Group Overview

Introduction

Aperam is a leading global stainless and specialty steel producer with an annual production capacity of 2.5 million tonnes in 2015. We are the largest stainless and specialty steel producer in South America and the second largest producer in Europe. We are also a leading producer of high value added specialty products, including grain oriented ("GO") and non-grain oriented ("NGO") electrical steels and nickel alloys. Our production capacity is concentrated in six production facilities located in Brazil, Belgium and France, and we have approximately 9,500 employees. Our distribution network is comprised of 14 Steel Service Centres ("SSCs"), 8 transformation facilities and 19 sales offices. Our products are sold to customers on three continents in over 40 countries, including customers in the aerospace, automotive, catering, construction, household appliances and electrical engineering, industrial processes, medical, and oil & gas industries.

We had sales of $4.7 billion and $5.5 billion and EBITDA[1] of $501 million and $547 million for the years ended December 31, 2015 and 2014, respectively. Shipments amounted to approximately 1.89 million tonnes and 1.81 million tonnes for the years ended December 31, 2015 and 2014, respectively.

We manage our business according to three primary operating segments:

> Stainless & Electrical Steel. We are one of the largest global producers of stainless steel by production capacity. We produce a wide range of stainless and electrical steels (both GO and NGO) and continuously expand our product offerings by developing new and higher grades of stainless steel and electrical steel. The segment Stainless & Electrical Steel includes Aperam BioEnergìa, which produces wood and charcoal (biomass) from cultivated eucalyptus forests. We use the charcoal (biomass) produced by Aperam BioEnergìa as a substitute for coke at our Timóteo production facility.

The segment accounted for 79.8% of sales[2] and 87.4% of EBITDA for the year ended December 31, 2015, and respectively 80.1% of sales and 78.0% of EBITDA for the year ended December 31, 2014.

> Services & Solutions. Our Services & Solutions segment, which includes our tubes and precision businesses, performs three core activities: (i) the management of exclusive, direct sales of stainless steel products from our production facilities, primarily those located in Europe; (ii) distribution of our products and, to a much lesser extent, external suppliers' products; and (iii) transformation services, which include the provision of value added and customised steel solutions through further processing to meet specific customer requirements.

The segment accounted for 45.0% of sales and 8.3% of EBITDA for the year ended December 31, 2015, and respectively 43.1% of sales and 15.9% of EBITDA for the year ended December 31, 2014.

> Alloys & Specialties. Alloys & Specialties segment is the fourth largest producer of nickel alloys in the world. We are specialised in the design, production and transformation of various nickel alloys and certain specific stainless steels. Our products take the form of bars, semis, cold-rolled strips, wire and wire rods, and plates, and are offered in a wide range of grades. The segment accounted for 12.0% of sales and 8.8% of EBITDA for the year ended December 31, 2015, and respectively 11.3% of sales and 10.6% of EBITDA for the year ended December 31, 2014.

Additionally, we have sales and EBITDA that are reported within our "Other" segment. This segment, including eliminations between our primary operating segments, accounted for (4.5)% of EBITDA for the year ended December 31, 2015, and (4.5)% of EBITDA for the year ended December 31, 2014.

1 EBITDA is defined as operating income plus depreciation and impairment expenses.

2 Amounts are shown prior to intragroup eliminations. For additional information, see Note 3 to the consolidated financial statements.

The creation of Aperam

On December 7, 2010, the Board of Directors of Aperam and the Board of Directors of ArcelorMittal approved a proposal to spin-off ArcelorMittal's stainless and specialty steels businesses to ArcelorMittal's shareholders in order to enable it to benefit from better visibility in the markets, and to pursue its growth strategy as an independent company. On January 25, 2011, at an extraordinary general meeting, the shareholders of ArcelorMittal voted to approve the spin-off proposal.

Since the creation of Aperam, the main shareholder ("Significant Shareholder") holds 40.8% of the issued share capital. Please refer to the share capital section of this Management Report for the definition of the term "Significant shareholder".

Our facilities

The following tables provide an overview of our principal production and downstream facilities, each of which we wholly-own, by operating segment, location, size (in the case of production facilities only), facility type and products:

Production Facilities by Geography

Country	Locations	Size (square kilo-meters)	Type of Plant	Products
Stainless & Electrical Steel				
Brazil	Timóteo	2.1	Integrated mill/Blast furnace	Stainless/Electrical
Belgium	Châtelet	0.5	Electric arc furnace meltshop/Hot rolling	Stainless flat
Belgium	Genk	0.8	Electric arc furnace/ Cold rolling	Stainless flat
France	Gueugnon	0.4	Cold rolling	Stainless flat
France	Isbergues	0.9	Cold rolling and Recyco electric arc furnace	Stainless flat
France	Pont-de-Roide	0.1	Cold rolling	Stainless flat
Nickel Alloys & Specialties				
France	Imphy	0.4	Electric arc furnace meltshop/Hot rolling/ Cold rolling/Specia-lised foundry	Nickel Alloys/Stainless
France	Amilly	—	Downstream	Electrical components
France	Épône	—	Downstream	Wire drawing
China	Foshan	—	Downstream	Magnetic Cores

Facility Types

Facility(1)	Number of Facilities	Capacity (in millions of tonnes per year)(2)	Production in 2015 (in millions of tonnes)
Blast furnace	2	0.7	0.5
Electric arc furnace	6	3.0	1.5
Continuous caster-slabs	4	3.0	2.1
Hot rolling mill	4	4.5	2.2
Cold rolling mill	17	2.1	1.5
Annealing & Pickling lines(3)	24	4.4	3.3
Skin pass mill	6	1.2	0.6
Continuous bloom/billet caster	1	0.1	0.02

Notes:

(1) Production facility details include the production numbers for each step in the steelmaking process. Output from one step in the process is used as an input in the next step in the process. Therefore, the sum of the production numbers does not equal the quantity of sellable finished steel products. These facilities include the capacities mothballed or idled.

(2) Reflects design capacity, and does not take into account other constraints in the production process.

(3) Including hot and final annealing & pickling capacities (including LC2i integrated line annealing & pickling capacity)

All of our production facilities are owned directly or indirectly by us and none of them is subject to any material encumbrances.

Stainless & Electrical Steel

Europe

Our European facilities produce the full range of our stainless steel products. In 2015, steel shipments from Stainless & Electrical Steel Europe facilities represented approximately 1,184 thousand tonnes and approximately 1,082 thousand tonnes in 2014.

We have two electric arc furnace meltshops in Belgium, located in Genk and Châtelet. The Genk facility includes two electric arc furnaces, ladle refining metallurgy and a slab continuous caster and slab grinders. It also includes a cold rolling mill facility. The Châtelet facility is an integrated facility with a meltshop and a hot rolling mill. The Châtelet meltshop includes an electric arc furnace, argon-oxygen decarburising equipment, ladle furnaces refining metallurgy, a slab continuous caster and slab grinders.

Our cold rolling facilities in Europe consist of four cold rolling mill plants, located in Belgium (Genk) and France (Gueugnon, Isbergues and Pont-de-Roide). Our plants include annealing and pickling lines (with shot blasting and pickling equipment), cold rolling mills, bright annealing lines (in Gueugnon and Genk), skin-pass and finishing operations equipment. The Isbergues plant also includes a DRAP ("Direct Roll Anneal and Pickle") line. The Genk plant is focused on austenitic steel products, the Gueugnon plant on ferritic products and the Isbergues plant on products dedicated to the automotive market (mainly ferritic steels) and industrial market (mainly austenitic steels). The Pont-de-Roide plant is focused on narrow precision strips. Our electric arc furnace recycling facility Recyco, located in France (Isbergues) recycles dust and slugs with the aim to retrieve stainless steel raw materials and reduce waste.

South America

We are the only integrated producer of flat stainless and electrical steel in South America. Our integrated production facility in Timóteo, Brazil produces a wide range of Stainless, electrical steel and Special Carbon products, which account for approximately 35% of the Stainless & Electrical Steel operating segment's total shipments. Steel shipments from Stainless & Electrical Steel Brazil facilities represented approximately 654 thousand tonnes in 2015 and 2014.

The Timóteo integrated production facility includes two blast furnaces, one melting shop area (including two electrical furnaces, two converters and two continuous casting machines), one hot rolling mill (including one walking beam and one pusher furnace with one rougher mill and one steckel mill), a stainless cold rolling shop (including one hot annealing pickling line, two cold annealing pickling lines, one cold preparation line, three cold rolling mills and 4 batch annealing furnaces) and an electrical steel cold rolling shop (including one hot annealing pickling line, two tandem annealing lines, one decarburising line, one thermo-flattening and carlite coating line, one cold rolling mill and 20 batch annealing furnaces).

Services & Solutions

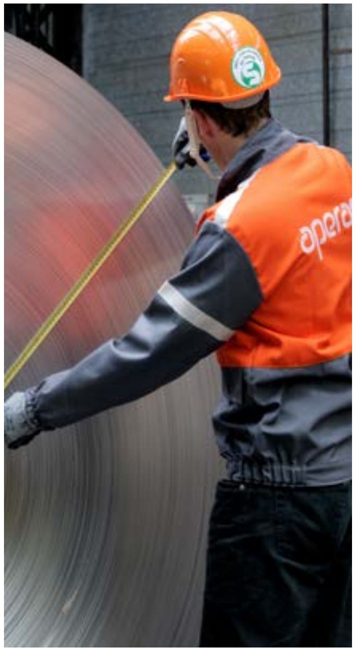
We sell and distribute our products through our Services & Solutions segment which includes our tubes businesses, and which also provides value-added and customised steel solutions through further processing to meet specific customer requirements. Our distribution network comprises 14 Steel Service Centres, 8 transformation facilities and 19 sales offices. Steel shipments from Services and Solutions Division represented approximately 769 thousand tonnes in 2015 and approximately 721 thousand tonnes in 2014.

Alloys & Specialties

The Alloys & Specialties integrated production facility is located in Imphy, France and includes a meltshop, a wire rod facility and a cold rolling facility. The meltshop is designed to produce specialty grades and includes one electric arc furnace, two induction furnaces with two vacuum oxygen decarburisation ladles and a ladle furnace, one vacuum induction melting furnace, two vacuum arc remelting furnaces and one electroslag remelting furnace. The meltshop is also equipped with ingot casting facilities and a continuous billet caster.

Our wire rod mill specialises in the production of nickel alloys and has the ability to process a wide range of grades, including stainless steel. It comprises a blooming mill, billet grinding, a hot rolling mill, which has a capacity of 35 thousand tonnes, and finishing lines. Steel shipments from Alloys & Specialties facilities represented approximately 34 thousand tonnes in 2015 and approximately 35 thousand tonnes in 2014.

We also own downstream nickel alloy and specialty assets, including Rescal S.A.S., a wire drawing facility located in Epóne, France, Aperam Alloys Amilly, an electrical components manufacturer located in Amilly, France, Imhua Special Metals, a transformation subsidiary in Foshan, China. We also hold a majority stake in Innovative Clad Solutions, a production facility for industrial clads in Indore (Madhya Pradesh, India).



Our key competitive strengths

We believe that the following are among our key strengths:

We are committed to Sustainability and our number one priority is Health & Safety

The people who work for, and with, Aperam are our greatest asset and their Health and Safety is our top priority. To measure the effectiveness of our Health and Safety performance, the Group uses as a benchmark the "Lost Time Injury Frequency rate", or "LTIF", a key indicator which measures injuries (which lead to work time loss of a day or more) per 1,000,000 worked hours. In 2015, LTIF rate was 1.0 compared to 1.1 in 2014. We believe strongly in the future of our employment offering them training and opportunities for career developments. This in turn leads to higher levels of employee engagement which has been proven to increase efficiency and for Aperam, also nurtures a true culture of innovation.

Fully aware of the challenges of climate change, Aperam has a unique capability to produce charcoal-based biomass to fuel its production and we are constantly seeking to reduce our environmental impacts. As a manufacturer of energy-efficient steel solutions, the Group is also a fervent defender of circular economy. Beyond its zero waste-to-landfill objective, it uses scraps for lower carbon footprint and recycled input materials, notably dusts recuperated through its wholly-owned Recyco subsidiary. Lastly, Aperam maintains constant engagement with all of its stakeholders, from Communities in which we operate to the regulatory bodies that govern our own activities, and strives to anticipate its customers' needs through close partnerships, tailor-made solutions and unrivalled customer satisfaction.

A restructured and efficient European footprint able to seize market opportunities

Aperam's modern production facilities allow the Group to support its customers' stainless and specialty steel requirements with a high level of operational efficiency.

In Europe, the Group benefits from high quality and cost efficient plants with the largest and most recent electric arc furnace meltshop (Châtelet, Belgium), the largest hot rolling mill (Châtelet, Belgium), one of the largest cold rolling mills (Genk, Belgium) and LC2I, the best-in-class integrated rolling-mill (Isbergues, France). In Brazil, the Group operates a fully integrated production facility using charcoal produced by Aperam BioEnergia. Through an early restructuring of its downstream operations since the creation of Aperam - from 29 tools to 17 tools in Europe - to adapt to the market conditions, Aperam managed to reach record volumes in Europe since 2008 although with a lower number of tools. Aperam is well positioned in the core markets in Europe with an optimal loading of its most efficient assets. In addition, Aperam aims to continue investing in its industrial asset base with Leadership Journey® initiatives to benefit from the long-term potential growth of the stainless and specialty-steel industry. The Leadership Journey® initiative is described in greater detail below under the section "- Our key strategic priorities".

A leading and geographically well-positioned stainless and specialty steel producer

Aperam also has a strong presence in the European stainless steel market. The Group's modern production facilities in Belgium and France are strategically located close to the scrap generating regions and are also close to the Group's major customers. Aperam's European industrial operations have consistently maintained high performance standards through the optimisation of production volumes, inventory and costs. The Group also has a highly integrated and technically advanced distribution network that is effective at maintaining direct contact with end-users through strong sales and marketing capabilities.

