



## PRESS RELEASE

### AN UNACCEPTABLE OFFER

**Nanterre, 10<sup>th</sup> February 2010**

The IMS Supervisory Board met on 9<sup>th</sup> February 2010, to conduct an initial assessment of the share exchange offer project tabled with the *Autorité des Marchés Financiers* (AMF, French stock market regulators) on 3<sup>rd</sup> February 2010 by Jacquet Metals, in which the latter proposes to issue IMS shareholders with 2 Jacquet Metals shares for every 7 IMS shares.

Without prejudice to the reasoned opinion the Board will publish in response to a finalised offer that will have been deemed acceptable by the AMF, the Supervisory Board's initial conclusions are the following.

It is regrettable that, despite the agreement signed during the spring of 2009 allowing the Jacquet grouping to be represented on IMS' Supervisory Board, the increasing strategic divergences expressed over recent months have hindered the implementation of a mutual solution in the interest of all IMS shareholders.

Jacquet Metals' project for the combined group is based on the assertion of a certain number of proposals, which have been the subject of much discussion on the Supervisory Board and its specialised committees, and whose substance is as yet unproven, with some of these measures being surplus to those suggested by the Executive committee and others being based on assessments by Jacquet Metals that are questionable to say the least.

Beyond the insufficient nature of the terms of the offer, which in no way reflects IMS' intrinsic value, the offer project initiated by Jacquet Metals raises a significant number of questions that, today, prevent a fair assessment of its appeal and impact for IMS shareholders.

- The Jacquet Metals shares being offered in exchange are shares whose liquidity is substantially lower than those of IMS. Furthermore, a substantial portion of the value of Jacquet Metals' share price is the result of that company's stake in IMS;
- The 20 to 40 million euros capital increase suggested by Jacquet Metals is totally inadequate to guarantee the redeployment of the new group given current economic conditions and, furthermore, given the total lack of information regarding the terms and the financing of this operation by Jacquet Metals, it is impossible for IMS shareholders to properly analyse the financial structure and the value of the shares in the new group that would thus be created, or their final percentage stake;
- The offer, via the changes in control that could follow, would give IMS and Jacquet Metals' lender banks the right to request the immediate repayment of most loans, thus technically leaving the new group with insufficient funds in the absence of a genuine global refinancing plan, a plan regarding which Jacquet Metals has provided no details and no guarantees. The lack of information and clear and binding commitments in this respect thus implies a risk that is unacceptable for IMS, its employees and its shareholders.

Moreover, during its meeting, the IMS Supervisory Board noted that the Group has already significantly improved its financial situation over the 2<sup>nd</sup> half of 2009, notably cutting its net debt to 158 million euros at 31<sup>st</sup> December 2009 via a 145 million euro reduction in its stocks. Furthermore, the break-even point was cut to 20 million euros in 2009 (\*) in line with the published target. The Supervisory Board has asked the Executive committee to continue implementing its recovery plan and its search for appropriate financing.

IMS will present its detailed results on 18<sup>th</sup> February, after market, and will use that opportunity to announce the key elements of its plan to all its shareholders.

(\*) including 6 million euros over the 1<sup>st</sup> half of 2009 and 14 million euros over the 2<sup>nd</sup> half of 2009, or an annual rate of 28 million euros from 2010



IMS is a European leader in the distribution of wear resistant steel, stainless steel and engineering steel. With a workforce of close to 2,000 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 250 and Small 90 indices.  
ISIN: FR0000033904 - Reuters: ITMT.PA - Bloomberg: IMS FP

[www.ims-group.com](http://www.ims-group.com)

**Financial calendar**

**18<sup>th</sup> February 2010: Publication of 2009 annual revenue and results**

**19<sup>th</sup> February 2010: Financial analysts' meeting**

IMS  
Philippe Brun / Anne-Sophie Guyot  
Tel.: +33 (0)1 41 92 04 23  
[contact@ims-group.com](mailto:contact@ims-group.com)

Euro RSCG – Press Relations  
Benjamin Perret / Tel. : +33 1 58 47 95 39  
My-Lan Poulain / Tel. : + 33 1 58 47 96 36  
[benjamin.perret@eurorscg.fr](mailto:benjamin.perret@eurorscg.fr)  
[Mylan.Poulain@eurorscg.fr](mailto:Mylan.Poulain@eurorscg.fr)

NewCap. – Investor Relations  
Axelle Vuillermet / Emmanuel Huynh  
Tel.: +33 (0)1 44 71 94 94  
[ims@newcap.fr](mailto:ims@newcap.fr)