ALLOYS, ORES AND PEOPLE.

Paris, 23 February 2017, 18:00

PRESS RELEASE

A recovery strategy which gives the expected results: a strong improvement in the ERAMET group performance in 2016

- **A successful strategy:**
  - **Objectives exceeded for 2016 cost reduction and productivity plan rolled out across the Group: €129 million achieved in 2016, and €306[1] million in total cumulated impact since 2014, significantly exceeding the objectives set in the 2014 – 2017 plan. Final plan target is raised to €400[1] million from €360[1] million previously.**
  - **Most of the asset disposals program was completed during the year, yielding a positive €142 million impact on net debt.**
  - **ERAMET strengthened its equity by €100 million (ODIRNAN issue) and extended the maturity of its revolving credit facility by two years.**

- **Significant improvement of the Group's results:**
  - **EBITDA rose strongly in 2016 (€375 million vs. €92 million in 2015).**
  - **Current operating income for full-year 2016 up to €84 million from -€207 million in 2015. Current operating income for H2 2016 very significantly positive at €175 million.**
  - **Free Cash-Flow[2] turned positive in H2 2016 at €226 million.**
  - **Very substantial €327 million net debt reduction in H2 2016. ERAMET ended the 2016 year with net debt (€836 million) lower than at end-2015 (€878 million).**

- **Increase in manganese prices in the H2 2016. Nevertheless, total prices factor impact on the whole Group is -€77 million in 2016 relative to 2015.**

- **ERAMET's Board of Directors approved a framework agreement with Chinese steel group Tsingshan to bring value to the Weda Bay nickel deposit in Indonesia.**

[1] Cumulated impact on the current operating income, relative to 2013.
[2] The sum of net cash generated by operating activities and from investments and disposals.

ERAMET's Board of Directors, met on 23 February 2017 under the chairmanship of Patrick BUFFET and approved the financial statements for FY 2016 [3]. The 2016 financial statements will be submitted for approval at the General Meeting on 23 May 2017.

- ## Key figures for ERAMET group

Key figures – ERAMET group (in € million)*	2016	2015
Sales	**2,984**	3,109
EBITDA	**375**	92
Current operating income	**84**	(207)
Net income - Group share before impairment of assets and tax receivables	**(43)**	(166)
Total impairment of assets and tax receivables	**(167)**	(668)
O/w Group share:	***(136)***	*(548)*
Net income, Group share	**(179)**	(714)
Net debt	**(836)**	(878)
Net debt-to-equity ratio	**47%**	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.

2016 was a year of stark contrast in the metals markets. 2015 trends continued into the first half of 2016, with prices at historic 15-year lows, especially for nickel and manganese, against the backdrop of the worst crisis in this industry in decades. In contrast, the second half of the year 2016 saw nickel prices nudge upward, followed by a strong rise in manganese prices at the end of the year.

In this environment, ERAMET sales rose 17% between H1 and H2 2016. Sales for full-year 2016 came in at €2,984 million (down 4% year-on-year).

Reflecting the success of the cost reduction and productivity plan rolled out in the Group, EBITDA made strong gains in 2016 (increasing to €375 million from €92 million in 2015). The Group's current operating income rose sharply in H2 2016 to €175 million from a loss of €91 million in H1 2016. Current operating income for 2016 was significantly positive at €84 million.

Net income, Group share before impairment was -€43 million, a big improvement relative to 2015. After impairment, net income, Group share stood at -€179 million (vs. -€714 million in 2015), including impairment of assets and tax receivables amounted to €136 million vs. €548 million in 2015.

Capital expenditure was €217 million, down 19% relative to 2015 and 37% relative to 2014, acting on the 2015 decision to limit capital expenditure essentially to safety and maintenance of industrial units.

