



ERAMET

**€125,000,000 4.50 per cent. Bonds due 6 November 2020
to be assimilated (*assimilées*) and form a single series with the existing
€400,000,000 4.50 per cent. Bonds due 6 November 2020**

Issue Price: 103.889 per cent. of the aggregate principal amount of the Bonds plus an amount corresponding to accrued interest amounting to 2.330136984 per cent. of the aggregate principal amount of the Bonds for the period from, and including, 6 November 2013 to, but excluding, 14 May 2014

The €125,000,000 4.50 per cent. bonds of ERAMET (the “**Issuer**”) maturing on 6 November 2020 (the “**Bonds**”) will be issued on 14 May 2014 (the “**Issue Date**”) and will be assimilated (*assimilées*) and form a single series with the existing €400,000,000 4.50 per cent. Bonds due 6 November 2020 issued on 6 November 2013 (the “**Existing Bonds**”) as from the Issue Date.

Interest on the Bonds will accrue from, and including, 6 November 2013 at the rate of 4.50 per cent. *per annum*, payable annually in arrears on 6 November in each year, and for the first time on 6 November 2014 for the period from, and including, the Issue Date to, but excluding, 6 November 2014, as further described in “Terms and Conditions of the Bonds – Interest” of this prospectus (the “**Prospectus**”).

Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed at par on 6 November 2020 (the “**Maturity Date**”). The Bonds may, and in certain circumstances shall, be redeemed before this date, in whole only but not in part, at their principal amount, together with, any accrued interest, notably in the event that certain French taxes are imposed (see “Terms and Conditions of the Bonds - Optional redemption for taxation reasons” and “Terms and Conditions of the Bonds – Compulsory redemption for tax reasons”). Bondholders (as defined in “Terms and Conditions of the Bonds”) will be entitled, in the event of a Change of Control of the Issuer, to request the Issuer to redeem their Bonds at their principal amount together with any accrued interest, all as defined, and in accordance with the provisions set out in “Terms and Conditions of the Bonds – Redemption following a change of control”. In addition, the Issuer may redeem all, but not some only, of the Bonds at any time prior to the Maturity Date at their relevant Make-whole Redemption Amount, all as defined, and in accordance with the provisions set out in “Terms and Conditions of the Bonds – Early redemption at the Make-whole Redemption Amount”.

The Bonds will be issued in dematerialised bearer form in the denomination of €100,000 each. Title to the Bonds will be evidenced by book entries in accordance with Articles L. 211-3 *et seq.* of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

The Bonds will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders. “**Account Holder**” shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, Clearstream Banking, *société anonyme* and Euroclear Bank S.A./N.V.

This Prospectus constitutes a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003 as amended (which includes the amendments made by Directive 2010/73/EU of the European Parliament and of the Council dated 24 November 2010) (the “**Prospectus Directive**”).

Application has been made (i) for the approval of this Prospectus to the *Autorité des marchés financiers* (French financial market authority) and (ii) to list and admit to trading the Bonds on Euronext Paris. Euronext Paris is a regulated market within the meaning of the Directive 2004/39/EC of the European Parliament and of the Council dated 21 April 2004.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”). In accordance with U.S. laws, and subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”).

Neither the Bonds nor the long-term debt of the Issuer are rated. This Prospectus is available on the websites of the AMF (www.amf-france.org) and of the Issuer (www.eramet.com). All documents incorporated by reference in this Prospectus are available on the websites www.info-financiere.fr and of the Issuer (www.eramet.com).

<http://www.oblible.com>

See the “Risk Factors” section for a description of certain factors which should be considered by potential investors in connection with any investment in the Bonds.



In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and its General Regulations (*Règlement général*), in particular Articles 211-1 to 216-1, the *Autorité des marchés financiers* (“AMF”) has granted to this Prospectus the visa n°14-188 on 12 May 2014 . This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of “whether the document is complete and comprehensible, and whether the information in it is coherent”. It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Bonds.

Joint Lead Managers

BNP Paribas

Natixis

**Société Générale
Corporate & Investment Banking**

This Prospectus has been prepared for the purpose of giving information with respect to the Issuer and the Issuer and its subsidiaries taken as a whole (the “Group”) which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer, as well as the Bonds.

The Joint Lead Managers (as defined in “Subscription and Sale” below) have not separately verified the information contained in this Prospectus. The Joint Lead Managers do not make any representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus. Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by, or on behalf of, any of the Issuer or the Joint Lead Managers that any recipient of this Prospectus or any other financial statements should purchase the Bonds.

No person is authorised to give any information or to make any representation related to the issue, offering or sale of the Bonds not contained in this Prospectus. Any information or representation not so contained herein must not be relied upon as having been authorised by, or on behalf of, the Issuer or the Joint Lead Managers. The delivery of this Prospectus or any offering or sale of Bonds at any time does not imply (i) that there has been no change with respect to the Issuer or the Group, since the date hereof and (ii) that the information contained or incorporated by reference in it is correct as at any time subsequent to its date.

The Prospectus and any other information relating to the Issuer or the Bonds should not be considered as an offer, an invitation, a recommendation by any of the Issuer or the Joint Lead Managers to subscribe or purchase the Bonds. Each prospective investor of Bonds should determine for itself the relevance of the information contained in this Prospectus and its purchase of Bonds should be based upon such investigation as it deems necessary. None of the Joint Lead Managers undertakes to review the financial or general condition of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or prospective investor in the Bonds of any information coming to its attention. Investors should review, inter alia, the documents incorporated by reference into this Prospectus when deciding whether or not to subscribe for or to purchase the Bonds. Investors should in particular conduct their own analysis and evaluation of risks relating to the Issuer, its business, its financial condition and the issued Bonds and consult their own financial or legal advisers about risks associated with investment Bonds and the suitability of investing in the Bonds in light of their particular circumstances. Potential investors should read carefully the section entitled “Risk Factors” set out in this Prospectus before making a decision to invest in the Bonds.

The distribution of this Prospectus and the offering or the sale of the Bonds in certain jurisdictions may be restricted by law or regulation. The Issuer and the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered or sold, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any obligation or responsibility for facilitating any such distribution, offering or sale. In particular, no action has been or will be taken by the Issuer or any of the Joint Lead Managers which is intended to permit a public offering of any Bonds or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Bond may be offered or sold, directly or indirectly, and neither this Prospectus nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offers and sales of Bonds and distribution of this Prospectus and of any other offering material relating to the Bonds, see “Subscription and Sale” below.

This Prospectus has not been and will not be submitted for approval to any authority other than the Autorité des marchés financiers (French financial market authority) in France.

This Prospectus is being distributed to, and is only directed at, persons in the United Kingdom who are “qualified investors” as defined in section 86(7) of the Financial Services and Markets Act 2000, as amended (the “FSMA”) or otherwise in circumstances which do not require the publication by the Issuer of a prospectus pursuant to section 85(1) of the FSMA.

In the United Kingdom, this Prospectus is only being distributed to, and is only directed at, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, persons (i) having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or other persons to whom it may otherwise be lawfully communicated (all such persons together being referred to as “Relevant Persons”). Persons who are not Relevant Persons should not take any action on the basis of this Prospectus and should not act or rely on it.

*In connection with the issue of the Bonds, Société Générale (the “**Stabilising Manager**”) (or persons acting on behalf of the Stabilising Manager) may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Bonds and 60 days after the date of the allotment of the Bonds. Such stabilisation will be carried out in accordance with all applicable rules and regulations.*

*In this Prospectus, references to “€”, “**EURO**”, “**EUR**” or to “**Euro**” are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 October 1997).*

This Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding the Issuer's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Notice Relating to the United States

The Bonds have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Accordingly, the offer is not being made in the United States and this document does not constitute an offer, or an invitation to apply for, or an offer or invitation to purchase or subscribe for any Bonds in the United States. The Bonds offered hereby are being offered only outside the United States in “offshore transactions” to non-U.S. persons in compliance with Regulation S under the Securities Act.

Any person who subscribes for or acquires Bonds will be deemed to have represented, warranted and agreed, by accepting delivery of this Prospectus, that it is subscribing for or acquiring the Bonds in compliance with Rule 903 of Regulation S in an “offshore transaction” as defined in Regulation S, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by a dealer (whether or not it is participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to the foregoing.

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**PERSON RESPONSIBLE
FOR THE INFORMATION CONTAINED IN THE PROSPECTUS**

Person assuming responsibility for this Prospectus

Paris, 12 May 2014

After having taken all reasonable measures in this regard, we hereby certify that the information contained in this Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

The statutory auditors' report on the consolidated financial information as at 31 December 2013 included on page 260 of the 2013 Registration Document (as defined below in section "Documents Incorporated by Reference") contains one observation.

ERAMET

Tour du Maine - Montparnasse
33, avenue du Maine
75015 Paris
France

Duly represented by:

Jean-Didier Dujardin
Chief Financial Officer (*Directeur Financier*)

Mr. Jean-Didier Dujardin
Duly authorized

**DOCUMENTS INCORPORATED
BY REFERENCE**

This Prospectus shall be read and construed in conjunction with the following documents which have been filed with the AMF and which are incorporated in, and shall be deemed to form part of, this Prospectus:

- (a) the sections referred to in the table below included in the French language 2012 registration document (*document de référence 2012*) of the Issuer (the “**2012 Registration Document**”) which was filed with the AMF on 27 March 2013 under the registration no. D.13-0222; and
- (b) the sections referred to in the table below included in the French language 2013 registration document (*document de référence 2013*) of the Issuer (the “**2013 Registration Document**”) which was filed with the AMF on 26 March 2014 under the registration no. D.14-0205.

Copies of the documents incorporated by reference are available without charge (i) on the website of the Issuer (www.eramet.com) and (ii) upon request at the principal office of the Issuer or of BNP Paribas Securities Services (the “**Paying Agent**”) during normal business hours so long as any of the Bonds is outstanding, as described in “General Information” below. Copies of the 2012 Registration Document and the 2013 Registration Document are also available on the website of the AMF (www.amf-france.org) and on the website www.info-financiere.fr.

The information incorporated by reference in this Prospectus shall be read in connection with the cross-reference list below.

