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PRESS RELEASE

ERAMET Group: 3rd quarter 2013 turnover

- ERAMET group turnover down 6% for the first 9 months of 2013 compared with the same period in 2012, mainly as a result of lower nickel prices
- All-time record for manganese ore production in 3rd quarter 2013
- Manganese ore production increased 27% over first 9 months of 2013 compared with the same period in 2012

Turnover (€ millions)	Q3 2013	Q3 2012	Change	9 months 2013	9 months 2012	Change
ERAMET Manganese	401	380	6%	1 178	1 133	4%
ERAMET Nickel	150	196	-23%	518	656	-21%
ERAMET Alloys	204	220	-7%	677	746	-9%
Holding company & eliminations	(1)	(3)	-	(6)	(7)	-
ERAMET Group	754	793	-5%	2 367	2 528	-6%

In the 3rd quarter of 2013, the ERAMET group's turnover totalled 754 M€, a 5% decrease compared with the 3rd quarter of 2012, mainly due to lower nickel prices, which were partly offset by positive trends in the manganese market and manganese ore production.

- **ERAMET Manganese: turnover increased to 1,178 M€, up 4% for the first nine months of 2013 compared with the same period in 2012, up 6% in 3rd quarter 2013 vs. 3rd quarter 2012**

Global carbon steel production rose 3% over the first nine months of 2013 compared with the same period in 2012 and 5% in the 3rd quarter of 2013 compared with the 3rd quarter of 2012. It was mainly driven by Chinese growth (+10% in the 3rd quarter of 2013 compared with the 3rd quarter of 2012).

Europe spot prices for manganese alloys (source: CRU) decreased 9% on average over the first nine months of 2013 compared with the same period in 2012 and by 12% in the 3rd quarter of 2013 compared with the 3rd quarter of 2012 because of global overcapacities.

ERAMET Manganese's alloy shipments increased 5% in the first nine months of 2013 compared with the same period in 2012 and 1% in the 3rd quarter of 2013 compared with the 3rd quarter of 2012.

Manganese ore inventory in Chinese ports gradually decreased again and is at the low levels of late 2012.

CIF China spot prices (source: CRU) for high grade manganese ore have recovered since the start of the year. They rose 12% to 5.49 USD/dmtu on average over the first nine months of 2013 compared with the same period of 2012 and 4% in the 3rd quarter of 2013 compared with 3rd quarter 2012.

External shipments of manganese ore and sinter rose 35% over the first nine months of 2013 compared with the same period in 2012 and 54% in the 3rd quarter of 2013 compared with 3rd quarter 2012.

Manganese ore and sinter production in Moanda (Gabon) increased 27% over the first nine months of 2013 compared with the same period in 2012 and 16% in the 3rd quarter of 2013 compared with 3rd quarter 2012.

An all-time record for manganese ore and sinter was achieved in the 3rd quarter of 2013.

- **ERAMET Nickel: at 518 M€, turnover decreased 21% over the first nine months of 2013 compared with the same period in 2012, down 23% in 3rd quarter 2013 vs. 3rd quarter 2012**

Stainless steel production increased approximately 5% over the first nine months of 2013 compared with the same period in 2012.

The decrease in turnover is mainly due to LME nickel prices, which averaged 6.98 USD/lb. over the first nine months of 2013, a 13% drop compared with the same period in 2012, and fell 15% in the 3rd quarter of 2013 compared with the 3rd quarter of 2012.

This price decrease results from a significant oversupply of nickel and very high inventories.

This LME pricing level is especially low in relation to the production costs of a large part of the nickel industry.

Metallurgical nickel production in Doniambo (New Caledonia) decreased 6% over the first nine months of 2013 compared with the same period in 2012 and 3% in 3rd quarter 2013 compared with 3rd quarter 2012, in line with market oversupply.

- **ERAMET Alloys: at 677 M€, turnover decreased 9% over the first nine months of 2013 compared with the same period in 2012, down 7% in 3rd quarter 2013 vs. 3rd quarter 2012**

ERAMET Alloys' turnover with the aerospace sector grew 4% over the first nine months of 2013 compared with the same period in 2012, but non-aerospace activities (energy, tooling, etc.) were heavily affected by the economic environment, particularly as regards automotive markets.

In this context, ERAMET Alloys continues to implement its performance improvement programme.

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

Taking into account the payment of dividends to minority shareholders in the Group's subsidiaries and the now much lower amount of capital expenditure, in particular, the ERAMET group's consolidated net cash was slightly negative as of September 30th, 2013.

- **Outlook**

ERAMET Group

In line with the announcements made when the 1st half 2013 results were announced, given current conditions on the nickel market, the ERAMET group's current operating income in the 2nd half of 2013 will be significantly lower than in the 1st half of 2013.

The Group is stepping up its measures to decrease its costs and capital expenditure, adjust its productions to its markets and reduce its working capital requirements.

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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 with high growth potential, such as mineral sands (titanium dioxide and zirconium), 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€)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
ERAMET Manganese	380	427	388	389	401
ERAMET Nickel	196	242	181	187	150
ERAMET Alloys	220	251	231	242	204
Holding company & eliminations	(3)	(1)	(3)	(2)	(1)
ERAMET Group	793	919	797	816	754

Production and shipments

Tons	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
Manganese ore and sinter production	838 600	886 400	859 600	907 700	969 400
Manganese alloy production	189 800	186 200	197 300	188 100	194 400
Manganese alloy sales	177 200	201 300	196 300	197 500	178 600
Nickel production*	14 578	14 184	13 128	12 352	14 177
Nickel sales**	12 551	15 807	11 707	13 573	12 045

Tons	Q3 2013	Q3 2012	Change	9 months 2013	9 months 2012	Change
Manganese ore and sinter production	969 400	838 600	16%	2 736 700	2 150 400	27%
Manganese alloy production	194 400	189 800	2%	579 800	544 000	7%
Manganese alloy sales	178 600	177 200	1%	572 400	543 400	5%
Nickel production*	14 177	14 578	-3%	39 657	42 262	-6%
Nickel sales**	12 045	12 551	-4%	37 325	40 874	-9%

* Ferronickel and matte

** Finished products