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## PRESS RELEASE

ERASTEEL and HEYE SPECIAL STEEL have entered into a strategic agreement

Erasteel, a company of the French ERAMET group and HeYe Special Steel, a Chinese company subsidiary of AT&M (Advanced Technology Materials), both specialized in the high speed steel market, have entered into a strategic agreement under which they will cooperate together on commercial matters on a world base and on industrial matters in China. As part of this arrangement, Erasteel will participate in the capital increase of HeYe and will hold 10% of the outstanding shares for about 13 M€

Such introduction of strategic investors to HeYe is subject to Examinations and Approval Authority of China.

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Erasteel, part of the Alloys Division of Eramet, is the world's leading producer of high-speed steels, used mainly in the production of cutting tools. Erasteel has established strong positions on high added-value products, particularly high-speed steels made using powder metallurgy. The industrial sites of Erasteel are located in France, Sweden, United Kingdom, United States and in China.

HeYe is a joint Venture company using Chinese and Foreign Investment. Its holding company is Advance Technology & Materials Co., Ltd, the leader of the high-tech advanced materials industry in China. The second biggest shareholder is Sumitomo Corporation, one of the World Top 500 companies. HeYe is a specialized tools steel plant, which integrates production and research into a whole. HeYe is the leader unit of the high-speed tool-steel specialty group under the Chinese Special Steel Association. National Engineering and Research Center for Advanced Steel Technology set up HeYe tool steel Research Center of NERCAST in HeYe.

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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.

Advanced Technology & Materials Co., Ltd (AT&M), a national high-tech enterprise, focuses its business on R&D and manufacture of new metallic materials and products. AT&M was established by China Iron & Steel Research Institute Group (CISRI), a large state-owned scientific research institute, in Dec. 1998.

The mission of AT&M is to be the foremost manufacturer of metallic materials and products in the world. In the past ten years, AT&M has provided its customers with the solutions to their materials technology problems in the main six industry fields of advanced energy materials including solar energy and amorphous/nano-crystalline materials, powder metallurgy products, metallic magnetic materials, welding materials, diamond tools and high speed tool steels. AT&M has made great contributions to the R&D of key materials for many crucial industries such as aerospace and astronautics, information technology, metallurgy, advanced energy and environmental protection, etc.

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