



Press release

Paris, 15 April 2008

Eramet Announces Agreement to Acquire Tinfos AS

Acquisition complements and strengthens Eramet's manganese alloys operations through Tinfos's high quality and competitive operations in Norway

Eramet and the major shareholders of the Norwegian, family-owned Tinfos AS, collectively holding approximately 93% of the shares of Tinfos AS., have entered into agreements pursuant to which Eramet will acquire Tinfos's business and operations, including stakes in various power assets in Norway.

With this acquisition, Eramet Manganese will gain new complementary positions in manganese alloys, through an increase in its production of more than 20%. Manganese is a key alloying element for the rapidly growing global steel industry.

With its industrial operations located in Norway, Tinfos recorded turnover of €31 million in 2007 (including €30 million of trading relating to products from third party producers) and employs over 500 people. Its activities include:

- The production of silicomanganese at its Kvinesdal plant, which has a production capacity of approximately 180,000 tonnes per year and a workforce of approximately 200;
- The production of titanium dioxide slag and high purity pig iron at its Tyssedal plant, with a workforce of approximately 190. Titanium dioxide slag is used primarily in the production of white titanium dioxide pigments for paints, paper and plastics.
- International trading of metallurgical products, notably for the steel and foundry industries; and
- Power production, through various hydropower and thermal power plants in Norway, including a 40% interest in the Notodden plant, after completion of the transaction.

Tinfos's operations are highly complementary to Eramet's current business in Norway, where Eramet operates two manganese alloy plants, at Porsgrunn and Sauda. Eramet's plants have benefited in recent years from substantial investment programmes, which have enhanced productivity and increased environmental protection. The addition of the Tinfos manganese alloys plant in Kvinesdal will create a Norwegian industrial leader, benefiting from an enhanced competitiveness in a field marked by intense international competition and well

positioned as a long term supplier to the steel industry thanks to the secure supply of Eramet's competitive manganese ore. Industrial synergies will involve the optimisation of raw materials purchases and the specialisation of the various plants.

As part of its growth strategy, Eramet will study, in association with Tinfos's teams, the potential development of all of Tinfos's activities.

Dag Teigland, CEO of Tinfos expressed: "We have a long historical relationship with Eramet, as they have been an important supplier of manganese ore to our manganese alloys operation for a number of years. We believe the acquisition by Eramet represents an interesting opportunity for the future development of the companies in the Tinfos Group. We are excited about the prospects of becoming part of a large and professional industrial group as Eramet."

The consideration for this acquisition will consist of a combination of approximately 50% cash and 50% Eramet shares (the exact split being subject to the value of Eramet shares at the time of final completion of the transaction). Based on the one month average Eramet share price as of 11 April 2008, the total transaction enterprise value would amount to NOK 4,718 million (€593 million), equivalent to a Tinfos 2007 EBITDA multiple of 7.8.

The share-based consideration will be comprised of 252,885 Eramet treasury shares, that were obtained from the Société Le Nickel (SLN) share exchange with Société Territoriale Calédonienne de Participations Industrielles (STCPI) completed on 23 July 2007, as well as approximately 383,000 newly issued Eramet shares. The transaction will result in Eramet's current shareholders being diluted by around 1.5%.

Following completion of the transaction, Tinfos's major shareholders will collectively hold approximately 2.4% of Eramet's shares. Eramet will extend an equivalent cash offer to Tinfos's minority shareholders, holding approximately 7 % of Tinfos's shares.

This transaction is expected to have a positive impact on net earnings per Eramet share from the first year (an EPS accretion of more than 4 % in 2009).

The acquisition is subject to customary approvals from competition and other regulatory authorities and the consent of the annual general meeting scheduled for 16 April 2008 to resolution n°9, relating to share-for-share contributions.

"This major acquisition project demonstrates Eramet's commitment to the rapid development of its core businesses, in line with the profitable growth strategy that we pursue with determination", noted Patrick Buffet, Chairman and Chief Executive Officer of Eramet.

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