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Paris, February 22nd, 2013

PRESS RELEASE

ERAMET Group 2012 Results

- **ERAMET's annual results were down in 2012 in a very challenging economic environment, weighed down by unfavorable market conditions and a non-recurring technical incident in Owendo (Gabon) during the first quarter.**
- **Substantial investments to prepare for the future.**
- **Sound financial position.**

ERAMET's Board of Directors, meeting on February 21st 2013 under the chairmanship of Patrick BUFFET, approved the financial statements for 2012, which will be submitted to the General Shareholders' Meeting of May 15th 2013.

(€ millions)	H1 2012	H2 2012	2012	2011
Turnover	1,735	1,712	3,447	3,603
Current operating income	81	63	144	554
Net income, Group share	21	(13)	8	195
Net income, Group share (€/share)	0.79	(0.48)	0.31	7.42
Operating cash flow	51	166	217	591
Consolidated net cash	825	448	448	1,153

The Group's results were impacted by a very tough economic environment in 2012. Countries in the developed world faced the simultaneous challenges of rising debt levels, exacerbated by the slowdown in emerging countries, and in China in particular. The negative impact of this general weak environment was evident in the main steel-consuming sectors, especially, and to varying degrees by country, the automotive and construction sectors. The Group's results were hit by the sharp drop in nickel prices, the decline in manganese ore and manganese alloy prices, as well as by the non-recurring technical incident at the port of Owendo (Gabon) in the first half of 2012. This incident resulted in a manganese ore production deficit of roughly four weeks.

Group turnover in 2012 was down 4% to €3,447 million.

Despite stepping up manganese ore production, current operating income in H2 2012 declined relative to the first half as expected, primarily due to the weakness in the markets and the fall in nickel prices. Current operating income for the full year was €144 million.

Net income, Group share stood at €8 million after payment of taxes totaling €28 million, taking into account withholding taxes related to the payment of COMILOG and SLN dividends.

ERAMET's capital expenditure in 2012 amounted to €641 million, primarily to progress projects already decided on. Moreover, other operating income and expenditure include research expenses for a number of development projects of €46 million, mainly for Maboumine in Gabon.

Consolidated net cash was €448 million at end-2012, after, notably, payment of €228 million to minority shareholders of SLN and COMILOG. Moreover, the ERAMET Group has a €980 million medium-term line of credit.

- **Dividend of €1.30/share proposed**

The Board of Directors will propose to Shareholders at the General Meeting a dividend of €1.30 per share.

- **ERAMET Manganese: current operating income at €236 million in 2012**

The current operating income posted by ERAMET Manganese reflects the impact of the technical incidents in the first half of 2012 as a result of difficulties encountered when changing the wagon unloading facilities at Owendo port, which extended the planned production stoppage by four weeks, in addition to the scheduled two weeks, and a production stoppage lasting one month at the Norwegian Tyssedal plant (TIZIR-titanium dioxide slag and high-purity pig iron) for the anticipated overhaul of the rotary kiln in 2012. ERAMET Manganese's current operating income amounted to €236 million in 2012.

The manganese market benefited from an increase in global steel production, which was up 1.2% for 2012 as a whole, a markedly slower pace of growth than the 6% in 2011. Chinese output grew 3% in 2012.

Surplus manganese ore inventories at Chinese ports declined gradually and continuously from their peak level in May 2011. These deep inventories dragged down prices in 2012, before adjusting at a relatively low level at the end of the year. CIF China spot prices (source: CRU) for the ore were down 9% on average in 2012 vs. 2011 to close the year at US$ 4.93/dmtu.

COMILOG's production of manganese ore and sinter in Gabon was a little over 3 million tons for the year, impacted by the significant non-recurring incident in H1 2012 at Owendo.

Global manganese alloy supplies remained in surplus in 2012, especially in China due to substantial excess capacity, while demand in Europe was weakened by the 4% fall in steel production year-on-year. Spot prices for manganese alloys (source: CRU) declined by some 7% on average in 2012 compared with 2011. There were steeper falls in refined alloy prices, as well as in the Chinese market.

Against this backdrop, ERAMET Manganese continued to make adjustments to its industrial facilities in China. The former manganese alloy plant at Guilin was closed in May 2011 and capacity at Guangxi scaled back to 50% in 2012, prior to its scheduled closure at the end of 2012. The New Guilin plant was commissioned in July 2012. The facility is based on more efficient technology and targets a large proportion of refined alloys in its production. With the reduced output of alloys in China, overall production by ERAMET Manganese declined 7% to 730,000 tons (despite a slight increase outside China) in 2012 compared with 2011. The share of refined products increased to 48%.

