

Paris, October 28th, 2010

PRESS RELEASE

ERAMET group: Turnover in 3rd quarter 2010

- **29% increase in the ERAMET group's turnover on 3rd quarter 2010 compared with the 3rd quarter 2009**
- **Group turnover up 35% for the first nine months of 2010 compared with the same period in 2009**
- **Current operating income for 2nd half 2010 expected to be of the same order as the 1st half 2010**

Turnover (€ millions)	Q3 2010	Q3 2009	Change	9 months 2010	9 months 2009	Change
ERAMET Manganese	437	324	+ 35%	1 369	889	+ 54%
ERAMET Nickel	208	155	+ 34%	691	465	+ 49%
ERAMET Alloys	176	157	+ 12%	554	577	- 4%
Holding co. & eliminations	(2)	1		(7)	(2)	
ERAMET group	819	637	+ 29%	2 607	1 929	+ 35%

ERAMET group Chairman & CEO Patrick BUFFET stated, "The ERAMET group is continuing to implement its profitable growth strategy thanks to the studies and execution of ambitious growth projects in its different businesses, in order to strengthen its leadership positions in alloying metals, upscale metallurgy and strategic metals."

- **ERAMET Manganese: 3rd quarter 2010 up 35% compared with 3rd quarter 2009**

This rise is mainly due to the increase in manganese ore and alloys prices. Over nine months, turnover rose 54% compared with the same period in 2009 to total 1,369 M€.

Despite a slowdown in the 3rd quarter of 2010 compared with the high levels of the 1st half of the year, global carbon steel production rose 5% in the 3rd quarter of 2010 compared with the 3rd quarter of 2009. Over the first nine months it rose 20% compared with the same period in 2009 and is even higher than the first nine months of 2008.

Manganese alloys output increased 18% in the 3rd quarter of 2010 compared with the 3rd quarter of 2009, totalling 195,000 tons. Over nine months, manganese alloys production increased 47% compared with the same period in 2009, with a sharp rise in refined alloys. Manganese alloys shipments grew 16% over the first nine months of the year compared with the same period in 2009, given the substantial inventory reductions made in 2009.

Manganese ore and sinter production rose 46% over the 3rd quarter of 2010 compared with the same period in 2009 to total 881,000 tons. Over nine months it was 95% up on the same period in 2009, totalling 2,454,000 tons. External shipments of manganese ore and sinter grew 35% in the first nine months compared with the same period in 2009, given the substantial inventory reductions made in 2009.

CIF China spot prices (source: CRU) for manganese ore rose in the 3rd quarter of 2010, averaging 7.2 USD/dmtu compared with 5.9 USD/dmtu in the 3rd quarter of 2009. Europe spot prices for manganese alloys (source: CRU) rose by approximately 35% on average in the 3rd quarter of 2010 compared with the same period in 2009.

- **ERAMET Nickel: 3rd quarter 2010 turnover up 34% compared with 3rd quarter 2009**

Turnover growth was mainly driven by rising nickel prices. Turnover for the first nine months of the year totalled 691 M€, a 49% increase from the same period in 2009.

LME nickel prices rose 20%, averaging 9.61 USD/lb. in the 3rd quarter of 2010 compared with the 3rd quarter of 2009.

Over nine months, global stainless steel production rose more than 20% compared with the same period in 2009. Global nickel demand rose more than 15% in the first nine months of the year compared with the same period in 2009.

Metallurgical nickel production in Doniambo grew 6% in the 3rd quarter of 2010 compared with the 3rd quarter of 2009. Nickel sales rose 3% during the same period.

- **ERAMET Alloys: 3rd quarter 2010 turnover up 12% compared with 3rd quarter 2009**

ERAMET Alloys' business continued its gradual recovery, while remaining below pre-crisis levels. New orders continued to increase at the end of September 2010 compared with the end of September 2009

- **Significant items in 3rd quarter of 2010**

Shareholder agreement within Société Le Nickel-SLN (New Caledonia): agreement as of July 13th, 2010, between STCPI and the ERAMET group.

Société Territoriale Calédonienne de Participation Industrielle (STCPI) and the ERAMET Group jointly agreed on July 13th, 2010 to renew, on its end date September 13th, 2010 and for a further period running to December 31st, 2011, their shareholders' agreement with respect to Société Le Nickel-SLN. The agreement will continue for this period in all its provisions, plus the measures implemented in 2009 as regards the modernised governance of SLN.

The parties also agreed to enter into discussions in order to make amendments to the agreement, the guiding principles of which will be unchanged, with the aim of taking account of the industrial, commercial and technological changes that have occurred at SLN and in its environment since the initial agreement was entered into.

- **Significant items since the 3rd quarter of 2010**

Agreement signed with Gabonese Republic to increase its shareholding in COMILOG

On October 20th, 2010, ERAMET and the Gabonese Republic signed an agreement with the aim of increasing the Gabonese Republic's shareholding in COMILOG, which is to date 67.25% held by ERAMET and 25.4% held by the Gabonese Republic, with the remaining capital held by various private investors.

This agreement provides for the sale by ERAMET to the Gabonese Republic, in several stages over the 2010-2015 period, of an additional shareholding of up to 10% of COMILOG, which would increase the Gabonese Republic's share of COMILOG's capital to 35.4%.

- **Financial situation**

As at the end of September 2010, the ERAMET group's consolidated net cash further improved compared with the already high level at the end of June 2010.

The ERAMET group has sound financial capacity that enables it to implement its ambitious growth strategy in alloying metals and high-performance alloys, upscale metallurgy and strategic metals with high growth potential.

- **Outlook**

Given the expected trends in all its activities, the Group's current operating income for the 2nd half of 2010 should be of the same order as the 1st half of 2010.



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 is also developing 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.

CONTACT

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• **Appendix**

Metric tons	Q3 2010	Q3 2009	Change	9 months 2010	9 months 2009	Change
Manganese ore and sinter production	880 700	605 000	+ 46%	2 454 000	1 258 000	+ 95%
Manganese alloys production	195 200	165 500	+ 18%	599 700	406 600	+ 47%
Manganese alloys sales	183 200	211 000	- 13%	573 000	495 600	+ 16%
Nickel production*	13 168	12 435	+ 6%	39 952	38 731	+ 3%
Nickel sales**	11 369	10 972	+ 3%	39 502	40 470	- 2%

* Ferronickel and matte

** Finished products

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Turnover (€ millions)	Q2 2010	Q2 2009	Change	Q1 2010	Q1 2009	Change
ERAMET Manganese	523	277	+ 89%	409	288	+ 42%
ERAMET Nickel	282	154	+ 83%	201	156	+ 29%
ERAMET Alloys	196	198	- 1%	182	222	- 18%
Holding co. & eliminations	(2)	(1)		(3)	(2)	
ERAMET group	999	628	+ 59%	789	664	+ 19%