



Press Release

Paris, May 13<sup>th</sup>, 2009

## **ERAMET Group**

### **Combined Annual General Meeting of May 13<sup>th</sup>, 2009**

- **Significant dividend maintained: €5.25/share**
- **Swift response from ERAMET to economic crisis**
- **Confidence in the Group's future development prospects**

At the Combined Annual General Meeting of May 13<sup>th</sup>, 2009 under the chairmanship of Patrick Buffet, ERAMET's shareholders passed the 2009 financial statements and all the resolutions put to them.

#### **Significant dividend maintained**

The General Meeting approved the cash payment of a €5.25 dividend per share, to be paid out from May 25<sup>th</sup>, 2009. Taking the more difficult outlook into account, the dividend is slightly lower than the €6.00 dividend per share paid last year, but is still at a significant level. It represents a distribution rate of almost 20% of the Group's share of net income and corresponds to a 3.8% yield based on the share price as on 31/12/2008. In the current crisis context, this dividend is a sign of confidence in the Group's robustness.

#### **Appointment of a new director**

The General Meeting approved the appointment of Mr Jean-Hervé LORENZI as an independent director for four years. Mr LORENZI is a professor of economics at Paris Dauphine, a member of the *Conseil d'analyse économique* (economic analysis council) and an advisor to the Managing Board of Compagnie Financière Edmond de Rothschild. This appointment will increase the number of independent directors to five out of the 15 members of ERAMET's Board of Directors.

#### **Renewal of a director's term**

The General Meeting approved the renewal for four years of the term of office as director of Mr Harold MARTIN, which expires with the present Meeting. Mr MARTIN is President of the New Caledonian Government.

#### **Share buyback program**

The General Meeting renewed the authorisation given to the Board of Directors for the Company to buy back its own shares within a limit of 10% of share capital, in accordance with article L225-209 of the Code of Commerce.

### **Free share grant to all the Group's employees**

The General Meeting approved the 18<sup>th</sup> resolution for the purpose of allowing the grant of up to 85,000 free shares to the Group's employees who are not corporate officers of ERAMET, in order to involve all employees more closely in the Group's performance. It is planned to set up a share grant plan during 2009 with an aggregate vesting and holding period of 4 years. The aim of this plan would be to enable, insofar as possible, all the Group's employees to benefit from a grant of five ERAMET shares, subject to the applicable financial, legal and tax conditions in each country where the Group is based.

### **Swift response from ERAMET to economic crisis and confidence in the Group's future development prospects**

ERAMET Chairman & CEO Patrick Buffet stated, "2008 was a record year for ERAMET, following on from a particularly high 2007. Compared with 2007, current operating income rose 10% to €1.3 billion and the Group's share of net income increased 19% to almost €700 million. As on December 31<sup>st</sup>, 2008, the Group's net cash totalled €1.1 billion.

2008, a record year, was also highly contrasted because of the global crisis that intensified during the 2<sup>nd</sup> half of the year and had a very substantial impact on our markets during the 4<sup>th</sup> quarter. The Group reacted with great responsiveness by implementing efficient adaptation measures, which have been stepped up since 2009 because of economic conditions. These measures particularly include the adjustment of all three divisions' output to demand trends, the substantial decrease in capital expenditure in 2008 and 2009 compared with previous forecasts and the setup of a stringent cost reduction programme. The aim is to preserve a room for financial manoeuvre in order to benefit from the upturn when it will happen.

In its current market environment in terms of both demand and price, and taking into account the depreciation of some inventories, the Group is likely to post a significant current operating loss for the 1<sup>st</sup> half of 2009.

Nevertheless, the current crisis, despite its depth, does not call into question the global economy's substantial future needs for alloying metals and high-performance alloys, particularly in emerging countries for their industrialisation and urbanisation. Thanks in particular to the quality of its deposits, its technologies and its sound financial situation, the Group intends to maintain its medium- and long-term goals by continuing its major development projects, while adjusting their completion schedule in some cases."

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