In addition, ERAMET Manganese is simultaneously pursuing a number of major projects: the Moanda metallurgical complex, COMILOG's increase in production capacity to four million tons and, through TIZIR, the 50/50 joint venture with the Australian Mineral Deposits Limited, the Grande-Côte mineral sands deposit project in Senegal, to constitute a major global player in titanium dioxide feedstock and zircon in the long term.

In Gabon, ERAMET continued testing to develop an innovative process as part of the Maboumine project (niobium, rare earths, tantalum, uranium, etc.); tests were conducted at two pilot labs during the second half of 2012 (upstream and downstream phases of the process).

- **ERAMET Nickel: particularly low nickel prices in 2012 weighed on current operating income**

Current operating income posted by ERAMET Nickel was down in 2012 to -€40 million for the year as a whole. This result primarily reflects the fall of 23% in LME nickel prices, as well as the rise in fuel costs in 2012 vs. 2011, when it had the benefit of favorable hedges.

In 2012, global stainless steel production was up 2% year-on-year. The decline in nickel prices on the LME reflects not only falling demand, but also a rise in global production in excess of demand. This increasing production comes from major new projects gearing up and the surge in Chinese nickel pig iron output in particular.

Given the weakness in nickel prices in H2 2012 (averaging US$ 7.56/lb), a very significant percentage of world nickel production was loss-making in the period.

Nickel deliveries by ERAMET Nickel rose 6% in 2012 compared with 2011 to almost 57,000 tons, as the ramp-up of metallurgical production at the Doniambo, New Caledonia continued.

Operational improvements achieved under the plan to improve competitiveness partially offset the cost increases associated with external factors (exchange rates, energy costs, inflation, content, overburden ratios, etc.), in the amount of about US$ 1 per pound in 2012, compared with 2008, under equivalent economic conditions.

ERAMET Nickel will continue to roll out its continuous improvement programs to sharpen its competitive positioning, while production will continue to increase gradually to a target of 62,000 tons in 2015.

Two important decisions to prepare the groundwork for the company's future in New Caledonia were taken in the past few months:

- The Board of Directors of Société Le Nickel (SLN), meeting on December 4, 2012, approved the choice of fuel for the future Doniambo power plant. The pulverized coal technology selected for the power plant will deliver far superior economic and environmental performance. The final investment decision will be made in 2014, once an operator has been selected, the engineering studies completed and the necessary government permits obtained in New Caledonia.

- A declaration of intent was signed on November 6, 2012 with the VALE Group and the Government of New Caledonia's South Province with a view to collaboration in exploring the Prony and Creek Pernod deposits. These nickel deposits are potentially world class and are unexploited to date.

In Indonesia, the Weda Bay project has entered the reliability testing and risk-reduction phase. ERAMET appointed external technical experts tasked with undertaking a comprehensive review of the project in the course of the past few months. A number of actions and additional tests were decided on as a result. The project scope was expanded to incorporate a downstream processing stage to produce nickel metal instead of an intermediate product. For reasonable additional capex, this expansion will increase the added value generated by the project and enhance its access to the market. Moreover, the decision is consistent with the Indonesian government's objective of maximizing added value from the project locally. Discussions with the Indonesian government were held in recent months and will continue in order to clarify a number of points in Indonesian legislation and fiscal regulations applicable to the project. Given these factors, the final investment decision on Weda Bay may be expected in 2014.

- **ERAMET Alloys: strongly contrasting developments pressured results in 2012; the measures undertaken in response to these developments should ensure 2015 profitability targets are met**

ERAMET Alloys grew its turnover by 9% in 2012 versus 2011. However, this growth masks very contrasting developments: sales in the aerospace sector grew 24%, while sales in tooling and high-speed steel declined by an average of 13%, with the contraction concentrated in the second half of the year in the main.

Current operating income stood at – €8 million.

ERAMET Alloys improved its logistics chain in fiscal 2012 and reduced inventories at Aubert & Duval by more than €50 million in H2 2012. Furthermore, the action plans aimed at achieving the profitability targets set for 2015 will be stepped up in 2013: order selectivity, reductions in overhead costs and continued WCR gains, amongst others. These measures, combined with the ramp-up of strategic investments by ERAMET Alloys completed in 2011 and 2012 in France and Sweden, should ensure it meets its 2015 targets, namely a pre-tax return on capital employed of 15% and a current operating margin of 10%.

