Paris, 17 February 2016

PRESS RELEASE

ERAMET group: 2015 Results

- **2015 results have been very significantly impacted by struggling world crisis of metal and mining sector with prices at their lowest in 15 years - nickel and manganese have been specifically and simultaneously affected. ERAMET group sales remained nevertheless steady at €3,109 million. Current operating income stood at -€207 million and net income – Group share was -€714 million, after taking account of €668 million total impairment of assets and tax receivables.**

- **2014-2017 plan to cut costs and strengthen productivity has been rigorously implemented. Target is reached at midpoint with savings of around €180 million at the end of 2015, on the total savings of €360 million at the end of the plan.[1] A specific project to strengthen the plan to cut costs and boost productivity is launched at SLN, with a view to making major inroads into lowering cash cost.**

- **The strong cash preservation measures were pursued with among others: the suspension of the Group's major projects and the limitation of capital expenditure to safety and strict maintenance. Capital expenditure was reduced to €267 million in 2015, down by 23% against 2014, and by 55% against 2013. Net financial debt stood at €878 million at 31 December 2015 and Group financial liquidity totalled €1.6 billion at 31 December 2015.**

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[1] Annual impact on current operating income compared to 2013.

ERAMET's Board of Directors met on 17 February 2016 under the chairmanship of Patrick BUFFET to approve the financial statements for 2015.[2] The 2015 financial statements will be submitted for approval at the General Meeting on 27 May 2016.

• Key figures for the ERAMET Group

In a context of a downturn in metal markets, the duration and extent of which are quite exceptional, ERAMET Group sales remained steady at €3,109 million (down by 1% against 2014).

The Group's current operating income, however, experienced a sharp drop with respect to 2014 to -€207 million, deeply hit by SLN current operating income (-€260 million), which positive performances by ERAMET Alloys and ERAMET Manganese were unable to offset.

Historically low metal prices also led ERAMET to recognize impairment - assets and tax receivables - of €668 million.

Net loss, Group share came out at -€714 million.

Industrial investments stood at €267 million, down by 23% against 2014, and by 55% against 2013. The restriction of investment to safety and strict maintenance will continue into 2016. This was made possible in the wake of a period of large outlays to modernise the production tool at the start of the current decade.

Net financial debt stood at €878 million at 31 December 2015. The net debt-to-equity ratio (before impairment in 2015) stood at 36%. After the 2015 impairment the ratio was 49%.

Key figures for the ERAMET Group (€ million)*	2015	2014
Sales	**3,109**	3,144
EBITDA	**92**	363
Current operating income	**(207)**	75
Impairment of assets and tax receivables	**(668)**	(27)
Net income, Group share	**(714)**	(159)
Net debt	**(878)**	(547)
Net debt-to-equity ratio before impairment in 2015	**36%**	20%
Net debt-to-equity ratio after impairment in 2015	**49%**	-

* Adjusted data from Group reporting, in which joint ventures are accounted for using proportionate consolidation. The reconciliation with the published financial statements is presented in Appendix.

[2] Audit procedures on the 2015 consolidated financial statements have now been completed, and the certification report is being drawn up.

- **Financial position**

The ERAMET Group's financial liquidity is still strong, totalling €1.6 billion at 31 December 2015, including €980 million on a revolving credit facility drawn down at the beginning of January 2016.

- **Dividends**

The Board will submit a vote proposal to the General Meeting of Shareholders on 27 May 2016 for a zero dividend to be distributed in respect of 2015.

- **ERAMET Nickel: sales down by 12% in 2015 against 2014, to €686 million. Current operating income well into negative territory at -€261 million, pointing to the present slump on the nickel market.**

World production of stainless steel, the main outlet for the nickel market, remained steady in 2015 with respect to 2014, breaking the trend observed between 2010 and 2014, when annual growth was between 6% and 9%.

The economic slowdown in China and continued high output by nickel producers helped increase stocks. They hit an all-time high at year-end 2015, with more than 480,000 tonnes of metal on the LME (London Metal Exchange) and the SHFE (Shanghai Futures Exchange).

LME nickel prices continued to fall throughout the year to their lowest ever level in 12 years, one of the largest drops in the metal sector (down by 42% between December 2014 and December 2015).