At €226 million, Free Cash-Flow turned positive in the second half of 2016. Net debt came out at €836 million at 31 December 2016, falling a substantial €327 million (-28%) from 30 June 2016 (€1,163 million) and by €42 million compared with 31 December 2015. The net debt to equity ratio improved year-on-year from 49% to 47%. The net debt to EBITDA ratio was 2.2, a very big improvement relative to 9.5 at 31 December 2015.

[3] The audit of the 2016 consolidated financial statements is complete and the auditor's report is being prepared.

- **Financial position**

At end-September, ERAMET increased its equity by €100 million through the issue of net share settled undated bonds convertible into new shares (ODIRNAN).

The asset disposals program carried out in 2016 had a positive €142 million impact on the Group net debt. Disposals concerned ERACHEM (manganese chemicals), Somivab (forestry operation in Gabon) and Bear Metallurgical (vanadium and molybdenum metallurgy in the USA). The disposal of Eurotungstene (cobalt and alloys powders) is expected to take place in the first half of 2017, following the signature of an agreement in 2016.

The ERAMET group financial liquidity remained high at €1.7 billion at 31 December 2016, including €981 million in revolving credit, drawn in early January 2016. ERAMET announced on 17 January 2017 that it was extending the maturity of its revolving credit facility by two years.

- **Dividends**

The Board of Directors will propose to the General Shareholders' Meeting on 23 May 2017 that no dividend be paid in respect of 2016.

- **ERAMET Nickel: sales down 13% to €595 million in 2016 compared with 2015. Current operating income improved €142 million on 2015, to –€119 million, helped by the specific plan to reduce SLN's cash-cost.**

World stainless steel output – the main market for nickel – staged a very strong rebound in 2016 relative to 2015, with growth of approximately 9%.

A number of contradictory supply signals continued to weigh on the nickel market:

- New production capacities came on stream in Indonesia, as a result of significant investments in the past few years by several NPI (nickel pig iron) producers following the Indonesian ban prohibiting exports of locally unprocessed ore.
- In the second half of 2016, the Philippines launched an environmental audit of mines which could lead to the suspension of operations at approximately 20 mining sites, which together account for a significant amount of the country's annual production. The implementation of these measures merits very close monitoring in the coming quarters.
- With the relaxation of the Indonesian ban in January 2017, allowing some operators to resume exports, to China in particular, in a strict system.

Against this backdrop and despite robust global demand, very high nickel inventories were maintained with stocks edging down only slightly in 2016 and remaining at high levels. Stocks at the LME (London Metal Exchange) and the SHFE (Shanghai Futures Exchange) totalled 466,000 tonnes at the end of December, down only 24,000 tonnes from their 2015 level.

Average LME nickel prices were at an historically low level of USD 3.93/lb in H1 2016. Average prices in H2 2016 were up 22% compared with the first half to USD 4.78/lb. For the full year, average nickel prices were down 19% from 2015 level (USD 4.35/lb vs. USD 5.37/lb).

In this environment, ERAMET Nickel took determined measures in response to this unprecedented crisis. As announced early in 2016: SLN implemented a specific plan to lower costs and improve operating performance. The target under the plan is to cut its cash-cost to USD 4.5/lb by the end of 2017, a reduction of 25% relative to the average in 2015, on an annual basis and under the economic conditions at the start of 2016. In line with this target, SLN's average cash-cost in 2016 was USD 5.06/lb, 16% lower than the average in 2015, under identical economic conditions. At the end of 2016, ERAMET Nickel 2014-2017 cost reduction and productivity improvement plan delivered a cumulated impact on current operating income of €142 million.

ERAMET provided €325 million in financial support in order for SLN to implement the plan as well as to ensure continuity of operations, while the French government contributed €200 million. Both contributions took the form of 8-year loans.

The plan selected for the supply of electricity to the Doniambo plant in New Caledonia is a new plant on the island powered by natural gas. The investment project will be operated by the newly created Caledonian Energy Agency and will have no impact on ERAMET's balance sheet. Most of the bank financing will be guaranteed by the French government according to the measures approved in the French parliament in December 2016, in accordance with European regulations.

