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PRESS RELEASE

Eramet: High current operating income for 2018, at €581m, driven by a favourable price environment

- **Sales** up 5% over 2018 to **€3,825m**[1] in a context of rising metal prices and favourable markets for mineral sands.
- **New operating records for the Mining and Metals division**[2]**,** confirming the Group's ambitions:
    - 4.3 million tonnes of manganese ore produced,
    - 1.2 million tonnes of nickel ore exported out of New Caledonia in 2018,
    - 774[3] thousand tonnes of mineral sands concentrate produced.
- **EBITDA** at **€843m**[1]**,** in line with the guidance provided. Second year of strong value creation with a 22% ROCE.
- **High current operating income**, at **€581m**[1], with contrasting performances by activity notably production difficulties in Nickel activity, and an unfavourable market environment in the main sectors of the High Performance Alloys division[4].
- **Net income - Group share** at **€53m**[1], including a non-current provision of €65m to factor in the cost of the quality process review within the High Performance Alloys division.
- **Net debt of €717m**[1], gearing[5] of 38%, reflecting the acquisition of TiZir.
- **Dividend payment to shareholders** in respect of the 2018 financial year: an amount of €0.60 per share maintaining a 30% pay-out ratio will be submitted for approval at the General Shareholders' meeting on 23 May, 2019.
- A key milestone in 2019 for the major growth projects of the Group:
    - **Organic growth in manganese ore** with a production target of 4.5 million tonnes as of 2019 and decision expected to increase volumes **by end-2023** to **7 Mt**,
    - Expected decision to be made on the lithium project in Argentina reflecting the acceleration of the diversification strategy in metals for the energy transition.
- Intrinsic growth and productivity gains in 2019, offsetting the current deterioration in market conditions, thereby resulting in forecast **EBITDA close to that of 2018**[6].

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[1] Consolidated performance indicators; see Financial glossary in Appendix
[2] Manganese, nickel, mineral sands and lithium
[3] TiZir at 100%
[4] Aubert & Duval and Erasteel
[5] Net debt-to-equity ratio
[6] Assuming market conditions of January 2019

Christel BORIES, *Group Chairman and CEO:*

« In 2018, Eramet posted strong results for the second consecutive year, with an EBITDA of €843m and current operating income of €581m, particularly owing to a favourable price environment. We have achieved new production records in our mining operations, taken full control of TiZir, reduced the number of workplace accidents and launched a number of initiatives to improve our operating performance and our commitment as a responsible corporate citizen.

However, these successes have not led to results that match our ambitions. Some of our activities still performed below our expectations, particularly SLN in New Caledonia, the Sandouville plant and our High Performance Alloys division. Over the coming months, we are making every effort to put SLN's rescue plan into action, upgrade the Sandouville plant and build the foundations for improving performance in the High Performance Alloys division.

2018 was primarily the year that set into motion the Group with the roll-out of our strategic plan and our in-depth managerial transformation. We have laid out our vision for the future: to be the best in the businesses we have selected and to be a company admired for its strategic, managerial and societal model. A new Eramet is emerging, represented by the impetus and commitment of our 13,000 employees and our partners.

2019 will also be the year of accelerating our transformation and decision-making for our two major strategic projects: increase manganese ore volumes in Gabon by 50% and lithium production in Argentina. These projects are key to Eramet's strategy to make our model sustainable, more robust, profitable, and a growth driver. »

Eramet's Board of Directors met on 20 February, 2019, under the chairmanship of Christel BORIES, and approved the financial statements for the 2018 financial year[7] which will be submitted for approval at the General Shareholders' meeting on 23 May, 2019.

Safety

The accident frequency rate (TF2[8]) declined by 23%, from 10.3 to 7.9 in 2018, particularly while pursuing the priority action plan implemented by the Group with prevention and safety awareness operations to increase employee vigilance.

Key figures for Eramet group

(Millions of euros)[1]	2018	2017	Change (€m)	Change[5] (%)
Sales	**3,825**	3,652	+173	+5%
EBITDA	**843**	871	-28	-3%
Current operating income (COI)	**581**	608	-27	-4%
Net income – Group share	**53**	203	-150	-74%
Free Cash-Flow (excluding TiZir acquisition)[2]	**162**	477	-315	-66%
Net debt (net cash)	**717**	376	+341	+91%
Gearing[3]	**38%**	19%	+19 pts	Na
ROCE (COI / capital employed[4] for previous year)	**22%**	21%	+1 pt	Na

[1] 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 the appendices.