Rule	Prospectus Regulation – Annex IX	2012 Registration Document (page number)	2013 Registration Document (page number)
1.	PERSONS RESPONSIBLE		
1.1.	All persons responsible for the information given in the registration document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer’s administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate	Not applicable	Not applicable

Rule	Prospectus Regulation – Annex IX	2012 Registration Document (page number)	2013 Registration Document (page number)
	the name and registered office.		
1.2.	A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.	Not applicable	Not applicable
2.	STATUTORY AUDITORS		
2.1.	Names and addresses of the issuer’s auditors for the period covered by the historical financial information (together with their membership in a professional body).	Not applicable	Not applicable
2.2.	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material.	Not applicable	Not applicable
3.	RISK FACTORS		
3.1.	Prominent disclosure of risk	67-78	Not applicable

Rule	Prospectus Regulation – Annex IX	2012 Registration Document (page number)	2013 Registration Document (page number)
	factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed “Risk Factors”.		
4.	INFORMATION ABOUT THE ISSUER		
4.1.	<u>History and development of the Issuer</u>		
4.1.1.	the legal and commercial name of the issuer;	287	304
4.1.2.	the place of registration of the issuer and its registration number;	287	304
4.1.3.	the date of incorporation and the length of life of the issuer, except where indefinite;	287	304
4.1.4.	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);	287	304
4.1.5.	any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency.	12	11
5.	BUSINESS OVERVIEW		
5.1.	<u>Principal activities</u>		
5.1.1.	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed.	6	6
5.1.2.	The basis for any statements in the registration document made by the issuer regarding its competitive	16-48	16-48

Rule	Prospectus Regulation – Annex IX	2012 Registration Document (page number)	2013 Registration Document (page number)
	position.		
6.	ORGANISATIONAL STRUCTURE		
6.1.	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	49	49
6.2.	If the Issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	Not applicable	Not applicable
7.	TREND INFORMATION		
7.1.	Include a statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements. In the event that the issuer is unable to make such a statement, provide details of this material adverse change.	Not applicable	Not applicable
8.	PROFIT FORECASTS OR ESTIMATES If an issuer chooses to include a profit forecast or a profit estimate, the registration document must contain the information items 8.1 and 8.2 the following:		
8.1.	A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate. There must be a clear distinction between assumptions about factors which the members of the administrative, management or	Not applicable	Not applicable

Rule	Prospectus Regulation – Annex IX	2012 Registration Document (page number)	2013 Registration Document (page number)
	supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast.		
8.2.	Any profit forecast set out in the registration document must be accompanied by a statement confirming that the said forecast has been properly prepared on the basis stated and that the basis of accounting is consistent with the accounting policies of the issuer.	Not applicable	Not applicable
8.3.	The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.	Not applicable	Not applicable
9.	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES		
9.1.	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited	100-104	92-98

Rule	Prospectus Regulation – Annex IX	2012 Registration Document (page number)	2013 Registration Document (page number)
	liability, in the case of a limited partnership with a share capital.		
9.2.	<p><u>Administrative, Management, and Supervisory bodies conflicts of interests</u></p> <p>Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated.</p> <p>In the event that there are no such conflicts, a statement to that effect.</p>	87	98
10.	MAJOR SHAREHOLDERS		
10.1.	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	281	298
10.2.	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	291-293	308-310
11.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES		

Rule	Prospectus Regulation – Annex IX	2012 Registration Document (page number)	2013 Registration Document (page number)
11.1.	<u>Historical Financial Information</u> Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. <ul style="list-style-type: none"> – Balance sheet – Income statement – Accounting policies and explanatory notes 	164-242 165 164 170-242	188-259 189 188 193-259
11.2.	<u>Financial statements</u> If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.	164-242	188-259
11.3.	<u>Auditing of historical annual financial information</u>		
11.3.1.	A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers, must be reproduced in full and the reasons given.	243	260
11.3.2.	An indication of other information in the registration document which has been audited by the auditors.	Not applicable	Not applicable
11.3.3.	Where financial data in the	Not applicable	Not applicable

Rule	Prospectus Regulation – Annex IX	2012 Registration Document (page number)	2013 Registration Document (page number)
	registration document is not extracted from the issuer's audited financial statements, state the source of the data and state that the data is unaudited.		
11.4.	<u>Age of latest financial information</u>		
11.4.1.	The last year of audited financial information may not be older than 18 months from the date of the registration document.	-	-
11.5.	<u>Legal and arbitration proceedings</u> Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	74-75, 210, 240	72-74, 232, 283
11.6.	<u>Significant change in the issuer's financial or trading position</u> A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or an appropriate negative statement.	Not applicable	Not applicable
12.	MATERIAL CONTRACTS		
	A brief summary of all material	Not applicable	Not applicable

Rule	Prospectus Regulation – Annex IX	2012 Registration Document (page number)	2013 Registration Document (page number)
	contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.		
13.	THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST		
13.1.	Where a statement or report attributed to a person as an expert is included in the registration document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the registration document.	Not applicable	Not applicable
13.2.	<u>Third party information</u> Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no	Not applicable	Not applicable

Rule	Prospectus Regulation – Annex IX	2012 Registration Document (page number)	2013 Registration Document (page number)
	facts have been omitted which would render the reproduced information inaccurate or misleading; in addition, identify the source(s) of the information.		
14.	DOCUMENTS ON DISPLAY		
	<p>A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:</p> <p>(a) the memorandum and articles of association of the issuer;</p> <p>(b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;</p> <p>(c) the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.</p> <p>An indication of where the documents on display may be inspected, by physical or electronic means.</p>	Not applicable	Not applicable

RISK FACTORS

The following are certain risk factors relating to the Issuer and the Bonds of which prospective investors should be aware. Prior to making an investment decision, prospective investors should consider carefully all the information set out and incorporated by reference in this Prospectus, including in particular the risk factors detailed below, and consult with their own financial and legal advisors as to the risks entailed by an investment in the Bonds. The following statements are not exhaustive. In addition, investors should be aware that the risks described hereunder (i) could not describe all the risks the Issuer faces or all the risks of an investment in the Bonds, and (ii) may be combined and thus interrelated with one another. Prospective investors should make their own independent evaluations of all investment considerations and should also read the detailed information set out elsewhere in this Prospectus. The Bonds should only be purchased, subject to any applicable laws and regulations, by investors who are financial institutions or other professional investors who are able to assess the specific risks implied by an investment in the Bonds.

The order of presentation of the risk factors below is not an indication of their importance or of their probability of occurrence. Terms defined in “Terms and Conditions of the Bonds” below shall have the same meaning where used below.

1. Risks relating to the Issuer

The Group carries out its business activities in a rapidly changing environment, which creates risks for the Group, many of which are beyond its control. The risks and uncertainties described herein are not the only ones which the Group faces or will face in the future. Other risks and uncertainties of which the Group is currently unaware or that it deems not to be significant as of the date of this Prospectus could also adversely affect its business activities, financial situation results, or future prospects.

The following risk factors relating to the Issuer have been reproduced from pages 66 to 78 of the 2013 Registration Document, with the exception of cross-references to “Recent Developments” herein with respect to a risk described in section 1.2.3.2 “Special relationships with third parties - Manganese division - TiZir partnership with Mineral Deposit Limited” and with respect to lawsuits described in sections 1.4.2 “Major lawsuits – Carlo Tassara France litigation” and 1.4.2.2 “Major lawsuits – Manganese Division – Claim by Kazakh companies”. Therefore, such risk factors should be read together with the “Recent Developments”, which form an integral part of such risk factors.

1.1 Commodity risk

The Group is exposed to commodity price volatility, affecting both its sales as a nickel and manganese producer and its production costs, as a consumer of energy (fuel oil and electricity) and commodities (nickel and aluminium).

The main Group entities involved are:

- Eramet, Société Le Nickel-SLN and Aubert & Duval for nickel,
- Le Nickel-SLN for fuel oil,
- Aubert & Duval for aluminium,
- Erasteel Kloster AB and Eramet Norway Kvinesdal A/S for electricity.

The manganese and coke exposures are not hedged since there is no organised market in these commodities.

Hedges are contracted with horizons of one to four years, depending on the commodities, and are based on the budget. Only a portion of planned consumption or production is hedged when the initiating policy criteria are met. The Group uses various instruments to hedge and limit its exposure while taking advantage of favourable price trends (futures and options).

At 31 December 2013, the fair value of hedges set up for the various commodities breaks down as follows:

- 0 for nickel (0 at 31 December 2012),
- 0 for fuel oil (0 at 31 December 2012),
- €1 million liability for aluminium (0 at 31 December 2012),
- €3 million liability for electricity (€1 million liability at 31 December 2012).

1.2 Special relationships with Group partners

1.2.1 Political risks

Some of the Group's activities are carried on in countries where political developments may lead to regulatory changes. In particular, the Group produces and/or markets its products in non-OECD countries, some of which may be classed as countries with no long-term political or economic stability. While the Group ensures that appropriate measures are taken to avoid such risks, political and/or economic changes could have a significant impact on its business.

1.2.2 Supply and marketing contracts

The Group has overall control of the contracts relating to the supply and marketing of ore and its by-products insofar as such contracts are entered-into with companies it controls (such as the supply and marketing contract between ERAMET and Le Nickel-SLN and the supply of Manganese Division production sites by Comilog). The other commercial agreements relating to continuing operations do not entail any particular risks or commitments for the Group. Those agreements are mainly for purchases of raw materials (electricity, coke, and special alloys) and freight services (by sea and land).

To date, ERAMET has not entered into any material contracts entailing a substantial obligation or undertaking for the Group as a whole, other than those entered into in the normal course of its business.

1.2.3 Special relationships with third parties

To support its various activities and projects, the Group's policy is to develop and maintain firm, sustainable and complementary partnerships with national partners or regional actors. These partnerships can take the form, among others, of equity interests in Group subsidiaries, with a number of special covenants to safeguard the existing balance of interests.

1.2.3.1 Nickel Division

Relations with STCPI and New Caledonia – Le Nickel-SLN shareholders' agreement

Le Nickel-SLN, a subsidiary 56%-owned by ERAMET with 10% held by Nisshin Steel, is 34% held by the Société Territoriale Calédonienne de Participations Industrielles – STCPI.