At these prices, industry experts claim more than 70% of nickel manufacturers are producing at a loss.

In this context, nickel metallurgy production in Doniambo (New Caledonia) totalled 53,369 tonnes of nickel, down by 1,643 tonnes with respect to 2014. The current operating income of ERAMET Nickel was hit hard, and came out at -€261 million.

Cost-cutting and better operational performance by ERAMET Nickel accounted for a cumulative €64 million in 2014 and 2015, bringing the SLN cash cost to approximately USD 6/lb (in the economic conditions of Q4 2015).

Moreover, ERAMET Nickel targets to strengthen the plan to cut costs and boost SLN productivity in H1 2016, with a view to making major inroads into lowering cash cost.

- **ERAMET Alloys: sales up by 6% in 2015, to €991 million. Current operating income rose to €27 million, including €50 million by Aubert & Duval confirming growth, and -€23 million by ERASTEEL, drastically affected by the high-speed steel market. ERAMET Alloys still holds a good position in the aerospace sector.**

The aerospace sector is showing regular growth and accounts for almost 60% of sales by ERAMET Alloys on programmes by aircraft manufacturers requiring high added-value parts for structures or engines. Aubert & Duval's quality and services were acknowledged with the "Space Award".

In 2015 ERAMET Alloys entered a new phase in the structuring of its business targeting aerospace titanium markets:

- An industrial workload for UKAD, a joint venture between Aubert & Duval and UKTMP, to forge aerospace titanium ingots.
- Continuation of construction of EcoTitanium, Europe's first producer of aerospace quality titanium producer using recycled materials, in partnership with France's ADEME agency and Crédit Agricole.
- Creation of MKAD, a joint venture between Aubert & Duval and Mecachrome to supply machined titanium parts.

ERAMET Alloys also continued to expand its powder metallurgy business:

- deliveries stepped up on the Rafale programme.
- positioning in the emerging 3D printing sector.

Developments in the division's other markets were less favourable, in particular with smaller volumes of high-speed steel pulling down ERASTEEL's results.

Cost-cutting and a better operational performance by ERAMET Alloys accounted for a cumulative €56 million in 2014 and 2015.

- **ERAMET Manganese: sales steady at €1.430 million and positive current operating income at €58 million, despite much lower prices for manganese ore (-49% in December 2015 compared to December 2014). The Moanda deposit is one of the world's most competitive.**

Gross world production of carbon steel, the main outlet for manganese, fell by around 3% against 2014, for the first time in a long period. Construction, which accounts for more than 40% of carbon steel consumption in China, stagnated in 2015, with extremely high levels of empty housing stocks at the end of the year.

Chinese producers offset falling domestic demand with an increase of more than 25% in exports, bringing much pressure to bear on foreign steel manufacturers. Production fell by approximately 1% in Europe, by 8% in North America, and between 3% and 5% in Russia, the Middle East, Africa and Latin America. Steel prices fell across the board.

In this context, manganese ore prices CIF China 44% (Source: CRU) plunged in 2015, by 49% between December 2014 and December 2015. The sharp fall was chiefly caused by new producers in South Africa, spurred on by a considerable depreciation of local currency. Manganese alloy prices have shown the same downward trend since the summer of 2015.

ERAMET Manganese held out well against much lower prices thanks to its competitive position in terms of manganese ore and alloys. In Gabon, ore production by ERAMET

Manganese notched up a new record of 3.9 million tonnes transported in 2015. This was thanks to simultaneous progress by the mine and by the trans-Gabon railway (SETRAG) between Moanda and the port of Owendo.

Cost-cutting and a better operational performance by ERAMET Manganese accounted for a cumulative €54 million in 2014 and 2015.

SETRAG should also benefit from a major 7-year modernisation programme to increase transport capacity and improve railway reliability.

- **TiZir (a joint venture operated 50/50 with Mineral Deposits Limited)**

TiZir continued to ramp up production in 2015 with almost 633,000 tonnes of heavy mineral sands produced (ilmenite, zircon, rutile and leucoxene) at GCO (*Grande Côte Operations*) in Senegal. The pace of industrial operations at year-end was in keeping with expectations.

