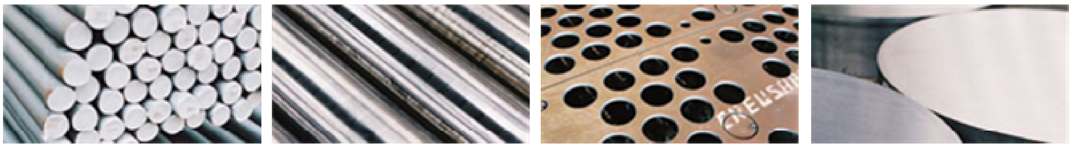

PRESS RELEASE

2008 results

Substantial Free Cash Flow generated in 2008 despite a difficult environment

- **2008 results affected by stock clearances by our clients over the 4th quarter**
- **WCR under control, 80 million euros in free cash flow generated in 2008**
- **Reduced debt and banking covenants complied with**
- **Proposed dividend: 0.8 euro per share**
- **Priority given to organic growth and generation of free cash flow**

Nanterre, 10th February 2009 - IMS, a European leader in the distribution of special steels, today published its 2008 annual results.

Consolidated accounts were today presented to the Supervisory Board, chaired by Yvon Jacob.
IMS recorded turnover of 279.6 million euros over the fourth quarter of 2008, a fall of 17.2% on the final quarter of 2007. Over 2008 as a whole, turnover totalled 1,407.0 million euros, down by 1.3% on the 2007 figure.

Fourth-quarter operating profit excluding non-recurrent elements was slightly positive (+0.5 million euros), despite the particularly negative impact on volumes of the stock clearances observed amongst IMS' clients over the period (-17.4 %). Over 2008 as a whole, operating profit totalled 60.5 million euros (-45.4%). Adjusted for the negative windfall effect estimated at -17.7 million euros, operating profit was 78.2 million euros (-26.2%).

Control of Working Capital Requirements enabled the generation of close to 73 million euros of free cash flow during the 4th quarter of 2008 and a reduction in the net financial debt to 205.4 million euros, say a gearing of 62%, at 31st December 2008.

(in millions of euros)	Q4 2007	Q4 2008	Change	12 months 2007	12 months 2008	Change
Volumes (tonnes)	162,055	133,862	-17.4%	650,556	660,426	+1.5%
Turnover	337.5	279.6	-17.2%	1,425.8	1,407.0	-1.3%
Operating profit	13.9	-3.4	ns	110.9	60.5	-45.4%
Net profit	9.2	-7.5	ns	63.7	31.4	-50.6%
Free cash flow	+15.8	+72.7	ns	+0.3	+79.9	ns
Net debt(1)				218.3	205.4	-5.9%

(1)*Including factoring*

Commenting these results, Jean-Yves Bouffault, Chairman of the Board, said:
"IMS has been able to rapidly adapt to a late-2008 market environment marked by substantial stock clearances, brutal but temporary, by putting the priority on generating cash flow. The halt in external growth operations, announced back in July 2008, and the substantial reduction in our inventories over the 4th quarter of 2008 have allowed the Group to reduce its debt. IMS is entering 2009 with confidence and vigilance."

1 –**2008 key events**

The growth strategy implemented within the framework of the 2008-2010 strategic plan recorded two contrasting periods, in 2008:

- from January to September, three quarters marked by an increase in volumes of +1.5%, taking all product lines into account;
- a fourth quarter characterised from the second half of October, by a fall of 17.1% in distributed volumes.

This brutal downturn in the evolution of IMS' sales during the final quarter of the year is the result of a stock-clearance phenomenon amongst our clients, the effects of which are severe but temporary.

The deterioration in the economic and financial situation led the Group to take the decision, from July 2008, to postpone the finalisation of any further external growth operations and to put the priority on the organic growth of its activities.

Moreover, IMS anticipated this evolution in its markets. From September 2008, the Group implemented action plans aimed at reducing debt and adapting its organisation with a twofold objective:

- reduce debt in order to securely make it through the stock-clearance phase, notably in terms of complying with its banking covenants;
- anticipate 2009 by launching suitable adjustment measures for its organisation in order to have a cost structure that is adapted to the levels of activity expected once the stock-clearance period ends.

Lastly, IMS finalised its refocusing on its special steel distribution activity in Europe through the divestment of its North American subsidiary, Astralloy Steel Products, end of June 2008.