STCPI is an SAS (simplified joint-stock corporation) whose sole object is to hold this interest in Le Nickel-SLN and an interest of some 4% in the capital of ERAMET. Two directors out of seventeen represent it on the ERAMET Board. The interest in the share capital of Le Nickel-SLN, initially of 30%, was raised to 34% in a share-swap transaction on 23 July 2007, then sold by the French State when ERAMET was privatised. Its political, financial and strategic value resides in its allying local public interests with the Group's mining and industrial interests in New Caledonia. The company represents the three New Caledonian Provinces: the Southern Province (with a population of mostly European origin) on the one hand and the Northern and Island Provinces (a mainly Melanesian population) on the other hand. The Board members and observer are selected so as to ensure equal representation of the Southern Province, on the one hand, and the Northern and Island Provinces on the other.

The Le Nickel-SLN shareholders' agreement of 13 September 2000 followed on from the agreement of 17 July 2000 between the State, the Provinces of New Caledonia and representatives of the island's main political parties. In 2010, the shareholders' agreement was extended for a first period until 31 December 2011. Since 2010, it has been extended each year for yearly period.

Its terms include the following:

- a distribution of the directorships on the following basis, at present: eight for Eramet (including the representative of Nisshin Steel), and four for STCPI, with the latter also entitled to appoint an observer;
- a reciprocal right of pre-emption for each party;
- a reciprocal call option on the shares held by the party that falls under the control of a company, “of which the main activity, or the main activity of the group to which it belongs competes with that of Le Nickel-SLN”;
- a non-dilution clause whereby, in the event of shares being sold to another shareholder or of a share capital increase, each party shall retain the same interest in the share capital or voting rights as they had previously, either by adjusting transfers of shares or the joint exercise of subscription rights in a share-capital increase.

In response to a press release from STCPI on 27 June 2008, proposing the opening of discussions regarding the level of its interest in Le Nickel-SLN, ERAMET's Board meeting of 11 July 2008 resolved that there was no reason to change the share-ownership structure of Le Nickel-SLN, which represents a satisfactory balance.

Following the meeting of its Board of Directors on 19 November 2009, Le Nickel-SLN announced that it was instituting new, modernised corporate-governance measures to further involve New Caledonia, with the creation of a strategy committee, an audit committee and a remuneration committee. STCPI has significant representation on all three committees and chairs the audit committee.

On 13 July 2010, STCPI and ERAMET agreed to discuss amendments to the shareholders' agreement. Its guiding principles would remain unchanged, but the amendments would take account of the full array of industrial, commercial and technological changes both within Le Nickel-SLN and in its environment since the conclusion of the original agreement. The extensions of that agreement in 2011, 2012 and 2013 until 31 December 2014 have allowed the discussions in progress to continue.

Supply contract with Nisshin Steel

The ERAMET group and Nisshin Steel have had a ferronickel supply agreement in place since 1991. Nisshin Steel is a Japanese producer of stainless steel with a 10% interest in Le Nickel-SLN. Nisshin-Steel is a major customer which accounts for 10% of sales in the Nickel Division. This agreement was renewed in 2001 and 2007 and is designed both to guarantee ferronickel deliveries over several years and to smooth nickel price fluctuations.

Relations with PT Antam and Indonesia (Weda Bay project)

The Indonesian company, Pt Weda Bay Nickel, is the project and prospecting company created to develop the Weda Bay nickel and cobalt project, located on Halmahera Island in Indonesia. 90% of its capital is held by Strand Minerals (Indonesia), with the remaining 10% in the hands of the nickel-producing Indonesian public limited corporation, Pt Antam Tbk (Antam), a company specialising in exploration, mining operations, refining and distribution of mining products. Antam is represented by one director on the Board of Directors of Pt Weda Bay Nickel (out of a total of five directors of whom three are representatives of ERAMET) and also possesses an option to increase its interest to 25%.

Pt Weda Bay Nickel carries out its exploration and mining under a Contract of Work with the Indonesian Government.

Relations with Mitsubishi Corporation (Weda Bay project)

On 19 February 2009, Mitsubishi Corporation acquired a 33.4% interest in Strand Minerals, which owns 90% of the capital in the Indonesian company, Pt Weda Bay Nickel. In December 2011, Mitsubishi Corporation decided to sell a 3.4% interest in Strand Minerals to the Japanese company, Pacific Metals Co. Ltd (Pamco). The shareholders' agreement between ERAMET and Mitsubishi Corporation was amended to allow the inclusion of Pamco. Under this amended shareholders' agreement, Mitsubishi Corporation is represented on the board of directors of Strand Minerals by two directors out of a total of six, as well as by one director on the board of directors of Pt Weda Bay Nickel out of a total of five directors. Pamco is not represented on any of these boards.

1.2.3.2 Manganese Division

Relationship with the State of Gabon

Comilog has a special relationship with the State of Gabon, which has been a shareholder since 1973 and is represented by four members on the Board of Directors. From the outset, the State has supported Comilog through both tax concessions (a mining agreement and a special tax agreement to finance the sintering complex) and industrial measures (as Comilog's

partner in constructing the Owendo Port, operated under a concession by the Comilog subsidiary, Port Minéralier d'Owendo). More recently, the Gabonese State also granted a railway concession to Setrag, in which Comilog is the leading partner, alongside other Gabonese shareholders. This relationship, based on trust and the recognition of mutual interests, makes it possible to work together on a constructive basis and to plan for the development of new industrial projects.

Under its project to construct two silicomanganese and metallicmanganese metallurgical units at Moanda in the Upper Ogooué (called the "Moanda Metallurgy Complex"), Comilog signed two agreements with the Gabonese authorities in Libreville on 7 January 2010; the first agreement laid down among others the specific legal, tax and customs framework for the project, while the second specified the conditions for securing the future energy supply to the complex. To implement the project, a dedicated financing facility has been set up, with guarantees provided by ERAMET and the Gabonese Republic who are the reference shareholders.

ERAMET signed an agreement with the Gabonese Republic on 20 October 2010, to increase the Gabonese Republic's shareholding in Comilog. Under its terms, from 2010 to 2015, ERAMET will transfer in stages to the Gabonese Republic an additional interest of up to 10% of Comilog SA's capital, which would increase the Gabonese Republic's shareholding in Comilog SA to 35.4%. The first transfer stage involves 3.54% of the share capital; 2.17% of the capital was transferred on 17 December 2010, and the remaining 1.37% for this stage was transferred on 14 June 2011. At its meeting on 21 March 2013, the ERAMET Board of Directors appointed as corporate supervisor Mr. Michel Antsélévé, a personality proposed by the Gabonese Government. The Board further proposed to the General Meeting of Shareholders, in accordance with the Shareholders' Agreement, on a joint proposal by SORAME, CEIR and the FSI, that Mr. Antsélévé be appointed a director. His appointment was passed by the General Meeting of Shareholders on 15 May 2013.

TiZir partnership with Mineral Deposits Limited

On 25 October 2011, Eramet and Mineral Deposits Ltd created a joint venture, 50%-owned by each partner, to hold a 100% interest in Eramet Titanium and Iron (TTI) (Norway) and 90% of the Grande Côte mineral sands project in Senegal. Production is scheduled to start at Grande Côte in late 2013, and will assure TTI supplies of good-quality ilmenite for its titanium dioxide slag production. The zircon production at the Grande Côte project will assure a strong position for TiZir on another very promising market. Lastly, TiZir will be backed by Eramet's skills in mining, metallurgy, R&D, logistics and marketing, and by the project-development experience of the MDL teams, with the Senegalese Sabodala gold-mining project in commissioned in 2009, and the exploitation of the mineral sands.

See the "Recent Developments" section for updated information regarding TiZir.

1.3 Mining and industrial risks

1.3.1 Risks entailed in evaluating mining reserves and resources

On 25 October 2011, ERAMET and Mineral Deposits Ltd created a joint venture, 50%-owned by each partner, to hold a 100% interest in TiZir Titanium and Iron (TTI) (Norway) and 90%

of the Grande Côte mineral sands project in Senegal. The Grande Côte project will afford TTI a supply of good-quality ilmenite as feedstock for its titanium dioxide slurry production. The zircon production from the Grande Côte project will assure a strong position for TiZir on this also very promising market. Lastly, TiZir will be backed by ERAMET's strengths in ore processing, metallurgy, R&D, logistics and marketing, and by the MDL teams' experience in both project development and the exploitation of mineral sands.

1.3.2 Mining project development risks

In view of their capital-intensiveness and the time they involve, studies for the launch of new mining operations or for the renovation of existing operations are capital-expenditure decisions which, in addition to full technical feasibility studies, require the making of prior financing assumptions and profitability calculations, which are themselves directly influenced by the relevant commodity prices and currency rates, the cost of credit and the type of financing chosen. In periods of slowing demand, some of these decisions may be delayed or cancelled, which may have an impact on a mining operation's profitability.

1.3.3 Safety and environmental risks

1.3.3.1 Industrial activity that factors in Sustainable Development

ERAMET's Communications and Sustainable Development Department (DC2D) is responsible for monitoring the technical aspects of Sustainable Development in close cooperation with the three operating Divisions and the Group's Human Resources and Legal Departments. In its investment procedure, the Group factors in the various environmental and societal implications of sustainable development, and the environmental managers of the different Group entities are systematically represented on the committees managing significant projects.

Given metals' unique property of being almost indefinitely recyclable, the Group's business activities naturally dovetail with a Sustainable Development approach in a global context of scarcity and, accordingly, of the maximum re-use and optimisation of natural resources. Nevertheless, these products, although durable and recyclable, may at some stage in their conversion or use present hazards or risks. The Group therefore has to face the challenge of identifying all such hazards, preventing and controlling the resulting risks to its sites and to the outside environment, while contributing to the sustainability and development of its business activity.

In addition to its Environmental Charter adopted in 2002, the Group has operated a Sustainable Development policy since January 2010.

As regards regulatory compliance, ERAMET has set itself a "Zero Dispute" goal, as described below. Also reviewed are the various industrial-risk issues of site and soil pollution related to the Group's activities, and the due control of industrial risks.