- **Outlook**

The global economic environment remains unstable, despite some short-term positive signals in both the United States and China. The outlook varies across the Group's markets.

ERAMET Manganese is expected to increase its production of manganese ore and sinter by roughly 20% in 2013. The relatively low stockpile levels observed in Chinese ports and a degree of improvement in physical demand from clients are reflected in the gradual increase in CIF China spot prices for the ore (source: CRU) in the early part of 2013, which has lifted them above US$ 5/dmtu currently.

Nickel prices recently bounced back slightly from the very low level in the second half of 2012; however the price is expected to remain burdened by market surplus. New projects will continue to come on stream. The production volume of nickel pig-iron in China remains uncertain and will depend partly on developments in processing costs and partly on future export flows of ore to China.

Similarly, the outlook for growth in ERAMET Alloys's market is contrasted: demand in the aerospace sector remains sound, while the prospects for tooling and high-speed steels deteriorated at the year-end.

Patrick BUFFET, Chairman and CEO of the ERAMET Group, stated:

"Medium- and long-term demand for the Group's metals and alloys holds substantial development potential, especially in emerging markets.

With world-class deposits and innovative technologies, the Group has the capability to deliver efficient and value-generating solutions across the entire chain, from processing through to the finished product.

Simultaneously, ERAMET will pursue its operating improvement programs in all three business lines, continuing its capital expenditure on organic growth projects, as well as feasibility studies prior to decision-making on transformative projects.

It expects to complete the construction of two substantial programs at end-2013/early-2014: the Moanda Metallurgical Complex in Gabon and the new Grande Côte mineral sands operation in Senegal.

Without calling its strategic policy into question, the ERAMET Group has decided to be increasingly selective with regards to investments."

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WEBCAST OF RESULTS PRESENTATION

Presentation of the 2012 results will be available by Webcast at 10:00 today (CET), in French with simultaneous translation into English. To subscribe, click on the link on the Group's Web site: www.eramet.com

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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 activities such as mineral sands (titanium dioxide and zircon), 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.

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APPENDIX

Turnover

Turnover (M€)	**Q4 2012**	**Q3 2012**	**Q2 2012**	**Q1 2012**	**2012**	**2011**	**Change**
ERAMET Manganese	**427**	380	379	374	**1,560**	1,713	-9%
ERAMET Nickel	**242**	196	224	236	**898**	989	-9%
ERAMET Alloys	**251**	220	255	271	**997**	910	10%
Holding co. & eliminations	**(1)**	(3)	0	(4)	**(8)**	(9)	-
ERAMET Group	**919**	793	858	877	**3,447**	3,603	-4%

Production and shipments

In tons	**Q4 2012**	**Q3 2012**	**Q2 2012**	**Q1 2012**	**2012**	**2011**	**Change**
Manganese ore and sinter production	**886,400**	838,600	840,600	471,200	**3,036,800**	3,432,600	**-12%**
Manganese alloy production	**186,100**	189,800	178,200	176,000	**730,100**	784,300	**-7%**
Manganese alloy sales	**201,200**	177,200	170,800	195,500	**744,700**	795,700	**-6%**
Nickel production*	**14,184**	14,578	13,465	14,220	**56,447**	54,360	**4%**
Nickel sales**	**15,807**	12,551	14,721	13,602	**56,681**	53,279	**6%**

* Ferronickel and matte

** Finished products

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Statement of comprehensive income

(millions of euros)	Full year 2012	Full year 2011	Full year 2010
Sales	**3,447**	**3,603**	**3,576**
Other income	34	81	31
Cost of products sold	(2,823)	(2,674)	(2,437)
Administrative & selling costs	(200)	(174)	(155)
Research & development expenditure	(51)	(47)	(44)
EBITDA	**407**	**789**	**971**
Depreciation, amortisation & impairment of non-current assets	(245)	(230)	(225)
Impairment losses and provisions	(18)	(5)	(7)
Current operating income	**144**	**554**	**739**
Other operating income and expenses	(74)	(63)	(19)
Operating income	**70**	**491**	**720**
Net cost of debt	8	22	3
Other finance income and expenses	(8)	8	(15)
Share in earnings of affiliates	-	1	1
Income tax	(28)	(219)	(255)
Net income	**42**	**303**	**454**
- Minority interests	34	108	126
- Equity holders of the parent	**8**	**195**	**328**
Basic earnings per share (EUR)	0.31	7.42	12.43
Diluted earnings per share (EUR)	0.31	7.39	12.40