[2] Free-cash-flow for FY 2018 ended at - €211m and was impacted by €373m from the acquisition of Mineral Deposit Limited, an Australian company that held a 50% stake in TiZir.

[3] Net debt-to-equity ratio.

[4] Total shareholders' equity, net debt, provisions for site rehabilitation, restructuring and other social risks, less financial fixed assets, excluding Weda Bay Nickel capital employed.

[5] Data rounded up to higher or lower %.

Group sales were up 5% versus 2017 to €3,825m. At constant scope[9,10] and exchange rates[10], the change in Group sales is approximately 8%.

The Group's current operating income ended at €581m, down 4%. The good operating performance from manganese ore activities (Comilog) and mineral sands (TiZir), as well as Erasteel's progress, were offset by the negative squeeze effect on manganese alloys margins, an underperforming SLN due to societal difficulties in New Caledonia, and losses incurred by the Sandouville plant and Aubert & Duval.

[7] Audit procedures for the 2018 consolidated financial statements are complete. The certification report will be issued after the Board of Directors held on 22 March 2019, which will set the draft shareholders' resolutions

[8] TF2 = number of lost time and recordable injury accidents for 1 million hours worked

[9] The scope effect is mainly owing to the full consolidation of the Mineral Sands activity as of 1st July 2018, following the acquisition of shares in Mineral Deposits Limited, an Australian company that held a 50% stake in TiZir.

[10] See financial glossary in Appendix 3.

Net income - Group share amounted to €53m, versus €203m in 2017. An non-recurring charge of €265m was booked for Aubert & Duval (asset impairment of €200m announced in H1 2018, and a non-current provision of €65m for the cost of the quality process review). This was partially offset by a €147m net profit from other non-recurring income and expenses, mainly related to the disposal of Guilin, the waiver of conditions required to establish the Weda Bay Nickel partnership agreement and the reversal of an impairment charge on TiZir.

Free cash flow, excluding the TiZir acquisition, ended at + €162m in 2018. It amounted to - €211m, after taking into account the full consolidation of TiZir, following the successful takeover bid in July for a total of €373m, including the payment of the acquisition cost (€220m) and the consolidation of TiZir's debt. Capex remained moderate at €281m in 2018.

In addition, the payment of dividends in 2018 in respect of 2017 results to Eramet shareholders (€61) and Comilog minority shareholders (€59) amounted to €120m.

Net debt stood at €717m at 31 December, 2018, corresponding to a gearing of 38%, versus €376m at end-2017. Excluding the TiZir acquisition, net debt decreased by 32 M€ compared to 2017.

♦ Financial strategy

In February 2018, the RCF was extended for €981m with a five-year maturity (new term in 2023). In February 2019, maturity was extended to 2024. No amount of this RCF has been drawn down to date.

To boost its R&D, modernisation and digital transformation spending, Eramet signed a deal with the European Investment Bank in October for €120m in funding, with a 10-year maturity.

At 31 December, 2018, Eramet's financial liquidity remained high at €2.5bn.

Given the volatile and cyclical characteristics of Eramet's markets, the Group is aiming to:

- have a minimum amount of free cash available at all times of €500m to protect against a low cycle risk,
- maintain the net debt-to-equity ratio ("gearing") below 100%.

At end-2018, the Group largely complied with these thresholds with available cash of €1.4bn and a gearing of 38%.

In addition, subject to the decision made regarding investments in spring 2019, Comilog has mandated the World Bank to syndicate the financing of its organic growth, and as regards the Lithium project, the objective is to obtain new specific funding.

♦ Key figures by activity

(Millions of euros)[1]		2018	2017	Change (€m)	Change[3] (%)
MINING AND METALS DIVISION					
Manganese BU	Sales	1,857	1,819	+38	+2%
	Current operating income (COI)	**699**	**719**	**-20**	**-3%**
Nickel BU	Sales	738	644	+94	+15%
	Current operating income (COI)	**(111)**	**(125)**	**+14[4]**	**+11%[4]**
Mineral Sands BU[2]	Sales	212	100	+112	+112%
	Current operating income (COI)	**35**	**19**	**+16**	**+84%**
HIGH-PERFORMANCE ALLOYS DIVISION					
A&D and Erasteel	Sales	1,020	1,087	- 67	-6%
	Current operating income (COI)	**(8)**	**32**	**-40**	**-125%**

[1]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 the appendices.

[2] Mineral Sands activity fully consolidated in the Group's reporting as of July 1st, 2018.

[3]Data rounded up to higher or lower %.

