnings per share (USD)	0.85	0.54	0.46	1.39	0.70

Health & Safety results analysis

Health and Safety performance based on Aperam personnel figures and contractors' lost time injury frequency rate² was 0.8x in the second quarter of 2015 compared to 1.3x in the first quarter of 2015.

Financial results analysis

Sales in the second quarter of 2015 were stable at USD 1,264 million compared to USD 1,258 million in the first quarter of 2015. Shipments in the second quarter of 2015 increased by 4% at 486 thousand tonnes compared to 469 thousand tonnes in the first quarter of 2015.

EBITDA was USD 155 million in the second quarter of 2015 compared to EBITDA of USD 133 million in the first quarter of 2015. EBITDA increased as a result of improved apparent stainless steel demand in Europe, the Leadership Journey^{®5} contribution, the Top Line strategy and the seasonal recovery in South America. The Leadership Journey[®] has continued to progress over the quarter and has contributed a total amount of USD 455 million to EBITDA since the beginning of 2011.

Depreciation and amortization expense in the second quarter of 2015 was USD 46 million.

Aperam had an operating income in the second quarter of USD 109 million compared to an operating income of USD 86 million in the previous quarter.

The Company recorded a loss from other investments of USD 6 million on its minority stake it holds in Gerdau, a Brazilian steelmaker, according to the prolonged decline of the share price of that investment compared to its book value.

Net interest expense and other financing costs in the second quarter of 2015 were USD 15 million, primarily related to financing costs of USD 7 million. Realized and unrealized foreign exchange and derivative gains were USD 2 million in the second quarter of 2015.

The Company recorded a net income of USD 66 million, inclusive of an income tax expense of USD 23 million, in the second quarter of 2015.

Cash flows from operations in the second quarter were positive at USD 78 million, despite a working capital increase of USD 24 million. CAPEX in the second quarter was USD 24 million.

As of June 30, 2015, shareholders' equity was USD 2,449 million and net financial debt⁴ was USD 454 million (gross financial debt as of June 30, 2015 was USD 526 million and cash and cash equivalents were USD 72 million).

The Company had liquidity of USD 522 million as of June 30, 2015, consisting of cash and cash equivalents of USD 72 million and undrawn credit lines⁶ of USD 450 million.

Operating segment results analysis

Stainless & Electrical Steel

The Stainless & Electrical Steel segment had sales of USD 1,031 million in the second quarter of 2015. This represents an increase of 1% compared to sales of USD 1,021 million in the first quarter of 2015. Shipments during the second quarter were 483 thousand tonnes. This is an increase of 5% compared to shipments of 462 thousand tonnes in the previous quarter. The volume increase was mainly due to seasonal recovery in South America compared to the first quarter.

The segment had EBITDA of USD 139 million in the second quarter of 2015 compared to USD 110 million in the first quarter of 2015. The results from sale of electricity surplus in Brazil were insignificant in the second quarter compared to USD 4 million positive in the first quarter 2015. The operational profitability of South America improved despite weaker local market conditions, primarily thanks to the Top Line strategy and Leadership Journey[®] actions. In Europe, the performance improved due to the good contribution of the Leadership Journey[®], the Top Line strategy.

Overall, average selling prices for the Stainless & Electrical Steel segment were lower for the quarter, mainly due to nickel price.

Depreciation and amortization expense was USD 39 million in the second quarter of 2015.

The Stainless & Electrical Steel segment had an operating income of USD 100 million during the second quarter of 2015 compared to an operating income of USD 70 million in the first quarter of 2015.

Services & Solutions

The Services & Solutions segment had a 2% decrease in sales during the quarter, from USD 580 million in the first quarter of 2015 to USD 569 million in the second quarter of 2015. In the second quarter of 2015, shipments increased by 1% at 202 thousand tonnes compared to 200 thousand tonnes in the previous quarter. The Services & Solutions segment had lower average selling prices during the quarter compared to the previous quarter.

The segment had EBITDA of USD 14 million in the second quarter of 2015 compared to EBITDA of USD 18 million in the first quarter of 2015. Overall, the decrease of EBITDA was mainly due to the negative stock effect related to the nickel price.

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

The Services & Solutions segment had an operating income of USD 9 million in the second quarter of 2015 compared to an operating income of USD 13 million in the first quarter of 2015.

Alloys & Specialties

The Alloys & Specialties segment had sales in the second quarter of 2015 of USD 157 million, representing an increase of 2% compared to USD 154 million in the first quarter of 2015. Shipments in the second quarter of 2015 were comparable to shipments in the first quarter of 2015 at 10 thousand tonnes. Average selling prices increased quarter over quarter.

The Alloys & Specialties segment achieved EBITDA of USD 13 million in the second quarter of 2015 compared to USD 14 million in the first quarter of 2015. The EBITDA decrease is mainly due to product mix and negative forex translation effect.

Depreciation and amortization expense in the second quarter of 2015 was USD 1 million.

