Message from the Chairman of the Board of Directors

March 18, 2015

Dear Shareholders,

Whilst 2014 was another challenging year for the stainless steel industry, Aperam continued to focus on its own resources to become more resilient to the environment and is now in a stronger financial position, ready to support its customers with sustainable and high quality stainless steel supply.

Before I go into detail on the global environment and our initiatives, I would first like to update you on our health and safety results. We continue to make progress, with our lost time injury frequency rate improving from 1.3 in 2013 to 1.1 in 2014. Zero accidents remain our ultimate goal; more needs to be done and more will be done.

Although the stainless steel demand continued to grow globally by about 5% in 2014, primarily led by China, the industry was impacted by the volatility of nickel prices and continued import pressure from Asia. The price of nickel increased by 50% in the first months of the year as a consequence of the Indonesian nickel ban and supply shortage fears before declining at year end as the shortage did not materialize. In Europe, the market was heavily impacted in 2014 by a surge of Asian imports which continued to increase during the year, leading EUROFER to file anti-dumping and anti subsidy proceedings to the European Commission.

I am pleased that in this overall challenging and volatile market environment, Aperam succeeded in further improving its operational efficiency and financial results and reducing its net debt.

In 2014, Aperam delivered EBITDA of $547 million, compared with $292 million throughout 2013 and returned to a positive net income of $95 million compared with a loss of $100 million previous year. Net debt was $536 million at the end of 2014 compared with $690 million at the end of 2013.These results were mainly the consequence of Aperam's strategy to focus on operational efficiency, product innovation and cash rather than counting on any positive market development.

As part of the main initiatives we launched at the creation of Aperam, was our Leadership Journey®, a program aimed at improving our competitiveness over the near and medium term. At the end of 2014, the Leadership Journey® had contributed a total amount of $428 million to EBITDA since the beginning of 2011 and our goal is to achieve $475 million by the end of 2015. Another key initiative is our Top Line strategy which continues to leverage our unique stainless steel product portfolio and service differentiation.

Looking forward our focus must remain on the improvement of our operational performance and balance sheet. In particular, we believe it is a priority to further reduce our debt level in order to come back to an acceptable level of financial charges and to reach a balance sheet allowing Aperam to be in a good position to capture any potential opportunity. With this in mind, we will propose at our next shareholders' meeting paying no dividend for another year.

Finally, I would like to thank the Aperam employees, the Leadership Team and my colleagues in the Board of Directors, for their support, hard work and contribution to the Company's performance improvements in 2014. In particular I would like to express my gratitude to Philippe Darmayan for everything he has done in his capacity as Chief Executive Officer of Aperam. I am confident that under the leadership of Timoteo Di Maulo, our newly appointed CEO, Aperam will continue to progress and prosper and offer favorable and sustainable prospects for all our stakeholders.

Lakshmi N. Mittal, Chairman of the Board of Directors

Sources and Uses of Cash

The following table presents a summary of our cash flow for the year ended December 31, 2014, as compared to the year ended December 31, 2013:

	Year Ended December 31,	
	2014	2013
	(in million of U.S. dollars)	
Net cash provided by operating activities	240	204
Net cash used in investing activities	(95)	(119)
Net cash used in financing activities	213	(14)

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased to $240 million for the year ended December 31, 2014, compared to $204 million for the year ended December 31, 2013. The increase of net cash provided by operating activities in 2014 of $36 million compared to previous year was mainly due to the profitability improvement in 2014 compared to 2013.

Net Cash Used in Investing Activities

Net cash used in investing activities amounted to $95 million for the year ended December 31, 2014, compared to net cash used in investing activities of $119 million for the year ended December 31, 2013. The net cash used in investing activities in 2014 was mainly related to capital expenditure. Capital expenditures were $103 million for the year ended December 31, 2014, compared to $125 million for the year ended December 31, 2013.

Net Cash Used in Financing Activities

Net cash used in financing activities was $213 million for the year ended December 31, 2014, compared to net cash used in financing activities of $14 million for the year ended December 31, 2013. The increase of net cash used in financing activities was primarily due to net payments to banks of $198 million, of which $250 million early redemption of the notes due 2016, $50 million early reimbursement of a secured bank loan maturing in 2015 and $163 million net reimbursements on the Borrowing Base Facility, partly offset by $297 million net proceeds from net share settled convertible and/or exchangeable bonds due 2021.

Equity

Equity attributable to the equity holders of the parent decreased to $2,672 million at December 31, 2014, as compared to $2,953 million at December 31, 2013, primarily due to foreign currency translation differences of $415 million, partly offset by net income for the year of $95 million and option premiums (net of tax) on equity derivatives of $37 million.

Capital Expenditure[1]

Capital expenditures for the years ended December 31, 2014 and 2013 were $103 million and $125 million, respectively. Capital expenditures for 2014 related primarily to the maintenance investments in our facilities in Brazil, France and Belgium.

In 2014, the Company also announced key investments as part of the Leadership Journey® and Top Line strategy. These investments are described in greater detail below:

On February 6, 2014, the Board of Directors of Aperam approved an investment of $10 million in debottlenecking the finishing line of the Imphy wire rod mill. This follows the completion of the Imphy meltshop enhancement and aims at further improving competitiveness and increasing revenue in the Alloys & Specialties segment.

On May 7, 2014, Aperam announced that as part of the Leadership Journey® and the Top Line strategy, the Board of Directors of Aperam approved an investment of $25 million in productivity improvement of the downstream facilities in Genk, Gueugnon and Timóteo.

On July 31, 2014, as part of the Top Line strategy and the Leadership Journey, the Board of Directors of Aperam approved an investment of $17 million aiming at offering High Grain Oriented electrical steel products while at the same time improving the costs competitiveness of Aperam's Brazilian electrical steel operations.

Overall in 2015 we will remain cautious on capital expenditures whilst enabling adjustments based upon market conditions.

1 Capital expenditure is defined as purchase of tangible assets, net of change in payables on acquisitions of tangible assets.

Summary of risks and uncertainties

The following major factors could cause actual results to differ materially from those discussed in the forward-looking statements included throughout this Annual Report:

> global economic cycle downturn, geopolitical risks, overcapacity in the stainless steel industry and/or China slowdown;
> the risk of nickel price decrease and raw material price uncertainty and material margin squeeze;
> fluctuations in currency exchange rates;
> the risk that developments in the competitive environment in the stainless steel industry could have an adverse effect on Aperam's competitive position;
> the risk of disruptions to Aperam's manufacturing operations or damage to Aperam's production facilities due to natural disasters or other events, and any environmental restrictions;
> litigation risks (product liability, patent infringement, commercial practices, employment, employment benefits, taxes, environmental issues, health & safety and occupational disease (including asbestos exposure/ classification);
> customer risks with respect to default and credit insurance companies refusing to ensure the risks;
> the risks of lack of competitiveness of the workforce costs, of retention and social conflicts, and
> the environmental risks.

These factors are discussed in more details in the section Risks and uncertainties related to the Aperam and the stainless and specialty steel industry of this Annual Report.