[4] Reduction of losses.

▪ Mining and Metals division

Manganese BU

Manganese BU sales (excluding Mineral Sands activity), which account for approximately 49% of consolidated sales, grew 2% to €1,857m in 2018 versus 2017. Despite the resilience of ore prices, current operating income declined 3% to €699m, penalised by the squeeze effect on manganese alloys' margins.

Global production for carbon steel, the main end-product for manganese, achieved a new historic record in 2018 at 1,802 Mt, up 4.4%[11] compared to 2017. This growth was not only driven by demand in China (+6.6%[11]), which accounts for approximately 52% of global production, but also by India (+4.9%[11]) and North America (+4.1%[11]).

Demand in China was also propelled by new regulations favouring higher quality steel grades requiring more manganese.

To meet this strong demand for ore, all global producers operated at full capacity, with a slight surplus over market requirements at year-end. Ore stocks in Chinese ports amounted therefore to 3.1 Mt at end-2018, up 1.3 Mt over the year.

[11] Eramet estimations based on Worldsteel production data available until end-December 2018.

The average price of CIF China 44% manganese ore remained high at USD 7.16[12] USD/dmtu over the year, up 20%[12] from 2017.

However, the increase in the Manganese BU's sales does not fully reflect the resilience seen in the average spot price of the manganese ore market during the year, particularly given the unfavourable impact of the €/USD exchange rate in 2018 versus 2017 and sales in early 2017, concluded on the basis of the very high spot prices in December 2016.

In Gabon, Comilog set a new ore production record of 4.3 Mt in 2018, up 4% from 2017. Ore volumes transported reached only 4 Mt despite progress in rail logistics, due to seven derailments during the year, including two involving Comilog trains. External sales of ore increased by 2% to 3.4 Mt during the same period.

In 2018, manganese alloys' prices in Europe declined compared to 2017, particularly for refined ferromanganese (-12%[12]). This is reflected in the continued squeeze effect[13] on manganese alloys' margins, which impacted 2018 results by €133m.

Manganese alloys' production totalled 720 kt in 2018. Sales volumes increased to 703 kt, with a record for refined ferromanganese alloys' sales (+6% to 313 kt).

In 2018, Eramet continued its detailed feasibility study to expand the Moanda mine in Gabon. The target has been raised to 7 Mt by end-2023, more than 50% growth versus 2018, thanks to the development of the Okouma plateau in parallel with the Bangombé plateau currently in operation. The total amount of the investment is estimated at nearly €600m spread over five financial years, and the final decision should be made in spring 2019 when the technical and economic studies are completed.

In this context, an alternative dry mineral process for part of the Bangombé plateau ore started at end-2018. This process offers flexibility to the Moanda mine operations by extending the mine life of the plateau currently in operation. It also increases volumes produced in the short term. On this basis, and without substantial investment, the production target for 2019 is already set at 4.5 Mt of manganese ore, reflecting an important milestone in organic growth for Comilog.

This growth momentum is bolstered by the railway renovation programme, which will see the Transgabonese railway transport capacity doubled. The Transgabonese railway is operated by Setrag, a 100% subsidiary of Comilog. Since the start of the programme in 2016, capacity has increased 30%.

2019 will mark a new milestone in the renovation programme, particularly in terms of digital transformation with a new inspection centre equipped with digital communication resources with mobile trains.

[12] Change calculated based on average monthly prices: CRU index (manganese ore and alloys)

[13] Increase in materials' costs, decrease in selling prices

Nickel BU

2018 was particularly difficult in terms of productivity for Nickel activity given the disrupted social and societal context in New Caledonia, and an underperforming Sandouville plant.

Sales amounted to €738m, up 15% versus 2017, and the BU's current operating income was -€111m. SLN posted a COI of -€64m, up sharply (+€31m), driven mainly by the rise in nickel prices and growth in exported ore volumes. The Sandouville plant's performance once again weighed heavily on results, with a loss of €57m.

Global stainless steel production increased by 4.8%[14] in 2018 compared to 2017. It remained generally robust over the year, with, however, a sharp increase in H1 (+9.7 %[14] compared to H1 2017) and a stable H2 (+0.4%[14]). Production in China indeed declined -0.5 %[14] in H2 due to a slowdown in the automotive and construction sectors, offset by strong growth of integrated producers in Indonesia, whose volumes increased threefold[14] between 2017 and 2018.

Demand for primary nickel was up 3.4 %[14] over the period, boosted by both stainless steel and the good outlook offered by the development of the electric vehicle battery sector, which grew by 62%[14] in 2018 (to 135 kt of primary nickel).