2 – **Activity by product line**

Engineering

Engineering, 2008 vs. 2007*	Q1	Q2	Q3	Q4	Total
Turnover	**+20.6%**	**+17.3%**	**+10.1%**	**-13.2%**	**+8.6%**
Volume effect	+7.4%	+5.8%	-1.5%	-22.6%	-2.8%
Price effect	+8.0%	+5.2%	+10.9%	+8.8%	+8.1%
Scope effect	+5.2%	+6.3%	+0.7%	+0.6%	+3.3%
Turnover, constant scope	+15.4%	+11.0%	+9.4%	-13.8%	+5.3%

** Including tool steels*

- The price effect remained very positive, including over the 4th quarter of 2008. Within the context of price hikes through to September 2008, IMS passed on to its clients the price increases implemented by its suppliers from the 2nd quarter of the year, and successfully implemented various actions aimed at preserving its margins during the 4th quarter. The average selling price through 2008 was some 100 euros a tonne above the 2007 level.

- Sales of tool steels represented 62.8 million euros in 2008 (30,987 tonnes), versus 49.4 million euros in 2007 (23,491 tonnes).

Stainless

Stainless 2008 vs 2007	Q1	Q2	Q3	Q4	Total
Turnover	**-3.1%**	**-13.4%**	**-16.2%**	**-24.5%**	**-14.0%**
Volume effect	-2.3%	-2.8%	+3.5%	-14.5%	-4.1%
Price effect	-15.3%	-19.5%	-20.6%	-10.9%	-16.4%
Scope effect	+14.5%	+8.9%	+0.9%	+0.9%	+6.5%
Turnover, constant scope	-17.6%	-22.3%	-17.1%	-25.4%	-20.5%

- The breakdown in the evolution of turnover between the volume, price and scope effects highlights the continuing stock clearances resulting from the ongoing fall in the price of nickel, which began during the 3rd quarter of 2007 and continued until the end of the 2nd quarter of 2008. The volume effect became positive again during the 3rd quarter of 2008 before falling sharply during the 4th quarter. This stock-clearance phenomenon is part of a general trend that is affecting almost all sectors of industry in Europe.

- The change in stainless steel prices reflects, in large part, the evolution of the cost of alloys and metals used in the fabrication process, such as nickel, molybdenum and chrome. The average selling price, which fell slightly from 4,900 to 4,800 euros a tonne during the first nine months of the year, fell to 4,361 euros a tonne during the 4th quarter. For the record, the average selling price for stainless steel stood at 6,000 euros a tonne over the 2nd and 3rd quarters of 2007.

Wear-Resistant

Wear-resistant 2008 vs 2007	Q1	Q2	Q3	Q4	Total
Turnover	**+22.6%**	**+28.1%**	**+7.2%**	**-14.6%**	**+11.3%**
Volume effect	+5.8%	+4.8%	-4.9%	-23.8%	-4.0%
Price effect	+5.2%	+9.8%	+6.6%	+8.7%	+7.4%
Scope effect	+11.6%	+13.5%	+5.5%	+0.5%	+7.9%
Turnover, constant scope	+11.0%	+14.6%	+1.7%	-15.1%	+3.4%

Demand was particularly well oriented over the first half of 2008, but recorded a substantial fall during the fourth quarter due to stock clearances. As was the case for engineering steel, the average selling price benefitted from the increase in basic steel prices over the 2nd and 3rd quarters, and remained high towards the end of the year. The average selling price per tonne over 2008 was thus 150 euros higher than in 2007.

3 – **Reduction in debt, Working Capital Requirements under control**

On a constant scope basis and incorporating client factoring, operating WCR represented 103 days of turnover at the end of 2008, compared to 118 days in 2007, an improvement of close to 13%. The reduction in our inventories and the efforts carried out vis-à-vis our suppliers are behind this performance.
The substantial generation of free cash flow during the 4th quarter of 2008 enabled debt to be cut from 269 million euros at 30th September 2008 to 205 million euros at 31st December 2008.
At 31st December 2008, the Group had available and as yet unused credit lines worth 259 million euros, close to 50% of which had been reaffirmed. Syndicated debt and equivalents will only mature in February 2012.

4 – Outlook

IMS will provide guidance on its 2009 activity once the stock clearance phenomenon observed amongst its clients since mid-October 2008 is completed.
In 2009, IMS will put the priority on organic growth, market share gains, the pursuance of its cost-cutting programme, the reduction of its inventories and the generation of cash flow. The decrease in debt through the generation of free cash flow will allow IMS to meet its banking covenants at 30th June and 31st December 2009. IMS aims to reduce its debt to 150 million euros by 30th June 2009.

5 – Dividend

The Supervisory Board will propose a dividend of 0.8 euros per share to the AGM of 16th June 2009.

IMS is a European leader in the distribution of wear-resistant steel, stainless steel and engineering steel. With a workforce of close to 2,200 staff in 17 European countries, IMS recorded 2008 turnover of 1.4 billion euros.

Listed on Euronext Paris - compartment B of the NYSE Euronext, member of the SBF 120 and Small 90 indices. ISIN: FR0000033904 - Reuters: ITMT.PA - Bloomberg: IMS FP

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Financial schedule

13th May 2009: Publication of accounts to 31st March 2009

16th June 2009: Annual General Meeting