Key strengths of the European operations of Aperam

Sourcing	Logistics	Production
The only integrated upstream operations in the heart of Europe, with the best access to scrap supply	Best location to serve the biggest consumption areas of Europe	Full range of products of stainless steel
	Performant logistics between sites for a working capital management at the benchmark of the industry	Flexibility and available capacity
		A strategy to be a cost benchmark on the key Aperam products

Aperam is a leading stainless and specialty steel producer in South America and according to the International Stainless Steel Forum (the "ISSF"), is the second largest producer in Europe. Aperam is well-positioned in both developed and emerging markets. In 2015 approximately 72% of the sales were derived from developed markets and 28% from emerging markets.

In South America, the Group has a leading presence in flat stainless steel and electrical steel production with modern, flexible and fully integrated production and service centres.

This unique asset base is perfectly adapted to the South American market. Based upon low levels of historical apparent consumption per capita and a developing market for stainless steel, Management estimates that there is important growth potential in South America. In Brazil, Aperam also benefits from an improving costs position to ensure its commercial plan and capture opportunities of improving market penetration.

Key strengths of the Brazilian operations of Aperam

Sourcing	Logistics	Production
The only fully integrated stainless steel facility in South America with access to iron ore and charcoal produced from own eucalyptus forests in environment friendly manner	Performant logistics with integrated service centers	Full range of products including flat stainless steel, electrical steel and special carbon
	Only stainless steel producer in South America with best in class deliveries to customers	A flexible production route which allow Aperam to maximise the product mix
	Flexible geographical sales capabilities within South America which allow Aperam to optimise its geographical exposure	An improving cost position compared to industry benchmark benefiting from exchanges on best practice with European operations

Value accretion beyond stainless production

Aperam has one of the largest integrated Aperam has one of the largest integrated stainless and specialty steel sales, distribution and steel services networks in the world, with a total of 14 Steel Service Centres ("SSCs"), 8 transformation facilities and 19 sales offices. This network allows the Group to develop customers' loyalty thanks to a best-in-class service, to support a continuous activity for the mills and finally to capture additional value in the downstream operations The Group's distribution channels are strategically located in areas of high demand and close to many end-users. The Group works continuously to further develop its distribution network through internal development, partnerships and targeted acquisitions. Aperam normally expands its global distribution network either in response to an identified market opportunity or in response to the express business needs of major customers. The Group's global distribution network enables it to tailor its products to address specific customer needs, thereby facilitating the maintenance of market share and the capture of growth opportunities. The Group's customer base is well diversified, comprising a number of blue chip clients.

A diversified product offering with a leading position in nickel alloys, supported by leading research and development capabilities

Aperam offers a wide range of products, including high margin value-added niche products to a diversified customer base in both emerging and developed markets. The Group's products are mainly sold to end-users in the automotive, building and construction, catering and appliance, energy and chemicals, and transportation industries, while electrical steel products are primarily sold to customers in the electric motors, generators and transformers industries.

The Group is the fourth largest global producer of nickel alloys and the largest in alloys wire rods, which are sold to customers in the aerospace, automotive, electronics, petrochemical, and oil & gas industries. Aperam's diverse product offering, sold to a wide range of customers across numerous industries, allows the Group to enjoy greater stability and to mitigate some of the risks and cyclicality inherent in certain markets.

In addition, Aperam's leading position in nickel alloys, which is a particularly high margin value-added niche for stainless steel products, helps the Group to maintain and improve its margins and profitability.

Aperam's research and development activities are closely aligned with our strategy, focused on product development and process development. The Group's Research and Development team comprises 126 employees. These employees are based in two centres in Europe, located in Isbergues and Imphy, France, and one centre in Timóteo, Brazil. The R&D departments interact closely with the Group's operating segments and partner with industrial end-users and leading research organisations in order to remain at the forefront of product development. The research and development capabilities have contributed to both the Group's leadership in the industry and its development of long standing and recognisable brands. Aperam concentrates a significant portion of its research and development budget on high margin value-added niche products, such as nickel alloys.

Resilient profitability, efficient cash flow management and a solid financial and funding structure

The Group's profitability is supported by its implementation of the Leadership Journey®, which, at the end of December 2015, has contributed to approximately $478 million to EBITDA since the beginning of 2011.

In addition, the Group has been able to generate positive free cash flows over the past five years. As of December 31, 2015, the Group had net financial debt of $316 million, representing a gearing of 14% compared to net financial debt of $1,066 million at the end of December 2010.

As of December 31, 2015 the Group had a solid funding structure and debt maturity profiles as described in greater detail in the section “Liquidity”.

These achievements have been the result of Aperam’s strategic priorities as described in greater detail under the below section “Our strategic priorities”.

Talented and dynamic Leadership Team and motivated workforce

Aperam benefits from the experience and industry know-how of its Leadership Team. The team is comprised of ten members including the Chief Executive Officer ("CEO"), Mr. Timoteo Di Maulo. Mr. Di Maulo has over twenty-five years of experience in the stainless steel industry, having held a number of positions in the controlling, purchasing, logistics and commercial areas and has been CEO of different units of the Group. He is supported by the other members of the Group's senior management team, including Mr. Sandeep Jalan, the Chief Financial Officer ("CFO") who has over twenty-five years of experience in finance. Mr. Jalan joined the ArcelorMittal group in 1999 and served as CFO of ArcelorMittal Long Carbon Europe, responsible for finance and strategy prior to joining Aperam in 2014. The other members of the Leadership Team are Ms. Vanisha Mittal Bhatia, Chief Strategy Officer; Mr. Nicolas Changeur, Chief Marketing Officer; Mr. Bernard Hallemans, Chief Technical Officer; Mr. Jean- Paul Rouffiac, Chief Operating Officer Stainless & Electrical Steel Europe; Mr. Frederico Ayres Lima, Chief Operating Officer Stainless & Electrical Steel South America; Ms. Johanna Van Sevenant, Chief Executive Officer Services & Solutions, Mr. Frédéric Mattei, Chief Executive Officer Alloys & Specialties and Mr. Bert Lyssens, Head of Sustainability, Human Resources and Communications. The collective industry knowledge and leadership of Aperam's senior management team and their record of accomplishment in responding to challenging economic conditions is a key asset to Aperam's business. The Group has also introduced various initiatives to improve the dedication and motivation of its workforce, including development programs, employee annual appraisal, career committee meetings to evaluate opportunities for managers and performance-based bonuses. Greater accountability improves motivation, and the Group's approach to human resources has contributed to the dedication and engagement of its workforce.

Our key strategic priorities

Since the early creation of Aperam, we have pursued a strategy designed to reinforce Aperam´s resilience to challenging market conditions based on our in-house internal improvement measures and relying on our own resources.

This has proven a successful strategy as it reduces reliance on external factors/resources to support our performance.

Our key strategic priorities have proven their efficiency in terms of operating and financial performance over the past years, thus we remain focused on:

> improving operational efficiency and increasing EBITDA through the Leadership Journey®,
> driving value through our Top Line strategy,
> generating positive cash flows, and
> maintaining a strong balance sheet consistent with Investment Grade Financial ratios.

Our Top Line strategy is based on commercial projects with the objective to develop Aperam’s most profitable products, segments, clients or geographical areas and to develop quality and service to the customers. Among the Top Line products, specific focus is allocated to develop innovative products allowing niche presence as well as attractive margins. More specifically, our Top Line strategy includes:

> leveraging our unique stainless steel product portfolio,
> driving additional value through the Services & Solutions segment, and
> growing the Alloys & Specialties segment.

Improving operational efficiency and increasing EBITDA through the Leadership Journey®

The Leadership Journey® is an initiative aimed at achieving management gains, fixed and variable cost reductions, and increased productivity over the near and medium term. The Leadership Journey® is composed of a number of initiatives which can be broadly characterised as restructuring projects, cost cutting projects and performance projects as described below:

> Restructuring projects under the Leadership Journey® have traditionally focused on the closure of non-competitive capacities and the reduction of fixed costs through process simplification.

> In parallel to the restructuring initiatives, major cost cutting investments have been launched with the goal to improve the industrial footprint and to reduce the number of tools.

› Several performance projects have also been launched in order to reinforce the existing continuous improvement program and accelerate cost reductions. In particular, specific actions have been implemented to reduce our costs for sourcing, IT and sales and general administrative costs.

Since 2014, upgrade programs on the most performing assets have been launched for a total amount of $112 million and are described more in detail at the below table:

Tranche	Amount	Period of implementation	Description
1	$52 million	2014-2015	› Productivity improvement of the downstream facilities in Genk (CAP2), Gueugnon (CAP10) and Timoteo (Sendzimir Mill #1) › Upgrade of the Wire Rod mill in Imphy › Upgrade of GO operations in Timoteo with development of HGO
2	$30 million	2015-2016	› Upgrade of CAP 2 in Genk › Upgrade of LC2i in Isbergues
3	$30 million	2015-2017	› Efficiency and competitiveness improvement of the lines CR6 and BA8 in Gueugnon › Upgrade of compact box annealing furnaces of the Wire Rod mill in Imphy

As at December 31, 2015, the Leadership Journey® had contributed a total amount of $478 million to EBITDA since the beginning of 2011, fully in line with the objective set at $475 million to be realised by the end of 2015.

Our goal is to achieve $575 million in gains and profit enhancements by the end of 2017.

Leveraging our unique stainless steel product portfolio

We intend to continue to support the development of our wide range of products, with a focus on high-margin value-added niche products. Because of the specialised and innovative nature of these products, we are able to earn higher margins, typically attracting higher prices than our other more commoditised products. In order to grow our sales of high-margin value-added niche products and replace low contribution margin products, we continue to put our focus on the development of innovative products through our research and development, while leveraging our marketing and advertising efforts for wider promotion. The investments approved by the Board of Directors as part of the Top Line strategy, which will also be improving the cost competitiveness of the Group's operations, are described in greater detail under the section "Liquidity - Capital expenditures".

Driving additional value through the Services & Solutions segment

Our industrial footprint in Europe and South America is perfectly complemented with global service centres and sales network as part of our Services & Solutions segment. In a volatile environment, we believe that the development of the Services & Solutions segment and the provision of better services to our customers are key for achieving financial and operational excellence. Value-added services provided to our clients include cutting, polishing, brushing, forming, welding, pickling, annealing or packaging. We believe that further development of the Services & Solutions segment will drive additional value creation while serving our customers more effectively. As part of this strategy, we invested $35 million as part of the Leadership Journey® to create a new service centre in Campinas in the Sao Paulo region of Brazil, which started operations by the end of 2012, and enables us to better serve customers in the Brazilian market. In particular, the facility's optimised footprint and its location close to high-consumption areas in the Brazilian market are enabling us to develop our operational capabilities and grow the Services & Solutions segment.

Strengthening our Leadership in the Alloys & Specialties segment

The Alloys & Specialties segment specialises in the design, production and transformation of various nickel alloys and certain specific stainless steels. These products are intended for high-end applications or to address very specific customer requirements across a broad range of industries, including the oil and gas, aerospace, automotive, electronics, petrochemical and other industries. We believe that the Alloys & Specialties segment has significant growth potential which could be captured with new investments. As part of this strategy, we invested $29 million in the upstream enhancements of our Imphy plant in France with one additional induction furnace with secondary metallurgy and two additional remelting furnaces. We are also investing $16 million in the downstream debottlenecking of the finishing line of the Imphy Wire Rod mill through automation and upgrade of its assets (including $10 million announced in 2014 with Tranche 1 and $6 million announced in 2015 with tranche 3 of the Leadership Journey® upgrading program).

Maintaining strong Balance Sheet ratios consistent with Investment Grade Financial ratios

As part of our efforts to become a more resilient company capable of responding to the volatile market environment, we have reduced our net debt to $316 million at the end of 2015, representing a gearing of 14%, compared to $536 million a year ago representing a gearing of 20% and $1,066 million at the end of December 2010 representing a gearing of 29%. This achievement is based on a strong set of actions in optimising our debt profile and interest costs.

In 2015, our most relevant debt restructuring actions included:

(i) the set up in March 2015 of a $500 million Secured Borrowing Base Revolving Credit Facility structured as a 3-year revolving credit facility with a one-year extension option. The Facility will be used for liquidity and working capital purposes. Following the net debt reduction, the Borrowing Base facility commitment has been cancelled by $100 million in December 2015, to $400 million and remains fully undrawn at the end of December 2015;

(ii) the redemption at the beginning of April 2015 of our High Yield Bonds of $250 million with coupon 7.75% maturing in 2018.

On November 5, 2015 Aperam announced its updated financial policy to maximise the long term growth and sustainability of the Group as well as the value accretion for its shareholders while maintaining a strong balance sheet. Aperam proposed the reinstatement of a base dividend of $1.25 per share, subject to shareholder approval. The Group also aims to grow dividends progressively as Aperam continues to improve its sustainable profitability benefiting from its strategic actions. The Group targets a Net Financial Debt/EBITDA ratio of <1.0x (through the cycle). In the (unlikely) event that Net Financial Debt/EBITDA exceeds 1.0x, the Group will suspend the cash dividend. Subject to shareholder approval at the Annual General Meeting of shareholders in May 2016, the dividend will be paid in four equal quarterly instalments of $0.3125 (gross) per share during 2016.

Please refer to the section "Liquidity" of this Management Report for further details with respect to the Group's financing and to the section "Liquidity-Earnings Distribution" for the detailed dividend calendar for the year 2016.

Our profit driving pillars

The Group's key profit driving pillars based on our strategic priorities can be summarised as follows:

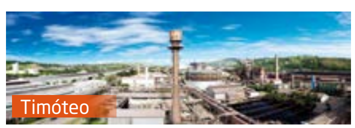
1. We aim to be the best in cost with our Leadership Journey® and are targeting a contribution of $575 million to EBITDA by end of 2017.

2. We aim to optimise our product portfolio and replace low contribution margin products by high margin products with our Top Line strategy and our innovative products.

3. We aim to continue to focus on cash and the strengthening of our balance sheet.

4. We aim to grow in our Alloys & Specialties business to follow market growth while continuing to improve our competitiveness.