Global primary nickel production was also up 5.3%[14] in 2018 versus 2017, driven by continued growth in NPI ("nickel pig iron"[15]) particularly in Indonesia.

However, this production increase was not enough to meet the change in demand, and the nickel supply/demand balance remains in deficit in 2018, as in 2017, with a deficit of more than 100 kt[14] of nickel. Therefore, nickel stocks on the LME[16] and SHFE[16] declined steadily and sharply throughout the year to 222 kt at end-December 2018 (-46% from end-December 2017).

The average LME price increased by 26% in 2018 to USD 5.95/lb (USD 13,118/t), versus an average of USD 4.72/lb (USD 10,407/t) in 2017. Following a sharp increase in H1, the threat of tensions in international trade weighed on growth prospects in H2, particularly in China, adversely impacting prices. The latter were also supported by the weakened dollar price during the year.

In New Caledonia, the blockade of the Kouaoua mining centre between August and October generated an impact on the Group's current operating income of €11m for the 2018 financial year.

Thanks to solid mining production (excluding Kouaoua), SLN nonetheless achieved a record level of 1.2 Mt of exported ore in 2018, +36% year-to-date. Exported ore is lower-grade in nickel and cannot be used for local metallurgical production.

Metallurgical nickel production at Doniambo was down 4% in 2018 versus 2017, while ferronickel sales volumes remained stable, ending at 55.3 kt.

[14] International Stainless Steel forum (ISSF) and Eramet estimations.
[15] Low grade nickel ferroalloy.
[16] LME: London Metal Exchange; SHFE: Shanghai Futures Exchange.

SLN's cash-cost[17] at real economic conditions stood at USD 5.7 /lb[18] at H2 2018 and USD 5.8/lb[18] in 2018, largely penalised by changes in the Euro/US dollar exchange rate, the rise in the price of fuel oil, and difficulties in mining operations. The breakeven cost[17] ended at USD 6.5 /lb in 2018.

Faced with these internal and external challenges, a rescue plan for SLN was defined at end-2018. Its success depends on the commitment of all stakeholders in the first few months of 2019, with a tight schedule. The plan is based on the effective implementation of a new business model, including an increase of exported ore quantities, on progress in improving internal performance, and on the short term reduction in energy prices.

The new business model is rebalanced on two activities, mining and metallurgy. It will allow to increase the company's revenue through improved valuation in its current mining deposits and reduce cash-cost accordingly. The success of this model is based on a target volume of 4 Mt ore exported, on an annual basis, with achievement of this pace as of H2 2020. The latter is subject to obtaining authorisations for new export applications, which will be submitted during Q1 2019. SLN is targeting 1.5 Mt in ore exports as of 2019.

The rescue plan is targeting an intrinsic improvement in cash-cost of USD 1.30 /lb by 2021.

Implementation is key, without which the loans granted by Eramet and the French government will run out in 2020 in current market conditions. To achieve this, SLN is in constant dialogue with all concerned stakeholders, particularly local authorities and social partners.

After the annual mid-year shutdown for major maintenance work, the Sandouville plant's activity restarted slowly, rising from a 20 to 60% operating rate in 2018. Operating performance has not, however, achieved breakeven cash to date, and in doing so, the plant has added further losses. Technical reinforcements have been assigned to Sandouville and the Group is making every effort to deliver significant progress, targeting an operating rate of 80% to achieve breakeven.

In Indonesia, the implementation of the Weda Bay Nickel project resulted in the start of construction work of the NPI (nickel pig iron) production plant. The first tonnes produced are expected at end-2020 with a long-term production capacity of 30 kt of NPI, and an off-take of 43% for Eramet.

Mineral Sands BU

Following its successful takeover offer in July 2018, Eramet has now fully consolidated TiZir. This asset has been fully consolidated in the Group's accounts, effective as of 1st July, 2018.

In 2018, TiZir (on a full annual basis) posted a strong increase in sales of €272m. (+31%) versus 2017, in a highly favourable price environment, and a current operating income of €45m up 36%. During full consolidation of TiZir, a €10m[19] accounting adjustment of inventory value was booked in the balance sheet, reducing H2 sales' margins by the same amount.

[17] See Financial glossary in Appendix.

[18] At real economic conditions: fuel and exchange rate impact; at constant economic conditions (early 2016) ("CEC 2016": Brent at USD 45 /bbl and exchange rate at €/USD 1,10), the cash-cost ended at USD 5.0 /lb in H2 2018, at USD 5.0 /lb in 2018.

