

Paris, April 30<sup>th</sup>, 2013

## PRESS RELEASE

### 1<sup>st</sup> QUARTER TURNOVER 2013

- **797 M€ turnover in 1<sup>st</sup> quarter 2013, down 9% compared with 1<sup>st</sup> quarter 2012, affected by global economic crisis**
- **Higher manganese ore prices**
- **Surplus nickel production, mainly in China, weighing on prices**

<b>Turnover</b> (€ millions)	<b>Q1 2012</b>	<b>Q1 2013</b>
ERAMET Manganese	374	<b>388</b>
ERAMET Nickel	236	<b>181</b>
ERAMET Alloys	271	<b>231</b>
Holding company & eliminations	(4)	<b>(3)</b>
<b>ERAMET Group</b>	<b>877</b>	<b>797</b>

In the 1<sup>st</sup> quarter of 2013 the Group's activity continued to be affected by the global economic crisis, as seen in growth rates that are very low or even negative in many countries, particularly in Europe. While remaining far higher than in other countries, the Chinese economy's growth continued to slow down gradually.

Moreover, the Group's turnover was penalised by very low LME nickel prices, reflecting extremely high growth in nickel ore production in Indonesia and the Philippines. The substantial increase in imports of those ores into China led to sharp growth in nickel pig-iron production in the country, outpacing the increase in world stainless steel production over the same period.

- **ERAMET Manganese: turnover up 4% from 1<sup>st</sup> quarter 2012**

Thanks to growth of 9% in China and 3% in India, and despite an average 4% decrease for the rest of the world, global production of carbon steel rose 2% in the 1<sup>st</sup> quarter of 2013 compared with the 1<sup>st</sup> quarter of 2012.

CIF China spot prices (source: CRU) for manganese ore increased 18% in the 1<sup>st</sup> quarter of 2013 compared with the 1<sup>st</sup> quarter of 2012.

Europe spot prices (source: CRU) for manganese alloys decreased 4% in the 1<sup>st</sup> quarter of 2013 compared with the 1<sup>st</sup> quarter of 2012 and were stable in relation to the 4<sup>th</sup> quarter of 2012.

ERAMET Manganese's production of manganese ore and sinter grew 82% to almost 860,000 tonnes in the 1<sup>st</sup> quarter of 2013 compared with the 1<sup>st</sup> quarter of 2012, which was impacted by a non-recurrent technical incident.

Manganese alloy production increased 12% over the same period, thanks to the gradual ramp-up of the New Guilin plant in China.

ERAMET Manganese's external shipments of manganese ore and sinter rose 55% in the 1<sup>st</sup> quarter of 2013 compared with the 1<sup>st</sup> quarter 2012. Manganese alloy sales remained stable over the same period.

- **ERAMET Nickel: turnover down 23% from 1<sup>st</sup> quarter 2012**

ERAMET Nickel's turnover decreased 23% in the 1<sup>st</sup> quarter of 2013 compared with the same period in 2012, because of a 12% fall in nickel prices (average LME nickel price 7.85 USD/lb. in 1<sup>st</sup> quarter 2013) and a correlating decrease in production.

Thanks to 14% growth in China and despite a 4% average decrease for the rest of the world, world stainless steel production grew 4% in the 1<sup>st</sup> quarter of 2013 compared with the 1<sup>st</sup> quarter of 2012.

Nevertheless, the physical nickel market remained in surplus in the 1<sup>st</sup> quarter of 2013, mainly due to the increase in Chinese nickel pig-iron production, made possible by ore exports from Indonesia and the Philippines.

- **ERAMET Alloys: turnover down 15% compared with 1<sup>st</sup> quarter 2012**

ERAMET Alloys' turnover decreased 15% in the first quarter of 2013 compared with the same period in 2012.

This decrease reflects highly deteriorated conditions on the high speed steel and tooling markets, mainly related to the automotive sector, and on the energy and defence markets.

As part of these units' adjustment to lower activity, ERAMET Alloys continued to implement its competitiveness plan, including a project involving a 23% cut in the Firminy plant's headcount.



Aerospace turnover, which rose slightly, is at a high level and should continue to grow in the coming months.

- **The ERAMET Group's financial situation**

With a sound financial situation but taking recent trends on its markets into account, the Group selectively continued its capital investment programme.

In 2013, the ERAMET Group's capital expenditure levels will be lower than in 2012.

- **Outlook**

Taking into consideration mainly the current state of the nickel market, the ERAMET Group's current operating income in the 1<sup>st</sup> half of 2013 will be significantly lower than for the 2<sup>nd</sup> half of 2012.

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## DIARY

ERAMET's Annual General Meeting will take place at 10:30 am on May 15<sup>th</sup>, 2013 at Salons Hoche – 9, Avenue Hoche – 75008 PARIS.

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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€)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013
ERAMET Manganese	374	379	380	427	<b>388</b>
ERAMET Nickel	236	224	196	242	<b>181</b>
ERAMET Alloys	271	255	220	251	<b>231</b>
Holding company & eliminations	(4)	0	(3)	(1)	<b>(3)</b>
<b>ERAMET Group</b>	<b>877</b>	<b>858</b>	<b>793</b>	<b>919</b>	<b>797</b>

### Production and shipments

Metric tons	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013
Manganese ore and sinter production	471 200	840 600	838 600	886 400	<b>859 600</b>
Manganese alloy production	176 000	178 200	189 800	186 200	<b>197 300</b>
Manganese alloy sales	195 500	170 800	177 200	201 300	<b>196 300</b>
Nickel production*	14 220	13 465	14 578	14 184	<b>13 128</b>
Nickel sales**	13 602	14 721	12 551	15 807	<b>11 707</b>

\* Ferronickel and matte

\*\* Finished products