Nickel metallurgical production at the Doniambo plant (New Caledonia) increased to 55,227 tonnes of Ni, up 1,858 tonnes relative to 2015.
As part of its plan to cut its cash-cost, SLN halted production of nickel matte in August 2016 to be exclusively specialised in the production of high value-added SLN25 ferronickel, a product much in demand by the stainless steel industry.
At the same time, ERAMET has begun the process of reconfiguring the Sandouville nickel refinery (in Seine-Maritime, France), which had been refining SLN nickel matte into nickel salts and nickel metal. Once the stocks of Caledonian matte have been depleted, feedstock for the refinery will be from a new European nickel matte source starting from the second half of 2017.

Finally, on 9 December 2016, ERAMET announced the signature of an agreement for the sale of Eurotungstene (specialised in developing, manufacturing and marketing metal and pre-alloyed powders) to Umicore as part of its asset disposals program. Closing of the transaction is subject to certain regulatory approvals and, provided these approvals are obtained, is expected to occur in the first half of 2017.

Although ERAMET Nickel continues to post a current operating loss, performance improved significantly to -€119 million from -€261 million in 2015, despite the fall in average nickel prices to USD 4.35/lb in 2016, from USD 5.37/lb in 2015.

- **ERAMET Alloys: sales down 4% to €949 million in 2016. Current operating income was stable at €27 million, with €48 million for Aubert & Duval and –€21 million for ERASTEEL.**

The aerospace sector continues to benefit from steady growth and accounted for close to 65% of ERAMET Alloys sales. ERAMET Alloys is a strong player for new aircraft manufacturer programs that require high value-added parts for structures and engines.

Taken as a whole, the productivity improvement and cost reduction plans implemented by ERAMET Alloys have had a €75 million cumulative annual impact on current operating income since 2014.

In the fourth quarter of 2016, Aubert & Duval announced a project to close the steel mill in Firminy (Loire, France) and consolidate its high-performance steel processing at Ancizes (Puy de Dôme, France). According to this project, the Firminy site will specialise in forging, heat treatment and machining.

ERASTEEL's Commentry (Allier, France) plant began operating spent catalysts and batteries recycling facilities in early 2017, in synergy with the existing steel mill, opening up a new market segment that will be gradually ramped up in the course of 2017.

ERAMET Alloys is very actively developing new products for its customers in the aerospace and energy sectors, with the emergence of new grades of special steels. In high-speed steels sectors, developments focus on improving the value in use of products for customers in the cutting tools industry.

ERAMET Alloys continues to structure its activities in aerospace grade titanium and started the MKAD plant, the partnership between Aubert & Duval and Mecachrome, in October 2016. Supplying machined titanium parts, MKAD completes ERAMET Alloys aerospace grade titanium supply chain. UKAD, the joint venture between Aubert & Duval and UKTMP, continued to grow. The joint venture specialises in forging aerospace titanium ingots. EcoTitanium, the first aerospace grade titanium recycling operation in Europe, started its plasma furnace on 3 February 2017.

ERAMET Alloys is also continuing to expand into the powder metallurgy market with the certification of its Spanish plant and the start of the construction of a new atomising tower in Les Ancizes (Auvergne, France), which will increase deliveries of alloys powders for the Rafale fighter jet program and will strengthen its positioning in the emerging additive manufacturing segment.

- **ERAMET Manganese: sales were stable at €1,439 million, while current operating income shot up to €219 million, boosted by the competitiveness of the Moanda deposit and the Group's manganese alloys plants, as well as the robust rise in the manganese ore prices in the second half of 2016.**

World production of carbon steel, which is the main market for manganese, edged up in the year by approximately 0.8% from 2015 level helped by a loosening of credit in China, which in turn led to a resumption of major construction programs and a lowering of steel stocks at producers. China alone accounted for 50% of global carbon steel production in 2016.