[19] Inventory valuation at market price in line with accounting standards as part of an acquisition

The end-markets for TiZir's products were favourable in 2018: the Ceramics market for zircon (approximately 50% of end-products[20]) and the Pigments market for titanium feedstock[21] (approximately 90%[20]).

Regarding zircon, the supply/demand balance tightened in 2018, particularly for premium zircon, with strong growth in demand in Europe (21% of total zircon demand[20]). Demand in China, which accounts for almost half of the market[20], slowed down at year-end.

The resilient pigments' market performance led to strong demand for titanium feedstock, particularly CP[22] grade titanium dioxide slag, produceded at the TiZir plant in Norway. In 2018 the decline in global rutile production and incidents among some titanium dioxide slag producers were reflected in higher prices.

The average price of Zircon was USD 1,466/t[23] in 2018, up 33% from 2017. The average price of CP grade titanium dioxide slag increased by 12% to USD 687 /t[24].

Upstream, in Senegal, annual production of heavy mineral concentrate (titanium ore[25] and Zircon) reached a record level of 774 kt, up 7%[26].

Zircon's sales' volumes increased by 7%[26] in 2018 to 65 kt. External ilmenite sales, impacted at the start of the year by railway track construction works on the outskirts of Dakar, increased in H2, reaching 236 kt, an annual increase of 6%[26].

Downstream, in TiZir's Norwegian plant, titanium dioxide slag production increased to 189% kt, up 4%[26]. Sales' volumes were up 26%[26], to 201 kt given a low level of sales in 2017 following the restocking of the plant after the shutdown of the furnace in 2016.

Lithium BU (Project)

In 2018, Eramet actively pursued the development of its lithium deposit in Argentina.

Since its discovery at the start of the decade, geological work has increased resources to 9.9 Mt LCE[27].

Investment decision is expected to be made in spring 2019, following the completion of detailed engineering studies currently in the final phase and the administrative approval process in Argentina.

The targeted production capacity is 24 kt LCE per year, revised upwards in 2018, for investment of approximately €500m over three financial years. Subject to decision, production is expected to start at end-2021.

[20] Source: TZMI, Supply/demand report - August 2018
[21] Titanium dioxide slag, ilmenite, leucoxene and rutile
[22] For the production of pigments through chloride process ("CP slag")
[23] Source: FerroAlloyNet.com, Eramet analysis
[24] Source: Market consulting, Eramet analysis
[25] Ilmenite, leucoxene and rutile
[26] At comparable scope (100%).
[27] LCE: Lithium Carbonate Equivalent, drainable resources

▪ High performance Alloys division

Sales for the High-Performance Alloys division were down 6% at €1,020m and the division's current operating income recorded a loss of €8m, down €40m versus 2017, reflecting contrasting business trends. Erasteel's current operating income grew to €4m in a favourable raw materials price environment, while Aubert & Duval recorded a loss of €12m.

Aubert & Duval's sales for 2018 ended at €793m, down 12% versus 2017, penalised by an 11% decline in the aerospace sector (€558m in 2018). Aerospace structural and jet-engine parts volumes remain impacted by change in the rate of wide bodies aircraft programmes on which the company is positioned.

Sales of land-based turbines parts also fell by 39% to €46m, negatively impacted by weak order books from major energy players.

Finally, the 40 kt closed-die forging press of the Pamiers plant experienced a break-down in Q4 2018 and production resumed end-January 2019.

At end-2018, Aubert & Duval's activity was also affected by bringing into conformity its quality management system, requiring verification procedures and the implementation of a corrective action plan in line with the highest international standards.

In this context, a non-current provision of €65m has been booked in the division's accounts to take into account the estimated cost to date of this in-depth review of quality processes, especially expertise costs and the impact of potential scrap. Working together with customers, the additional expertises performed over nearly three months have confirmed to date that there is no impact on the safety of the products in use.

Aubert & Duval's results will continue to be impacted in H1 2019 by the slowdown in shipping as a result of the conformity programme for quality processes and the shutdown of the 40 kt closed die-forging press in Pamiers. For 2018, this impact stood at approximately €14m on current operating income.

Conversely, Erasteel's sales were up 21% to €227m, particularly in high-speed steels, driven by raw material prices.