Our key production sites



Market analysis

Market environment

Our operations results are primarily affected by external factors which impact the stainless and specialty steel industry in general, particularly stainless and electrical steel pricing, demand for stainless and specialty steels, production capacity, trends in raw material and energy prices and fluctuations in exchange rates. In addition, our operation results are affected by certain factors specific to Aperam, including several initiatives we have introduced in response to the challenging economic environment. These factors are described in greater detail below.

Stainless Steel Pricing

The market for stainless steel is considered to be a global market. Stainless steel is suitable for transport over long distances as logistics costs represent a small proportion of overall costs. As a result, prices for commoditised stainless steel products evolve similarly across regions. However, in general, stainless steel products are not completely fungible due to wide variations in shape, chemical composition, quality, specifications and application, all of which impact sales prices. Accordingly, there remains a limited market for uniform pricing or exchange trading of certain stainless steel products.

Stainless steel is a steel alloy with a minimum of 10.5% chromium content by mass and a combination of alloys which are added to confer certain specific properties depending upon the application. The cost of alloys used in stainless steel products varies across products and can fluctuate significantly. Prices for stainless steel in Europe and the United States generally include two components:

> the "base price", which is negotiated with customers and depends on market supply and demand; and
> the "alloy surcharge", which is a supplementary charge added by producers to the selling price of steel and offsets price increases in raw materials, such as nickel, chromium or molybdenum, by directly passing these increases onto customers. The concept of the "alloy surcharge", which is calculated using raw material prices quoted on certain accepted exchanges, such as the London Metals Exchange ("LME"), was introduced in Europe and the United States in response to significant volatility in the price of these materials. This has historically been driven by fluctuations in demand, increasing or decreasing inventory levels, changes in production capacity and speculation by metal traders.

Notwithstanding the application of the "alloy surcharge", the Group is still affected by changes in raw material prices, in particular nickel. In general, when the price of nickel is falling, purchasers of stainless steel products delay their orders to benefit from an expected decline in prices, which has the effect of reducing demand in the short term. By contrast, when nickel prices are rising, purchasers tend to acquire larger quantities of stainless steel in order to avoid having to buy at higher prices. The nickel price evolution over the period 2014 to 2015 is highlighted in the graph below under "- Nickel price on the LME (in $/tonne)".

In 2014, as a result of the Indonesian ban on the export of nickel ores, the nickel price initially increased from a level of $14,000 per tonne in January to approximately $21,000 per tonne in May, but dropped back below $15,000 per tonne by the end of December as oversupply persisted.

In 2015, the price of nickel showed a gradual decline from $14,750 per tonne in early January to $8,800 at the end of December. The main reasons for this price drop were continued global overproduction of nickel, coupled with a sharp deceleration of global nickel demand driven by the stagnation of China´s stainless steel production growth. The 2015 nickel price dynamics were also significantly affected, particularly in the second half of 2015, by a global deflation of commodity prices.

Although lower production of Nickel Pig Iron ("NPI") in China (minus 80,000 tonnes Ni equivalent) nearly compensated new western world nickel output, the price remained under downward pressure as exchange stocks, both on London Metal Exchange ("LME") and Shanghai Futures Exchange ("ShFE"), rose to unseen heights. 2015 ended with an LME stock of 445,000 tonnes and a ShFE stock of 48,000 tonnes. In spite of an almost equilibrated supply/demand balance, these stocks were able to increase as investors moved material from non-registered stocks to exchange related warehouses.

In addition, thanks to falling energy prices and favourable exchange rate evolutions, the production cost of nickel lowered significantly and, except for some high cost NPI in China, no significant production cuts or capacity closures were observed in these tough market circumstances. For 2016 we forecast a more balanced supply/demand but existing nickel stocks will continue to overhang the market. Nevertheless, first signs of nickel production cuts, mainly in mining, can be observed. Larger production cuts, including from refineries, could give some support for nickel as this would allow the stocks to be gradually consumed.

The graphs below show the price of nickel on the LME and the European transaction price for CR304 stainless steel for the period from January 1, 2014 to December 31, 2015:

Graph: Nickel price on the LME (in $/tonne)

Graph: Stainless Steel/CR304 2B 2mm Coil Transaction Price/Southern Europe Domestic Delivered ($/tonne)

Source:
Nickel prices have been derived from the LME. Stainless steel/CR304 2B 2mm coil transaction price/Southern European domestic delivered prices have been derived from Steel Business Briefing ("SBB").

In 2014, stainless steel transaction prices (based on the price of CR304 2B 2mm transaction base prices/Southern Europe) reached approximately 2,800$/tonne at year end.

Stainless steel transaction prices continuously decreased to approximately 2,200$/tonne at the end of 2015. Despite improved demand, restocking and capacity utilisation improvements, Aperam expects stainless steel prices to remain under pressure, primarily as a consequence of Asian overcapacities.

Electrical Steel Pricing

The market dynamic for electrical steels in 2015 was quite different between NGO and GOES (grain oriented electrical steel, applied mainly in transformers) electrical steels types. As NGO presented a low capacity utilisation rate in Asia and also Europe, prices were pushed down during 2015. For GOES the 2015 demand increased due to energy transmission projects around the world (especially China) and new energy efficiency requirements which increased the demand for low core loss grades pushing prices and demand up.

China is the main producer of electrical steel (more than 12.3 million tonnes/year capacity), prices are dependent in particular upon Chinese demand and capacity utilisation rate. 2015 production utilisation rate in China was 68% for electrical steels (for NGO it was approximately 65% and for GOES 95%) according to Management estimates.

During 2015, GO steel prices (based on RGO 30Q130 - Shanghai Market) increased by more than 20% compared to 2014 (from 1,600$/tonne to 1,950$/tonne). Prices in China for NGO steel (based on NGO M470-50A - Shanghai Market), which accounts for approximately 80% of the global electrical steel market, decreased over the course of 2015 to reach approximately 600$/tonne at year end (from over 800$/tonne at end of 2014).

Demand for Stainless and Electrical Steel and Nickel Alloys Products

Demand for stainless and electrical steel, which represents approximately 2.5% of the global steel market by volume, is affected to a significant degree by trends in the global economy and industrial production. Demand is also affected in the short term by fluctuations in nickel prices, as discussed in greater detail under "- Stainless Steel Pricing" above.

In 2014, global demand for stainless steel flat products grew by 5%. In 2015, global demand for stainless steel flat products contracted by 1%, primarily due to a sharp slowdown in China consumption growth and contraction in developed markets. Management believes that global demand for stainless steel flat products is expected to increase by approximately 3% per annum from 2015 until 2019.

In 2014, demand for GO and NGO grew by approximately 4%. In 2015, demand for GO and NGO continued to grow by approximately 5%.

Global demand increased primarily due to energy transmission projects around the world (especially China) and new energy efficiency requirements increased the demand for low core loss grades.

Nickel Alloys market growth slowed down in 2015 compared to 2014, as the consequence of a contrasted situation, opposing healthy aerospace and electrical safety markets against depressed oil & gas markets. However, among oil & gas applications, the growing role of natural gas in the world boosted the demand for nickel alloys in this area and enabled to partially offset the general oil & gas market decreases. Management estimates that the global demand for nickel alloys will remain stable or may see slight growth in the coming year.

Production and capacity

In 2014, global growth in flat stainless steel production was 8%. In 2015, global flat stainless steel production decreased by 1% primarily driven by a sharp slowdown of China's production growth and a contraction in the developed world output as Europe was impacted by a destocking phase. Global structural overcapacity continued to affect the stainless steel industry, as 2015 saw another year of double digit growth in flat stainless steel capacity in China, while consumption growth decelerated sharply, with almost no growth in consumption in 2015.

These developments mean that the overcapacity in the stainless steel industry in China increased significantly in 2015. Implications are that not only is China facing a significant industry restructuring challenge, but with over 50% of global installed capacity, it can exert disproportionate direct and indirect export pressures over other regions.

Management estimates global utilisation rates reached approximately 70% in 2014 and decreased to 64% in 2015. Global utilisation rates are forecasted to gradually improve through 2019, as global demand growth continues and China addresses its structural overcapacity.

Competition

With over 1.89 million tonnes of shipments in 2015, Aperam is the largest flat stainless steel producer in South America, the second largest producer in Europe behind Outokumpu, and one of the top 10 flat stainless steel producers in the World

Aperam's main competitors in Europe are Outokumpu, Acerinox and Thyssen Krupp's Terni. Imports into Europe were significant, representing 23% of the flat stainless steel market in 2015. The European competitive landscape continued to improve with Outokumpu's completion of restructuring actions of its industrial footprint.

Although anti-dumping duties imposed on Chinese and Taiwanese cold rolled coil significantly reduced imports from these countries, these have been partially offset by a sharp increase in imports from other countries.

Aperam remains the leading flat stainless producer in South America, with its operations based in Timoteo, Brazil. Challenging market conditions in Brazil in 2015, and increased competitiveness of Brazilian operations in regional markets enabled higher exports out of the Latin America region.

The global competitive landscape has transformed over the past years, with Chinese producers Tsingshan, TISCO, Baosteel and Beihai Chengde today ranking among the ten largest global flat stainless producers in the world.

Anti-dumping developments

European Union

On March 24, 2015, the European Commission announced the imposition of a provisional anti-dumping duty on imports of stainless steel cold-rolled flat products originating from the People's Republic of China and Taiwan. The notification follows a complaint lodged on May 13, 2014 by the European Steel Association-Eurofer.

On July 23, 2015 the European Commission announced the termination of the anti-subsidy proceeding concerning imports of stainless steel cold-rolled flat products originating from the People's Republic of China. The notification follows a letter of May 11, 2015 addressed to the Commission, where the complainant Eurofer formally withdrew its complaint lodged on July 1, 2014.

On August 27, 2015 the European Commission announced, by a notice published in the Official Journal of the European Union, the imposition of a definitive anti-dumping duty on imports of stainless steel cold-rolled flat products originating from the People's Republic of China and Taiwan. The amounts secured by way of the provisional anti-dumping duty imposed shall be definitively collected. The amounts secured in excess of the definitive rate of anti-dumping duty shall be released.

The rates of the definitive anti-dumping duty applicable to the net, free-at-Union-frontier price, before duty, are as follows:

Product Type	Countries	Definitive Anti-dumping duty (%))	Effective from
Cold Rolled Stainless Steel Flat Products	People Republic of China	From 24,4% up to 25,3%	March 26th, 2015*
Electric arc furnace	Taiwan	6,8% Except Chia Far 0%	March 26th, 2015*

* Entry in force from the day following that of the publication of the provisional measures in the Official Journal of the European Union. The measures have been implemented for a 5- year-period.

On October 27, 2015, the Taiwanese steelmaker Yieh United Steel lodged an appeal with the European Court of Justice in Luxembourg challenging the EU tariffs of 6.8% on Yieh United Steel's imports of cold-rolled stainless steel.

On November 20, 2015, the Chinese stainless steelmaker Taigang Stainless filed an appeal with the European Court of Justice in Luxembourg. It challenges the European Commission's definitive anti-dumping duty of 24.4% on Taigang's stainless cold-rolled products.

Brazil

During 2012, Brazil's Trade Defence Department ("Decom"), an investigative body under the Brazilian Ministry of Development, Industry and Foreign Trade, opened an anti-dumping investigation against imports from several countries for welded austenitic stainless pipes, flat stainless steel products and flat non-grain oriented products and imposed antidumping duties for a period of 5 years as described below:

Type of products	Import duties status	Anti-dumping status
Stainless Steel Flat Products CR 304 and 430, in thicknesses between 0.35mm and 4.75mm	Normal import duties are 14%	AD duties starting October 4th, 2013 for 5 years from 236 $/t to 1,077 $/t. Countries involved are China, Taiwan, South Korea, Vietnam, Finland and Germany
Stainless Steel Welded Tubes in thickness between 0,4mm to 12,70mm	Normal import duties are 14%	AD duties starting July 29th, 2013 for 5 years from $360/t up to 911 $/t. Countries involved are China and Taiwan.
Electrical steel - Non Grain Oriented	Normal import duties are 14%	AD duties imposed starting July 17th 2013 for 5 years from 133 $/t to 567 $/t. Countries involved are China, Korea and Taiwan On August 15, 2014, Camex released AD partially, giving 45Kt of imports in the next 12 months without AD penalties. On August 12, 2015, Camex announced 11Kt of free AD quota until the end of the Public Interest investigation in November 2015. AD rights payment would be subject to final investigation decision. On November 04, 2015 Camex announces the end of the Public Interest investigation that cancel free AD import quotas published in August 12, 2015 and establishes AD duties from 90 $/t to 132 $/t -valid until 2018 – from China, Taiwan and South Korea. Also announced a call for importers to make the payment of the AD rights for the material imported during the quota period from August, 2015 to November 2015.
Electrical steel - Grain Oriented	Normal import duties are 14%	

Raw Materials and Energy

Raw Materials

Stainless and specialty steel production requires substantial amounts of raw materials (primarily nickel, chromium, molybdenum, stainless and carbon steel scrap, charcoal (biomass) and iron ore). Except for charcoal, which is produced internally, we are exposed to price uncertainty with respect to each of these raw materials, which we typically purchase under short-term and long-term supply contracts, as well as on the spot market.

Prices for these raw materials are strongly correlated with demand for stainless steel and carbon steel and accordingly tend to fluctuate in response to changes in supply and demand dynamics in the industry. In addition, since most of the raw materials we use are finite resources, their prices may also fluctuate in response to any perceived scarcity of reserves and the evolution of the pipeline of new exploration projects to replace depleted reserves.

In 2014, the nickel market remained in oversupply by around 90,000 tonnes. After an initial rise to $21,000 per tonne due to the Indonesian ore export ban, the price weakened to $15,000 per tonne in December. The European benchmark price for ferrochrome was $1.15 per pound of chrome in the last quarter of 2014. Molybdenum oxide prices traded around $20,000 per tonne at the end of the year. The reference iron ore price (62% Fe_2O_3; CIF China) showed a steep fall from $130 per tonne in January to $68 per tonne end December 2014. Ferrous scrap prices (E8 quality; Western Europe) ended the year 2014 at 250 Euro per tonne.