In Norway, investment to modernise and increase the production capacity of the TTI plant (*TiZir Titanium and Iron*) was finalized during the last quarter of the year, enabling production to resume at the beginning of January 2016. This operation materialises the completion of the integration strategy of the two industrial units from the mineral sands extraction in Senegal to the titanium dioxide feedstock production from ilmenite in Norway.

- **Outlook**

At the conclusion of the Board meeting, Patrick BUFFET said:

"The slowdown in China and massive overproduction in recent years have led to a huge crisis in the metal sector, and all industrial players have been hit hard.

Faced with this exceptional scenario, ERAMET has made a number of major decisions in order to make good the Group cash flow as soon as possible:

- restriction of industrial investment to safety and strict maintenance.
- suspension of major Group projects.
- ongoing asset disposal programme.
- continuation of the 2014-2017 plan to reduce costs and boost productivity in the amount of €360 million annual impact on current operating income at the end of the period, with respect to 2013. At midpoint, the plan has already achieved half of the target.
- H1 2016 project to significantly strengthen SLN specific plan to cut costs and boost productivity.

Growth in the aerospace sector, on the other hand, is still well on target, and the profit of Aubert & Duval in ERAMET Alloys rose in 2015.

The ERAMET Group's financial liquidity is strong.

The crisis in the metal sector calls for the utmost rigour. ERAMET will address these difficult circumstances by accelerating and extending measures to cut costs and boost our performances. "

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WEBCAST OF PRESENTATION OF 2015 RESULTS

The presentation of the 2015 results will be webcasted 18 February 2016, at 10 am (Paris time) in French and with a simultaneous translation in English.
To sign up, please click on the link on the Group's website: **www.eramet.com**

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 developing major projects in new activities with high growth potential, such as mineral sands (titanium dioxide and zirconium), lithium and recycling.
The Group employs approximately 14,000 people in 20 countries.

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APPENDICES

Appendix 1: Sales

Sales (€ million)	Q4 2015	Q3 2015	Q2 2015	Q1 2015	2015	2014	Change
ERAMET Nickel	**144**	146	204	192	**686**	781	**(12%)**
ERAMET Alloys	**263**	218	254	256	**991**	938	**6%**
ERAMET Manganese	**337**	375	389	329	**1,430**	1,429	**0%**
Holding & eliminations	**-**	-	2	-	**2**	(4)	**-**
ERAMET Group including joint ventures	**744**	739	849	777	**3,109**	3,144	**(1%)**
Joint ventures' portion	**(19)**	(29)	(26)	(20)	**(94)**	(69)	**(36%)**
ERAMET Group IFRS published financial statements[1]	**725**	710	823	757	**3,015**	3,075	**(2%)**

[1] *Application of IFRS 11 "Joint Arrangements".*

Appendix 2: Production and shipments

tonnes	Q4 2015	Q3 2015	Q2 2015	Q1 2015	2015	2014	Change
Nickel production[1]	**13,602**	13,488	13,193	13,086	**53,369**	55,012	**(3%)**
Nickel sales[2]	**13,790**	12,550	14,798	13,452	**54,590**	53,616	**2%**
Production of manganese ore and sinter	**918,000**	1,072,800	996,700	880,500	**3,868,000**	3,480,900	**11%**
Manganese alloy production	**176,800**	180,400	183,200	169,500	**709,900**	695,900	**2%**
Manganese alloy sales	**183,500**	184,100	175,900	169,500	**713,000**	699,600	**2%**

[1] *Ferronickel and matte.*
[2] *Finished products.*

Appendix 3: Consolidated performance indicators

Operating performance - by division

(€ million)	Nickel	Alloys	Manganese	Holding & eliminations	Total
Full year 2015					
Sales	686	991	1 430	2	**3 109**
EBITDA	(156)	78	196	(26)	**92**
Current operating profit (loss)	(261)	27	58	(31)	**(207)**
Net cash generated by operating activities	(60)	27	106	(80)	**(7)**
Industrial capital expenditure (intangible assets, property, plant & equipment)	56	44	164	3	**267**
Full year 2014					
Sales	781	938	1 429	(4)	**3 144**
EBITDA	42	81	266	(26)	**363**
Current operating profit (loss)	(52)	23	137	(33)	**75**
Net cash generated by operating activities	(18)	18	140	(97)	**43**
Industrial capital expenditure (intangible assets, property, plant & equipment)	97	48	199	2	**346**