As a result, CIF China 44% manganese ore prices (source: CRU) also fluctuated sharply during 2016:

- Prices hit a record low in H1 2016 (USD 1.83/dmtu in February 2016). At these prices, all manganese ore producers were operating at a loss. Therefore many producers cut output or even suspended operations.
- At the end of summer 2016, the recovery in carbon steel production in China and the tightening of production by manganese ore producers quickly led to a recovery in manganese ore prices. In December 2016, CRU CIF China 44% manganese ore prices rose to USD 8.83/dmtu.

2016 prices averaged at USD 4.30/dmtu, from an average of USD 3.11/dmtu in 2015. Since summer 2016, Manganese alloy prices have also trended upwards.

Against this background, ERAMET Manganese halted production for one month in the first quarter of 2016. With this adjustment, annual production was 3.4 million tonnes transported in 2016. ERAMET Manganese ore production rose to a record 3.9 million tonnes transported in 2015.

The final terms and conditions of the financing plan for the renovation of Setrag (the Transgabonese railway concession operator) were agreed by both the Gabonese government and COMILOG. 2017 will see the beginning of the first step of the multi-year works program.

The cost reduction and productivity improvement plans implemented by ERAMET Manganese delivered a cumulative annual impact of €81 million on current operating income since 2014, relative to 2013. These gains were amplified by additional plans implemented in COMILOG and ERAMET Norway during 2016.

As part of its asset disposals program, ERAMET disposed ERACHEM (manganese chemicals), Somivab (forestry operation in Gabon) and Bear Metallurgical (vanadium and molybdenum metallurgy in the USA). The impact of the disposals on the Group's net debt comes out at €142 million.

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

Low prices at the start of 2016 caused supply to contract across the titanium dioxide value chain with a resulting rebalancing in the titanium dioxide pigment markets. Finished product prices recovered strongly in 2016, but did not rise back up to 2013 levels.
Further up this value chain, the outlook continues to be positive for the products produced by TiZir (ilmenite and titanium dioxide slag for chloride processes), although excess capacity in the chloride slag sector may limit the price increase potential for this product in the short term.
Regarding zircon, after a decrease in prices in the first half of 2016, prices remained stable until the end of 2016. Some producers announced a slight increase in prices at the end of the year, demonstrating market stabilisation.

Production of heavy mineral concentrate (HMC) in Senegal came out at 614,000 tonnes in full-year 2016, with record production of 194,000 tonnes in Q4. The mine's operational efficiency met expectations.

An agreement was reached with the insurance company to pay USD 35 million in total compensation, following a fire in the furnace of the TiZir plant in Norway on 15 August 2016. The refractory relining was successfully completed at the end of 2016 and the facility came back on stream on 7 January 2017.

TiZir posted positive €16 million in EBITDA in 2016, demonstrating its capacity to generate value, despite overall stable prices for mineral sands and the furnace incident in Norway.

- **Framework agreement signed to bring value to the Weda Bay nickel deposit in Indonesia.**

After the put option exercised by Mitsubishi Corporation in April 2016, ERAMET holds a 100% stake in Strand Minerals Pte Ltd which owns 90% of the Indonesian project and exploration company, PT Weda Bay Nickel. The Weda Bay deposit is one of the largest nickel deposits in the world. Its measured, indicated, and inferred resources are valued at more than 9.3 million tonnes of nickel.

On 23 February 2017, the ERAMET Board approved the terms of the Memorandum Of Understanding signed with the Chinese steel producer group Tsingshan, the leading world steel producer. The Memorandum Of Understanding establishes the conditions for a partnership to develop this asset. The partnership would entail producing a nickel ferroalloy from Weda Bay ore in Indonesia based on a pyrometallurgical process, for a nameplate capacity of 30,000 tonnes of nickel per year. This partnership would be reflected by the entry of Tsingshan group in Strand Minerals Pte Ltd. ERAMET would hold 43% of the shares and Tsingshan group 57%.