In 2015, the nickel price, like most other commodity prices, suffered from oversupply and the weaker Chinese economy. The European benchmark price for ferrochrome was stable at $1.08 per pound of chrome from January till September but dropped to $1.04 per pound of chrome in the fourth quarter. Like nickel, molybdenum prices saw a big correction from $20,000 per tonne in January to $10,000 per tonne in November, followed by a moderate recovery to $11,000 per tonne in December as some capacity was idled. The reference iron ore price (62% Fe_2O_3; CIF China) also continued its fall in 2015, from $70 per tonne in January to $40 per tonne by end December 2015.

Ferrous scrap prices (E8 quality; Western Europe) followed the iron ore trend with some delay and started the year relatively stable in a range of 230 – 240 Euro per tonne but decreased as of July to end the year at 170 Euro per tonne.

Energy

With regard to natural gas, as part of the Leadership Journey®, the Timóteo production facility in Brazil switched from LPG to natural gas in 2011 and entered into a long-term natural gas supply contract with a Brazilian supplier. As from 2015, the Group purchases in Europe most of its natural gas through a new supply contract that has been put in place with ArcelorMittal Energy.

With regard to electricity, in most of the countries where the Group operates, electricity prices have moved in line with other energy commodities. The Group benefits from access to baseload nuclear power in France. Complementary needs are sourced from the market. Brazilian power prices have experienced a decrease in 2015 as compared to a 2014 peak, but are likely to increase again, driven by continued increase in demand for electricity. Aperam operations in Brazil have a net long position which is mitigated through excess power sale to the market.

With regard to industrial gases, the Group procures its industrial gas requirements using long-term contracts with various suppliers in different geographical regions.

Impact of exchange rate movements

At the end of 2014, the U.S. dollar amounted to 0.8237 Euro/U.S.dollar and 2.6562 Brazilian real/ U.S. dollar. In 2015, the U.S. dollar appreciated by 12% against the Euro to reach 0.9185 Euro/U.S. dollar at year end. In 2015, the U.S. dollar appreciated by 47% against the Brazilian real to reach 3.9048 Brazilian real/U.S. dollar at year end. Because a substantial portion of Aperam's assets, liabilities, sales and earnings are denominated in currencies other than the U.S. dollar (its presentation currency), Aperam has exposure to fluctuations in the values of these currencies relative to the U.S. dollar. In order to minimise its currency exposure, the Group enters into hedging transactions to lock in a set exchange rate, in accordance with its management policies.

Board of directors

The Board of Directors is in charge of the overall management of the Company. It is responsible for the performance of all acts of administration necessary or useful to implementation of the corporate purpose of the Company as described in the Articles of Association, except for matters expressly reserved by Luxembourg law or the Articles of Association to the general meeting of shareholders.

Aperam places a strong emphasis on corporate governance. Aperam has four independent directors out of the seven members of the Board of Directors and the Board's Audit and Risk Management Committee and Remuneration, Nomination and Corporate Governance Committee are each comprised exclusively of independent directors. Mr. Lakshmi N. Mittal is the Chairman of the Board of Directors and Mr. Romain Bausch is the Lead Independent Director. Mr. Bausch's principal duties and responsibilities as Lead Independent Director are as follows: coordination of activities of the other Independent Directors; liaison between the Chairman and the other Independent Directors; the calling of meetings of the Independent Directors when necessary and appropriate; leading the Board of Directors' self-evaluation process and such other duties as are assigned from time to time by the Board of Directors.

On May 5, 2015, the annual general meeting of shareholders elected Mr. Philippe Darmayan for a term of three years following Mr. Gonzalo Urquijo's decision to step down from the Board of Directors for personal considerations effective May 5, 2015. Mr. Gonzalo Urquijo joined the Board at the creation of Aperam and chaired its Sustainability, Performance and Strategy Committee.

The members of the Board of Directors extended their warmest gratitude and appreciation for Mr. Urquijo's valuable contribution to the Board since the creation of Aperam. Mr. Philippe Darmayan was Aperam's CEO from 2011 to 2014 and retired effective December 31, 2014. As announced on October 14, 2014, Mr. Philippe Darmayan will also retain links with the Aperam Group as an advisor due to his extensive industry knowledge.

Aperam's Board composition is subject to the election of the members of the Board of Directors by the shareholders at the Company's upcoming shareholders' meeting. The election of members of the Board of Directors is an agenda item published in the Company's convening notice to its shareholders' meetings. Members of the Board of Directors are elected by simple majority of the represented shareholders at an ordinary general meeting of shareholders. The directors of Aperam are elected for three year terms.

No member of the Board of Directors have entered into a service contract with Aperam or any of its subsidiaries providing for benefits upon the end of his or her service on the Board. In December 2013, all non-executive Directors of the Company signed the Company's Appointment Letter, which confirms the conditions of their appointment including compliance with a non-compete provision, the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange dated May 2013 and the Company's Code of Business Conduct.

The members of the Board of Directors as of the date of this Annual Report are set forth below. The terms of the members of the Board of Directors expire at the annual general meeting of shareholders as described in the table on the next page.

Name	Age(1)	Position wihtin the Company (2)	Date joined Board	Term Expires
Mr. Lakshmi N. Mittal	65	Chairman, Non-independent member of the Board of Directors	December 2010	May 2016
Mr. Romain Bausch (3) (4)	62	Lead Independent Director, Independent member of the Board of Directors	January 2011	May 2016
Mr. Philippe Darmayan	63	Non-independent member of the Board of Directors	May 2015	May 2018
Mr. Joseph Greenwell (3) (4)	64	Independent member of the Board of Directors	May 2013	May 2017
Ms. Kathryn A. Matthews(4)	56	Independent member of the Board of Directors	December 2010	May 2016
Mr. Aditya Mittal	39	Non-independent member of the Board of Directors	December 2010	May 2016
Ms. Laurence Mulliez (3)	49	Independent member of the Board of Directors	May 2011	May 2017

Notes:

Company Secretary: Mr. Laurent Beauloye

(1) Age on December 31, 2015.

(2) See section Corporate Governance/Board of Directors for the status of independent director.

(3) Member of the Audit and Risk Management Committee.

(4) Member of the Remuneration, Nomination and Corporate Governance Committee

Mr. Lakshmi N. Mittal

Mr. Lakshmi N. Mittal is the Chairman and Chief Executive Officer of ArcelorMittal. Mr. Mittal started his career in steel in 1976 by founding Ispat Indo, a company that is still held privately by the Mittal family. He founded Mittal Steel Company (formerly the LNM Group) in 1989 and guided its strategic development, culminating in the merger in 2006 with Arcelor, to form the world's largest steelmaker.

He is widely recognised for the leading role he has played in restructuring the steel industry towards a more consolidated and globalised model. Mr. Mittal is an active philanthropist and a member of various boards and trusts, including chairman of the board of Aperam and the boards of Goldman Sachs and Airbus N.V (previously EADS NV).

He is a member of the Foreign Investment Council in Kazakhstan, the World Economic Forum's International Business Council and the World Steel Association's Executive Committee. He also sits on the Board of Trustees of Cleveland Clinic in the United States. Mr. Mittal began his career working in his family's steelmaking business in India, and has over 35 years of experience working in steel and related industries. In addition to spearheading the steel industry's consolidation, he championed the development of integrated mini-mills and the use of Direct Reduced Iron (DRI) as a scrap substitute for steelmaking. Following the merger of Ispat International and LNM Holdings to form Mittal Steel in December 2004, with the simultaneous acquisition of International Steel Group, he led the formation of the world's steel producer at the time. In 2006, he orchestrated Mittal Steel and Arcelor's merger to form ArcelorMittal. Mr. Mittal then led a successful integration of two large entities to firmly establish ArcelorMittal as one of the foremost industrial companies in the world. The company continues to be the largest and most global steel manufacturer.

More recently, Mr. Mittal has been leading ArcelorMittal's expansion of its mining business through significant brownfield and greenfield growth. In 1996, Mr. Mittal was awarded 'Steelmaker of the Year' by New Steel in the United States and in 1998 the 'Willy Korf Steel Vision Award' by World Steel Dynamics for outstanding vision, entrepreneurship, leadership and success in global steel development. He was named Fortune magazine's 'European Businessman of the Year 2004'. Mr. Mittal was awarded 'Business Person of 2006' by the Sunday Times, 'International Newsmaker of the Year 2006' by Time Magazine and 'Person of the Year 2006' by the Financial Times for his outstanding business achievements.

In January 2007, Mr. Mittal was presented with a Fellowship from King's College London, the college's highest award. He also received in 2007 the Dwight D. Eisenhower Global Leadership Award, the Grand Cross of Civil Merit from Spain and was named AIST Steelmaker of the year. In January 2008, Mr. Mittal was awarded the Padma Vibhushan, India's second highest civilian honour, by the President of India. In September 2008, Mr. Mittal was chosen for the third 'Forbes Lifetime Achievement Award', which honours heroes of entrepreneurial capitalism and free enterprise.

In October 2010, he was awarded World Steel Association's medal in recognition of his services to the Association as its Chairman and also for his contribution to the sustainable development of the global steel industry. In January 2013, Mr. Mittal was awarded with a Doctor Honoris Causa by the AGH University of Science and Technology in Krakow, Poland. Mr. Mittal was born in Sadulpur in Rajasthan, India on June 15, 1950. He graduated from St. Xavier's College in Kolkata, India where he received a Bachelor of Commerce degree. Mr. Mittal is married to Usha Mittal. They have a son, Aditya Mittal, and a daughter, Vanisha Mittal Bhatia. Mr. Mittal is a citizen of India.

Mr. Romain Bausch

Mr. Romain Bausch is the Chairman of the Board of Directors of SES since January 2015. Mr. Bausch is a member of the Board of Directors of SES since April 2014. Previously, he was President and Chief Executive Officer of SES from July 2001 to April 2014. SES is a world-leading telecommunications satellite operator, with a global fleet of 54 geostationary satellites. SES holds participations in a number of satellite operators and satellite service provision companies.

Mr. Bausch is a member of the Board of Directors of non-publicly listed SES ASTRA and Vice-Chairman of the Board of non-publicly listed O3b Networks. He became the Director General and the Chairman of the Management Committee of SES in 1995, following a career in the Luxembourg civil service (Ministry of Finance). Previously, he occupied key positions in the banking, media and telecommunications sectors in Luxembourg. Mr. Bausch is a member of the Board of Directors of non-publicly listed BIP Investment Partners and Compagnie Financière La Luxembourgeoise. Mr. Bausch is also Chairman of the CNFP, the Luxembourg Independent Advisory Board for Public Finances. Mr. Bausch graduated with a degree in economics (specialisation in business administration) from the University of Nancy and holds an honorary doctorate from Sacred Heart University in Luxembourg. Mr. Bausch is a citizen of Luxembourg.

Mr. Philippe Darmayan

Mr. Philippe Darmayan is President of ArcelorMittal France since 1 January 2015. He is also President of the French Steel Federation (FFA), President of the Group of French Industrial Federations (GFI) and Board Member of non-publicly listed REstore, a leading European demand response aggregator. Mr. Philippe Darmayan spent his whole career in metallurgy (nuclear fuel, aluminium, carbon steel, stainless steel).

Aperam is his second experience in the stainless steel industry. Indeed, he led from 2002 to 2006 Ugine and ALZ, which later became the European division of ArcelorMittal Stainless then Aperam. He has been Chief Executive Officer of Aperam from 2011 to 2014 after being Executive Vice-President, member of ArcelorMittal's Management Committee and Chief Executive Officer of ArcelorMittal Distribution and Solutions (AMDS) from 2005 to 2011. Mr. Philippe Darmayan is a graduate of HEC Paris. Mr. Philippe Darmayan is a citizen of France.

Mr. Joseph Greenwell

Mr. Joseph Greenwell has a career of 40 years in the motor industry and held senior roles in Jaguar Land Rover, Ford of Europe and Ford North America. Mr. Greenwell was appointed Chairman of Ford of Britain in 2009 and retired effective from this position end of April 2013. Prior to this role, Mr. Greenwell was Vice President, Government Affairs, Ford of Europe and Premier Automotive Group from 2005 to 2008 and Chairman and Chief Executive Officer of Jaguar and Land Rover from 2003 to 2005.

Previously, he was Vice President, Marketing, Ford North America, Vice President, Global Marketing and Operations and Vice President Global Product Promotions from 2001 to 2003. Prior to that, he was Vice President Communications and Public Affairs for Ford of Europe from 1999 to 2001 and held similar responsibilities for Jaguar Cars from 1996 to 1999. Mr. Greenwell began his career as a graduate trainee with British Leyland Motor Corporation in 1973.

In recognition of his services to the automotive industry he was awarded a CBE (Commander of the Most Excellent Order of the British Empire) in the Queen's birthday honours list in 2011. Mr. Greenwell is Chairman of the RAC Foundation, a UK transport research charity. Mr. Greenwell holds a Bachelor of Art degree from the University of East Anglia. Mr. Greenwell is a citizen of the United Kingdom.

Ms. Kathryn A. Matthews

Ms. Kathryn A. Matthews has over thirty years of experience in the financial sector, with a focus on asset management, and has held senior management roles with Fidelity International Ltd, AXA Investment Managers, Santander Global Advisors Inc. and Baring Asset Management. Currently, Ms Matthews is a non- executive director of publicly listed Rathbone Brothers Plc and JPMorgan Chinese Investment Trust Plc and Chairman of publicly listed Montanaro UK Smaller Companies Investment Trust Plc. Ms. Matthews is also a non-executive director of non-publicly listed Hermes Fund Managers Ltd. Ms. Matthews is also a member of the charitable non listed Board of Trustees for The Nuffield Trust and a member of the Council for the Duchy of Lancaster. Ms. Matthews holds a Bachelor of Science degree in Economics from Bristol University in Bristol, England and is a citizen of the United Kingdom.