The operating income of the Alloys & Specialties segment in the second quarter of 2015 was stable compared to the first quarter at USD 12 million.

New developments

- On July 29, 2015, the Company announced tranche 3 of its assets base upgrade with an additional USD 30 million CAPEX on improving efficiency and competitiveness in Gueugnon (lines CR6, BA8) and in Imphy (compact box annealing furnaces of the Wire Rod mill). These investments are part of the announced extension of the Leadership Journey® to USD 575 million.

Investor conference call

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

Date	New York	London	Luxembourg
Wednesday, July 29, 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 30); USA (+1 646 254 3360); and international (+44(0)20 3427 1918). The participant access code is: 1071193#.

A replay of the conference call will be available until August 4th, 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 1071193#.

Contacts

Corporate Communications / Laurent Beauloye: +352 27 36 27 27
Investor Relations / Romain Grandsart: +352 27 36 27 36

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 tons of flat Stainless and Electrical 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.

At the end of June 2015, Aperam had approximately 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 2014, Aperam had sales of \$5.5 billion and shipments of 1.81 million tons. For the six months ended 30 June 2014, Aperam had sales of \$2.8 billion and shipments of 0.94 million tons. For the six months ended June 30, 2015, Aperam had sales of \$2.5 billion and shipments of 0.95 million tons.

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)	June 30, 2015	March 31, 2015	June 30, 2014
Non current assets	2,894	2,856	3,716
Intangible assets	619	599	812
Property, plant and equipments	1,774	1,737	2,351
Investments and Other	501	520	553
Current assets & working capital	842	999	1,066
Inventories, trade receivables and trade payables	650	603	678
Other assets	120	120	217
Cash, cash equivalents and restricted cash	72	276	171
Shareholders' equity	2,449	2,276	3,149
Group share	2,445	2,272	3,144
Non-controlling interests	4	4	5
Non current liabilities	924	906	1,158
Interest bearing liabilities	446	443	714
Deferred employee benefits	193	187	218
Provisions and other	285	276	226
Current liabilities (excluding trade payables)	363	673	475
Interest bearing liabilities	80	341	120
Other	283	332	355

APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in million of U.S. dollars)	Three Months Ended			Six Months Ended	
	June 30, 2015	March 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Sales	1,264	1,258	1,444	2,522	2,838
EBITDA	155	133	164	288	293
Depreciation & impairment	46	47	57	93	132
Operating income	109	86	107	195	161
Loss from other investments and associates	(6)	-	(28)	(6)	(28)
Net interest expense and other net financing costs	(15)	(35)	(30)	(50)	(59)
Foreign exchange and derivative gains / (losses)	2	3	-	5	(3)
Income before taxes and non-controlling interests	90	54	49	144	71
Income tax expense	(23)	(12)	(13)	(35)	(16)
Income before non-controlling interests	67	42	36	109	55
Non-controlling interests	1	-	-	1	-
Net income	66	42	36	108	55

APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in million of U.S. dollars)	Three Months Ended			Six Months Ended	
	June 30, 2015	March 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Net income	66	42	36	108	55
Non-controlling interests	1	-	-	1	-
Depreciation and impairment	46	47	57	93	132
Change in working capital	(24)	(43)	(61)	(67)	(117)
Other	(11)	34	15	23	(3)
Net cash provided by operating activities	78	80	47	158	67
Purchase of PPE, intangible and biological assets (CAPEX)	(24)	(34)	(19)	(58)	(41)
Other investing activities (net)	3	(1)	8	2	8
Net Cash used in investing activities	(21)	(35)	(11)	(56)	(33)
Proceeds (payments) from payable to banks and long term debt	(265)	52	(159)	(213)	(157)
Other financing activities (net)	(1)	-	(1)	(1)	(2)
Net cash (used in) / provided by financing activities	(266)	52	(160)	(214)	(159)
Effect of exchange rate changes on cash	5	(18)	1	(13)	5
Change in cash and cash equivalent	(204)	79	(123)	(125)	(120)

Appendix 1a - Health & Safety statistics

Health & Safety Statistics	Three Months Ended		
	June 30, 2015	March 31, 2015	June 30, 2014
Frequency Rate	0.8	1.3	1.4

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 June 30, 2015	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	483	202	10	(209)	486
Steel selling price (USD/t)	2,057	2,677	15,487		2,504
Financial information					
Sales (USDm)	1,031	569	157	(493)	1,264
EBITDA (USDm)	139	14	13	(11)	155
Depreciation & Amortization (USDm)	39	5	1	1	46
Operating income / (loss) (USDm)	100	9	12	(12)	109

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 & Amortization (USDm)	40	5	2	-	47
Operating income / (loss) (USDm)	70	13	12	(9)	86

[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. Aperam targets a contribution to EBITDA of a total amount of USD 475 million by end of 2015 and of USD 575 million by end of 2017, since the beginning of 2011.

⁶ Subject to eligible collateral available.