1.3.3.2 Industrial risk-control policy

Group crisis management procedures

These procedures set out best practices and communication requirements for three scenarios:

- crisis prevention: identification and operational taking into account of faint signs, crisis simulation exercises designed to ensure that each person knows his role and to continuously improve emergency plans (in coordination with the relevant standard insurance procedure);
- serious-incidents management: definition of a serious incident, Group reporting, feedback, communication;
- in a crisis: criteria for identifying crisis situations, Group reporting, organisation during crises (operations management, communication, recourse to experts, crisis unit), feedback.

These procedures have been rolled out at all sites. In 2013, especial attention was paid to crisis simulation exercises. Out of the 42 sites currently monitored, 80% conducted one or more exercises in 2013, some of them in coordination with the Fire Brigade. Overhauling and deployment of the emergency plan is in progress at each of the eight other sites.

Risk-analysis methodological assistance

The Group provides assistance to the sites for their hazard studies. These analyses seek to exhaustively identify major accident scenarios, their causes and impacts, in the light of which, prevention and/or protection safeguards (important for safety) are installed to reduce the likelihood or seriousness of contingencies. In 2013, this chiefly concerned Le Nickel-SLN, Aubert & Duval at Pamiers and the Ecotitanium project.

Action plans to counter the risks of contact between water and molten materials

Following a major industrial accident in late June 2011 at the Valdi Feurs site (Loire, France), an action plan was decided-upon, with the aim of eliminating the risk of explosions caused by contact between water and molten materials (molten slag or metal), or to reduce such risks as far as possible.

The 18 other sites whose processes involve liquid metal are:

- Alloys Division: Aubert & Duval at Firminy (Loire), Imphy (Nièvre) and Les Ancizes (Puy-de-Dôme), Erasteel at Commentry (Allier), at Söderfors (Sweden) and Metallied at Irun (Spain);
- Manganese Division: ERAMET Norway at Porsgrunn, Sauda and Kvinesdal (Norway), ERAMET at Marietta (United States), TiZir TTI at Tyssedal (Norway), Comilog at Dunkerque (Nord), Comilog at the Moanda Metallurgical Complex, GLC at Guilin (China), GCMC at Freeport (United States), Valdi at Le Palais (Vienne);
- Nickel Division: Société Le Nickel-SLN at Doniambo (New Caledonia);
- ERAMET Research.

This action plan comprises three phases:

- **Phase 1: Hazard studies**
Each site must review the hazard studies already conducted, with a focus on the events referred-to.
- **Phase 2: Plant visits**
Visits are conducted with an outside expert, involving a detailed study of the furnaces and their environment in order to examine, with the persons concerned at the sites, their hazard studies, the appropriateness of the (preventive/protective) measures taken and to consider any additional measures.
- **Phase 3: Site action plans**
These take account of the hazard-study findings and the expert's recommendations.

DC2D/RI monitors half-yearly the progress in these action plans

Phase 1 was completed during the second half of 2011.

Phase 2, deployed in 2012 and 2013, has been completed, and each of the 18 sites concerned has received an official expert report listing the comments and recommendations of the independent expert.

A Group summary was circulated, setting out the main recommendations common to all the sites, and critical points to be dealt-with at each site.

The following overall observations were made:

- A high degree of commitment by all sites on this subject;
- A generally good standard of control of these risks;
- Practical pointers for improvement, some applicable generally, and other specific to certain sites;
- One of the main actions to undertake is the training of personnel assigned to at-risk work positions, and the periodical checking of knowledge of the equipment and procedures.

Under phase 3, which will continue in 2014, meetings were held in 2013 to summarise and review the action plans with the Industrial Divisional managements and the industrial-risk coordination units of the Alloys and Manganese Divisions.

Preventive engineering required under the Group's damage insurance policy

In 2013, ERAMET continued its policy of biannual engineering visits (preventive audits) to all industrial sites, in close cooperation with the insurer and the Group Insurance Department.

The following sites were visited::

- **Alloys Division:**
 - Brown Europe at Laval-de-Cère (Lot), CMM at Landevant (Morbihan), UKAD (Puy-de-Dôme), AD TAF at Gennevilliers (Hauts-de-Seine);
 - Aubert & Duval at Imphy (Nièvre) and Pamiers (Ariège), Airforge at Pamiers (Ariège) and Supa;
 - Erasteel at Stubs (United Kingdom) and Kloster (Sweden) (3 sites).

- **Manganese Division:**

- Comilog in Gabon (Mine, CIM, DFIP DEV and CMM), Setrag (Gabon);
- ERAMET Norway at Porsgrunn and Sauda (Norway);
- ERAMET at Marietta, BMC at Butler and GCMC at Freeport (United States);
- Erachem Comilog at Tertre (Belgium), GECC at Chongzuo (China), GLC at Guilin (China).

The follow-up indicators for the actions decided as a result of these visits are included in a summary report issued twice a year, covering compliance with standard fire safety procedures and the actions to protect strategic industrial facilities (version at end September 2013 released in November).

As always, close involvement of the Group's on-site industrial-risk officers and the leading insurer's engineering teams in all capex programmes mean that insurer recommendations are factored into new plant from design stage onwards. In 2013, the chief focus of studies was on the Ecotitanium project, the downstream rolling mill project at Les Ancizes, the CMM project in Gabon, the protection of fuel tanks and critical electrical rooms and the new coal workshop project at SLN, the biomass boilers project at Sandouville, the new dust separator at Marietta, the SO₂ gas scrubber at GCMC, etc.

Environmental insurance policy – Risk-control visits

In 2007, ERAMET signed an extension of its Group Civil Liability policy with AXA, including an Environmental Damage component (Ecosphère).

Accordingly, under a site-visit programme since 2008, the insurers have assessed the risk of environmental harm at 13 sites, in addition to the exchanges of information and the questionnaires completed by all the entities covered by this policy.

Each visit includes ascertaining the site's situation with regard to the regulations, assessing the existing action plans and physically inspecting the terrain.

The insurers' recommendations, ranked according to priority, are then followed up in action plans at the sites and are reviewed half-yearly on a Group-wide, consolidated basis.

In 2013, the Aubert & Duval site at Firminy and ERAMET Norway's Sauda site underwent their first visits, and a second visit was held at Erasteel Commentry.

In agreement with the AXA insurers, two new visits will be conducted in 2014.

All these on-site assessments conducted by AXA are additional to the internal Health and Safety audits performed by the Group.

1.3.3.3 “Zero dispute” goal

The ERAMET group promotes a policy of strict regulatory compliance, transparency and dialogue with the supervisory authorities, particularly in the event of temporary difficulties or special operating conditions. Since 2007, it has worked towards a “Zero Dispute” goal,

aiming for a complete absence of any formal notices or legal proceedings liable to arise from any breach by Group sites of binding regulatory requirements.

Since 2009, the “Zero Dispute” assessment scope has extended to all the Group’s working mines and industrial sites.

Fulfilment of this goal monitors three levels:

- **Level 1:** A letter from the authorities conveying a specific request (excluding a site inspection report) which, if not acted upon, could escalate to formal notice requiring compliance with regulatory obligations.
- **Level 2:** Formal notice served by, or an official complaint from the supervisory authority relating to a breach on our part of the regulatory obligations, liable to lead to criminal proceedings or a fine.
- **Level 3:** Legal proceedings carried through to judgement and/or formal notice expired with consequent legal proceedings.

The “Zero Dispute” score for 2013 reflects a number of situations in combination similar to the score for the previous year.

The following should nevertheless be noted:

- the outcome of a level 3 dispute begun in 2009 on the GCMC Freeport (United States) site was a fine of USD7.5 million; continuous monitoring was instituted of atmospheric and waterborne emissions, together with the monitoring of action plans instituted in response to non-compliance notifications;
- the emergence of a new level 3 dispute concerning the Erasteel Kloster Söderfors site (Sweden), following an accidental oil spillage on the ground;
- the “stabilisation” of the number of formal notices served at seven new cases for the second consecutive year, confirming the improvement announced in 2012, and attesting to the dialogue and transparency maintained by all the Group sites with their respective Government authorities (for the record, 13 formal notices were served in 2011).

	2012		2013	
	Number of formal notices	Ratio of formal notices/ operating permits	Number of formal notices	Ratio of formal notices/ operating permits
Arisen	7	0.037	7	0.035
Not resolved	10	0.053	12	0.059

Lastly, as illustrated by the table above, it is important to put into perspective these few dispute situations set against the whole body of detailed requirements contained in the many operating permits and with which the different Group sites are required to comply. The number of operating permits in 2013 was 203 (compared with 190 in 2012 and 169 in 2011), each one including at least 10 monitoring parameters to be complied with on an annual, quarterly, monthly or even sometimes continuous basis, together with a significant number of operating constraints.

1.3.4 Transportation-related risks

1.3.4.1 Sea freight

The Group makes extensive use of shipping to transport its products; first, in various stages, to production sites, and then for deliveries to customers, because of the long distances between the mines where raw materials are extracted and the sites where they are processed, and between those sites and the markets. To protect itself against sharp rises in freight costs, the Group seeks to contract long-term at predefined prices and to reserve some ships on a long-term basis. During periods of low sales activity, on the other hand, this may entail renegotiation of some contracts.

The risk of property damage is covered by specific insurance policies.

1.3.4.2 Rail transport

The Group was awarded the concession to operate the Transgabonais railway in Gabon for a 30-year term beginning in November 2005. In addition to providing a public service and transporting miscellaneous goods, the railway carries manganese ore from the Moanda mine to the port at Owendo (Libreville).

An interruption in sea or rail transportation or a sharp rise in transportation prices, notwithstanding long-term contracts, would nevertheless have a negative impact on the Group's performance.

1.4 Legal and tax risks / Disputes

1.4.1 The Group's dependency on the legislative and regulatory environment

1.4.1.1 Specific regulations

Mining operations are subject to specific regulations depending on extraction locations and activities. These regulations relate mainly to:

- mining and prospecting permit and concession regimes;
- obligations specific to mining operations; ,,
- environmental and biodiversity limits and controls; and
- site restoration after depletion.

