Paris, February 16th 2012

PRESS RELEASE

2011 Results

- **Solid results and financial position in 2011**
  - **Current operating income: €554 million**
  - **Net income, Group share: €195 million**
  - **Net cash of over €1.1 billion at end-2011**
- **Continued development of the Group**
  - **Industrial capital expenditure up 51% in 2011 to €492 million**
  - **Expansion of mineral sands activities (zircon and titanium dioxide)**

ERAMET's Board of Directors, meeting on February 15th 2012 under the chairmanship of Patrick BUFFET, approved the financial statements for FY 2011, which will be submitted to the General Shareholders' Meeting of May 15th 2012.

(€ millions)	H1 2011	H2 2011	2011	2010
Turnover	**1,931**	**1,672**	**3,603**	**3,576**
Current operating income	**366**	**188**	**554**	**739**
Net income, Group share	**135**	**60**	**195**	**328**
Net income, Group share (€/share)	**5.11**	**2.31**	**7.42**	**12.43**
Operating cash flow	**263**	**328**	**591**	**727**
Net cash	**1,196**	**1,153**	**1,153**	**1,295**

Patrick BUFFET, Chairman & Chief Executive Officer of ERAMET group, stated: *"Our 2011 results were affected in the second half by the deterioration in the economic climate, in particular as a result of the fall in the price of nickel and of manganese. Our current operating income has nevertheless held up well, at €554 million for the full-year. We hit some major milestones in the implementation of our development plan, which encompasses two key goals:*

- *To prepare the future for our existing nickel, manganese and alloys businesses;*

- *To transform ERAMET through development in new metals, new technologies and new locations.*

We should also be satisfied with the financial strength of the Group, which has not only been able to achieve a high level of capital expenditure, to expand its Research and Development programmes and build a foothold in new metals but also to maintain a net cash of over 1.1 billion euros at end-2011.

The Group took a major step forward in 2011 with the new "Grande Côte" project in Senegal, which should over time turn ERAMET, as a 50/50 partner with the Australian company Mineral Deposits Limited, into one of the global leaders in ilmenite and zircon, markets with strong potential.

In 2012, the deterioration of the economic climate is expected to weigh on developed markets. But demand in emerging markets for our metals is still far from their full potential and our positive medium and long-term view is unchanged.

We will continue to implement our operational improvement programmes, to ramp-up production from recent equipment and to proceed with our on-going investments. Overall industrial capital expenditure will be high, on a par with 2011, assuming the global economic picture stays in line with current forecasts. Finally, we will continue to increase our research and development budgets and to carry out the study and preparation of our transformative projects."

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In 2011, ERAMET group turnover was up slightly at €3.6 billion, primarily on the back of accelerated demand from the aerospace sector and, to a lesser extent, thanks to the sustained level of nickel prices in the first half of 2011.

The Group's current operating income totalled €554 million, as against €739 million in 2010. This evolution was primarily due to a series of external factors: the fall in the price of manganese and higher energy and raw material costs.

Net income, Group share amounted to €195 million, representing €7.42 per share.

Cash flow from operations amounted to €591 million, a level that made possible the financing of high levels of industrial capital expenditure of €492 million (€326 million in 2010). The net cash position remained above €1.1 billion at end-2011.

- **A dividend of €2.25/share proposed**

The Board of Directors will propose to Shareholders at the General Meeting a dividend of €2.25 per share.

- **ERAMET Manganese: sustained profitability despite the fall in the price of manganese**

Current operating income at ERAMET Manganese remained strong at €388 million in 2011, compared to €548 million in 2010. This was mainly due to the fall in the price of manganese ore and alloys: CIF China spot prices (source: CRU) for ore fell on average 26% in 2011 compared with 2010 and closed the year at under US$5 per dmtu, while the average price of manganese alloys dropped over 15%.