The strategic review conducted within the High-Performance Alloys division has enabled to:

- focus the division's activities and capex on six key strategic market segments: aerospace, land turbines, defence and nuclear sectors, high-speed steels from powder metallurgy and additive manufacturing,
- define a project to structure Aubert & Duval and Erasteel's activities into three business units ("BU") each distinct and responsible for their own performance: closed-die forgings BU, Forged and Rolled Products BU and High-Speed Steel and RecycBU,
- design a project to reorganise plants and support functions.

Each business unit will aim to improve results within a more agile scope, and win new market shares in strategic segments. This especially applies to the aerospace sector for single-aisle programmes, both for engine and structural parts and long products.

♦ CSR

The CSR roadmap defined for the period 2018-2023, in line with the United Nations' Sustainable Development Goals (SDGs), includes ambitious and measurable targets that reflect Eramet's commitment to being a socially responsible, committed and contributory corporate citizen. In all territories where it operates, Eramet aims to be a responsible economic player that respects nature and contributes to the development of its employees and surrounding communities.

In 2018, Eramet notably strengthened its commitment to Gabon, making the country the main beneficiary of the Group's societal spending, thereby contributing to improving the living conditions of the people of Moanda and agglomerations surrounding the Gabonese railway stations. Emphasis was placed on developing the employability of young people through the roll-out of apprenticeship contract programmes.

The impact of the Group's mining projects are studied according to the most demanding international standards[28] in terms of sustainable development, such as those defined by the World Bank. In 2018, Eramet thus decided to adapt the design of the mine extension project in Gabon to better take into account local biodiversity issues. The same approach was adopted for the lithium project in Argentina. In a highly arid region, this effort reduced specific freshwater consumption planned for the project by approximately 30% in two years, with a process water recycling rate above 60%. The societal integration of the project was also welcomed by stakeholders, especially the local communities involved through several projects: reintroduction of quinoa cultivation on the Andean highlands, school training for children and construction of a waste management infrastructure.

♦ Strategy and outlook

The Group's ambition and vision are based on a strategic and managerial transformation, supported by digital transformation with a focus on new growth drivers and a diversified asset portfolio.

2019 will be key to effectively implementing a rescue plan for SLN, improving results for the Sandouville plant and building the foundations for an improved future performance in the High Performance Alloys division. The Group is committed to making every effort to meet these three challenges that require the involvement of all stakeholders.

2019 will also mark the progress of two major investment projects: expanding the mine in Moanda in Gabon and developing lithium in Argentina. Lastly, this year will see the acceleration of transformations to build a sustainably efficient and admired global player, a reference in responsible extraction and metallurgy, and in the energy transition. The creation of Eramet Ideas, the new subsidiary dedicated to Group innovation and R&D, will actively participate in this initiative.

For the current financial year, intrinsic growth and expected productivity gains should offset the current deterioration in market conditions, which would result in a forecast EBITDA close to that of 2018.[29]

[28] Equator Principles and performance standards on environmental and social sustainability (IFC 2012)

[29] Assuming the market conditions of January 2019

2018 annual results presentation

A live Internet webcast of the 2018 annual results presentation will take place on Thursday 21 February 2019 at 10:30am (Paris time), on our website: www.eramet.com. Presentation documentation will be available before the webcast.

To join the webcast, click on the link on the Group's website (www.eramet.com).

Calendar

25.04.2019: Publication of Q1 2019 results

23.05.2019: General Shareholders' meeting

24.07.2019: Publication of 2019 half-year results

ABOUT ERAMET

Eramet, a global mining and metallurgical group, is a key player in the extraction and valorisation of metals (manganese, nickel, mineral sands) and the elaboration and transformation of alloys with a high added value (high-speed steels, high-performance steels, superalloys, aluminium and titanium alloys).

The Group supports the energy transition by developing activities with high growth potential. These include lithium extraction and refining, and recycling.

Eramet positions itself as the privileged partner of its customers in sectors that include carbon and stainless steel, aerospace, pigments, energy, and new battery generations.

Building on its operating excellence, the quality of its investments and the expertise of its employees, the Group leverages an industrial, managerial and societal model that is virtuous and value-accretive. As a contributive corporate citizen, Eramet strives for a sustainable and responsible industry.

Eramet employs around 13,000 people in 20 countries with sales of approximately €4 billion in 2018.