These regulations may change, with possible incidence on the operation and performance. This is currently the case in Gabon, where the authorities are reforming the Mining and Environmental Codes.

Independently of mining, industrial operations are also subject to specific, site-related regulations. These regulations mainly cover:

- the regimes governing the operating permits and authorisations;
- compliance with limits on effluent discharge into the natural environment during site operation, catering for major industrial risks and health hazards entailed in operations, and the management and elimination of industrial waste;

- the obligations entailed in restoring the site after cessation of operations, particularly factoring in the risks relating to polluted sites, ground pollution and wastes.

These regulations may change, with possible incidence on industrial operations, particularly where additional capital expenditures for the environment are required in response to changes in the regulations.

1.4.1.2 Tax framework

The Group's business is subject in part to a special tax framework (fees, duties and taxes). Its companies and units in mainland France are taxable at the standard French tax rate. The current corporate income tax rate is 33.33%, excluding both an additional social security contribution of 3.3% and a special surcharge of 10.7% applicable since 2013.

It should be noted that ERAMET is the parent company of a tax consolidation group that comprised 22 companies at 31 December 2013.

The following notes apply to subsidiaries outside mainland France:

- Le Nickel-SLN is liable to the New Caledonia mining and metallurgical corporation tax at the rate of 35%. Since 1975, the company has enjoyed a tax freeze which has been renewed several times. The last renewal was for a term of 15 years as from 1 January 2002 pursuant to a local order of 13 June 2002. Moreover, some of the subsidiary's capital expenditure programmes in New Caledonia have enjoyed the tax exemption measures introduced by the Paul and Girardin Acts and the relief granted under the New-Caledonian Tax Code on capital expenditure in metallurgy.

On 1 September 2011, the New-Caledonian Congress requested the Government to undertake a comprehensive reform of direct and indirect taxation and other levies on the mining and metallurgical industries; this reform would have no impact on businesses' expenses and would include among its aims the introduction of a uniform local business VAT, termed the "TGA" (taxe générale sur les activités) as from 1 January 2013. To date, the TGA rate has not been set, and the introduction of this new tax has been postponed until 1 July 2014, while the mining royalty project is still under study. SLN and the other mining and metallurgical businesses undertook major consultations, and proposed to the New Caledonian Government amended conditions for application of the TGA regime and the desired principles for introducing a mining royalty per tonne of ore mined and exported. The mining business community in New Caledonia will be watchful for any impacts of this reform on companies' competitiveness and any conflicts with current and future tax-freeze arrangements.

- The Weda Bay investment project is governed by a Contract of Work defining among others the tax regime applicable to the production activity at the start of the site's operations. Tax matters currently under discussion with the Indonesian Government concern the issues of State revenues (royalties, tax incentives, VAT). The outcome of these discussions will be decisive for the success of the investment and its profitability.
- For its part, the Comilog subsidiary is subject to income tax at 35%, to export duty and mining royalties that represent approximately 6% of the pithead value of the mined products (close to FOB value), and to a 15% tax on dividends. This tax framework is

frozen until 2032 under a mining agreement signed in October 2004 and ratified by the Gabonese parliament in 2005. The double-taxation convention between Gabon and France signed in Libreville on 20 September 1995 took effect on 1 March 2008, superseding the earlier convention of 21 April 1966. The current convention was published in the Official Journal of the Republic of Gabon of 24 to 31 July 2011. The Mining Code is being radically re-drafted, and the authorities have submitted a draft wording to the Assembly for ratification in the first half of 2014. The mining business community in Gabon will be watchful of any impacts of this reform on current and future mining agreements.

- Note that, since 1 January 2008, substantial reforms have been introduced to Chinese taxation, among others the discontinuing of systems favouring certain foreign companies and the introduction of a uniform 25% corporate income tax rate. This reform has had no particular implications for the ERAMET group's Chinese companies.
- Under the Agreement signed with the Senegalese Government in 2005 and its addendum No.1 signed in 2007, Grande Côte Operations (GCO) enjoys a mining concession regime for a term of 25 years from November 2007. Pursuant to the Mining Code, that company has full exemption for 15 years (exemption from VAT, customs duties, corporate income tax, licence fees and land tax, etc.) not including the capital-investment construction period.

Furthermore, as regards mining royalties, and notwithstanding the Mining Code which sets those royalties at 3% of the pithead value, GCO consented in 2007 to raise the royalty to 5% and to apply 10% production sharing less a number of costs.

- Generally, subsidiaries based abroad are subject to standard-rate local taxation and have benefit of the double-taxation conventions in force. Tax is not withheld on dividends paid to the parent company by the subsidiaries in Norway, Sweden, the United States, China and Belgium. On the other hand, withholding tax is charged on dividends paid by Comilog (Gabon) and SLN (New Caledonia) at the rates of 15% and 5% respectively.

1.4.2 Major lawsuits

Apart from the matters detailed below, no government, judicial or arbitration proceedings exist, including any proceedings of which the Company is aware, whether pending or threatened against it, that is liable to have or, in the last 12 months, has had material effects on the financial position or profitability of the Company and/or the Group.

Carlo Tassara France litigation

On 17 December 2009, Carlo Tassara France issued a writ against the SIMA, SORAME and CEIR companies, together with members of the Duval family, summoning them to appear before the Paris Commercial Court. The summons states that these proceedings are being brought in the presence of ERAMET. The facts are detailed in Note 36 to the consolidated financial statements set out in Section 6 of this document.

On 2 December 2011, the Paris Commercial Court dismissed all the claims of Carlo Tassara France as inadmissible, on the grounds that the legal limitation period had expired. Carlo

Tassara France appealed that ruling. On 19 March 2013, the Paris Court of Appeal upheld the ruling of the Paris Commercial Court in every respect. Carlo Tassara France appealed to the supreme judicial tier in civil litigation, the Court of Cassation.

See “Recent Developments – Major Lawsuits” for updated information regarding this lawsuit.

1.4.2.1 Nickel Division

SLN executives litigation

In 2012, some 50 serving and former executives of SLN sued their employer before the Nouméa Employment Tribunal, claiming for the period not barred by limitation, arrears of salary corresponding to an end-of-year bonus. The claimants contest the applicability to them of a change made at end 1992 whereby this bonus was included in annual remuneration paid monthly in twelve instalments.

The prescribed conciliation procedure failed, and the decision of the Nouméa Employment Tribunal judgement panel is expected in the coming months.

1.4.2.2 Manganese Division

Claim by Kazakh companies

In 2006, an anti-dumping complaint was filed with the European Union by Euroalliages on behalf of its members, against Kazakh manganese alloy producers, who contended the complaint to be unfounded and wrongful. Accordingly, on 9 May 2007, the Kazakh producers brought Euroalliages and its members (including ERAMET Comilog Manganèse) before the Belgian Court of First Instance in Brussels, claiming €335 million in damages. ERAMET Comilog Manganèse, in coordination with Euroalliages, has taken all measures to fight this manifestly undue claim, which seeks in reality to place indirect pressure on the European Union. As matters stand, that claim has little chance of succeeding. On 17 February 2009, the Court of First Instance in Brussels ruled in favour of Euroalliages and its members, ruling that only European Union courts have jurisdiction to hear this dispute pertaining to an anti-dumping complaint. The Kazakhstan producers appealed against this ruling and on June 25, 2013, the Brussels Court of Appeal upheld the decision in first instance.

See “Recent Developments – Major Lawsuits” for updated information regarding this lawsuit.

Former employees of Comilog in Congo

Before the Transgabonais railway started operating, Comilog exported its manganese ore via the Republic of Congo, where it then employed close upon 1,000 people. Following a very serious rail accident on 5 September 1991 in the Republic of Congo, Comilog’s rail shipments of ore through this country were suspended. This situation showed no sign of coming to an end, and led to the discontinuation of Comilog’s operations in Congo and the dismissal of its Congolese employees. After several years of negotiations delayed by the civil war in the Republic of Congo, a “a memorandum of understanding for the final settlement of the dispute relating to the discontinuation of Comilog’s operations in the Republic of Congo” was agreed by the Republic of Congo, the Gabonese Republic and Comilog on 19 July 2003. Under this

agreement, Comilog and the Republic of Congo put an end to all past and future disputes, with that State taking over all liabilities and obligations resulting from Comilog's operations in the Republic of Congo. In fulfilment of this agreement, Comilog paid to the Republic of Congo one billion two hundred million CFA francs as compensation for the employees dismissed, over and above the very sizeable body of movable assets and property transferred free of charge by Comilog. Disputing the terms of this agreement, 867 former Comilog employees in the Republic of Congo served a summons to appear on 9 October 2008 before the Conciliation Panel of the Paris Employment Arbitration Tribunal, on three French subsidiaries of Comilog, none of which had at any time been the employer of those employees, and on Comilog. In a decision on 26 January 2011, the Judgement Board of the Employment Arbitration Tribunal declared itself territorially competent. The applicants disputed that declaration in a referral to the Paris Court of Appeal. Six claimants challenged the ruling of the Employment Arbitration Tribunal judgement panel, which had declared itself territorially incompetent. In a ruling of 20 June 2013, the Paris Court of Appeal ordered two French subsidiaries of Comilog to produce several documents to it and adjourned the proceedings between the parties to a hearing on 5 June 2014. Comilog and its subsidiaries appealed to the Court of Cassation against this ruling. In view of the weak grounds for these actions, the various defendant companies have not funded any provision.

Sacinter dispute

Arbitration proceedings were undertaken in the dispute between Comilog and Sacinter, the former majority shareholder in the Port Minéralier d'Owendo company (PMO). These proceedings concerned the price of the PMO shares held by Sacinter and acquired by Comilog in 2008. Sacinter was seeking payment by Comilog of 49 million Swiss Francs. The arbitration hearing was held on 8 March 2013. The arbitration ruling issued on 20 June 2013 held Comilog liable to pay 4.5 million Swiss Francs in compensation of the opportunity lost by Sacinter of a higher share price under the conditions laid down in the 2008 contract.

Moanda environmental dispute

Four NGOs (non-governmental organisations), an inhabitants' protest group (collectif d'habitants) and a former député (Member of Parliament) made a number of applications to the Libreville Court of First Instance, in February and March 2011, instituting civil actions seeking reparation from Comilog SA and ERAMET for environmental damage alleged to have been caused in the past by the operation of the Moanda mining site.

