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## PRESS RELEASE

### 1<sup>st</sup> quarter 2012 turnover

- 877 M€ turnover in 1<sup>st</sup> quarter 2012, stable compared with 4<sup>th</sup> quarter 2011, down 10% (7% excluding structure effect\*) from 1<sup>st</sup> quarter 2011
- Growth expected in the Group's turnover in 2<sup>nd</sup> quarter 2012 vs. 1<sup>st</sup> quarter 2012

Turnover (€ millions)	Q1 2011	Q4 2011	Q1 2012
ERAMET Manganese	467	393	<b>374*</b>
ERAMET Nickel	271	248	<b>236</b>
ERAMET Alloys	237	241	<b>271</b>
Holding & eliminations	(2)	(2)	<b>(4)</b>
ERAMET Group	973	880	<b>877*</b>

- **ERAMET Manganese: 20% (15% excluding structure effect\*) decrease in turnover compared with 1<sup>st</sup> quarter 2011 to 374 M€**

Global production of carbon steel rose 1.1% in the 1<sup>st</sup> quarter of 2012 compared with the 1<sup>st</sup> quarter of 2011, with an improvement in March (+1.8% compared with March 2011). Chinese production increased 2.5% and steel production outside China was virtually the same as in the 1<sup>st</sup> quarter of 2011.

CIF China spot prices (source: CRU) for manganese ore were 25% lower in the 1<sup>st</sup> quarter of 2012 compared with the same period in 2011.

Spot prices (source: CRU) for manganese alloys decreased 13% in the 1<sup>st</sup> quarter of 2012 compared with the 1<sup>st</sup> quarter of 2011, but began to recover compared with the 4<sup>th</sup> quarter of 2011.

In the 1<sup>st</sup> quarter of 2012, ERAMET Manganese's production of manganese ore and sinter (approximately 450,000 tons) was heavily penalised compared with the 1<sup>st</sup> quarter of 2011 by a non-recurrent technical problem, since solved, that blocked wagon unloading

\* After the €24 million effect of the 50% deconsolidation of the Norwegian titanium dioxide activity, effective as of October 1<sup>st</sup>, 2011, following its contribution by ERAMET to TiZir, the 50/50 joint venture created with the Australian company Mineral Deposits Limited, to develop the Grande Côte mineral sands deposit (ilmenite & zirconium) in Senegal.

at Owendo port for six weeks. As a result, the Division's external shipments of manganese ore and sinter were 25% lower in the 1<sup>st</sup> quarter of 2012 than in the 1<sup>st</sup> quarter of 2011.

ERAMET has limited its production of manganese alloys in order to adapt to market conditions.

- **ERAMET Nickel: at 236 M€, turnover down 13% compared with 1<sup>st</sup> quarter 2011**

Global production of stainless steel decreased by approximately 3% in the 1<sup>st</sup> quarter of 2012 compared with the 1<sup>st</sup> quarter of 2011.

In the 1<sup>st</sup> quarter of 2012, LME inventories fell by approximately 23,000 tons compared with the 1<sup>st</sup> quarter of 2011, to approximately 100,000 tons. LME nickel prices in the 1<sup>st</sup> quarter 2012 were 27% lower than in the 1<sup>st</sup> quarter of 2011. Nevertheless, they rose 8% in the 1<sup>st</sup> quarter of 2012 compared with the 4<sup>th</sup> quarter 2011 to average 8.92 USD/pound.

In the 1<sup>st</sup> quarter of 2012, metallurgical nickel production at the Doniambo plant in New Caledonia (14,200 tons) rose 9% compared with the 1<sup>st</sup> quarter 2011. Moreover, nickel deliveries also rose 8% compared with the 1<sup>st</sup> quarter of 2011 to 13,600 tons.

- **ERAMET Alloys: turnover up 14% compared with 1<sup>st</sup> quarter 2011 to 271 M€**

ERAMET Alloys' turnover increased 14% in the 1<sup>st</sup> quarter of 2012 compared with the 1<sup>st</sup> quarter of 2011.

It particularly grew in the aerospace and power sectors.

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

The ERAMET group's financial situation remains very sound.

- **Outlook**

#### **ERAMET Manganese**

The decrease in manganese ore inventory in Chinese ports, which began in mid-2011, is continuing and a slight rise in manganese ore prices is expected in May, while the increase in manganese alloy prices should continue.

ERAMET's production of manganese ore and sinter is expected to rise in the 2<sup>nd</sup> quarter of 2012 compared with the 1<sup>st</sup> quarter of 2012. ERAMET Manganese's turnover is expected to be significantly higher in the 2<sup>nd</sup> quarter than in the 1<sup>st</sup> quarter of 2012.

The new manganese alloy plant in Guilin, China will come on stream in the 3<sup>rd</sup> quarter of 2012. This facility will position ERAMET Manganese on the fast-growing Chinese market for refined manganese alloys.



## **ERAMET Nickel**

LME nickel prices remained around 8 USD/pound in April 2012.

ERAMET Nickel's production of nickel should be higher in the 2<sup>nd</sup> quarter than in the 1<sup>st</sup> quarter of 2012, unless exceptional factors arise.

## **ERAMET Alloys**

The outlook for the 1<sup>st</sup> half of 2012 is healthy on ERAMET Alloys' various markets, particularly aerospace.

## **ERAMET Group**

As previously announced, average nickel and manganese prices since the beginning of the year have remained at lower levels than the average for 2011.

In the 1<sup>st</sup> half of 2012, the ERAMET group's current operating income will be lower than in the 1<sup>st</sup> half of 2011.

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## **AGENDA**

ERAMET's general shareholders' meeting will take place at 10:30 am on May 15<sup>th</sup>, 2012 at Les 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 zirconium), lithium, niobium and rare earths, as well as in recycling.

The Group employs approximately 15,000 people in 20 countries. ERAMET is part of Euronext Paris Compartment A.

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## APPENDIX

### Turnover

Turnover (M€)	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012
ERAMET Manganese	467	455	398	393	374*
ERAMET Nickel	271	270	200	248	236
ERAMET Alloys	237	236	196	241	271
Holding & eliminations	(2)	(3)	(2)	(2)	(4)
ERAMET Group	973	958	792	880	877*

\* See footnote page 1

### Production and shipments

(Metric tons)	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Manganese ore and sinter production	797 400	884 000	956 900	795 200	449 300
Manganese alloy production	212 000	203 000	197 900	172 800	176 000
Manganese alloy sales	206 000	205 000	199 100	184 600	194 500
Nickel production*	12 995	12 813	13 947	14 604	14 220
Nickel sales**	12 591	13 822	11 315	15 551	13 602

\* Ferronickel and matte

\*\* Finished products