



Paris, April 29, 2014

PRESS RELEASE

Q1 2014 TURNOVER

- Nickel price rebounds significantly from March 2014
- ERAMET group turnover declined 10% year-on-year in first-quarter 2014, due in particular to scheduled maintenance shut-downs
- Turnover expected to pick up in Q2 2014, compared with Q1 2014

Turnover ¹ (€ million)	Q1 2013	Q1 2014
ERAMET Manganese	388	326
ERAMET Nickel	181	166
ERAMET Alloys	231	224
Holding & eliminations	(3)	(2)
ERAMET Group	797	714

¹Includes the Group's share of turnover of joint ventures. The reconciliation with the turnover of financial statements reported in accordance with IFRS is presented in the appendix.

- **ERAMET Manganese: turnover fell 16% in Q1 2014 from Q1 2013 levels, driven down by scheduled maintenance shut-downs.**

Taking these maintenance operations in Gabon and Norway into account, manganese ore and manganese alloy production by ERAMET Manganese declined 7% and 16%, respectively, in first-quarter 2014, compared with first-quarter 2013.



Global carbon steel output rose approximately 2.5% in the first quarter of 2014 compared with the same period last year. The same pace of growth was seen for both Chinese and non-Chinese production. In China, the slower growth in Chinese output is mainly due to a stage of destocking, with consumer sectors recording substantial growth in the same period. CIF China* manganese ore spot prices slipped 7% in Q1 2014 compared with the same period in 2013.

Outside China, the manganese alloy market ticked up and prices gradually recovered from July 2013.

- **ERAMET Nickel: Q1 2014 turnover declined 8% year-on-year. Significant rebound in nickel prices from March 2014.**

Nickel metallurgical production at the Doniambo plant in New Caledonia rose 5% in first-quarter 2014, compared with first-quarter 2013.

In the same period, nickel prices on the London Metal Exchange gained 5% compared with levels in Q4 2013, but were still 15% down on average at an abnormally low average level of USD 6.64/lb.

Global stainless steel production moved up 8% in the first quarter of the year compared with Q1 2013.

Indonesia's move to ban the export of ore not processed or refined locally as of January 2014 creates the conditions for a gradual rebalancing of the market, on the heels of two years of significant surplus. LME nickel prices advanced in mid-April to top USD 8/lb.

- **ERAMET Alloys: turnover declined 3% in Q1 2014 compared with Q1 2013**

The resilient performance of activities linked to a stronger aerospace market (up 4% year-on-year) was not sufficient to fully offset the decline in other activities, particularly the 33% slump in turnover for the energy sector.

- **Significant events**

- On March 27, 2014, the ERAMET group announced the start-up phase of mining operations at the Grande Côte mineral sands (ilmenite and zircon) facility in Senegal, operated by TiZiR, its 50/50 joint venture with the Australian Mineral Deposits Limited.
- ERAMET, Vale Canada and New Caledonia's South Province signed a framework agreement on April 5, 2014 in Nouméa providing for the exploration, study and beneficiation of the nickel deposits at Prony and Pernod in the south of New Caledonia.

* Source: CRU



- **ERAMET group financial position**

ERAMET's financial position was solid at end-March 2014 with very substantial liquidity. Net debt stood at approximately 15% of equity, which represents a slight increase over end-2013. Cash requirements will reduce very significantly in the second quarter of 2014, benefiting from net cash flows from operating activities.

- **Outlook**

ERAMET group turnover should pick up in Q2 2014, compared with Q1 2014.

Nonetheless, in view of the relative movement in nickel and manganese prices, current operating income for first-half 2014 should be approximately the same as in second-half 2013.

The measures introduced to improve productivity and trim costs at all levels of the Group will continue during 2014.

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CALENDAR

ERAMET's Annual General Meeting will be held on May 14, 2014 at 10.30 a.m. at Salons Hoche, 9 Avenue Hoche, 75008 PARIS.

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 has major research and development projects in new business lines with high growth potential, such as mineral sands (titanium dioxide and zircon), lithium, niobium and rare earths, and 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 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
ERAMET Manganese	388	389	401	384	326
ERAMET Nickel	181	187	150	186	166
ERAMET Alloys	231	242	204	227	224
Holding & eliminations	(3)	(2)	(1)	(2)	(2)
ERAMET Group including joint ventures	797	816	754	795	714
Share of joint ventures	(18)	(19)	(26)	(15)	(14)
ERAMET Group financial statements reported under IFRS²	779	797	728	780	700

² Application of IFRS 11 "Joint Arrangements" as of 1/1/2014, with retrospective impact on 2013.

Following application of IFRS 11 "Joint Arrangements" as of January 1, 2014, proportionally consolidated companies (Ukad and the TiZir sub-group) in the financial statements to December 31, 2013 are consolidated according to the equity method from FY 2014, with retrospective impact on 2013.

To reflect the economic reality of the Group's companies, the operating performance of jointly controlled companies continued to be proportionally consolidated in the Group's internal reporting, which is used by senior management and the Board of Directors as the basis for monitoring ERAMET's activity.

As a result, in accordance with IFRS 8 "Operating Segments", segment information included in the consolidated financial statements will be aligned with this internal information. As of 2014, the Group's financial reporting will be based on this financial operating information, which is also reconciled with the financial statements reported under IFRS.

Productions and deliveries

In tons	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
Manganese ore and sinter production	859,600	907,700	969,400	966,200	795,500
Manganese alloy production	197,300	188,100	194,400	166,400	165,500
Manganese alloy sales	196,300	197,500	178,600	192,000	170,500
Nickel production*	13,128	12,352	14,177	13,358	13,812
Nickel sales**	11,707	13,572	12,045	15,086	13,235

* Ferronickel and matte

** Finished products