On 13 November 2012, the Libreville Court of First Instance upheld the application by Comilog SA and the other defendants by declaring itself territorially incompetent. The claimants' appeal against this judgement was dismissed as inadmissible by the Libreville Court of Appeal on 16 May 2013. The appellants appealed to the Court of Cassation in September 2013 against the ruling by the Libreville Court of Appeal. The arguments so far put forward by the claimants fail to substantiate their claims.

Gulf Chemical & Metallurgical Corp.

Starting in 2009, the TCEQ (Texas Commission for Environment Quality) complained of a number of breaches by the American company GCMC (Gulf Chemical & Metallurgical Corp.), a subsidiary of the Group, of its mining licence terms. A first agreement, avoiding

criminal proceedings, was signed in 2011 with the State of Texas authorities. In July 2013, a second agreement was signed with those authorities to bring to an end the civil liability proceedings, for an amount of USD 6 million (€4.6 million), which amount had been provisioned at 31 December 2012.

In February 2013, the Group was informed of civil proceedings against Group companies, seeking reparation of alleged damage to residents living close to the plant at Freeport, Texas, USA. As of the date of filing of this document, no formal notice has been received and the amount of damages likely to be sought is not known.

1.4.2.3 Alloys Division

Les Ancizes asbestos classification

The Aubert & Duval site at Les Ancizes has never produced or processed asbestos nor sold materials that are wholly or partly made of asbestos. This material has been for that company's site only a constituent of some of the materials used in its heat transfer equipment (furnaces). For example, refractory materials containing asbestos, used in the past at the Les Ancizes site, represent less than 1% of all refractory materials used at the site.

Employees at sites where a significant proportion of workers have had significant exposure to asbestos may, regardless of the positions occupied, avail themselves of the regulatory scheme for early retirement of workers in asbestos. The Employment Minister has responsibility for assessing whether such exposure is significant and of entering the sites concerned on the list of sites at which employees are entitled to avail themselves of this scheme. Four successive investigations with inter partes representation were conducted at the initiative of the Employment Ministry concerning the Les Ancizes site, and they concluded that this site did not satisfy any of the regulatory criteria warranting its inclusion in that list.

In its ruling of 7 May 2013, the Lyon Administrative Court of Appeal nevertheless ordered the Employment Minister to enter the Les Ancizes site on the list of sites whose employees were entitled to benefit from this scheme, for the period prior to 2005.

Aubert & Duval appealed to the French Council of State, submitting an application to have that ruling quashed. Aubert & Duval also petitioned the Council of State to grant a stay of execution of the ruling insofar as it ordered the Employment Minister to classify the Les Ancizes site for the asbestos risk. This application for a stay of execution was grounded among other reasons by the operational risk of disorganisation and loss of know-how that would be incurred to the company by the early retirement of numerous highly-experienced employees.

On 1 August 2013, the Council of State granted the stay of execution of the lower-court ruling for the period after 1992 and rejected the application for the period prior to 1993.

An interministerial order of November 2013 classified the Les Ancizes site for the period prior to 1993.

The Council of State will deliver its ruling in the coming months on the appeal by Aubert & Duval for the period subsequent to 1992.

1.5 Liquidity, market and counterparty risks

1.5.1 Liquidity risk

The Group has a comfortable liquidity position via:

- the wholly unutilised syndicated Revolving Credit Facility (RCF) for €981 million, maturing mainly in January 2018;
- the Commercial Paper programme for €400 million, of which €148 million was issued at 31 December 2013;
- €911 million in cash surpluses, of which €742 million classified as cash and cash equivalents. Cash surpluses are mostly transferred to Metal Securities, the Group's special-purpose entity responsible for pooling and investing Group cash surpluses.

Group net debt amounted to €218 million at 31 December 2013.

ERAMET SA set up the following, among others during 2013:

- a German-law agreement for a €60 million Schuldschein private-placement loan maturing in June 2020;
- a €400 million issue of listed bonds placed with institutional investors on the Eurobond market, maturing in November 2020.

Convenants

The main covenants at Group level are described in the Notes to the consolidated financial statements (Note 24).

1.5.2 Market risks

The Group is primarily exposed to three types of market risk: foreign currency risk, interest rate risk and commodity risks. These three types of risk are measured and managed by the Group Treasury Department in accordance with Group policies.

1.5.2.1 Foreign concurrency risk

The ERAMET group is exposed to two types of foreign currency risk, namely:

- currency-transaction risks when a Group company pays or receives net flows in a currency other than its functional currency;
- foreign currency risks to the balance sheet due to changes in the net assets of subsidiaries measured in currencies other than the euro.

Transactional risks

Since 2003, the Group has pooled its subsidiaries' foreign-currency transaction risks. Each Group company reports to Group Treasury its exposure in currencies other than its functional currency. This management scheme is part of a multi-year policy under procedures approved by the Executive Committee, with monthly reporting to its members.

Since 2007, currency hedging transactions have been carried out via the special-purpose entity, Metal Currencies. The subsidiaries concerned determine the amount of their net exposure. The associated risks are then hedged if the net amount is greater than €2 million or the equivalent per currency and per year.

Currency hedging primarily involves the US dollar but also includes the Norwegian Krone, the pound sterling and the Swedish Krona.

These hedges are detailed in the Notes to the consolidated financial statements.

At 31 December 2013, the fair value of currency hedges covering currency-transaction risks represented an €11 million net asset (31 December 2012: a net asset of €17 million).

Foreign-currency denominated sales and purchases (invoices issued, invoices received, receipts and payments) are translated at a monthly exchange rate that represents an accurate approximation of the market exchange rate. At the end of each month, trade receivables, trade payables and bank-account balances are restated at the hedging rate indicated by the Group's Treasury Department on the basis of hedging transactions performed. Any differences between:

- the monthly exchange rate applied to recognise sales and receipts / purchases and payments; and
- the contractual settlement rate for hedges,

are recognised by each company under current operating profit (loss) on sales (under "Translation adjustments on sales") or purchases (under "Cost of goods sold").

A change of plus or minus 10% in the dollar rates would have an impact on the hedges recognised in shareholders' equity of around +€18 million were rates to rise and approximately €24 million were rates to fall.

Balance-sheet risks

The ERAMET group manages part of the foreign currency risks to the balance sheet by issuing financial liabilities denominated in the same currency as the net assets in question.

The Group manages the foreign currency risk to the balance sheet for each case individually.

1.5.2.2 Interest rate risk

a) As regards its gross debt position, the Group looks at its debt position and market trends when deciding whether interest rate hedging is necessary. The Group's Treasury Department is responsible for setting up hedges.

A change in rates of 10 basis points would have an annual impact of €0.3 million on the whole of the Group's variable-rate debt.

b) The cash surpluses managed by Metal Securities are mainly invested in vehicles linked to the EONIA (Euro OverNight Index Average) or EURIBOR (Euro InterBank Offered Rate). Under these conditions, a drop of 10 basis points in the EONIA/EURIBOR rates would have a negative annual impact of approximately €0.1 million on financial income.

1.5.3 Counterparty risk

The Group is exposed to several types of counterparty risk: they arise from its customers and its financial partners, particularly because of its cash surpluses.

For customer risk, credit insurance is contracted or letters of credit or documentary credits are set up. For unsecured receivables, the Group has a number of different monitoring and hedging tools: business intelligence ahead of transactions (rating and business-intelligence agencies, published financial statements, etc.). Trade receivables are specifically monitored by a credit manager for each Group Division, with a credit committee meeting monthly to set credit and outstanding-balance limits for each customer. In addition, every two months, a Group credit committee exchanges best practices and reviews the commercial situation of the major customer accounts.

For issuers of bonds or negotiable debt securities of more than three months' maturity: the procedure applicable to Metal Securities sets general investment limits according to counterparty rating and maturity. Each counterparty is also subject to regular monitoring of the assessments by credit analysts and/or rating agencies and all risks are reviewed quarterly.

For UCITS, the procedure applicable to Metal Securities sets a double risk-dispersion rule, with both a maximum investment ratio for a given UCITS and the spreading of the assets managed by Metal Securities. This procedure applies in addition to the risk-spreading rules applied by the fund managers themselves to their assets.

1.6 Insurance/ coverage of risks likely to be incurred by the Issuer

1.6.1 The Group's general coverage policy / risk coverage strategy

1.6.1.1 Group organisation

The Group Insurance Department was established in 2003 with the goal of setting up Group programmes, monitoring the risk-control policy in coordination with the Communications and Sustainable Development Department, and seeking optimal risk / premium / retention solutions, including use of the Group's captive reinsurer.

1.6.1.2 Risk identification and control

When instituting its risk management policy, the Group re-mapped its risks in 2011. The map, currently being updated, furthers the aim of setting up action plans for each risk to prevent their occurrence and limit their impacts, particularly by transferring them to the insurance market whenever possible. On 11 December 2013, the Board of Directors approved the Group's risk management charter designed to coordinate top-down approaches, initiated by general management and the risks department, with the bottom-up approach by the operating Divisions, particularly as regards their projects.

The charter states among others that risk management is a force for Group management and contributes in particular to achieving the following objectives:

- protecting the Group's main human and financial assets, and its image;

- placing value creation on a secure footing;
- favouring an acceptable level of risk taking;
- complying with the legal and regulatory obligations and with the values promoted by the Group;
- seeking value-creating opportunities for the Group (e.g. new markets, new customers, etc.).

1.6.1.3 Use of the insurance market

As risks are identified and their impact controlled, the Group seeks the most appropriate solutions on the market that offer an optimum cost/benefit balance. Through brokers, the Group has thus put in place global insurance programmes with pools of internationally renowned and financially sound insurers. The Group also uses the market to cover risks that are specific to some of its subsidiaries' activities or non-recurring operations, and in cases where insurance is required under local regulations.

1.6.1.4 Reinsurance

The Group also has a captive reinsurance company (ERAS) that enables it to provide primary coverage in some insurance programmes. The Group is thus able to manage premiums more effectively via a retrocession mechanism and to decide retention limits. This encourages the Divisions to develop their own risk- control programmes.