Mr. Aditya Mittal

Mr. Aditya Mittal is the Chief Financial Officer of ArcelorMittal and the CEO of ArcelorMittal Europe. Prior to the merger to create ArcelorMittal, Mr. Aditya Mittal held the position of President and Chief Financial Officer of Mittal Steel Company from October 2004 to 2006. He joined Mittal Steel in January 1997 and has held various finance and management roles within the company. In 1999, he was appointed Head of Mergers and Acquisitions for Mittal Steel. In this role, he led the company's acquisition strategy, resulting in Mittal Steel's expansion into Central Europe, Africa and the United States. Besides M&A responsibilities, Aditya Mittal was involved in post-integration, turnaround and improvement strategies. As Chief Financial Officer of Mittal Steel, he also initiated and led Mittal Steel's offer for Arcelor to create the first 100 million tonnes plus steel company. In 2008, Mr. Aditya Mittal was awarded 'European Business Leader of the Future' by CNBC Europe. In 2011, he was also ranked 4th in the '40 under 40' list of Fortune magazine.

He is a Young Global Leader of the World Economic Forum, a Board member at the Wharton School and a Board member at Iconiq Capital. Aditya Mittal holds a Bachelor's degree of Science in Economics with concentrations in Strategic Management and Corporate Finance from the Wharton School in Pennsylvania, United States. Mr. Aditya Mittal is the son of Mr. Lakshmi N. Mittal. Mr. Aditya Mittal is a citizen of India.

Ms. Laurence Mulliez

Ms. Laurence Mulliez has 25 years of experience mostly in Profit & Loss roles in the oil, gas and chemical industries as well as renewables (solar and wind power). She was recently CEO of Eoxis from 2010 to 2013. Privately held Eoxis produced energy from renewable resources in Spain, Italy and India and was backed by a private equity firm, Platina Partners.

Ms. Laurence Mulliez was previously CEO of Castrol Industrial Lubricants and Services at BP from 2007 to 2009 and before that held various Managing Director level positions in BP, such as Vice President PTA (a Chemical business) across Europe, Middle East and Africa from 2004 to 2007 and before that Head of Strategy and Financial Planning globally for all of BP's Gas, Power and Renewable Energy businesses.

Ms. Mulliez is currently the Chairman at Voltalia, a renewable-based electricity producer in four countries which is publicly listed on Euronext in Paris and a member of the Supervisory Board of SBM Offshore, a provider of floating production solutions to the offshore energy industry which is publicly listed on Euronext in Amsterdam. She is also a Non-Executive Director at non-publicly listed Green Investment Bank plc in the UK.

Ms. Mulliez holds a degree in business from the Ecole Supérieure de Commerce de Rouen and an MBA from the University of Chicago Booth, with a concentration in Finance and Strategy. Ms. Mulliez is a citizen of France but has been living in London for the last 15 years.

Senior management

Each member of the Company's senior management is a member of the Leadership Team (formerly named Management Committee), which is entrusted with the day-to-day management of the Company. The members of the Leadership Team are appointed and dismissed by the Board of Directors. The Leadership Team may exercise only the authority granted to it by the Board of Directors.

Changes to the Leadership Team in 2015

Mr. Timoteo Di Maulo, member of Aperam's Leadership Team, is Aperam's Chief Executive Officer effective January 1, 2015. Mr. Philippe Darmayan, who had been the Chief Executive Officer of Aperam from 2011 to 2014 is now a Member of the Board of Directors effective May 5, 2015 as described in greater detail under the section "Board of Directors".

On March 2, 2015, Aperam announced the appointment of Mr. Bert Lyssens as Head of Sustainability, Human Resources and Communications effective April 1, 2015

The members of Aperam's Leadership Team are set forth below.

Name	Age [1]	Function
Mr. Timóteo Di Maulo	56	Chief Executive Officer; Member of the Leadership Team
Mr. Sandeep Jalan	48	Chief Financial Officer; Member of the Leadership Team
Ms. Vanisha Mittal Bhatia	35	Chief Strategy Officer; Member of the Leadership Team
Mr. Nicolas Changeur	44	Chief Marketing Officer, Member of the Leadership Team
Mr. Bernard Hallemans	48	Chief Technical Officer, Member of the Leadership Team
Mr. Bert Lyssens	46	Head of Sustainability, Human Resources and Communications Member of the Leadership Team
Mr. Jean-Paul Rouffiac	63	Chief Operating Officer Stainless & Electrical Steel Europe; Member of the Leadership Team
Mr. Frederico Ayres Lima	43	Chief Operating Officer Stainless & Electrical Steel South America; Member of the Leadership Team
Ms. Johanna Van Sevenant	47	Chief Executive Officer Services & Solutions; Member of the Leadership Team
Mr. Frédéric Mattei	42	Chief Executive Officer Alloys & Specialties, Member of the Leadership Team

Note:

Secretary to the Leadership Team: Mr. Guillaume Bazetoux, Head of Finance

(1) Age on December 31, 2015

Mr. Timoteo Di Maulo

Mr. Timoteo Di Maulo is the Chief Executive Officer since January 2015. Mr. Di Maulo has over twenty-five years of experience in the stainless steel industry, having held a number of positions in the controlling, purchasing, logistics and commercial areas and has been CEO of different units of the Group. Previously, Mr. Di Maulo was Chief Commercial and Sourcing Officer from May 2012 to December 2014. Prior to this function Mr. Di Maulo has served as Chief Executive Officer - Services & Solutions since 2005. In 1990, Mr. Di Maulo joined Ugine Italia, where he held various positions in the controlling, purchasing and sales departments. While at Ugine Italia, he successfully implemented and launched the ERP System, "Sidonie", across all of Ugine's subsidiaries worldwide.

In 1996, Mr. Di Maulo joined Ugine's Commercial Direction in Paris where he was in charge of its Industry and Distribution division. Mr. Di Maulo was subsequently named Service Division Industrial Director in 1998 and took on additional responsibilities as Chief Executive Officer of the German SSC, RCC.

In 2000, Mr. Di Maulo was named Chief Executive Officer of U&A Italy, a role which gave him full responsibility for its mill sales network and its two Italian SSCs. Mr. Di Maulo was then appointed Chief Executive Officer of ArcelorMittal's Stainless Europe Service Division in 2005 and, in 2008, of ArcelorMittal Stainless International (which included the division's worldwide mill sales network, all distribution and processing centres and ArcelorMittal Stainless Europe's tube mills and precision strips). Mr. Di Maulo is a graduate of Politecnico di Milano in Milan and holds an M.B.A. from Bocconi University in Milan. Mr. Di Maulo is a citizen of Italy.

Mr. Sandeep Jalan

Mr. Sandeep Jalan is the Chief Financial Officer of Aperam since January 2014. Mr. Sandeep Jalan has over twenty-five years of experience in finance and joined ArcelorMittal in 1999. During his time with ArcelorMittal he has held a number of positions including being an active member of the Mergers & Acquisition due diligence team for numerous acquisitions in both steel and mining and also helped in establishing the company's group-wide business performance management systems.

Most recently Mr. Sandeep Jalan was Chief Financial Officer of ArcelorMittal Long Carbon Europe, responsible for finance and strategy. Mr. Jalan is a Commerce Graduate from Banaras Hindu University (BHU), Chartered Accountant (equivalent to CPA) and Company Secretary from the respective Institutes in India. He has also completed an Executive Education Programme on Leadership at the London School of Business and an executive education program on Strategic Finance at IMD, Lausanne. Mr. Jalan is a citizen of India.

Ms. Vanisha Mittal Bhatia

Ms. Vanisha Mittal Bhatia joined Aperam in April 2011 and is the Chief Strategy Officer. She has a bachelor of sciences from the European Business School. Ms. Mittal Bhatia is a member of the Board of Directors of ArcelorMittal and previously of LNM holdings; where she worked in the procurement department. She is also the daughter of Mr. Lakshmi N. Mittal. Ms. Mittal Bhatia is a citizen of India.

Mr. Nicolas Changeur

Mr. Nicolas Changeur is the Chief Marketing Officer for Stainless & Electrical Steel since November 2014. Mr. Changeur joined the Group in 2003 as Head of strategy of J&L, USA. He then held various positions inside the stainless segment in strategy and in operations in Europe and in South America.

Prior to joining the Group, Mr. Changeur spent 2 years as Senior Associate at AT Kearney a strategy consulting firm. Until July 2012, Mr. Changeur was in charge of Services & Solutions Tubes & Bars. In July 2012 he was appointed Responsible for Operating Marketing. Mr. Changeur holds a master in science in general engineering from Ecole Nationale Supérieure des Arts et Métiers and a master in business administration from INSEAD. Mr. Changeur is a citizen of France.

Mr. Bernard Hallemans

Mr. Bernard Hallemans is the Chief Technical Officer since November 2014. Mr. Bernard Hallemans joined the Group in 1995 as a research and metallurgical engineer. He conducted different R&D, quality and process improvement projects in the stainless steel making, hot rolling and cold rolling areas until 2001. From the Ugine & ALZ merger in 2002 to 2007, he was responsible for the setup and management of the customer service department of the Genk plant and later of the Division Industry within Stainless Europe. In 2008, he moved to Châtelet, heading the Châtelet plant. He was appointed Plant Manager of Genk, effective January, 2012. Bernard graduated as a Metallurgical Engineer from KU Leuven, where he worked for 4 years as a research assistant while finishing his PhD in Materials Science. He holds a European Executive MBA from ESCP-EAP Paris. Mr. Hallemans is a citizen of Belgium.

Mr. Bert Lyssens

Mr. Bert Lyssens is the Responsible for Sustainability, Human Resources and Communications since April 2015. Mr. Lyssens started his professional career in Belgium and was Executive Search Consultant at Schelstraete & Desmedt as from 1994 before joining Cimad Consultants in 1997 as Project Staffing Manager and IBM as HR Manager in 1998. From 1999 to 2005, Mr. Lyssens held senior HR positions at AT&T, an American multinational telecommunications corporation, with assignments in The Netherlands and the UK and responsibilities for EMEA. He joined Agfa Gevaert in 2005 as HR Director responsible for EMEA and was appointed HR Director International at Agfa Graphics in 2006. In 2008, he was appointed VP Human Resources at Agfa HealthCare and in 2010, he was appointed Group Vice President. Mr. Lyssens holds a degree in Psychology from the University of Ghent. Mr. Lyssens is a citizen of Belgium.

Mr. Jean-Paul Rouffiac

Mr. Jean-Paul Rouffiac is the Chief Operating Officer Stainless & Electrical Steel Europe since May 2012. Prior to this function Mr. Jean-Paul Rouffiac has served as Chief Executive Officer - Stainless & Electrical Steel Europe since December 2007. Mr. Rouffiac joined the Usinor Group in 1978 as a lawyer and served as Secretary of the Management Board from 1982 to 1985. He subsequently held various senior sales and marketing positions in the Flat Carbon division between 1986 and 1997. In March 1997, Mr. Rouffiac was appointed Vice President of International & Economic Affairs and Secretary of the Board of Directors. Between 2000 and 2002, Mr. Rouffiac was appointed Vice President of Flat Carbon Sales and Marketing and, prior to the creation of Arcelor, he headed negotiations with the EU's Competition Directorate General. Mr. Rouffiac was named Vice President in charge of SSCs in 2002 and, in 2006, was appointed Vice President responsible for SSCs within ArcelorMittal's Distribution and Solutions division. He was appointed Chief Executive Officer of ArcelorMittal Stainless Steel - Europe in 2007. Mr. Rouffiac is a graduate of Sciences Po in Paris, France and Paris 1 Panthéon Sorbonne Law University. Mr. Rouffiac is a citizen of France.

Mr. Frederico Ayres Lima

Mr. Frederico Ayres Lima is the Chief Operating Officer Stainless & Electrical Steel South America since December 2014. Prior to this function Mr. Lima held the position of Commercial Director of Aperam Stainless & Electrical Steel South America since 2009. Mr. Lima started his career in the Group in 1996 in Brazil as Metallurgist performing various roles in cost efficiency, technical assistance and production. Mr. Lima worked in with exports from 2000 to 2003 and was appointed Manager in 2003 pursuing responsibilities in Europe in the fields of synergies between mills, logistics and coordination of the stainless sales network. Mr. Lima moved back to Brazil in 2006 and held positions of Export Manager and afterwards General Manager. Mr. Lima holds Engineering and Master in Science degrees in Metallurgy from the Universidade Federal de Minas Gerais and an Executive MBA in International Business Management from the Fundação Getulio Vargas. Mr. Lima is a citizen of Brazil.

Ms. Johanna Van Sevenant

Ms. Johanna Van Sevenant is the Chief Executive Officer Services & Solutions since November 2014. Previously, Ms. Van Sevenant was Responsible for Sustainability, Human Resources and Communications and Member of the Leadership Team since the creation of Aperam. Ms. Johanna Van Sevenant started her career at PricewaterhouseCoopers Brussels in 1993 and later joined Deloitte & Touche in 1999 where she worked as a Senior Manager of the Human Resources Advisory Services. She subsequently joined the Arcelor Group in 2001 as Managing Director of the Belgian Pension Competence Centre at Usinor in Liège, Belgium. Between 2003 and 2006, Ms. Van Sevenant served as International Manager—Pension and Risks Benefits at the Human Resources Corporate Centre in Luxembourg. Ms. Van Sevenant became Manager of Integration in 2006 and, in 2007, was named Head of Human Resources, Communications and General Services of the ArcelorMittal International division within Steel Services & Solutions. She was later named Head of Human Resources and Communication of the Stainless Steel segment in December 2008. Ms. Van Sevenant holds a Master's degree in Political Science and Business Administration from University Libre de Bruxelles in Brussels, Belgium and a Master's degree in Tax Law from HEC St. Louis in Brussels. Ms. Van Sevenant is a citizen of Belgium.