Net income	**42**	**303**	**454**
Exchange differences on translation of foreign operations	2	7	63
Net (loss) / gain on cash flow hedges	37	(51)	(20)
Net (loss) / gain on available for sale financial assets	6	(10)	3
Income tax	(12)	21	6
Other comprehensive income (loss)	**33**	**(33)**	**52**
- Minority interests	(4)	4	8
- Equity holders of the parent	**37**	**(37)**	**44**
Total comprehensive income	**75**	**270**	**506**
- Minority interests	30	112	134
- Equity holders of the parent	**45**	**158**	**372**

Statement of financial position

Assets

(millions of euros)	12/31/2012	12/31/2011	12/31/2010
Goodwill	173	210	172
Intangible assets	717	612	521
Property, plant & equipment	2,454	2,119	1,903
Companies accounted for using the equity method	33	23	22
Other financial non-current assets	100	87	86
Deferred tax	29	25	30
Other non-current assets	7	5	5
Non-current assets	**3,513**	**3,081**	**2,739**
Inventories	1,038	1,093	996
Trade receivables and other current assets	690	664	642
Tax receivables	38	33	12
Financial derivatives	51	46	128
Other financial current assets	368	473	359
Cash and cash equivalents	621	911	1,227
Current assets	**2,806**	**3,220**	**3,364**
Total assets	**6,319**	**6,301**	**6,103**

Shareholders' equity and liabilities

(millions of euros)	12/31/2012	12/31/2011	12/31/2010
Share capital	81	81	81
Share premiums	373	372	371
Available for sale reserve	5	-	7
Cash flow hedge reserve	4	(24)	10
Foreign currency translation reserve	32	28	24
Other reserves	2,538	2,579	2,465
Shareholders' equity of the parent	**3,033**	**3,036**	**2,958**
Minority interests	818	1,043	1,016
Shareholders' equity	**3,851**	**4,079**	**3,974**
Employee benefits	131	129	123
Provisions	428	379	360
Deferred tax	380	406	342
Borrowings - due in more than one year	311	151	203
Other non-current liabilities	28	37	33
Non-current liabilities	**1,278**	**1,102**	**1,061**
Provisions - due in less than one year	30	29	29
Borrowings - due in less than one year	230	80	88
Trade payables and other current liabilities	805	833	731
Tax payables	72	77	149
Financial derivatives	53	101	71
Current liabilities	**1,190**	**1,120**	**1,068**
Total shareholders' equity and liabilities	**6,319**	**6,301**	**6,103**

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Statement of changes in net cash / borrowing position

(millions of euros)	Full year 2012	Full year 2011	Full year 2010
Opertating activities			
EBITDA	407	789	971
Elimination of non-cash or non-business items:	(149)	(155)	(201)
Operating cash flow before changes in working capital	**258**	**634**	**770**
Changes in operating working capital requirement	(41)	(43)	(43)
Net cash flows from operating activities	**217**	**591**	**727**
Investing activities			
Capital expenditure	(641)	(492)	(326)
Non-current financial assets	(19)	(65)	76
Disposals of non-current assets	4	3	5
Net change in non-current asset receivables / liabilities	7	12	4
Changes in scope of consolidation and loans	13	17	(11)
Dividends from equity accounted affiliates	-	-	-
Net cash flows from investing activities	**(636)**	**(525)**	**(252)**
Financing activities			
Dividends paid	(287)	(186)	(152)
Share capital increases	2	1	31
Changes in working capital requirement related to financing activities	-	(2)	-
Net cash flows from financing activities	**(285)**	**(187)**	**(121)**
Impact of translation adjustments	(1)	(21)	(5)
Decrease (increase) in net cash (borrowing) position	**(705)**	**(142)**	**349**
Opening net cash (borrowing) position	**1,153**	**1,295**	**946**
Closing net cash (borrowing) position	**448**	**1,153**	**1,295**

