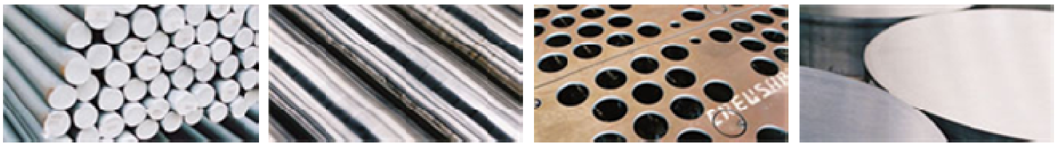
International Metal Service



PRESS RELEASE

2009 RESULTS

Activity affected by an unprecedented crisis
Priority given to debt reduction and to the Group's liquidity
Rapid adaptation of structures to better tackle the end of the crisis

- 2009 results affected by the very sharp deterioration in industrial output in Europe
- Substantial reactivity by the Group to adapt its structure and strengthen its financial solidity
- The situation in Italy is now under control
- Net debt under control and reduced to 158 million euros

Nanterre, 18th February 2010 – The IMS Supervisory Board, chaired by Yvon Jacob, today examined the Group's consolidated accounts.

Commenting these 2009 annual results, Jean-Yves Bouffault, Chairman of the Executive Board, stated:

"IMS' 2009 results reflect the unprecedented crisis affecting the entire sector, but also the Group's ability to adapt. Indeed, faced with a massive and brutal reduction in demand, IMS has been able to keep its net debt under control and to take the necessary operational measures enabling it to now adapt to a difficult environment whilst maintaining strong positions on all of its markets. In 2010, our priority will remain the strengthening of the Group's financial structure, cost reduction and organic growth. IMS is refocusing its organisation on major families of strategic clients in order to achieve increased proximity."

(in millions of euros)	**4th quarter 2008**	**4th quarter 2009**	**Δ**	**2008**	**2009**	**Δ**
Volumes distributed (tonnes)	133,862	95,603	-28.6%	660,426	386,771	-41.4%
Turnover	279.7	173.7	-37.9%	1,407.0	727.1	-48.3%
Operating profit	-3.4	-27.6	ns	60.5	-105.8	ns
Net profit	-7.5	-20.5	ns	31.4	-86.9	ns
Free cash flow	72.7	71.7	-1.4%	79.9	57.7	-27.8%
Net debt *				205.4	158.1	-23.0%

* after the reintegration of deconsolidated factoring

1 – 2009 key events

An unprecedented crisis

2009 saw a substantial deterioration in industrial activity in Europe, with manufacturing output falling an estimated 15% in the European Union compared to 2008.

Within this context, in 2009 IMS recorded revenue of 727.1 million euros, a fall of 48.3% on the 2008 figure, with a -34.3% volume effect and a -13.8% price effect. IMS saw the amount of volumes distributed decrease by around 46% (volume effect) for engineering and wear-resistant steels, and by close to 20% for stainless steel, whilst selling prices fell across all product lines. For stainless steel, there was less of a fall in volumes because of almost uninterrupted inventory reductions since the second half of 2007.

The operating loss came to 105.8 million euros in 2009. This figure includes 45.8 million euros of exceptional and non-recurrent elements, including a negative windfall effect of 27.4 million euros essentially relating to the fall in stainless steel prices, as well as 18.4 million euros in depreciation and restructuring costs. The operating loss generated by IMS SpA alone represented 43.7 million euros.

Urgent measures to get through the crisis and maintain the Group's financial structure

IMS rapidly implemented the operational measures announced at the start of the year in order to reduce its net debt and maintain its liquidity:

- stocks were reduced from 226,000 tonnes at 1st January to 146,000 tonnes at 31st December 2009, in line with the target of 150,000 tonnes announced for the end of 2009 and despite the fall in volumes sold. This reduction contributed 145 million euros to annual cash flow;
- structures were adapted to the fall in activity, and the target of a 20 million euro decrease in the breakeven point in 2009 was reached;
- the Group strictly controlled net operating investments, which were cut to 2.1 million euros in 2009.

All in all, in 2009 IMS recorded free cash flow of +57.7 million euros. This enabled it to reduce its net debt to 158 million euros, giving gearing of 64% at 31st December 2009, barely higher than the 2008 figure of 62%. IMS is thus in line with the net debt limit of 180 million euros at end-2009 imposed by its banking pool.

The situation in Italy is under control

Having made a substantial contribution to the Group's profitability in 2007 and 2008, IMS SpA accounted for over 40% of the Group's 2009 operating loss. The sharp growth recorded in previous years had led the Group's Italian subsidiary to commit itself to substantial purchases in 2008. Therefore, with its volumes sold tumbling 60%, IMS SpA had to sell excess stocks that had been bought when prices were close to their 2008 highs, thus resulting in a negative gross margin (-1.3 million euros) in 2009.

A change in management took place in mid-2009, and a series of specific measures were implemented. The subsidiary's stocks were reduced from 74,000 tonnes at the end of 2008 to 45,000 tonnes at the end of 2009. The action taken to cut expenses enabled a reduction of 4.6 million euros in fixed costs in 2009 (9.1 million euros annual rate from 2010). This action essentially concerned personnel, with a 37% reduction in the workforce by the end of March 2010 compared to the end of 2008, and the distribution network, with the closing of a sales office and 15,000 m² of warehouses in 2 years. Lastly, cost control was intensified whilst a logistics entity responsible for supplies was created. IMS SpA has thus begun 2010 in healthier shape, adapted to the economic situation.

2 – Prospects

The adjustment measures implemented in 2009 will enable the group to break even operationally in 2010. With a positive operating profit expected from the third quarter of 2010 and breakeven operating profitability over the year as a whole, and thanks to good control over its working capital requirements, IMS will aim to reduce its debt to below 150 million euros by the end of 2010. The banking covenants at end-June 2010 will have to be reorganised.

IMS LISTED NYSE EURONEXT

IMS is a European leader in the distribution of steel for the wear-resistant, stainless and engineering markets. With a workforce of close to 2,000 staff in 17 European countries, IMS recorded 2009 turnover of 727 million euros.

Listed on Euronext Paris - compartment B of the NYSE Euronext, member of the SBF 250 and Small 90 indices.
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19th February 2010: Financial analysts meeting

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