Mr. Frédéric Mattei

Mr. Frédéric Mattei was appointed Chief Executive Officer Alloys & Specialties since June 2014. Mr. Mattei started his career in 1998 at Creusot Loire Industrie, where he was successively project leader, manager of the Hot Rolling Mill and clad plates workshop and Logistics and Quality Manager. From 2005 to 2007, he was head of Strategy and Innovation of ArcelorMittal's Global Plates business unit. In 2007, he became the manager of the Le Creusot plant, part of ArcelorMittal's Industeel unit. In 2013, Mr. Mattei joined the Salzgitter Group as CEO of Salzgitter Mannesmann Stainless Tubes - France. Mr. Mattei is a graduate of France's Ecole Polytechnique and Ecole Nationale des Ponts et Chaussées and holds an Executive MBA from ESCP- EAP. Mr. Mattei is a citizen of France.

Corporate responsibility

On April 15, 2015 Aperam published its fourth “made for life” report, which details our sustainability performance for 2014.

Built on stakeholder inclusiveness and materiality, Aperam's report follows the Global Reporting Initiative's G4 framework and has been verified by an external audit firm.

The report demonstrates in detail how Aperam’s Sustainability Roadmap is fully embedded into our Group strategy, strengthening our human, physical and organisational assets and unveiling new opportunities for growth and innovation throughout our three operational divisions.

At Aperam, we address our sustainability challenges through our values of leadership, ingenuity and agility. Nothing is important as our people and this means that Health and Safety is our utmost priority.

Following this, we concentrate on the training and development of our workforce as a key to unlocking innovation and engagement. Environmental performance is reported by showing Aperam’s improvement efforts in areas such as energy savings, dust-recycling and the use of charcoal from our eucalyptus forest business. Our rigid governance standards are also reflected in our stakeholder engagement, social dialogue, our compliance program and the care we take for our partners, be they suppliers or lenders, as well as for our all-important customers.

Our responsibility as an employer

Health & Safety

Safety has always been and will remain Aperam’s non-negotiable top priority and our first duty as an employer. The Group focuses relentlessly on implementing rigorous standards and procedures, including OHSAS 18 001 certifications, in order to achieve our aims of zero fatalities, zero injuries. We work towards embedding this into the fabric of our corporate culture to ensure that this policy applies to all those working with or for Aperam.

We focus on the LTFR (Lost Time Frequency rate of medical incident per 1,000,000 hours) and have set personal Health & Safety objectives for everyone in the organisation to ensure vigilance in Health & Safety across our Group all the time. Sadly, a tragic fatality occurred in 2015. Information regarding this as well as the comprehensive follow-up program launched following this loss of one of our colleagues will be covered extensively in our next Sustainability report to be issued ahead of the 2016 Annual General Meeting.

People development and motivation

Our people are not only our first asset but also colleagues with whom we share Aperam values and a common future.

So while taking care of their Health and Safety is our top priority, we also have to invest in their development in our own Aperam way, based on team-work and respect and transparency, in order to make this all of futures together a common success. With the objective to continuously improve motivation and performance at all levels of our business, an annual "Performance Management" process is in place to ensure transparency, mutual respect and to capture learning opportunities with our workforce at all levels. It also allows Aperam to define the best possible individual solutions while monitoring the global competency management of the Group. As this topic is key, Aperam conducts regular Climate Surveys to assess employees' expectations and to monitor the programs in place to address them.

Social dialogue and employee relations

One of our Aperam commitments explicitly affirms our desire that all employees should be able to share their ideas through open communication channels. Amongst the many ways we seek to achieve this are regular dialogues with employee representatives in line with national laws and practices and promotion of the right to collective bargaining.

Our employees in various parts of the world are represented by trade unions, and in many locations, collective labour agreements are in place with employee organisations.

Our operations are run in a sound social climate, as evidenced by our good level of absenteeism, our low attrition rate and a very limited number of strikes, reported as a token of goodwill and transparency. In 2015, the social dialogue at the European level was illustrated by regular meetings of the European Work Council, with 4 occurrences of the working group dedicated to Health and Safety.

Our environmental responsibility

Because we are fully aware of climate change and of the environmental impacts of our energy-intensive industry, resource-efficiency topics rank high in our Group's priority list. This also encompass key areas such as waste management and recyclability. However, we are also convinced that our energy-efficient steel products are part of the solution to global environmental challenges.

Sustainable production processes

Aperam energy management addresses two different processes. On the European side, our lower-consumption Electric Arc Furnaces leverage locally available scrap material in order to use less energy and generate a lower level of CO2 emissions than traditional blast furnaces. On the Brazilian side, our Blast Furnace plant is fuelled with charcoal (biomass) from our eucalyptus forestry BioEnergia, as a natural and renewable substitute for fossil fuels (coke). Aperam has set up ambitious CO2 and Energy intensity reduction objectives and some of our main sites are already IS 50 001 certified.

Aperam is also working to reduce its water consumption and promotes recycling, notably through its wholly-owned Recyco subsidiary that started operating for external customers in 2015. In 2014, 28% of Aperam total manufacturing input was recycled input materials.

Pollution prevention and biodiversity protection

Aperam cares strongly about the environment. In all Aperam industrial facilities, in accordance with ISO 14001 certifications, comprehensive procedures are in place to prevent incidents such as fire or pollution, to monitor effluents and to react swiftly in case of issues. Regular training and emergency simulations as well as communication channels are in place to allow for quick response and adapted instructions for the population in liaison with local authorities, should an emergency arise. We closely manage our effluents, especially our dust emissions which are inconvenient to surrounding communities, as well as water quality, ensured via constant monitoring and 95.5% closed-circuits.

Biodiversity quality is vitally important and we understand this, all the more so as it can be a good indicator of a sound environment. Likewise, bees are used in Isbergues (France) to monitor air quality and promote local biodiversity protection. In Brazil, our forestry, renewed every 7 years to sustain charcoal production, is managed in a responsible manner to make sure that it continues its function as a carbon sink, water regulator and wildlife haven.

Provision of recyclable energy efficient steel solutions

Due to its properties of endless recyclability, durability and mechanical resistance, we are convinced that a sustainable society will need increased stainless steel volumes, which creates future opportunities for Aperam. We are involved in developing stainless steel and specialty products that are used in energy efficient applications by our industrial customers, including:

> stainless steel for automotive (e.g., exhaust systems) and energy infrastructure building applications;

> electrical steel products used in high energy efficient transformers and rotating machines; and

> nickel alloys for energy efficient electrical equipment, energy production equipment and waste treatment equipment, as well as for the development of renewable energies, such as solar power.

Our responsibility as a neighbor and market player

Community Engagement

We play an important role in the communities in which we operate. For example, we act through our Aperam Acesita foundation, which develops corporate responsibility programs in Brazil, and have established a number of partnerships with local communities and municipal organisations, including the fire brigade, police force, local government and schools, all of which are aimed at supporting the community. We also provide grants to non-governmental organisations and programs which focus on education, culture and the environment. In Europe, we have established a number of initiatives at our various production facilities aimed at mitigating the environmental impact of our operations and strengthening our relationship with local communities. Management intends to continue to develop new initiatives aimed at supporting local communities, and believes that such initiatives create value by protecting our local license to operate, fostering goodwill within neighbouring communities for mutually beneficial solutions and generally promoting stainless and specialty steel development.

Cooperation with Authorities and compliance with Business Ethics

Aperam sees itself as a strong defender of the free market and is in favour of fair business competition. So at all times Aperam aims to comply fully with local and international regulations, to adhere to economic sanctions policies and to behave in a responsible manner in all its markets, starting with Europe and Brazil, where the Group has its largest industrial sites. When Aperam has a request from or a dispute arising with local authorities, the Group fully cooperates to clarify and settle the case in the best appropriate manner and in line with its ethics, policies and code of business conduct.

Supported by our Risks management organisation, a strong Compliance program is in place in Aperam to ensure all employees are aware and applying the company code of business conduct and to prevent any breach. This organisation is strengthened by accrued transparency through extensive disclosures of policies and figures.

Sustainability Reports

Aperam's sustainability reports are issued on a yearly basis and are available on Aperam's website, **www.aperam.com** in the Sustainability section. Next release will be organised ahead of the 2016 Annual General Meeting.

Island Pavilion and footbridge, Wormsley, UK

Operational review

Aperam reports its operations in three segments: Stainless & Electrical Steel, Services & Solutions and Alloys & Specialties.

The information in this section relates to the year ended December 31, 2015, compared to the year ended December 31, 2014. The key performance indicators that we use to analyse operations are sales, steel shipments, average steel selling prices and operating result.

Key Indicators

The key performance indicators that we use to analyse operations are sales, steel shipments, average steel selling prices and operating result. Our analysis of liquidity and capital resources is based on operating cash flows.

Sales, Steel Shipments and Average Steel Selling Prices

The following table provides our sales, steel shipments and average selling prices by operating segment for the year ended December 31, 2015, as compared to the year ended December 31, 2014:

	Sales for the Year Ended December 31(1)		Steel Shipments for the Year Ended December 31(2)		Average Steel Selling Price for the Year Ended December 31		Changes in		
Operating Segment	2015	2014	2015	2014	2015	2014	Sales	Steel Shipments	Average Steel Selling Price
	(in million of U.S. dollars)		(in thousands of tonnes)		(in U.S. dollars/tonne)			(%)	
Stainless & Electrical Steel(3)	3,764	4,390	1,838	1,736	1,988	2,391	(14.3)	5.9	(16.9)
Services & Solutions	2,123	2,363	769	721	2,612	3,090	(10.2)	6.7	(15.5)
Alloys & Specialties	566	618	34	35	15,874	16,728	(8.4)	(2.9)	(5.1)
Total (before intragroup eliminations)	6,453	7,371	2,641	2,492			(12.5)	6.0	
Total (after intragroup eliminations)	4,716	5,482	1,886	1,813			(14.0)	4.0	

Notes:

(1) Amounts are shown prior to intra-group eliminations. For additional information, see Note 3 to the Condensed Consolidated Financial Statements.

(2) Stainless & Electrical Steel shipment amounts are shown prior to intersegment shipments of 755 thousand tons and 679 thousand tons in 2015 and 2014, respectively.

(3) Includes shipments of special carbon steel from the Group's Timóteo production facility

The Group had sales of $4,716 million for the year ended December 31, 2015 representing a decrease of 14.0% compared to sales of $5,482 million for the year ended December 31, 2014. The decrease in sales was primarily due to the lower average steel selling price, which decreased from $2,851 per tonne in 2014 to $2,413 per tonne in 2015. Steel shipments amounted to 1,886 thousand tonnes for the year ended December 31, 2015, increasing by 4.0% from 1,813 thousand tonnes for the year ended December 31, 2014.

Stainless & Electrical Steel

Sales in the Stainless & Electrical Steel segment (including intersegment sales) decreased from $4,390 million for the year ended December 31, 2014 to $3,764 million for the year ended December 31, 2015, which represented a 14.3% decrease year-over-year. The decrease in sales was primarily the result of a lower average steel selling price for the segment partly compensated by higher steel shipments. The average steel selling price for the Stainless & Electrical Steel segment decreased from $2,391 per tonne in 2014 to $1,988 per tonne in 2015, which represented a decrease of 16.9%. Steel shipments for this segment (including intersegment shipments) increased from 1,736 thousand tonnes for the year ended December 31, 2014 (of which 654 thousand tonnes were attributable to our operations in South America and 1,082 thousand tonnes were attributable to our operations in Europe, including intersegment shipments) to 1,838 thousand tonnes for the year ended December 31, 2015 (of which 654 thousand tonnes were attributable to our operations in South America and 1,184 thousand tonnes were attributable to our operations in Europe, including intersegment shipments), which represented an increase of 5.9%.

Sales to external customers in the Stainless & Electrical Steel segment were $2,107 million, representing 44.7% of total sales in 2015, a decrease of 18.7% as compared to sales to external customers of $2,593 million for the year ended December 31, 2014, or 47.3% of total sales in 2014.

Services & Solutions

Sales in the Services & Solutions segment (including intersegment sales) decreased from $2,363 million for the year ended December 31, 2014 to $2,123 million for the year ended December 31, 2015, which represented a 10.2% decrease year-over-year. The decrease in sales was primarily the result of a lower average steel selling price for the segment partly compensated by higher steel shipments. The average steel selling price for the Services & Solutions segment decreased by 15.5% from $3,090 per tonne in 2014 to $2,612 per tonne in 2015. Steel shipments for this segment increased from 721 thousand tonnes for the year ended December 31, 2014 to 769 thousand tonnes for the year ended December 31, 2015, which represented an increase of 6.7%.

Sales to external customers in the Services & Solutions segment were $2,048 million, representing 43.4% of total sales in 2015, a decrease of 9.8% as compared to sales to external customers of $2,270 million for the year ended December 31, 2014, or 41.4% of total sales in 2014.

Alloys & Specialties

Sales in the Alloys & Specialties segment (including intersegment sales) decreased from $618 million for the year ended December 31, 2014 to $566 million for the year ended December 31, 2015, which represented an 8.4% decrease year-over-year. The decrease in sales was primarily the result of lower steel shipments and a lower average steel selling price for the segment. Steel shipments for this segment slightly decreased at 34 thousand tonnes for the year ended December 31, 2015 compared to 35 thousand tonnes for the year ended December 31, 2014, which represented a decrease of 2.9%. The average steel selling price for the Alloys & Specialties segment decreased from $16,728 per tonne in 2014 to $15,874 per tonne in 2015, which represented a decrease of 5.1%.

Sales to external customers in the Alloys & Specialties segment were $561 million, representing 11.9% of total sales for the year ended December 31, 2015, a decrease of 8.8% as compared to sales to external customers of $616 million for the year ended December 31, 2014, or 11.2% of total sales.

There were no sales to external customers reported within our Other & Elimination segment for the year ended December 31, 2015 whereas they were equal to $3 million or 0.1% of total sales for the year ended December 31, 2014.