For further information, go to www.eramet.com

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APPENDICES

▪ Appendix 1: Sales

Sales (M€)[1]	Q4 2018	Q3 2018	Q2 2018	Q1 2018	2018	2017
MINING AND METALS DIVISION						
Manganese BU[2]	531	456	465	405	1,857	1,819
Nickel BU	194	179	188	177	738	644
Mineral Sands BU[3]	77	77	33	25	212	100
HIGH-PERFORMANCE ALLOYS DIVISION						
A&D and Erasteel	261	239	257	263	1,020	1,087
GROUP						
Holding company & eliminations	(2)	-	-	-	(2)	3
Eramet group Inc. joint ventures	**1,061**	**951**	**943**	**870**	**3,825**	**3,652**
Share in joint ventures	(10)	(12)	(45)	(33)	(100)	(124)
Eramet group published IFRS[4] financial statements	**1,051**	**939**	**898**	**837**	**3,725**	**3,528**

[1] Data rounded up to the nearest million.

[2] Data restated, excluding Mineral Sands BU.

[3] Full consolidation of Mineral Sands in the Group's accounts as of 1st July 2018.

[4] Application of IFRS standard 11 "Joint Arrangements".

▪Appendix 2: Productions and shipments

In thousands of tonnes	Q4 2018	Q3 2018	Q2 2018	Q1 2018	2018	2017
MANGANESE BU						
Manganese ore and sinter production	1,123	1,212	1,110	885	**4,330**	4,163
Manganese ore and sinter transportation[1]	1,104	1,002	1,064	785	**3,954**	4,068
Manganese ore external sales	1,047	814	823	684	**3,368**	3,313
Manganese alloys production	181	182	178	179	**720**	716
Manganese alloys sales	187	175	173	168	**703**	699
NICKEL BU						
Nickel production[2]	16	14	14	15	**58**	59
Nickel sales[3]	17	13	14	15	**59**	59
Nickel ore sales (in thousands of humid tonnes)	368	411	312	144	**1,234**	910
MINERAL SANDS BU						
Heavy mineral concentrate production (100%)	200	200	185	189	**774**	725
Zircon sales (100%)	16	15	16	18	**65**	61
Titanium dioxide sales (100%)	58	63	44	37	**201**	160

[1] Produced and transported

[2] Ferronickel and high-purity nickel

[3] Finished products

Appendix 3: Performance indicators

Operating performance by division

(€ million)	MINING AND METALS Manganese BU	 Nickel BU	 Mineral Sands BU*	HIGH PERFORMANCE ALLOYS	Holding and eliminations	Total
FY 2018						
Sales	1 857	738	212	1 020	-2	**3 825**
EBITDA	784	-18	62	46	-31	**843**
Current operating income	699	-111	35	-8	-34	**581**
Net cash generated by operating activities	499	-21	41	-1	-69	**449**
Industrial investments (intangible assets, property, plant & equipment)	140	57	12	63	12	**281**
FY 2017						
Sales	1 919	644		1 087	2	**3 652**
EBITDA	861	-44		84	-30	**871**
Current operating income	738	-125		32	-37	**608**
Net cash generated by operating activities	722	-69		90	-56	**687**
Industrial investments (intangible assets, property, plant & equipment)	89	80		59	2	**230**

* included in Manganese in FY 2017

Sales and investments by region

(€ million)	France	Europe	North America	Asia	Oceania	Africa	South America	Total
Sales (destination of sales)								
FY 2018	362	1 315	629	1 346	30	87	56	**3 825**
FY 2017	371	1 320	669	1 097	23	93	79	**3 652**
Industrial investments (intangible assets, property, plant & equipment)								
FY 2018	78	38	5	-	49	110	1	**281**
FY 2017	87	21	5	-	52	64	1	**230**
Non-current assets (excluding deferred tax)								
December 31, 2018	644	349	38	42	545	1 417	4	**3 039**
December 31, 2017	692	326	12	133	565	1 027	2	**2 757**

Consolidated performance indicators – Income statement

(€ million)	FY 2018	FY 2017
Sales	**3 825**	**3 652**
EBITDA	**843**	**871**
Amortisation and depreciation of non-current assets	(260)	(250)
Provisions for liabilities and charges	(2)	(13)
Current operating income	**581**	**608**
Impairment of assets	(104)	9
Other operating income and expenses	(12)	(50)
Operating income	**465**	**567**
Financial income	(95)	(117)
Share of income from associates	(3)	(1)
Income tax	(241)	(221)
Net income for the period	**126**	**228**
- attributable to the minority interests	73	25
- attributable to the Group	**53**	**203**
Basic earnings per share (€)	2,00	7,67

