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## PRESS RELEASE

### 1<sup>st</sup> quarter 2011 turnover

- **ERAMET Group turnover up 23% in 1<sup>st</sup> quarter 2011 vs. 1<sup>st</sup> quarter 2010**
- **Increases in all three divisions' turnover**
- **Sharp growth at ERAMET Nickel (+ 35%) and ERAMET Alloys (+ 30%)**
- **Favourable outlook for 1<sup>st</sup> half 2011**

Turnover (€ millions)	Q1 2011	Q1 2010	Change
ERAMET Manganese	467	409	+ 14%
ERAMET Nickel	271	201	+ 35%
ERAMET Alloys	237	182	+ 30%
Holding company & eliminations	(2)	(3)	-
<b>ERAMET Group</b>	<b>973</b>	<b>789</b>	<b>+ 23%</b>

The ERAMET Group's consolidated turnover rose 23% in the 1<sup>st</sup> quarter 2011 compared with the 1<sup>st</sup> quarter of 2010. All three divisions reported significant growth in sales.

- **ERAMET Manganese: turnover up 14% vs. 1<sup>st</sup> quarter 2010 at 467 M€**

Global production of carbon steels rose 10% in the 1<sup>st</sup> quarter of 2011 compared with the 1<sup>st</sup> quarter of 2010, reaching a record quarterly total of 374 million tons (source: World Steel Association). Chinese output increased 11% in the 1<sup>st</sup> quarter of 2011. Steel production outside China grew 9% over the same period.

ERAMET Manganese's production of manganese ore and sinter increased 5% in the 1<sup>st</sup> quarter of 2011 compared with the 1<sup>st</sup> quarter of 2010. Manganese alloy production rose 4% over the same period.

ERAMET Manganese's external shipments of manganese ore and sinter increased 10%, in the 1<sup>st</sup> quarter of 2011 compared with the 1<sup>st</sup> quarter of 2010. Manganese alloy sales rose 4% over the same period.

CIF China spot prices (source: CRU) for manganese ore remained slightly above 6 USD/dmtu in the 1<sup>st</sup> quarter of 2011.

Spot prices for manganese alloys were stable in the 1<sup>st</sup> quarter of 2011 compared with the 1<sup>st</sup> quarter of 2010.

The chemicals and recycling activities' turnover increased 22% in the 1<sup>st</sup> quarter of 2011 compared with the 1<sup>st</sup> quarter of 2010.

- **ERAMET Nickel: turnover up 35% vs. 1<sup>st</sup> quarter 2010 at 271 M€**

Global production of stainless steel rose 6% in the 1<sup>st</sup> quarter of 2011 compared with the 1<sup>st</sup> quarter of 2010, breaking the quarterly record. Trends in global nickel demand were positive with an approximately 6% increase in the 1<sup>st</sup> quarter of 2011 compared with the 1<sup>st</sup> quarter of 2010.

LME nickel inventories decreased by 13,000 tons in the 1<sup>st</sup> quarter of 2011. The global nickel market was slightly undersupplied, buoying up LME nickel prices, which increased 35% on average in the 1<sup>st</sup> quarter of 2011 compared with the same period of 2010, averaging more than 12 USD/lb.

Metallurgical nickel production at the Doniambo nickel plant (New Caledonia) totalled close to 13 000 tons in the 1<sup>st</sup> quarter of 2011. Nickel shipments amounted to nearly 12 600 tons for the same period.

- **ERAMET Alloys: turnover up 30% vs. 1<sup>st</sup> quarter 2010 at 237 M€**

ERAMET Alloys' turnover rose 30% in the 1<sup>st</sup> quarter of 2011 compared with the same period in 2010.

Sales especially increased in tooling (+ 49%), aerospace (+ 39%) and specialties (+33%). This growth is particularly due to the sharp growth in volumes and the rises in raw material prices being passed through.

- **ERAMET Group's financial situation**

ERAMET's financial situation remained very sound in the 1<sup>st</sup> quarter of 2011, thanks in particular to healthy trends on the Group's markets.

- **Outlook**

### **ERAMET Manganese**

Global production of carbon steels continues to grow as a result of firm demand from emerging countries and gradually improving demand in developed countries. The increase of manganese inventories at Chinese ports in the 1<sup>st</sup> quarter of 2011 seems to confirm that supply, including the output of the least competitive producers, has been greater than demand. This should lead to some adjustment in manganese ore prices in the 2<sup>nd</sup> quarter of 2011 compared with the 1<sup>st</sup> quarter of 2011.

ERAMET Manganese's production of ore and sinter, excluding exceptional factors, is expected to increase slightly in the 2<sup>nd</sup> quarter of 2011 compared with the 1<sup>st</sup> quarter of 2011.

### **ERAMET Nickel**

LME nickel prices remained around 12 USD / lb. in April.

Global production of stainless steel continues to rise. China, India and Brazil are the main drivers of that growth. Demand trends remain positive in non-stainless steel sectors.

Given the delays in commissioning and ramp-up in several projects, nickel supply should continue to fall short of demand for the 1<sup>st</sup> half of 2011.

Excluding exceptional factors, ERAMET Nickel's output should grow slightly in the 2<sup>nd</sup> quarter of 2011 compared with the 1<sup>st</sup> quarter of 2011.

### **ERAMET Alloys**

Business prospects for the 1<sup>st</sup> half of 2011 are healthy on ERAMET Alloys' main markets. A faster pace of growth can be observed in the aerospace sector, in particular.

### **ERAMET Group**

Excluding exceptional factors, the ERAMET Group's current operating income for the 1<sup>st</sup> half of 2011 should be at least equivalent to the amount posted for the 1<sup>st</sup> half of 2010.

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## **DIARY**

ERAMET's Annual General Meeting will be held on May 11<sup>th</sup>, 2011 at Maison de l'Amérique Latine – 217, Boulevard St Germain – 75007 PARIS – France.

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## **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 studying or developing major projects in new metals with high growth potential such as lithium, niobium and rare earths, as well as in recycling.

The Group employs approximately 14,000 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

### Turnover

Turnover (M€)	T1 2010	T2 2010	T3 2010	T4 2010	T1 2011
ERAMET Manganese	409	523	437	489	467
ERAMET Nickel	201	282	208	274	271
ERAMET Alloys	182	196	176	210	237
Holding company & eliminations	(3)	(2)	(2)	(4)	(2)
ERAMET Group	789	999	819	969	973

### Production and shipments

Metric tons	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011
Manganese ore and sinter production	757 000	817 000	881 000	746 000	797 000
Manganese alloy production	203 000	201 000	195 000	180 000	212 000
Manganese alloy sales	199 000	191 000	183 000	180 000	206 000
Nickel production*	13 650	13 135	13 168	13 767	12 995
Nickel sales**	13 333	14 800	11 369	14 148	12 591

\* Ferronickel and matte

\*\* Finished products