Global carbon steel production was up 6% in 2011 on 2010, but with a marked slowdown in the second half, acting as a drag on the price of manganese. Global manganese ore supply continued to gradually increase up to the third quarter of 2011, before starting to fall back. Manganese ore inventories in Chinese ports rose up to June, then adjusted gradually to a level close to that at the start of the year.

ERAMET Manganese increased external deliveries of ore by 4.5% over the full-year compared to 2010. Manganese ore production at COMILOG in Gabon was up 7% to 3.4 million tons. COMILOG's major capital expenditure programmes (increasing ore and sinter production capacity to 4 million tons, Moanda industrial complex, modernisation of the Transgabonais railway) continued to move forward.

ERAMET's production of manganese alloys was up slightly (+1%), despite a reduction in Europe in Q4 and the closure of the former Guilin facility, in China, which is preparing the commissioning of the new plant scheduled to take place in the second quarter of 2012. The latter will position ERAMET Manganese in the Chinese refined manganese alloys market, products in which it is currently global leader outside China.

The ERAMET group strengthened its strategic partnership with Gabon in 2011, through the continued increase in the Gabonese Republic's interest in COMILOG, from 26% to 29% in line with the target of 35.4%.

- **ERAMET Nickel: current operating income stable**

ERAMET Nickel's current operating income totalled €189 million, on a par with 2010 (€194 million). The stainless steel market saw two mixed halves, with global production sustained in the first half of 2011, and then down in the second half of 2011. Over the full-year, global stainless steel production was up 5%.

Nickel prices were up on average 5% in 2011 on 2010, at US$10.4 per pound, but with two contrasting halves. The coming on stream of new nickel production capacity was generally slower than expected, sustaining nickel prices in the first half of 2011. In the second half, falling demand resulted in a slight surplus in the market and forced down the price of nickel, closing the year at circa US$8 per pound. This level led to a downward adjustment in nickel pig iron production in China.

Metallurgical production at the Doniambo plant, in New Caledonia, rose slightly to over 54,000 tons, despite exceptionally high rainfall during the 1st half of the year 2011. The Group continued to invest in the modernisation of its mining and metallurgical facilities and in the 2nd half notably commissioned an ore drying furnace. The study into the best solution to replace the Doniambo electricity plant continued, with a decision expected in 2012.

Nickel deliveries were stable in 2011 compared to 2010. ERAMET Nickel's production costs were notably affected by higher energy costs, as well as operational issues at certain sub-contractors.

STCPI (Société Territoriale Calédonienne de Participation Industrielle) and the ERAMET group jointly agreed to renew for a further period to December 31st 2012 their shareholders' agreement within Société Le Nickel (SLN). The parties also agreed to continue discussions regarding the adjusting of the shareholders' agreement by December 31st 2012. The guiding principles would remain unchanged, with adjustments reflecting all industrial, commercial and technological changes arising within SLN and in its environment since the signing of the original agreement. Furthermore, the ERAMET group and SLN renewed their commercial and technical agreements in 2011.

- **ERAMET Alloys: investments and developments which prepare the future**

ERAMET Alloys' turnover rose sharply in 2011 compared to 2010 (+19%) to €910 million, notably as a result of a sudden surge in the aerospace business (+33%).

Current operating income at ERAMET Alloys totalled €16 million in 2011, reflecting not only the negative effect of raw materials, energy but also non-recurring costs stemming from the implementation of long term programmes.

In light of the need to rapidly increase production to meet customer demand, ERAMET Alloys took measures, some of which temporarily affected performance in 2011: hiring and training of additional staff, increasing inventories,…

In addition, ERAMET Alloys managed the bringing on stream in 2011 of four strategic industrial capital expenditure programmes that will enable it to strengthen its positions in fast-growing materials and technologies that offer greater differentiation: alloy powder metallurgy, vacuum alloy production, titanium forging, aluminium forging…

The teams at ERAMET Alloys also worked on developing strategic partnerships in China and India, which will over time constitute major growth potential for its activities in these two growth markets, as well as possible complements to its current production range.