- **ERAMET's Lithium project's studies goes into the final phase.**

Larger scale pilots were conducted in 2016 to test the process developed for ERAMET's deposit in Argentina, and engineering and pre-feasibility studies have progressed during the year. In 2017, the project will concentrate on pilots over a longer term, and will finalise engineering studies and carry out technical and economic assessments of a possible industrial facility.

- **Outlook**

As it intensifies its cost reduction and productivity improvement plans throughout the Group, ERAMET is raising its target for recurring savings on current operating income from €360 million to €400 million.[4]

In addition, over and above the cash-cost target of USD 4.5/lb set for end-2017, ERAMET Nickel and SLN are currently examining the potential for achieving a further significant cash-cost reduction target in SLN (by the end of 2020), excluding the impact of the expected major contribution of the new power plant, scheduled to be operational in 2021. SLN's new cash-cost objectives by the end of 2020 will be announced in July 2017.

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

"ERAMET Group results staged a strong recovery in 2016, with a very sharp improvement in EBITDA to €375 million, positive current operating income at €84 million, and positive Free Cash-Flow of €226 million in the second half of 2016. This performance is mainly due to the success of the very ambitious plan to reduce costs and improve productivity throughout the Group and the completion of most of our asset disposals program.

ERAMET's balance sheet structure also improved, notably thanks to the successful issue in September 2016 of net share settled undated bonds convertible into new shares (ODIRNAN) and the two-year maturity extension to our revolving credit facility. The Group net debt fell by almost 30% relative to end-June 2016 and was lower than the net debt at the end of 2015. The net debt to EBITDA ratio was 2.2 at end-2016, a very big improvement relative to 9.5 at end-2015.

It is important to stress that the performance plans implemented confirm the high quality of ERAMET's industrial results:
- *At SLN, the performance plan has already delivered savings of 16% in cash-cost in 2016, lowering it to USD 5.06/lb, on course to reach the target of USD 4.5/lb by the end of 2017 on an annual basis. The objective after 2017 is to achieve further reductions in SLN's cash-cost between 2018 and 2020. Moreover, the new power plant is set to further significantly reduce cash-cost when it comes on stream in 2021.*
- *Improved performance at our Moanda manganese mine and the modernisation plan for Setrag in Gabon should confirm our production and transport capacity of 4 million tonnes per annum. ERAMET aims to continue reducing its cash-cost in both mining and manganese alloys, especially for refined alloys, the high-end product for which the Group is the world leader.*
- *Turning to mineral sands business, production of ilmenite and zircon was ramped up to industrial scale and the production of titanium dioxide slag was successfully switched from a sulphate to a chloride process. Backed by these developments, TiZir posted positive EBITDA, despite persistent low prices and the incident affecting the furnace in Norway – where production was rapidly restored.*
- *Finally, ERAMET Alloys pursued the roll-out of its performance improvement plans. Aubert & Duval reaffirmed its leadership in the manufacture of special alloys, the creation of a European supply chain for aerospace grade titanium, including recycling, and in powder metallurgy, especially for additive manufacturing and the aerospace sector.*

[4] On an annual basis at the end of 2017, benchmarked against 2013 under the 2014-2017 plan.

2017 will be a very important year on several fronts, most notably:

- *Our 2014-2017 performance plan will be complete, with the target of recurring savings in current operating income raised from €360 million to €400 million at end-2017, on an annual basis.*
- *Production will start at EcoTitanium, which will strengthen our aerospace grade titanium business, recycling of batteries and catalysts will be started at ERASTEEL, the Sandouville plant process will be reconfigured for a new matte, and the Setrag modernisation program will be rolled out.*
- *Stepping up our efforts on the Lithium project, and deploying the framework agreement with the Chinese steel group Tsingshan bringing value to our Indonesian nickel deposit in Weda Bay.*

With uncertainty as a major theme of the coming year, particularly with regard to developments in the Chinese economy, it is crucial for ERAMET to maintain its unflagging policy of rigour and vigilance to continuously improve our performance and consolidate our position in the face of ever more aggressive competition in a rapidly evolving international environment.