Operating Income

The following table provides our operating income and operating margin for the year ended December 31, 2015, as compared to the year ended December 31, 2014:

	Operating Income/(Loss) Year Ended December 31		Operating Margin Year Ended December 31	
Operating Segment	**2015**	**2014**	**2015**	**2014**
	(in million of U.S. dollars)		(%)	
Stainless & Electrical Steel	291	209	7.7	4.8
Services & Solutions	23	64	1.1	2.7
Alloys & Specialties	38	51	6.7	8.3
Total[1]	327	296	6.9	5.4

Notes:

(1) Amounts shown include eliminations of $(25) million and $(28) million for year ended December 31, 2015 and 2014, respectively, which includes all operations other than those that are part of the Stainless & Electrical Steel, Services & Solutions and Alloys & Specialties operating segments, together with intersegment eliminations and/or non-operational items which are not segmented.

The Group's operating income for the year ended December 31, 2015 was $327 million, compared to an operating income of $296 million for the year ended December 31, 2014. Despite headwinds coming from a challenging economic environment, the Group improved its operating income in the year primarily due to the continuous contribution of the Leadership Journey® and the Top Line strategy.

Stainless & Electrical Steel

The operating income for the Stainless & Electrical Steel segment was $291 million for the year ended December 31, 2015 (of which an operating income of $118 million was attributable to our operations in South America, including $3 million gains on sale of electricity surplus, and $173 million was attributable to our operations in Europe), compared to operating income of $209 million for the year ended December 31, 2014 (of which an operating income of $109 million was attributable to our operations in South America, including $57 million gains on sale of electricity surplus, and $100 million was attributable to our operations in Europe). The increase of the operating result in 2015 compared to 2014 in the Stainless & Electrical Steel segment was due to the strong performance of both regions in 2015 with the continuous contribution of the Leadership Journey® and the Top Line strategy as well as the improving real demand in Europe, in spite of the negative effects of a challenging environment, especially in South America, and the decline in nickel price.

Services & Solutions

The operating income for the Services & Solutions segment was $23 million for the year ended December 31, 2015 compared to an operating income of $64 million in the year ended December 31, 2014. The operating result in 2015 decreased compared to 2014 in the Services & Solutions segment mainly as a consequence of the negative stock effect resulting from the steep decline in nickel price over the year.

Alloys & Specialties

The operating income for the Alloys & Specialties segment decreased at $38 million for the year ended December 31, 2015 compared to $51 million for the year ended December 31, 2014. The operating result in 2015 decreased compared to 2014 in the Alloys & Specialties segment mainly as a consequence of foreign exchange translation effects.

Income from Other Investments and Associates

Aperam recorded a loss of $15 million from other investments and associates for the year ended December 31, 2015 mainly on account of an impairment loss of $13 million booked on the minority stake the Group holds in Gerdau, a Brazilian steelmaker, and $2 million booked on the minority stake we hold in General Moly, a US molybdenum mining company, partly offset by dividends of $1 million received from Gerdau.

Interest Income

Interest income was $4million for the year ended December 31, 2015, compared to $5 million recorded for the year ended December 31, 2014, mainly due to interest income on short-term investments in Brazil.

Interest Expense and Other Net Financing Costs

Interest expense and other net financing costs include interest expense, net foreign exchange and derivative results and other financing costs. Interest expense and other net financing costs decreased to $88 million for the year ended December 31, 2015, compared to $124 million for the year ended December 31, 2014.

Interest expense and other financing costs excluding foreign exchange loss for the year ended December 31, 2015 were $81 million, primarily related to financing costs of $29 million, compared to interest expense and other financing costs of $121 million for the year ended December 31, 2014, primarily related to financing costs of $73 million. Financing costs relate to interest and other expenses related to the service of debt and other financing facilities. The decrease in financing costs for the year ended December 31, 2015, compared to the year ended December 31, 2014 was primarily due to the full impact in 2015 of the refinancing of the existing indebtedness with the issuance of net share settled convertible and/or exchangeable bonds due 2021 for $300 million bearing an interest rate of 0.625% in 2014, the early redemption during 2014 of the $250 million notes due 2016 bearing an interest rate of 7.375% and the early redemption during 2015 of the $250 million notes due 2017 bearing an interest rate of 7.75%.

Realised and unrealised foreign exchange and derivative losses were $7 million for the year ended December 31, 2015, compared to realised and unrealised foreign exchange and derivative losses of $3 million for the year ended December 31, 2014. Foreign exchange results primarily relate to the accounting revaluation of U.S. dollar denominated short term investments by subsidiaries and the revaluation of Euro denominated deferred tax assets on tax losses in the parent company. Results on derivatives primarily relate to financial instruments we entered into to hedge our exposure to nickel prices which do not qualify for hedge accounting treatment under IAS 39.

Income Tax

We recorded an income tax expense of $55 million for the year ended December 31, 2015, compared to an income tax expense of $28 million for the year ended December 31, 2014. Our income tax expense in 2015 was primarily due to positive operational results in several countries. The increase by $27 million in income tax expense for the year ended December 31, 2015 compared to income tax expense for the year ended December 31, 2014 is primarily due to the increase in the result before tax from a profit before tax of $123 million for the year ended December 31, 2014 to a profit before tax of $228 million for the year ended December 31, 2015.

Non-controlling Interests

Net income attributable to non-controlling interests was a profit of $1 million for the year ended December 31, 2015, compared to nil for the year ended December 31, 2014.

Net Income

Our net result was a profit of $172 million for the year ended December 31, 2015, compared to a profit of $95 million for the year ended December 31, 2014.

Trend Information

All of the statements in this "Trend Information" section are subject to and qualified by the information set forth under the "Disclaimer - Forward-Looking Statements". See also "Principal risks and uncertainties related to Aperam and the stainless and specialty steel industry".

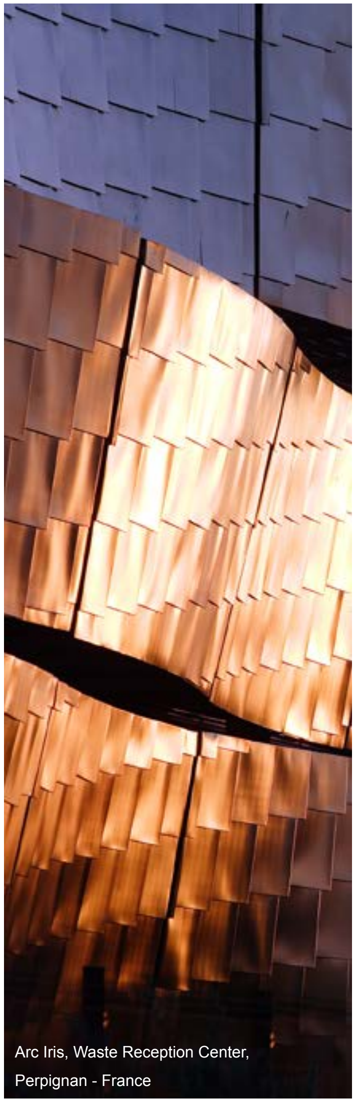
Outlook

On February 10, 2016, Aperam published its full year and fourth quarter 2015 results with its outlook for the first quarter 2016.

EBITDA in the first quarter 2016 is expected to slightly increase compared to EBITDA in the fourth quarter 2015.

Net debt is expected to slightly increase in the first quarter 2016 compared to the fourth quarter 2015.

The full year and fourth quarter 2015 results press release including the outlook section is available on www.aperam.com under Investors & Shareholders, Earnings.



Arc Iris, Waste Reception Center, Perpignan - France

Aperam S.A. as Parent Company

Aperam S.A., incorporated under the laws and domiciled in Luxembourg, is the parent company of the Aperam Group and is expected to continue this role during the coming years.

The parent company was incorporated on September 9, 2010 to hold the assets which comprise the stainless and specialty steels businesses of ArcelorMittal. As described in the parent company's articles of association, the corporate purpose of the company shall be the manufacture, processing and marketing of stainless steel, stainless steel products and all other metallurgical products, as well as all products and materials used in their manufacture, their processing and their marketing, and all industrial and commercial activities connected directly or indirectly with those objects, including mining and research activities and the creation, acquisition, holding, exploitation and sale of patents, licenses, know-how and, more generally, intellectual and industrial property rights. The parent company has its registered office at 12C, rue Guillaume Kroll, L-1882 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Register of Commerce and Companies under the number B155.908.

The parent company owns a branch office located in Zug (Switzerland) and controls directly and indirectly 60 subsidiaries.

The parent company generated a net loss[1] of $56 million in 2015.

Liquidity

Liquidity and Capital Resources

The Group's principal sources of liquidity are cash generated from its operations and its credit facilities at the corporate level.

Because Aperam S.A. is a holding company, it is dependent upon the earnings and cash flows of, and dividends and distributions from, its operating subsidiaries to pay expenses and meet its debt service obligations.

In management's opinion, the Group's operations and credit facilities are sufficient to meet the Group's present requirements.

Our cash and cash equivalents amounted to $148 million and $197 million as of December 31, 2015 and 2014, respectively.

Our total debt, which includes long-term debt and short-term debt, was $464 million and $733 million as of December 31, 2015 and 2014, respectively. Net debt (defined as long-term debt plus short-term debt less cash and cash equivalents (including short term investments)) was $316 million as of December 31, 2015, compared to $536 million at December 31, 2014. Gearing (defined as net debt divided by total equity) was 14% as of December 31, 2015.

As of December 31, 2015, the Borrowing Base Facility was undrawn, leaving a committed credit line of $400 million under the facility subject to eligible collateral being available. In addition, as of December 31, 2015, Aperam had $23 million of debt outstanding at the subsidiary level, of which the Group had granted security over $21 million of indebtedness. As of December 31, 2015, the Group had total liquidity of $548 million, consisting of cash and cash equivalents (including short term investments) of $148 million and committed credit lines of $400 million.

These facilities, which include debt held at the subsidiary level, together with other forms of financing, including the notes, represent an aggregate amount of approximately $0.86 billion, with borrowing capacity of approximately $400 million. In management's opinion, such financing will be sufficient for our future requirements.

Financing

Borrowing Base Facility

On March 6, 2015, Aperam signed a $500 million secured borrowing base revolving credit facility ("The Facility") with a group of nine banks. The Facility, which refinanced the existing Borrowing Base Facility of $400 million, is structured as a three-year revolving credit facility and includes a one-year extension option. It will be used for liquidity and working capital purposes. On December 1, 2015, Aperam cancelled a $100 million of commitments leading to a remaining $400 million secured borrowing base revolving credit facility.

Notes:

(1) The net loss has been established according to generally accepted accounting principles and in accordance with the laws and regulations in force in the Grand-Duchy of Luxembourg.

The Borrowing Base Facility charges interest at a rate of LIBOR (or EURIBOR, in the case of an advance denominated in euro) plus a margin (depending on the Group's most recent corporate rating by Standard & Poor's or Moody's or both) for the relevant interest period, which may be below one, one, two, three or six months or any other period agreed between the parties. The facility also charges a utilisation fee on the drawn portion of the total facility amount and a commitment fee on the undrawn and uncancelled portion of the total facility amount, payable quarterly in arrears.

The Group's obligations under the Borrowing Base Facility are guaranteed by Aperam Stainless Belgium N.V., Aperam Stainless France S.A.S., Aperam Stainless Services & Solutions Precision S.A.S., Aperam Stainless Services & Solutions Tubes Europe S.A.S., Aperam Stainless Services & Solutions France S.A.S., Aperam South America Ltda., Aperam Stainless Services & Solutions Brasil Ltda., Aperam Stainless Services & Solutions Tubes Brasil Ltda., Aperam Stainless Services & Solutions Germany GmbH and Aperam Treasury S.C.A.

The Borrowing Base Facility is secured by first-ranking, second-ranking, third ranking and fourth-ranking security interests over certain eligible receivables and inventory of certain of the guarantors, as well as over substantially all of the assets (other than fixed assets) of Aperam Stainless Belgium N.V. and certain bank accounts and insurance policies. The aggregate amount of advances drawn under the borrowing base facility may not exceed a borrowing base value equal to 70% to 100% of the book value of certain eligible receivables and inventory, which is reported to the facility agent on a monthly basis.

In addition to restrictive covenants limiting encumbrances on assets of Aperam and its subsidiaries, the ability of subsidiaries to incur debt and the ability of Aperam and its subsidiaries to dispose of assets in certain circumstances, the borrowing base facility contains financial covenants, including:

- a minimum ratio of consolidated current assets to consolidated current liabilities of 1.1:1;
- a minimum consolidated tangible net worth of $2.2 billion; and
- a maximum consolidated total debt of 70% of consolidated tangible net worth.

On December 31, 2015, these financial covenants were fully met.

Notes

On March 28, 2011, Aperam issued two series of U.S. dollar denominated notes, consisting of $250 million aggregate principal amount of its 7.375% notes due 2016 and $250 million aggregate principal amount of its 7.75% notes due 2018, in a private placement in the international capital markets.

The notes were senior unsecured obligations, ranking equally in right of payment with all other existing and future senior unsecured indebtedness and senior in right of payment to all existing and future subordinated indebtedness. The notes were effectively subordinated to all the Company's secured obligations, including any indebtedness under its senior credit facility, to the extent of the value of the collateral. In addition, the notes were effectively subordinated to all current and future indebtedness and other obligations of the Group's subsidiaries, including trade payables and amounts drawn under the credit facilities of the Group's Brazilian subsidiary, Aperam South America Ltda.

The notes contained optional redemption options and certain covenants and events of default that, among other things, limited the ability of the Group and certain subsidiaries to incur or guarantee additional indebtedness, issue preferred shares, pay dividends or make other distributions.

On October 1, 2014, Aperam called and early redeemed $250 million aggregate principal amount of its 7.375% notes due 2016.

On April 1st 2015 Aperam called and early redeemed $250 million aggregate principal amount of its 7.75% notes due 2017.

Convertible bonds

Convertible and/or exchangeable bonds due 2020

On September 19, 2013, Aperam announced the successful placing and pricing of its offering of convertible and/or exchangeable bonds for $200 million (the "bonds" hereafter"). The bonds are convertible into new or existing ordinary shares of the Company. The Significant Shareholder (defined page 73), subscribed for $81.8 million of bonds, equal to its 40.8% stake in the Company's share capital.