- **Progress in studies and preparation for transformative projects**

In 2011, the Group continued working on studies for its transformative projects which will ultimately broaden its activities into new locations, new metals and new technologies, thereby accelerating its growth and its diversification. These projects are generally undertaken as part of long-term partnerships.

- WEDA BAY NICKEL (Indonesia)

The feasibility study for the first phase of the Weda Bay Nickel project in Indonesia continued in 2011, with an investment decision for the first phase of the project scheduled to be taken in early 2013. Weda Bay Nickel is designed to process locally a world-class nickel oxide resource thanks to a process developed by the ERAMET group. The project's ultimate aim is to achieve production of 65,000 tons per annum. The first phase would involve 35,000 tons. The investment, in December 2011, of the Japanese group Pamco, alongside Mitsubishi Corporation, strengthens the Weda Bay Nickel project, in particular in terms of commercial opportunities.

- TIZIR (Senegal and Norway): strategic investment in zircon and titanium dioxide

The ERAMET group made a strategic investment in zircon and titanium dioxide in 2011, establishing a 50/50 joint-venture, TIZIR, with the Australian group MINERAL DEPOSITS LIMITED, to jointly develop the major Grande-Côte mineral sands deposit, located in Senegal. In addition, ERAMET's bringing to the joint-venture of its Norwegian plant in Tyssedal, one of the three global specialists in titanium dioxide slag, creates an integrated player enjoying further growth opportunities. The construction of Grande-Côte, involving an investment of some US$520 million is ongoing, with a production expected to start-up at the end of 2013. TIZIR will enjoy a number of competitive advantages in its favourable businesses (substantial price increases were in particular seen in 2011), in which it should become one of the global leaders over time.

- MABOUNIE (Gabon): rare earths, niobium, tantalum

The ERAMET group continued laboratory and pilot testing with the goal of finalizing a special process designed to process the ore from the Mabounié deposit in Gabon, which is 60% owned by its 63.7% subsidiary COMILOG. This deposit contains a major potential resource of rare earths, niobium and tantalum, as well as uranium. Once process development is complete, the ERAMET group is planning to build a pilot plant in Gabon in 2014-2015.

- Lithium

The Group continues to examine various development avenues in the lithium market and in particular continued laboratory studies on processes to extract and recover lithium.

- **Outlook**

Against a backdrop of economic uncertainty, nickel and manganese prices started the year below average prices in 2011. These price levels nevertheless seem to have resulted in production adjustments at certain competitors.

The medium and long-term outlook remains positive as regards emerging markets in particular, where demand for the Group's metals and alloys remains well below their full potential.

It is expected that the ERAMET group will continue an industrial capital expenditure programme in 2012 that is on a par with 2011, assuming the global economy continues to perform as currently forecast. In addition, the study or development of major transformative projects and the establishment of programmes to improve competitiveness will be continued.

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WEBCAST OF RESULTS PRESENTATION

The presentation of 2011 results will be available by webcast at 10 am (CET) today in French with simultaneous translation into English. To sign up, click on the link shown 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.

Moreover, ERAMET is studying or developing major projects in new metals with high growth potential, such as mineral sands (titanium dioxide and zircon), lithium, niobium and rare earths, and in recycling.
The Group employs approximately 15,000 people in over 20 countries. ERAMET is part of Euronext Paris Compartment A.

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APPENDIX

Productions and turnover

In tons	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2011	2010	Change
Manganese ore and sinter production	797 400	884 000	956 900	795 200	**3 433 500**	3 201 000	**+7 %**
Manganese alloys production	212 000	203 000	197 900	172 800	**785 700**	779 000	**+1 %**
Manganese alloys sales	206 000	205 000	199 100	184 600	**794 700**	753 000	**+6 %**
Nickel production *	12 995	12 813	13 947	14 604	**54 359**	53 720	**+1 %**
Nickel sales **	12 591	13 822	11 315	15 551	**53 277**	53 650	**-1%**