1.6.1.5 Coverage levels

The Group considers that it has established sufficient coverage, in terms of both scope and amounts insured or coverage limits, for the main risks relating to its global operations.

1.6.2 The different types of insurance taken out

The Group has a varied range of insurance programmes designed to cover the different insurable risks to which it is exposed.

The four main insurance programmes cover civil liability, environmental civil liability, property damage, business interruption and shipping risks.

1.6.2.1 Civil liability insurance

General Civil Liability insurance

This programme covers the legal civil liability incurred by the Group from damage caused to third parties in the course of its business or due to its products, namely: operator's general liability, custody of goods, product liability including aerospace products, contractor's civil liability, sudden and accidental pollution. Coverage is comprehensive meaning that everything not excluded is covered, exclusions being those commonly applied for this type of risk. Coverage is applied on a "claims" basis, meaning that it applies to any claim made during the insurance period (including the subsequent five year period, in line with French regulations). For any claims received, the programme applies from France. If applicable, where local regulations require local policies, this insurance applies on top of those policies

and to compensate for differences in conditions and/or limits on a DIC/DIL basis worldwide. In excess of local policies, the scheme is based on a Master policy issued in France covering €50 million and on two additional Excess policy lines of €50 million each bringing the total cover to €150 million; applicable excess levels may vary depending on local policies and are usually around €15,000 per claim. This programme also comes into play beyond the cover limits and amounts provided by several specific sub-programmes, particularly the following: in North America, to cover vehicle and employer civil liability and, in the United Kingdom, to top up compulsory insurance such as employer's civil liability. The annual renewal date for this programme is 1 July. This programme was set up on 1 July 2004 with AXA Corporate Solutions. It has been renewed since without increasing the amount of the flat-rate premiums, but with appreciably improved coverage, especially in 2012.

Environmental Civil Liability

In 2007, a specific environmental civil liability policy was taken out for €10 million to cover certain subsidiaries. The coverage terms for this policy were significantly improved in 2010, among others by raising the amount from €10 million to €25 million. At 1 July 2012, the programme's scope was widened to include ecological harm. The programme was renewed on 1 July 2013 with no increase in the flat-rate premium, but with notably-improved coverage. A similar policy was taken out for USD 25 million in early 2008 for the US and Canadian companies.

1.6.2.2 Property damage and business interruption insurance

This worldwide scheme covers property damage incurred suddenly and accidentally to the insured property, including machine breakage risk, and any resulting business interruption losses for all Group entities. Coverage is comprehensive meaning that everything not excluded is covered, exclusions being those commonly applied for this type of risk. The programme is based on a Master policy issued in France that directly covers the following countries: France, Belgium, Italy, Norway, United Kingdom and Sweden, providing cover on any difference in conditions and/or in limits (DIC/DIL) under local policies. With the inclusion in 2009 of the companies located in China, all Group companies are now covered by the programme. The programme was subscribed with a pool of insurers, of which AXA Corporate Solutions is the leading insurer. It took effect on 1 January 2005 with maximum coverage of €250 million, subject to sub-limits applied to certain events and to commonly accepted exclusions. Since then, a number of underwriting improvements have been made to the coverage under the programme. Furthermore, it has been systematically renewed on satisfactory terms, particularly having regard to variable claims incidence from one year to the next. Particular attention is given to recommendations made by the insurers based on site risk-control visits. This makes it possible to customise both the risk-control programme and the coverage terms for the sites.

1.6.2.3 Shipping insurance

On 1 January 2008, a Group global shipping insurance programme was established. This programme covers all Group entities world-wide for all types of shipping: sea, river, land or air. It covers all types of goods, freight or equipment shipped. The programme comprises three policies: a "marine cargo" policy for goods shipping, a "charterer" policy with RAETS Club and a "hull and machinery" policy contracted with AXA Corporate Solutions. The

introduction of this programme secured in due course particularly favourable terms for both coverage conditions and premiums. In late 2012, a new call for tenders was issued, limited to the “cargo” policy. Once again, AIG was awarded the contract. A two-year long term agreement was concluded on appreciably-improved cover and premium terms.

2. Risks linked to the Bonds

(a) Risks related to the Investors

The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it in light of such investor's own circumstances, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- (iv) understand thoroughly the terms of the Bonds; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the relevant risks.

Some potential investors are subject to restricting investment regulations. These potential investors are strongly advised to consult their legal counsel in order to comply with the law and regulations that are applicable to it including those detailed in this Prospectus and in order to determine whether investment in the Bonds is authorised by law, whether such investment is compatible with their other borrowings and whether other selling restrictions are applicable to them.

Legality of Purchase

Neither the Issuer, nor any Joint Lead Manager nor any of their respective affiliates has or assumes responsibility for the lawfulness of the subscription or acquisition of the Bonds by a prospective investor in the Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

(b) Risks related to the Bonds generally

The Bonds may be redeemed prior to maturity

In the event that the Issuer would be obliged to pay additional amounts in respect of any Bonds due to any withholding as provided in “Terms and Conditions of the Bonds – Taxation”, the Issuer may and, in certain circumstances shall, redeem all of the Bonds then outstanding in accordance with such Terms and Conditions.

In addition, the Issuer may choose to redeem the Bonds at any time as provided in “Terms and Conditions of the Bonds – Early redemption at the Make-whole Redemption Amount”, at times when prevailing interest rates may be relatively low. During a period when the Issuer may elect to redeem Bonds, such Bonds may feature a market value not substantially above the price at which they can be redeemed.

Further, if an Event of Default occurred and has not been cured, as provided in “Terms and Conditions of the Bonds – Events of Default”, then any Bondholder may cause all, but not some only, of the Bonds held by it to become immediately due and payable in accordance with such Terms and Conditions.

Any early redemption of the Bonds may result, for the Bondholders, in a yield that is considerably lower than anticipated. In addition, investors may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Bonds.

Change of Control - put option

In the event of a Change of Control of the Issuer (as more fully described in “Terms and Conditions of the Bonds - Redemption following a Change of Control”), each Bondholder will have the right to request the Issuer to redeem all or part of its Bonds at their principal amount together with any accrued interest. In such case, any trading market in respect of those Bonds in respect of which such redemption right is not exercised may become illiquid. In addition, investors may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Bonds.

The Bonds may not be protected by restrictive covenants and do not prevent the Issuer from incurring additional indebtedness

The Terms and Conditions of the Bonds contain a negative pledge undertaking that prohibits the Issuer and its Material Subsidiaries from creating any Security to secure any Relevant Debt unless, at the same time or prior thereto, the Issuer’s obligations under the Bonds are equally and rateably secured therewith (see “Terms and Conditions of the Bonds – Negative Pledge”). Such Terms and Conditions of the Bonds do not contain any financial covenant.

Subject to this negative pledge, the Issuer and its subsidiaries may incur significant additional debt that could be considered before or rank equally with the Bonds. Accordingly, if the Issuer incurs significant additional debt ranking equally with the Bonds, it will increase the number of claims that would be entitled to share rateably with the Bondholders in any proceeds distributed in connection with an insolvency, bankruptcy or similar proceeding.

Sale of the Bonds prior to maturity

The financial terms of the Bonds were determined with a view to holding the Bonds until their maturity, namely 6 November 2020. As a result, if a Bondholder sells the Bonds any time before such date, the sale may occur at a price that is not equal to the nominal value of the Bonds.

Modification of the Terms and Conditions of the Bonds

Bondholders will be grouped automatically for the defence of their common interests in a *Masse*, as defined in “Terms and Conditions of the Bonds - Representation of the Bondholders”, and a general meeting of Bondholders can be held. The Terms and Conditions of the Bonds permit in certain cases defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant general meeting and Bondholders who voted in a manner contrary to the majority.

The general meeting of Bondholders may, subject to the provisions set out in “Terms and Conditions of the Bonds - Representation of the Bondholders”, deliberate on any proposal relating to the modification of the Terms and Conditions of the Bonds, notably on any proposal, whether for arbitration or settlement, relating to rights in controversy or which were subject of judicial decisions.

Absence of Rating

Neither the Bonds nor the long-term debt of the Issuer are rated. One or more independent credit rating agencies may assign credit ratings to the Bonds on an unsolicited basis. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A rating or the absence of a rating is not a recommendation to buy, sell or hold securities.

Taxation

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for the Bonds. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser’s advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Bonds. Only these advisers are in a position to duly consider the specific situation of the potential investor. This risk factor has to be read in connection with the taxation sections of this Prospectus and in the additional tax sections, if any, contained in any relevant supplement to the Prospectus.

Transactions on the Bonds could be subject to the proposed European financial transactions tax (the FTT), if adopted

On 14 February 2013, the European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**Participating Member States**”).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**"), Member States are required since 1 July 2005 to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within their jurisdiction to an individual resident in that other Member State or to certain "residual" entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The Luxembourg Government has announced its intention to introduce, as of 1 January 2015, automatic exchange of information with respect to the EU Savings Directive.

On 24 March 2014, the Council of the European Union adopted an EU Council Directive amending and broadening the scope of the requirements described above. In particular, the changes expand the range of payments covered by the EU Savings Directive to include certain additional types of income, and widen the range of recipients payments to whom are covered by the Directive, to include certain other types of entity and legal arrangement. Member States are required to implement national legislation giving effect to these changes by 1 January 2016 (which national legislation must apply from 1 January 2017). If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax. The Issuer is required to maintain, to the extent possible, a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the EU Savings Directive.

French Insolvency Law

The Issuer is incorporated under the laws of France. Accordingly, any insolvency proceedings with respect to the Issuer or its French subsidiaries would likely be carried out under the laws of France, including article 1244-1 of the French *Code civil* and laws relating to conciliation procedure (*procédure de conciliation*) and safeguard procedure, accelerated financial safeguard procedure, judicial reorganization or liquidation proceedings (*procédure de sauvegarde, procédure de sauvegarde financière accélérée, redressement* or *liquidation judiciaire*). Certain provisions of insolvency laws in France are less favourable to creditors than are the bankruptcy laws of other countries. In general, French reorganization or liquidation legislation favours the continuation of a business and protection of employment over the payment of creditors.