Sales and industrial capital expenditure - by geographic region

(€ million)	France	Europe	North America	Asia	Oceania	Africa	South America	Total
Sales (destination of sales)								
Full year 2015	419	977	663	889	36	85	40	**3 109**
Full year 2014	407	986	664	947	16	81	43	**3 144**
Industrial capital expenditure (intangible assets, property, plant & equipment)								
Full year 2015	49	47	21	1	53	95	1	**267**
Full year 2014	56	28	19	20	73	149	1	**346**

Performance indicators consolidated - profit and loss

(€ million)	**Full year 2015**	**Full year 2014**
Sales	**3 109**	**3 144**
EBITDA	**92**	**363**
Current operating profit (loss)	**(207)**	**75**
Operating profit (loss)	**(813)**	**(54)**
Financial result	(90)	(68)
Share in profit of associates	(1)	-
Income tax	(8)	(49)
Profit (loss) for the period	**(912)**	**(171)**
- minority interests	(198)	(12)
- Group share	**(714)**	**(159)**
Basic / diluted earnings per share (in euros)	(27,11)	(6,06)

Performance indicators consolidated - net financial debt variation

(€ million)	Full year 2015	Full year 2014
Operating activities		
EBITDA	92	363
Cash impact of items below EBITDA	(252)	(238)
Cash generated from operations	**(160)**	**125**
Working Capital variation	153	(82)
Net cash generated by operating activities	**(7)**	**43**
Investing activities		
Industrial capital expenditure	(267)	(346)
Other investing activities flows	(16)	26
Net cash used in investing activities	**(283)**	**(320)**
Net cash used in financing activities	**-**	**(25)**
Exchange-rate impact	(41)	(27)
(Increase) / decrease in net financial debt position	**(331)**	**(329)**
Opening (net financial debt) position	**(547)**	**(218)**
Closing (net financial debt) position	**(878)**	**(547)**

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Performance indicators consolidated - balance sheet

(€ million)	31/12/2015	31/12/2014
Non-current assets	**3 003**	**3 407**
Inventories	974	1 058
Trade receivables	293	387
Trade payables	(430)	(435)
Simplified Working Capital	**837**	**1 010**
Other Working Capital items	(136)	(162)
Total Working Capital	**701**	**848**
TOTAL	**3 704**	**4 255**

(€ million)	31/12/2015	31/12/2014
Shareholders' equity - Group share	1 466	2 322
Shareholders' equity - Minority interests	313	432
Shareholders' equity	**1 779**	**2 754**
Cash and cash equivalents and other current financial assets	(630)	(938)
Borrowings	1 508	1 485
Net financial debt	**878**	**547**
Net financial debt / shareholders' equity (gearing)	*49%*	*20%*
Provisions and employee-related liabilities	**812**	**732**
Net deferred tax	**123**	**130**
Derivatives	**112**	**92**
TOTAL	**3 704**	**4 255**

Appendix 4: Reconciliation Group reporting and published accounts

(€ million)	Full year 2015 Published (1)	Joint-venture contribution	Full year 2015 Reporting (2)	Full year 2014 Published (1)	Joint-venture contribution	Full year 2014 Reporting (2)
Sales	3 015	94	**3 109**	3 075	69	**3 144**
EBITDA	92	-	**92**	363	-	**363**
Current operating profit (loss)	(191)	(16)	**(207)**	86	(11)	**75**
Operating profit (loss)	(744)	(69)	**(813)**	(15)	(39)	**(54)**
Profit (loss) for the period - Group share	(714)	-	**(714)**	(159)	-	**(159)**
Net cash generated by operating activities	(13)	6	**(7)**	50	(7)	**43**
Industrial capital expenditure	242	25	**267**	305	41	**346**
Net financial debt position	(716)	(162)	**(878)**	(411)	(136)	**(547)**
Shareholders' equity	1 788	(9)	**1 779**	2 756	(2)	**2 754**
Shareholders' equity - Group share	1 466	-	**1 466**	2 322	-	**2 322**

(1) Financial statements prepared under applicable IFRS, with joint ventures are accounted for using equity method. See 2015 consolidated financial statements.
(2) Group reporting, in which joint ventures are accounted for using proportionate consolidation.