* Ferronickel and matte
** Finished products

Turnover (M€)	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2011	2010	Change
Group	**973**	**958**	**792**	**880**	**3 603**	**3 576**	**+1%**
ERAMET Manganese	**467**	**455**	**398**	**393**	**1 713**	**1 858**	**-8%**
ERAMET Nickel	**271**	**270**	**200**	**248**	**989**	**965**	**+2%**
ERAMET Alloys	**237**	**236**	**196**	**241**	**910**	**764**	**+19%**
Holding & eliminations	**(2)**	**(3)**	**(2)**	**(2)**	**(9)**	**(11)**	

Statement of comprehensive income

(millions of euros)	Full year 2011	Full year 2010	Full year 2009
Sales	**3 603**	**3 576**	**2 689**
Other income	81	31	(35)
Cost of products sold	(2 674)	(2 437)	(2 414)
Administrative & selling costs	(174)	(155)	(142)
Research & development expenditure	(47)	(44)	(39)
EBITDA	**789**	**971**	**59**
Depreciation, amortisation & impairment of non-current assets	(230)	(225)	(210)
Impairment losses and provisions	(5)	(7)	(12)
Current operating income	**554**	**739**	**(163)**
Other operating income and expenses	(63)	(19)	(104)
Operating income	**491**	**720**	**(267)**
Net cost of debt	22	3	11
Other finance income and expenses	8	(15)	(12)
Share in earnings of affiliates	1	1	-
Income tax	(219)	(255)	7
Net income	**303**	**454**	**(261)**
- Minority interests	108	126	4
- Equity holders of the parent	**195**	**328**	**(265)**
Basic earnings per share (EUR)	7,42	12,43	(10,16)
Diluted earnings per share (EUR)	7,39	12,40	(10,16)
Net income	**303**	**454**	**(261)**
Exchange differences on translation of foreign operations	7	63	109
Net (loss) / gain on cash flow hedges	(51)	(20)	135
Net (loss) / gain on available for sale financial assets	(10)	3	21
Income tax	21	6	(53)
Other comprehensive income (loss)	**(33)**	**52**	**212**
- Minority interests	4	8	20
- Equity holders of the parent	**(37)**	**44**	**192**
Total comprehensive income	**270**	**506**	**(49)**
- Minority interests	112	134	24
- Equity holders of the parent	**158**	**372**	**(73)**

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Statement of financial position

Assets

(millions of euros)	12/31/2011	12/31/2010	12/31/2009
Goodwill	210	172	161
Intangible assets	612	521	432
Property, plant & equipment	2 119	1 903	1 795
Companies accounted for using the equity method	23	22	21
Other financial non-current assets	87	86	100
Deferred tax	25	30	68
Other non-current assets	5	5	5
Non-current assets	**3 081**	**2 739**	**2 582**
Inventories	1 093	996	824
Trade receivables and other current assets	664	642	514
Tax receivables	33	12	43
Financial derivatives	46	128	90
Other financial current assets	473	359	405
Cash and cash equivalents	911	1 227	812
Current assets	**3 220**	**3 364**	**2 688**
Total assets	**6 301**	**6 103**	**5 270**

Shareholders' equity and liabilities			
(millions of euros)	12/31/2011	12/31/2010	12/31/2009
Share capital	81	81	80
Share premiums	372	371	341
Available for sale reserve	-	7	6
Cash flow hedge reserve	(24)	10	24
Foreign currency translation reserve	28	24	(32)
Other reserves	2 579	2 465	2 116
Shareholders' equity of the parent	**3 036**	**2 958**	**2 535**
Minority interests	1 043	1 016	970
Shareholders' equity	**4 079**	**3 974**	**3 505**
Employee benefits	129	123	128
Provisions	379	360	314
Deferred tax	406	342	297
Borrowings - due in more than one year	151	203	199
Other non-current liabilities	37	33	36
Non-current liabilities	**1 102**	**1 061**	**974**
Provisions - due in less than one year	29	29	29
Borrowings - due in less than one year	80	88	72
Trade payables and other current liabilities	833	731	590
Tax payables	77	149	74
Financial derivatives	101	71	26
Current liabilities	**1 120**	**1 068**	**791**
Total shareholders' equity and liabilities	**6 301**	**6 103**	**5 270**