The bonds are senior and unsecured, and ranking equally in right of payment with all other existing and future senior unsecured indebtedness and senior in right of payment to all existing and future subordinated indebtedness. They have an annual coupon of 2.625% payable semi-annually in arrear and an initial conversion price of $21.96. The bonds were issued and will be redeemed at 100% of their principal amount and will, unless previously redeemed, converted, purchased and cancelled under certain conditions, mature on September 30, 2020. The Company will have the option to redeem the bonds at their principal amount plus accrued interest on or after October 15, 2017, if the parity value (translated into U.S. dollars at the prevailing exchange rate), shall have exceeded 130% of the bonds' principal amount. Bondholders will be entitled to have their bonds redeemed at their principal amount plus accrued interest on September 30, 2017. Unless previously redeemed, or purchased and cancelled, each bond will be convertible and / or exchangeable into shares at the option of the bondholder during the conversion period. The delivery of new and / or existing shares is at Aperam's absolute discretion, subject to the limits and conditions set out below. Should the number of new shares to be issued be in excess of the number of new shares which Aperam is authorised to issue, Aperam will deliver existing shares. As at the closing date on September 30, 2013, Aperam had the authority to issue up to 7,804,573 new shares, representing 10% of the issued capital. On the basis of the current conversion ratio convertible, the issuance of up to 9,107,468 new shares would be required to deliver the necessary new shares upon conversion of the bonds.

Net share settled convertible and/or exchangeable bonds due 2021

On June 27, 2014, Aperam announced the successful placing and pricing of its offering of net share settled convertible and/or exchangeable bonds due 2021 (the "bonds" hereafter). Following the success of the Offering, the Company decided to exercise in full the extension clause in order to increase the initial Offering size to $300 million. The net proceeds of the Offering are being used for general corporate purposes and the refinancing of existing indebtedness (including senior notes maturing in 2016 as described above under "—Notes").

The issue of the bonds reflects the proactive approach of the Group to optimising its debt profile and interest costs.

The Bonds are senior and unsecured, and ranking equally in right of payment with all other existing and future senior unsecured indebtedness and senior in right of payment to all existing and future subordinated indebtedness.

The bonds have an annual coupon of 0.625% payable semi-annually in arrear and an initial conversion price of $43.92 representing a conversion premium of 32.5% above the reference price of $33.15 (based on the volume-weighted average price of the Company's shares on Euronext Amsterdam between launch and pricing of €24.3453, and an exchange rate of €:$ 1.3616). The bonds will be issued and redeemed at 100% of their principal amount and will mature on July 8, 2021 (7 years), unless previously redeemed, converted, exchanged or purchased and cancelled.

The Group has the option to redeem the Bonds at their principal amount plus accrued interest on or after July 23, 2018 (4 years plus 15 days), if the parity value (translated into U.S. dollars at the prevailing exchange rate), shall have exceeded 130% of the Bonds' principal amount.

Bondholders will be entitled to have their Bonds redeemed at their principal amount plus accrued interest on January 8, 2019 (4.5 years).

In case of exercise of their conversion right, bondholders shall receive, unless the Company elects otherwise, an amount in cash corresponding to the outstanding principal amount and, as the case may be, a number of new and/or existing Aperam shares corresponding to the value in excess thereof. The Company also has the option to elect to deliver new and/or existing shares only.

If the Company is unable to satisfy the conversion right in whole or in part through the issue or delivery of Shares, the Company will pay an equivalent cash amount.

The Bonds were issued and settled on July 8, 2014. Application was made to have the Bonds admitted to trading on the Open Market ("Freiverkehr") of the Frankfurt Stock Exchange.

True Sales of Receivables Program

Following the spin-off, the Group obtained liquidity from the sale of receivables through a true sale of receivables ("TSR") program. As of the end of June 2012 the program was subsequently split into two programs under similar terms and conditions to the existing program. The maximum combined amount of the programs that could be utilised as of the end of December 2015 was EUR 280 million. Through the TSR program, the Group and certain of its operating subsidiaries surrender the control, risks and benefits associated with the accounts receivable sold, allowing it to record the amount of receivables sold as a sale of financial assets and remove the accounts receivable from its statement of financial position at the time of the sale.

The amount of receivables we sold under the True Sale of Receivables program and derecognised in accordance with IAS 39 for the years ended December 31, 2015 and 2014 was respectively $1.6 billion and $1.8 billion. Expenses incurred under the TSR program (reflecting the discount granted to the acquirers of the accounts receivable) are recognised in the statement of operations as financing costs and amounted to $9 million and $14 million in the years ended December 31, 2015 and 2014, respectively. See Note 7 to the Consolidated Financial Statements for further information.

Credit ratings

The following tables provide an overview of the Group's credit ratings evolution since our creation:

Standard & Poor's

Date	Revision	Rating	Outlook	Rationale
April 2011	Initiate	BB	stable	
October 2011	Outlook revision	BB	negative	risk of weaker financials in 2012
June 2012	Downgrade	BB-	negative	expected weak 2012 performance
November 2012	Downgrade	B+	negative	lower profits
July 2014	Outlook revision	B+	positive	
November 2014	Upgrade	BB-	stable	strong cash flow and improved leverage profile
April 2015	Upgrade	BB	stable	improved performance and stronger metrics
December 2015	Upgrade	BB+	stable	strong performance and tightened financial policy

Moody's

Date	Revision	Rating	Outlook	Rationale
January 2011	Initiate	Ba2	stable	
November 2011	Downgrade	Ba3	negative	weaker than expected performance
November 2012	Downgrade	B1	negative	weaker than expected performance
May 2014	Outlook revision	B1	positive	strong performance and potential for market recovery
November 2014	Upgrade	Ba3	positive	strong operational performance and continued improvement in EBITDA & EBIT margins
April 2015	Upgrade	Ba2	positive	strong operating performance and anticipation of further improvements
February 2016	Upgrade	Ba1	stable	strong operational performance of Aperam over the last two years


Refuge du Goûter, Saint Gervais, France

Earnings distribution

On May 5, 2015 the shareholders approved at the annual general meeting of shareholders to continue paying no dividend in 2015 in order to further reduce the Group's cost of debt.

On November 5, 2015, Aperam declared its financial policy to maximise the long term growth and sustainability of the Group as well as value accretion for its shareholders while maintaining a strong balance sheet. Subject to shareholder approval at the 2016 annual general meeting of shareholders, Aperam will reinstate a base dividend of $1.25 per share, and anticipates to progressively increase this dividend over time as the company continues to improve its sustainable profitability benefiting from its strategic actions. The Group targets a Net Financial Debt/EBITDA ratio of <1.0x (through the cycle). In the (unlikely) event that Net Financial Debt/EBITDA exceeds 1.0x, the Group will suspend the cash dividend.

The dividend will be paid in four equal quarterly instalments of $0.3125 (gross) per share, subject to shareholder approval at the Annual General Meeting of shareholders in 2016.

The dividend payments would occur on a quarterly basis on 30 March 2016, 14 June 2016, 12 September 2016 and 12 December 2016, taking into account that the first quarterly dividend payment to be paid on March 30, 2016 shall be an interim dividend.

Dividends are announced in U.S. dollars. They are paid in U.S. dollars for shares traded in the United States on the over-the-counter market in the form of New York registry shares and paid in Euros for shares listed on the European Stock Exchanges (Netherlands, France, Luxembourg). Dividends to be paid in Euros are converted from U.S. dollars to Euros based on the European Central Bank exchange rate at the date mentioned in the table below.

A Luxembourg withholding tax of 15% is applied on the gross dividend amounts.

Table: Detailed dividend schedule 2016

	1st Quarterly Payment (Interim)	2nd Quarterly Payment	3rd Quarterly Payment	4th Quarterly Payment
Announcement date	07 March 2016	17 May 2016	16 August 2016	15 November 2016
Ex-Dividend	10 March 2016	20 May 2016	19 August 2016	18 November 2016
Record Date	11 March 2016	23 May 2016	22 August 2016	21 November 2016
Payment Date	30 March 2016	14 June 2016	12 September 2016	12 December 2016
FX Exchange rate	09 March 2016	19 May 2016	18 August 2016	17 November 2016

Sources and Uses of Cash

The following table presents a summary of our cash flow for the year ended December 31, 2015, as compared to the year ended December 31, 2014:

	Year Ended December 31,	
	2015	2014
	(in million of U.S. dollars)	
Net cash provided by operating activities	392	240
Net cash used in investing activities	(126)	(95)
Net cash used in financing activities	(296)	(213)

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased to $392 million for the year ended December 31, 2015, compared to $240 million for the year ended December 31, 2014. The increase of net cash provided by operating activities in 2015 by $152 million compared to previous year was mainly due to the increase of working capital by only $3 million in 2015 compared to $211 million in 2014.

Net Cash Used in Investing Activities

Net cash used in investing activities amounted to $126 million for the year ended December 31, 2015, compared to net cash used in investing activities of $95 million for the year ended December 31, 2014. The net cash used in investing activities in 2015 was mainly related to capital expenditure. Capital expenditures were $132 million for the year ended December 31, 2015, compared to $103 million for the year ended December 31, 2014.

Net Cash Used in Financing Activities

Net cash used in financing activities was $296 million for the year ended December 31, 2015, compared to net cash used in financing activities of $213 million for the year ended December 31, 2014. The increase of net cash used in financing activities was primarily due to net payments to banks of $279 million, of which $250 million early redemption of the notes due 2017 and $14 million of purchase of treasury stock.

Equity

Equity attributable to the equity holders of the parent decreased to $2,217 million at December 31, 2015, as compared to $2,672 million at December 31, 2014, primarily due to foreign currency translation differences of $601million, partly offset by net income for the year of $172 million.

Castelao stadium, Fortaleza Brazil

Capital Expenditure[1]

Capital expenditures for the years ended December 31, 2015 and 2014 were $132 million and $103 million, respectively. Capital expenditures for 2015 related primarily to the maintenance investments in our facilities in Brazil, France and Belgium.

In 2015, the Group also announced key investments as part of the Leadership Journey® and Top Line strategy. These investments are described in greater detail below:

- On May 5, 2015, Aperam announces tranche 2 of its assets base upgrade with an additional $30 million CAPEX program to be implemented by 2016.
- On July 29, 2015, the Group announced tranche 3 of its assets base upgrade with an additional $30 million CAPEX on improving efficiency and competitiveness in Gueugnon (lines CR6, BA8) and in Imphy (compact box annealing furnaces of the Wire Rod mill).

Overall in 2016 the Group will remain cautious on capital expenditures whilst allowing adjustments based upon market conditions.

Apartment building "Lyon Islands", Lyon, France

Summary of principal 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;
- Risks of nickel price decrease, raw material price uncertainty, material margin squeeze and over dependency of main suppliers;
- Fluctuations in currency exchange rates;
- Litigation risks (product liability, patent infringement, commercial practices, employment, employment benefits, taxes, environmental issues, health & safety and occupational disease (including asbestos exposure/classification);
- Risks of lack of competitiveness of the workforce costs, of retention and social conflicts;
- Customer risks with respect to default and credit insurance companies refusing to ensure the risks;
- Cyber security risks.

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

Notes:

[1] Capital expenditure is defined as purchase of tangible assets, intangible assets and biological assets, net of change in amount payables on these acquisitions.

Corporate Governance

This section provides a summary of the corporate governance practices of Aperam.

The 10 Principles of Corporate Governance of the Luxembourg Stock Exchange constitute Aperam's domestic corporate governance code.

We comply with the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange.

Board of Directors, Leadership Team

Aperam is administered by a Board of Directors and a Leadership Team.

Board of Directors

The Board of Directors is in charge of the overall governance and direction of the Company. It is responsible for the performance of all acts of administration necessary or useful to implement the corporate purpose of the Company as described in the Articles of Association, except for matters expressly reserved by Luxembourg law or the Articles of Association to the general meeting of shareholders.

The Articles of Association provide that the Board of Directors must be composed of a minimum of three members. None of the members of the Board of Directors may hold an executive position or executive mandate within the Company or any entity controlled by the Company. The Articles of Association provide that directors are elected and removed by the general meeting of shareholders by a simple majority of votes cast. reappointment at the end of such period.

Any director may be removed with or without cause by a simple majority vote at any general meeting of shareholders. In the event that a vacancy arises on the Board of Directors for any reason, the remaining members of the Board of Directors may, by a simple majority, elect a new director to fulfil temporarily the duties attaching to the vacant post until the next general meeting of shareholders.

As of the date of this Annual Report, the Board of Directors is composed of seven members. Mr. Lakshmi N. Mittal was elected Chairman of the Board of Directors in December 2010. Mr. Romain Bausch was elected Lead Independent Director in February 2011. The Board is assisted by a Company Secretary who also acts as Secretary of all the Board Committees. The Company Secretary fulfils those tasks and functions that are assigned to him by the Board of Directors. In particular, the Company Secretary ensures that all Directors are timely and properly informed and receive appropriate documentation for the performance of their tasks.

The 10 Principles of Governance of the Luxembourg Stock Exchange, which constitute Aperam's domestic corporate governance code, require Aperam to define the independence criteria that apply to its directors.

The Board of Directors has a majority of independent directors, with four members of the Board of Directors being independent and the remaining three members being non-independent. A member of the Board of Directors is considered as "independent", if (i) he or she is independent within the meaning of the NASDAQ Listing Rules, as amended from time to time, or any successor manual or provisions, subject to the exemptions available for foreign private issuers, if (ii) he or she is unaffiliated with any shareholder owning or controlling more than two percent (2%) of the total issued share capital of the Company and (iii) the Board of Directors makes an affirmative determination to this effect. For the purposes of this article, a person is deemed affiliated to a shareholder if he or she is an executive officer, or a director who is also employed by the shareholder, a general partner, a managing member, or a controlling shareholder of such shareholder.