



**ERAMET**

Press Release

November 27, 2008

## **Update on the acquisition of Tinfos**

On July 30, 2008, Eramet acquired 56% of the share capital of the Norwegian company Tinfos.

As planned, Tinfos was since split into two subsidiaries in order to separate, on the one hand, certain assets relating to electricity production (including the Notodden power station and smaller hydraulic power station projects — “Tinfos-Notodden”), and, on the other hand, all activities relating to the production of manganese alloys and titanium dioxide slag and the trading of metallurgical products (“Eralloys”). This spin-off was completed on November 25, 2008.

The final phase of the transaction was to include the acquisition by Eramet in late 2008 of 100% of the share capital of Eralloys and the transfer by Eramet to Halvor Holta Holding, one of the historical shareholders of Tinfos, of a majority stake in Tinfos-Notodden, with Eramet retaining the remaining 40%.

Due to the recent general deterioration of the financial markets, which affected Eramet’s share price, the conditions of the exchange of shares with Halvor Holta Holding could no longer be met. As a result, the final phase of the transaction will not occur and the proposed share capital increase of Eramet that would have been made in consideration of the contribution of the Eralloys shares held by Halvor Holta Holding will no longer take place. In addition, Eramet will not proceed with the proposed buy-out of the other minority shareholders (who hold a stake of approximately 7%).

Accordingly, Eramet remains the majority shareholder (holding a 56% stake) alongside Halvor Holta Holding (holding 37%) and other minority shareholders of both Eralloys and Tinfos-Notodden, which were fully consolidated in Eramet’s financial accounts as of August 1, 2008.

The operational integration and the realization of the expected synergies are proceeding very well.

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