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Segment reporting

By division

(millions of euros)	Nickel	Manganèse	Alloys	Holding & eliminations	Total
Full year 2012					
Non-Group sales	893	1,557	994	3	**3,447**
Intra-Group sales	5	3	3	(11)	**-**
Sales	898	1,560	997	(8)	**3,447**
Cash flows from operating activities	45	246	11	(44)	**258**
EBITDA	53	357	40	(43)	**407**
Current operating income	(40)	236	(8)	(44)	**144**
Other operating income and expenses	-	-	-	-	**(74)**
Operating income	-	-	-	-	**70**
Cost of borrowed capital	-	-	-	-	**8**
Other finance income and expenses	-	-	-	-	**(8)**
Share of income from equity accounted companies	-	-	-	-	**-**
Income tax	-	-	-	-	**(28)**
Minority interests	-	-	-	-	**(34)**
Group net income (loss)	-	-	-	-	**8**
Non-cash expenses	(79)	(105)	(38)	6	**(216)**
- depreciation & amortisation	(88)	(111)	(47)	(1)	**(247)**
- provisions	(14)	(7)	1	11	**(9)**
- impairment losses	(1)	(8)	-	-	**(9)**
Capital expenditure (intangibles and property, plant & equipment)	146	399	84	12	**641**
Total balance sheet assets (current and non-current)	2,385	2,904	1,182	(152)	**6,319**
Total balance sheet liabilities (current and non-current excluding sareholde	991	1,282	794	(599)	**2,468**
Full year 2011					
Non-Group sales	983	1,709	909	2	**3,603**
Intra-Group sales	6	4	1	(11)	**-**
Sales	989	1,713	910	(9)	**3,603**
Cash flows from operating activities	249	364	43	(22)	**634**
EBITDA	269	499	57	(36)	**789**
Current operating income	189	388	16	(39)	**554**
Other operating income and expenses	-	-	-	-	**(63)**
Operating income	-	-	-	-	**491**
Cost of borrowed capital	-	-	-	-	**22**
Other finance income and expenses	-	-	-	-	**8**
Share of income from equity accounted companies	-	-	-	-	**1**
Income tax	-	-	-	-	**(219)**
Minority interests	-	-	-	-	**(108)**
Group net income (loss)	-	-	-	-	**195**
Non-cash expenses	(128)	(154)	(29)	(20)	**(331)**
- depreciation & amortisation	(81)	(105)	(39)	(3)	**(228)**
- provisions	(12)	5	7	(1)	**(1)**
- impairment losses	-	(19)	3	-	**(16)**
Capital expenditure (intangibles and property, plant & equipment)	141	245	100	6	**492**
Total balance sheet assets (current and non-current)	2,830	2,604	1,217	(350)	**6,301**
Total balance sheet liabilities (current and non-current excluding sareholde	982	997	826	(583)	**2,222**

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Full year 2010					
Non-Group sales	958	1,853	763	2	**3,576**
Intra-Group sales	7	5	1	(13)	**-**
Sales	965	1,858	764	(11)	**3,576**
Cash flows from operating activities	229	518	56	(33)	**770**
EBITDA	269	656	76	(30)	**971**
Current operating income	194	548	29	(32)	**739**
Other operating income and expenses	-	-	-	-	**(19)**
Operating income	-	-	-	-	**720**
Cost of borrowed capital	-	-	-	-	**3**
Other finance income and expenses	-	-	-	-	**(15)**
Share of income from equity accounted companies	-	-	-	-	**1**
Income tax	-	-	-	-	**(255)**
Minority interests	-	-	-	-	**(126)**
Group net income (loss)	-	-	-	-	**328**
Non-cash expenses	(82)	(211)	(40)	17	**(316)**
- depreciation & amortisation	(78)	(100)	(41)	(2)	**(221)**
- provisions	(10)	(5)	(14)	12	**(17)**
- impairment losses	-	(2)	13	-	**11**
Capital expenditure (intangibles and property, plant & equipment)	124	130	69	3	**326**
Total balance sheet assets (current and non-current)	2,630	3,030	1,007	(564)	**6,103**
Total balance sheet liabilities (current and non-current excluding sareholde	842	1,043	630	(386)	**2,129**

Segment reporting

By geographic region

(millions of euros)	**France**	**Europe**	**North America**	**Asia**	**Oceania**	**Africa**	**South America**	**Total**
Sales (destination of sales)								
Full year 2012	455	1,143	686	992	29	84	58	**3,447**
Full year 2011	337	1,261	676	1,193	30	66	40	**3,603**
Full year 2010	324	1,274	642	1,201	32	77	26	**3,576**
Capital expenditure (intangibles and property, plant & equipment)								
Full year 2012	104	36	48	118	69	265	1	**641**
Full year 2011	106	38	27	122	61	138	-	**492**
Full year 2010	76	32	28	75	50	64	1	**326**
Total balance sheet assets (current and non-current)								
Full year 2012	2,512	778	363	869	904	892	1	**6,319**
Full year 2011	2,799	823	368	783	903	624	1	**6,301**
Full year 2010	2,952	840	400	700	846	365	-	**6,103**