Consolidated performance indicators – Net financial debt variation

(€ million)	FY 2018	FY 2017
Operating activities		
EBITDA	843	871
Cash impact of items below EBITDA	(345)	(387)
Cash generated from operations	**498**	**484**
Working Capital variation	(49)	203
Net cash generated by operating activities (1)	**449**	**687**
Investing activities		
Industrial investments	(281)	(230)
Other investing flows	(379)	19
Net cash used in investing activities (2)	**(660)**	**(211)**
Net cash used in financing activities	**(123)**	**(12)**
Effect of exchange rate changes	(7)	(4)
(Increase) / decrease in net financial debt	**(341)**	**460**
Opening (net financial debt)	**(376)**	**(836)**
Closing (net financial debt)	**(717)**	**(376)**
Free Cash Flow (1) + (2)	**(211)**	**476**

N.B.: free-cash flow for FY 2018 was impacted by €373m from the acquisition of Mineral Deposit Limited, €220m due to the acquisition of Mineral Deposit Limited shares, and €153m due to the full consolidation of TiZir's debt.

Consolidated performance indicators – Balance sheet

(€ million)	31/12/2018	31/12/2017
Non-current assets	**3 030**	**2 710**
Inventories	958	887
Trade receivables	390	368
Trade payables	(413)	(391)
Simplified Working Capital	**935**	**864**
Other Working Capital items	(319)	(305)
Total Working Capital	**616**	**559**
Derivatives	**-**	**-**
TOTAL	**3 646**	**3 269**

(€ million)	31/12/2018	31/12/2017
Shareholders' equity - Group share	1 605	1 694
Shareholders' equity - Minority interests	303	286
Shareholders' equity	**1 908**	**1 980**
Cash and cash equivalents and current financial assets	(1 366)	(2 075)
Borrowings	2 083	2 451
Net financial debt	**717**	**376**
Ratio of net financial debt to shareholders' equity (gearing)	*38%*	*19%*
Provisions and employee-related liabilities	**794**	**730**
Net deferred tax	**201**	**173**
Derivatives	**26**	**10**
TOTAL	**3 646**	**3 269**

Appendix 4: Reconciliation Group Reporting and published financial statements

(€ million)	Full year 2018 Published [1]	Joint-venture contribution	**Full year 2018 Reporting [2]**	Full year 2017 Published [1]	Joint-venture contribution	**Full year 2017 Reporting [2]**
Sales	3 725	100	**3 825**	3 528	124	**3 652**
EBITDA	828	16	**843**	845	26	**871**
Current operating income	574	7	**581**	598	10	**608**
Operating income	398	68	**465**	513	54	**567**
Net income for the period - Group share	53	(0)	**53**	203	-	**203**
Net cash generated by operating activities	437	12	**449**	687	-	**687**
Industrial investments	278	3	**281**	224	6	**230**
(Net financial debt)	(717)	0	**(717)**	(237)	(139)	**(376)**
Shareholders' equity	1 909	(1)	**1 908**	1 989	(9)	**1 980**
Shareholders' equity - Group share	1 606	(1)	**1 605**	1 694	-	**1 694**

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

▪ Appendix 5: Financial glossary

Consolidated performance indicators

The consolidated performance indicators used for the financial reporting of the Group's results and economic performance and presented in this document are restated data from the Group's reporting and are monitored by the Executive Committee. In accordance with the accounting principles adopted for the Group's reporting, the operating performance of the joint-ventures are accounted for under proportionate consolidation: the TiZir subgroup (Mineral Sands BU, Mining and Metals Division) until 30 June 2018 and the UKAD Company (High Performance Alloys Division).

A reconciliation of Group sales with the published data is presented in Appendix 4.

Sales at constant scope and exchange rates

Sales at constant scope and exchange rates correspond to sales adjusted for the impact of the changes in scope and the fluctuations in the exchange rate from one year to the next.

The scope effect is calculated as follows: for the companies acquired during the financial year, by eliminating the sales for the current period and for the companies acquired during the previous period by integrating, in the previous period, the full-year sales; for the companies sold, by eliminating the sales during the period considered and during the previous comparable period.

The exchange rate effect is calculated by applying the exchange rates of the previous year to the sales for the year under review.

SLN’s cash-cost

SLN's cash-cost is defined as all production and fixed costs (R&D including exploration geology, administrative expenses, logistical and commercial expenses), net of by-products credits and local services, which cover all the stages of industrial development of the finished product until delivery to the end customer and which impact the EBITDA in the company's financial statements, over production tonnage.

SLN break-even cost

The break-even cost of SLN is defined as SLN’s cash-cost as defined above, plus investments (projected investments for the current year versus the projected tonnage for the current year) and financial expenses (recognised in SLN's corporate financial statements).