ERAMET's recovery in 2016 has only been possible with the commitment of all the men and women in the Group. I would like to take this opportunity to congratulate them personally. Their engagement fully justifies my confidence in our success in the future."

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WEBCAST OF 2016 ANNUAL RESULTS PRESENTATION

Presentation of the 2016 annual results will be webcast on 24 February 2017 at 10:00 (CET), in French with simultaneous translation into English.
To sign up, please click the link on the Group's website (**www.eramet.com**) or on the ERAMET Finance app.

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 new activities with high growth potential, such as mineral sands (titanium dioxide and zirconium), lithium and recycling.
The Group employs approximately 13,000 people in 20 countries.

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APPENDICES

Appendix 1: Sales

Sales (M€)	Q4 2016	Q3 2016	Q2 2016	Q1 2016	2016	2015	Change
ERAMET Nickel	**186**	154	137	118	**595**	686	**(13%)**
ERAMET Alloys	**246**	206	247	250	**949**	991	**(4%)**
ERAMET Manganese	**466**	353	323	297	**1,439**	1,430	**1%**
Holding & eliminations	**(1)**	1	-	1	**1**	2	**-**
ERAMET Group including joint ventures	**897**	714	707	666	**2,984**	3,109	**(4%)**
Share of joint ventures	**(21)**	(22)	(28)	(16)	**(87)**	(94)	**(7%)**
ERAMET Group financial statements reported under IFRS[1]	**876**	692	679	650	**2,897**	3,015	**(4%)**

[1] *Application of IFRS 11 "Partnerships"*

Appendix 2: Productions and deliveries

In tons	Q4 2016	Q3 2016	Q2 2016	Q1 2016	2016	2015	Change
Nickel production[1]	**13,642**	15,848	11,982	13,755	**55,227**	**53,369**	**3%**
Nickel sales[2]	**15,643**	14,015	14,071	12,392	**56,121**	**54,590**	**3%**
Manganese ore and sinter production	**986,000**	910,000	829,000	688,000	**3,413,000**	**3,868,000**	**(12%)**
Manganese alloys production	**172,000**	181,000	173,000	176,000	**702,000**	**709,900**	**(1%)**
Manganese alloys sales	**180,000**	175,000	185,000	185,000	**725,000**	**713,000**	**2%**

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

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Appendix 3: Segment reporting

Operating performance of divisions

(€ million)	Nickel	Alloys	Manganese	Holding & eliminations	Total
FY 2016					
Sales	595	949	1 439	1	**2 984**
EBITDA	(24)	74	358	(33)	**375**
Current operating income	(119)	27	219	(43)	**84**
Net cash generated by operating activities	(137)	22	243	(7)	**121**
Industrial investments (intangible assets, property, plant &	56	55	104	2	**217**
FY 2015					
Sales	686	991	1 430	2	**3 109**
EBITDA	(156)	78	196	(26)	**92**
Current operating income	(261)	27	58	(31)	**(207)**
Net cash generated by operating activities	(60)	27	106	(80)	**(7)**
Industrial investments (intangible assets, property, plant & equipment)	56	44	164	3	**267**

Sales, capital expenditure and non-current assets by region

(€ million)	Nickel	Alloys	Manganese	Holding & eliminations	Total
FY 2016					
Sales	595	949	1 439	1	**2 984**
EBITDA	(24)	74	358	(33)	**375**
Current operating income	(119)	27	219	(43)	**84**
Net cash generated by operating activities	(137)	22	243	(7)	**121**
Industrial investments (intangible assets, property, plant & equipment)	56	55	104	2	**217**
FY 2015					
Sales	686	991	1 430	2	**3 109**
EBITDA	(156)	78	196	(26)	**92**
Current operating income	(261)	27	58	(31)	**(207)**
Net cash generated by operating activities	(60)	27	106	(80)	**(7)**
Industrial investments (intangible assets, property, plant & equipment)	56	44	164	3	**267**