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Statement of changes in net cash / borrowing position

(millions of euros)	Full year 2011	Full year 2010	Full year 2009
Operating activities			
EBITDA	789	971	59
Elimination of non-cash or non-business items:	(155)	(201)	(101)
Operating cash flow before changes in working capital	**634**	**770**	**(42)**
Changes in operating working capital requirement	(43)	(43)	154
Net cash flows from operating activities	**591**	**727**	**112**
Investing activities			
Capital expenditure	(492)	(326)	(286)
Non-current financial assets	(65)	76	11
Disposals of non-current assets	3	5	3
Net change in non-current asset receivables / liabilities	12	4	(11)
Changes in scope of consolidation and loans	17	(11)	(10)
Dividends from equity accounted affiliates	-	-	-
Net cash flows from investing activities	**(525)**	**(252)**	**(293)**
Financing activities			
Dividends paid	(186)	(152)	(164)
Share capital increases	1	31	74
Changes in working capital requirement related to financing activities	(2)	-	19
Net cash flows from financing activities	**(187)**	**(121)**	**(71)**
Impact of translation adjustments	(21)	(5)	65
Decrease (increase) in net cash (borrowing) position	**(142)**	**349**	**(187)**
Opening net cash (borrowing) position	**1 295**	**946**	**1 133**
Closing net cash (borrowing) position	**1 153**	**1 295**	**946**

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Segment reporting

By division

(millions of euros)	Nickel	Manganèse	Alloys	Holding & eliminations	Total
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**
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**
Full year 2009					
Non-Group sales	649	1 289	750	1	**2 689**
Intra-Group sales	6	-	-	(6)	-
Sales	655	1 289	750	(5)	**2 689**
Cash flows from operating activities	(15)	13	(21)	(19)	**(42)**
EBITDA	13	72	(5)	(21)	**59**
Current operating income	(62)	(27)	(49)	(25)	**(163)**
Other operating income and expenses	-	-	-	-	**(104)**
Operating income	-	-	-	-	**(267)**
Cost of borrowed capital	-	-	-	-	**11**
Other finance income and expenses	-	-	-	-	**(12)**
Share of income from equity accounted companies	-	-	-	-	**-**
Income tax	-	-	-	-	**7**
Minority interests	-	-	-	-	**(4)**
Group net income (loss)	-	-	-	-	**(265)**
Non-cash expenses	(57)	(86)	(90)	14	**(219)**
- depreciation & amortisation	(75)	(92)	(47)	(17)	**(231)**
- provisions	(57)	(3)	2	-	**(58)**
- impairment losses	-	(3)	(48)	-	**(51)**
Capital expenditure (intangibles and property, plant & equipment)	107	110	67	2	**286**
Total balance sheet assets (current and non-current)	2 406	2 765	895	(796)	**5 270**
Total balance sheet liabilities (current and non-current excluding sareholde	748	972	537	(492)	**1 765**

Segment reporting

By geographic region

(millions of euros)	Europe	North America	Asia	Oceania	Africa	South America	Total
Sales (destination of sales)							
Full year 2011	1 598	676	1 193	30	66	40	**3 603**
Full year 2010	1 598	642	1 201	32	77	26	**3 576**
Full year 2009	1 270	466	840	24	72	17	**2 689**
Capital expenditure (intangibles and property, plant & equipment)							
Full year 2011	144	27	122	61	138	-	**492**
Full year 2010	108	28	75	50	64	1	**326**
Full year 2009	83	16	54	65	68	-	**286**
Total balance sheet assets (current and non-current)							
Full year 2011	3 622	368	783	903	624	1	**6 301**
Full year 2010	3 792	400	700	846	365	-	**6 103**
Full year 2009	3 157	352	533	903	325	-	**5 270**