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PRESS RELEASE

1st quarter turnover 2010

- **Turnover up 19% in the 1st quarter of 2010 compared with 1st quarter of 2009**
- **Improvement in manganese and nickel market conditions**
- **Upturn in current operating income confirmed in 1st half 2010 vs. 2nd half 2009 if current market conditions prevail**

Turnover (€ millions)	Q1 2010	Q1 2009	Change
ERAMET Manganese	409	288	+ 42%
ERAMET Nickel	201	156	+ 29%
ERAMET Alloys	182	222	- 18%
Holding company & eliminations	(3)	(2)	-
ERAMET Group	789	664	+19%

The ERAMET Group's turnover grew 19% in the 1st quarter of 2010 compared with the same period in 2009, thanks to the recovery of nickel and manganese markets. Turnover increased in all three Divisions compared with the 4th quarter of 2010.

Metric tons	Q1 2010	Q1 2009	Change
Manganese ore and sinter production	756 800	343 100	+121%
Manganese alloys production	203 200	107 000	+ 90%
Manganese alloys sales	199 000	136 300	+ 46%
Nickel production*	13 650	13 260	+ 3%
Nickel sales**	13 330	15 940	- 16%

* ferronickel and matte

** finished products

- **ERAMET Manganese: turnover up 42% to 409 M€**

The growth in turnover reflects the business upturn and the ongoing rise in manganese sale prices.

World production of carbon steel increased 29% in the 1st quarter of 2010 compared with the same period in 2009. In March, it regained its early 2008 levels. Chinese output rose 25% in the 1st quarter of 2010, while production in the rest of the world grew 33% from the very low levels of the 1st quarter of 2009.

In response to the recovery in demand, which was intensified by the end of inventory reductions, ERAMET Manganese continued to increase output of manganese ore and alloys. These grew 121% and 90%, respectively, in the 1st quarter of 2010 compared with the same period in 2009, when they were reduced heavily in response to the fall in orders. Production of manganese alloys was nevertheless limited by a technical incident at the Marietta (USA) plant. This situation is expected to continue until the second half of May 2010, when the refurbishment of a furnace is due to be completed. ERAMET Manganese alloys sales rose 46% in volume terms from the 1st quarter of 2009. Inventories were reduced in 2009.

CIF prices for manganese ore continued to recover compared with the 4th quarter of 2009 and grew 18% on average in US dollars in the 1st quarter of 2010 compared with the 1st quarter of 2009. China CIF spot prices exceeded 7 USD/dmtu in the 1st quarter of 2010.

Spot prices for manganese alloys continued to recover in the 1st quarter of 2010.

The turnover of the chemicals and recycling activities grew 7% in the 1st quarter of 2010 compared with the 1st quarter of 2009.

- **ERAMET Nickel: turnover up 29% to 201 M€**

LME nickel prices rose 91% in the 1st quarter of 2010 compared with the same period in 2009 to exceed 9 USD/lb., despite high nickel inventory on the LME (more than 157,000 tons at the end of March 2010).

Nickel demand was healthy, thanks to the improvement in global stainless steel production, which returned to early 2008 levels (up 49% in Q1 2010 vs. Q1 2009) and the lower availability of stainless steel scrap.

Metallurgical output of nickel at the Doniambo (New Caledonia) plant rose 3% to 13,650 tons. Nickel shipments decreased 16% compared with the 1st quarter of 2009, when inventory was reduced substantially.

- **ERAMET Alloys: turnover down 18% to 182 M€**

ERAMET Alloys' turnover decreased 18% in the 1st quarter of 2010 compared with the 1st quarter of 2009.

Turnover fell heavily in the aerospace sector (-30%). It also decreased significantly in the tooling and (-22%) and energy sectors (-26%). Given the increase in raw material prices and demand, Erasteel opted to raise its sales prices for all new contracts and all products.

Compared with the 4th quarter of 2009, ERAMET Alloys sales grew 5% in the 1st quarter of 2010.

1st quarter 2010 highlights

➤ Manganese: developments in Gabon

In January 2010, COMILOG, a 67%-held ERAMET subsidiary, signed agreements with the Gabonese Government on the fiscal framework and hydroelectricity supply for the future Moanda Metallurgical Complex. The project involves the construction in Gabon of a silico-manganese plant and a manganese metal plant, enabling more value to be added locally. Moreover, the plan to increase manganese ore and sinter production capacity to 4 million tons, compared with current capacity of 3.5 million tons, was relaunched given the favourable outlook for demand.

➤ Lithium

On February 12th, 2010, ERAMET and BOLLORE announced the signing of an exploration agreement together with a purchase option on lithium deposits ("salars") in Argentina. This agreement is the first stage in the BOLLORE-ERAMET consortium's development strategy in lithium.

• Financial situation

ERAMET's net cash improved in the 1st quarter of 2010.

• Outlook

ERAMET Manganese

Business is currently firm for manganese ore and alloys. Manganese ore prices are still improving compared with the 1st quarter of 2010. If current market conditions continue, ERAMET Manganese's aim is to increase its production further in the 2nd quarter of 2010 to meet demand from its customers.

ERAMET Nickel

LME nickel prices were over 11 USD / lb. in April. Nickel demand trends are currently healthy, but levels of nickel and stainless steel inventories could lead to volatility in nickel prices over the coming months.

The nickel output of ERAMET Nickel should increase slightly in the 2nd quarter of 2010 compared with the 1st quarter of the year.

As on March 31st, 2010, 4,900 tons of nickel are covered at a minimum price of 18,100 USD/ton (8.22 USD/lb.), net of premiums, chiefly by tunnels with a weighted average upper limit of 29,700 USD/ton (13.5 USD/lb.).

ERAMET Nickel continues its production cost reduction programme, with the aim of cutting its cash production cost by 1 USD /lb. in 2012 compared with 2008, at equivalent economic conditions.

ERAMET Alloys

A slight improvement in the orders backlog was observed in the 1st quarter of 2010 compared with the 4th quarter of 2009, but at levels that remain significantly lower than before the crisis. Business in the nuclear power sector benefited from several new orders, particularly in China.

The first stone for UKAD, the future titanium conversion unit in Auvergne, France, was laid on April 16th, 2010. Orders were placed for the main equipment in line with the planned start-up for tests in autumn 2011. 60 jobs will be created on the site.

A reorganisation and restructuring project in ERAMET Alloys, mainly concerning high speed steels, is under examination and will be the subject of consultation with employee representation bodies in the coming weeks.

The Group's overall situation

The Group's current operating income should increase significantly in the 1st half of 2010 compared with the 2nd half of 2009 if current conditions prevail on the nickel and manganese markets.

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AGENDA

ERAMET's Shareholders' General Meeting will be held on May 20th, 2010 at Maison de l'Amérique Latine, 217 Bd St-Germain, 75007 Paris.

ABOUT ERAMET

ERAMET is a leading global producer of:

- alloying metals, particularly manganese and nickel, used to improve the properties of steel,
- high-performance special steels and alloys used in industries such as aerospace, power generation and tooling.

ERAMET also plans to develop in new metals with high growth potential such as lithium and in recycling.

The Group employs approximately 15,000 people in 20 countries. ERAMET is part of Euronext Paris Compartment A and is listed on the MSCI index.

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