Consolidated performance indicators – Income statement

(€ million)	FY 2016	FY 2015
Sales	**2 984**	**3 109**
EBITDA	**375**	**92**
Amortisation and depreciation of non-current assets	(268)	(307)
Provisions for liabilities and charges	(23)	8
Current operating income	**84**	**(207)**
Impairment of assets	(110)	(474)
Other operating income and expenses	(69)	(132)
Operating income	**(95)**	**(813)**
Financial income	(79)	(90)
Share of income from associates	(2)	(1)
Income tax	(61)	(8)
Net income for the period	**(237)**	**(912)**
- attributable to the minority interests	(58)	(198)
- attributable to the Group	**(179)**	**(714)**
Basic/Diluted earnings per share (€)	(6,79)	(27,11)

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Consolidated performance indicators – Statement of changes in net debt

(€ million)	FY 2016	FY 2015
Operating activities		
EBITDA	375	92
Cash impact of items below EBITDA	(228)	(252)
Cash generated from operations	**147**	**(160)**
Working Capital variation	(26)	153
Net cash generated by operating activities (1)	**121**	**(7)**
Investing activities		
Industrial investments	(217)	(267)
Other investing flows	30	(16)
Net cash used in investing activities (2)	**(187)**	**(283)**
Net cash used in financing activities	**100**	**-**
Effect of exchange rate changes	8	(41)
(Increase) / decrease in net financial debt	**42**	**(331)**
Opening (net financial debt)	**(878)**	**(547)**
Closing (net financial debt)	**(836)**	**(878)**
Free Cash Flow (1) + (2)	**(66)**	**(290)**

Consolidated performance indicators – Economic presentation of balance sheet

(€ million)	31/12/2016	31/12/2015
Non-current assets	**2 818**	**3 003**
Inventories	933	974
Trade receivables	333	293
Trade payables	(390)	(430)
Simplified Working Capital	**876**	**837**
Other Working Capital items	(156)	(136)
Total Working Capital	**720**	**701**
TOTAL	**3 538**	**3 704**

(€ million)	31/12/2016	31/12/2015
Shareholders' equity - Group share	1 515	1 466
Shareholders' equity - Minority interests	261	313
Shareholders' equity	**1 776**	**1 779**
Cash and cash equivalents and current financial assets	(1 698)	(630)
Borrowings	2 534	1 508
Net financial debt	**836**	**878**
Ratio of net financial debt to shareholders' equity (gearing)	*47%*	*49%*
Provisions and employee-related liabilities	**740**	**812**
Net deferred tax	**142**	**123**
Derivatives	**44**	**112**
TOTAL	**3 538**	**3 704**

Appendix 4: Reconciliation of Group reporting and published accounts

(€ million)	FY 2016 Published [1]	Joint-venture contribution	FY 2016 Reporting [2]	FY 2015 Published [1]	Joint-venture contribution	FY 2015 Reporting [2]
Sales	2 897	87	**2 984**	3 015	94	**3 109**
EBITDA	366	9	**375**	92	-	**92**
Current operating income	91	(7)	**84**	(191)	(16)	**(207)**
Operating income	(47)	(48)	**(95)**	(744)	(69)	**(813)**
Net income for the period - Group share	(179)	-	**(179)**	(714)	-	**(714)**
Net cash generated by operating activities	98	23	**121**	(13)	6	**(7)**
Industrial investments	206	11	**217**	242	25	**267**
(Net financial debt)	(675)	(161)	**(836)**	(716)	(162)	**(878)**
Shareholders' equity	1 791	(15)	**1 776**	1 788	(9)	**1 779**
Shareholders' equity - Group share	1 515	-	**1 515**	1 466	-	**1 466**

(1) Financial statements prepared under applicable IFRS, with joint ventures accounted for using equity method See 2016 consolidated financial statements on the ERAMET website (www.eramet.com).
(2) Group reporting, in which joint ventures are accounted for using proportionate consolidation.