Pursuant to article 1244-1 of the French *Code civil*, French courts may, in a civil proceeding involving a debtor, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations. In addition, pursuant to article 1244-1 of the French *Code civil*, French courts may decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate which is lower than the contractual rate (but not lower than the legal rate) or that payments made shall first be allocated to repayment of the principal.

As a general rule, creditors whose debts arose prior to the commencement of bankruptcy proceedings must file a claim with the creditors' representative within certain periods (which may depend on the domicile of the creditor) of the publication of the court order commencing bankruptcy proceedings (safeguard procedure, accelerated financial safeguard procedure, judicial reorganization or liquidation proceeding).

French courts may order that the date on which the company became unable to pay its debts as they came due be deemed to be an earlier date of up to eighteen (18) months prior to the order commencing bankruptcy proceedings (*report de la date de cessation des paiements*). This date marks the beginning of a "suspect period" (*période suspecte*) during which certain transactions that are entered into may be voided.

In addition, from the date of the court order commencing bankruptcy proceedings, the debtor is prohibited from paying debts outstanding prior to the court order, subject to limited exceptions. Contractual provisions that would accelerate the payment of the debtor's obligations upon the occurrence of certain bankruptcy events, such as those contained in the Terms and Conditions of the Bonds, may be disregarded by operation of law and subject to an automatic stay of payment under French law applicable to debts outstanding at the time of commencement of bankruptcy proceedings.

With respect to the representation of Bondholders and contrary to the regime applying during the normal course of the life of the Bonds, during which Bondholders will be grouped for the defence of their common interests in a *Masse*, as defined in "Terms and Conditions of the Bonds - Representations of the Bondholders", holders of debt securities such as the Bondholders are under French insolvency law automatically grouped into a single assembly of holders (the "**Assembly**") if a safeguard procedure (*procédure de sauvegarde*), accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with

respect to the Issuer. The Assembly comprises holders of all debt securities issued by the Issuer (including the Bonds), whether or not under a debt issuance programme and regardless of their ranking and governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*), accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- partially or totally reschedule payments which are due and/or write-off debts and/or convert debts into equity (including with respect to amounts owed under the Bonds); and/or
- establish an unequal treatment between holders of debt securities (including the Bondholders) as appropriate under the circumstances.

Decisions of the Assembly will be taken by a two-third (2/3) majority (calculated as a proportion of the amount of debt securities held by the holders attending the Assembly or represented thereat which have cast a vote at such Assembly). No quorum is required to hold the Assembly.

For the avoidance of doubt, the provisions relating to the representation of the Bondholders described in the Terms and Conditions of the Bonds set out in this Prospectus will not be applicable with respect to the Assembly in these circumstances.

Change of law

The Terms and Conditions of the Bonds are based on French law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial or administrative decision or change to French law or administrative practice after the date of this Prospectus.

(c) Risks related to the market generally

Market value of the Bonds

The market value of the Bonds will be affected by the creditworthiness of the Issuer and a number of additional factors, including market interest and yield rates.

The value of the Bonds depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchange on which the Bonds are traded. The price at which a Bondholder will be able to sell the Bonds may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

A secondary market for the Bonds might not develop nor be liquid

An investment in the Bonds should be considered primarily with a view to holding them until their maturity. The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be

able to sell their Bonds easily or at prices that provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have an adverse effect on the market value of Bonds.

Credit Risk of the Issuer

The value of the Bonds will depend on the credit worthiness of the Issuer. If the credit worthiness of the Issuer deteriorates, the value of the Bonds may decrease and investors may lose all or part of their investment.

Exchange rate risks

The Issuer will pay principal and interest on the Bonds in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. As a result, investors may receive less interest or principal than expected.

Interest rate risks

The Bonds bearing interest at a fixed rate, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

The actual yield of the Bonds may be reduced by transaction costs

When the Bonds are purchased or sold, several types of incidental costs are incurred in addition to the current price of the Bonds (including transaction fees, commissions and any additional or follow-up costs in connection with the purchase, custody or sale of the Bonds) which may significantly reduce or even exclude the potential profit of the Bonds.

TERMS AND CONDITIONS OF THE BONDS

The issue of the Euro 125,000,000 4.50 per cent. Bonds due 6 November 2020 (each a “**Bond**” and together, the “**Bonds**”) of Eramet (the “**Issuer**”), which constitutes *obligations* under Article L. 213-5 of the French *Code monétaire et financier*, was decided by Mr. Patrick Buffet, Chairman of the Board of Directors and Chief Executive Officer (*Président Directeur Général*) of the Issuer on 7 May 2014, acting pursuant to a resolution of the Board of Directors (*Conseil d’administration*) of the Issuer dated 1st July 2013. The Bonds will be assimilated (*assimilées*) and form a single series with the existing Euro 400,000,000 4.50 per cent. Bonds due 6 November 2020 issued on 6 November 2013 (the “**Existing Bonds**”) as from the Issue Date (as defined in Condition 1 below).

The Bonds are issued with the benefit of an agency agreement dated 4 November 2013 as amended and supplemented by a first supplemental agency agreement to be dated 12 May 2014 (together, the “**Agency Agreement**”) between the Issuer and BNP Paribas Securities Services as fiscal agent, paying agent and calculation agent (the “**Fiscal Agent**”, the “**Paying Agent**” and the “**Calculation Agent**” which expressions shall, where the context so admits, include any successor for the time being as fiscal agent, paying agent and/or calculation agent). Copies of the Agency Agreement are available for inspection during normal business hours at the specified offices of the Paying Agent. In these Conditions, “**holder of Bonds**”, “**holder of any Bond**” or “**Bondholder**” means the person whose name appears in the account of the relevant Account Holder as being entitled to such Bonds.

1. DEFINITIONS

For the purposes of these Conditions:

“**Business Day**” means any day, not being a Saturday or a Sunday, (i) on which commercial banks are open for business in Paris (ii) on which Euroclear France is operating and (iii) which is a TARGET Day.

“**CEIR**” means Compagnie d’Etudes Industrielles de Rouvray, a *société anonyme*, incorporated under the laws of France, having its registered office at 120 Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France, and registered with the Nanterre Trade and Company Register under number RCS 422 702 373.

“**Change of Control**” means any person or group of persons acting in concert (within the meaning of article L. 233-10 of the French *Code de Commerce*) (other than such person or group of persons being either (x) any entity under the direct or indirect 50.01% control of the French State, (y) any shareholder (or in the case of more than one shareholder, cumulatively) with less than 5% of the shares and voting rights of the Issuer acting in concert with FSI, SORAME, CEIR and/or other Duval Family interests or (z) FSI, SORAME, CEIR and/or other Duval Family interests and/or any of their respective authorized successors or assigns) that gain control (where control means the absolute majority – more than 50% – of both shares and voting rights) of the Issuer, provided however that no such transaction(s) will be a Change of Control hereunder if it/they do not trigger any obligation to launch a

mandatory public takeover bid (or is/are duly exempted therefrom) under applicable laws.

“**Condition**” or “**Conditions**” means respectively any or all of the present “Terms and Conditions of the Bonds”.

“**Core Business**” means any mining and/or metallurgical activities of the Issuer and its Subsidiaries.

“**Cyrille Duval**” means an individual born in 92200 Neuilly-sur-Seine, France on July 18, 1948 domiciled at 38, rue Guersant, 75017 Paris, France.

“**Duval Family**” means Georges Duval, Edouard Duval, Cyrille Duval and/or Patrick Duval.

“**Edouard Duval**” means an individual born in 92100 Boulogne, France, on December 2, 1944 domiciled at 56, rue des Renaudes, 75017 Paris, France.

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised under any acceptance credit facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with International Accounting Standards, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above;

in each case, excluding perpetual subordinated debt, deeply subordinated debt or any equivalent instruments.

“**FSI**” means Fonds Stratégique d’Investissement, a *société anonyme* incorporated under the laws of France under registration number B 509 584 074 RCS Paris, with registered capital of € 19 342 710 000 and having its registered office at 56 rue de Lille, 75007 Paris.

“**Georges Duval**” means an individual born in 92210 Saint Cloud, France on May 3, 1946 domiciled at 22, rue de Villiers, 92300 Levallois-Perret, France.

“**Group**” means the Issuer and its Subsidiaries from time to time.

“**International Accounting Standards**” means any of the International Financial Reporting Standards (“**IFRS**”) and of the international accounting standards, as applicable, issued by the International Accounting Standards Board.

“**Issue Date**” means 14 May 2014.

“**Joint Lead Managers**” means BNP Paribas, Natixis and Société Générale.

“**Material Adverse Effect**” means a material adverse effect on the capacity of the Issuer to perform or to comply with its payment obligations under the Bonds.

“**Material Subsidiary**” means any Subsidiary of the Issuer whose assets or net sales equal or exceed 7.5% of the total consolidated assets or net sales of the Group, and, as the case may be, any other Subsidiaries having in a descending order a lower percentage of assets or net sales, in order that the aggregate assets or net sales of all such Subsidiaries under this definition represent at least 60% of the total consolidated assets or net sales of the Group.

“**Maturity Date**” means 6 November 2020.

“**outstanding**” means, in relation to the Bonds, all the Bonds issued other than (i) those which have been redeemed on their due date or otherwise in accordance with the Conditions, (ii) those in respect of which claims have been prescribed under Condition 10 (*Prescription*) and (iii) those which have been purchased and cancelled in accordance with the Conditions.

“**Patrick Duval**” means an individual born in 03700 Bellerives sur Allier, France, on May 15, 1941 domiciled at 18, rue de Rouvray in 92200 Neuilly-sur-Seine, France.

“**Relevant Debt**” means any present or future indebtedness for borrowed money in the form of, or represented by, bonds (*obligations*), notes or other securities (*titres de créances*, excluding, for the avoidance of doubt, *titres de créances négociables*) which are for the time being, are to be, or are capable of being, quoted, admitted to trading, listed or ordinarily dealt in on any stock exchange, multilateral trading facility, over-the-counter market or other securities market.

“**Security**” means any mortgage, lien, charge, pledge or other form of security interest (*sûreté réelle*).

“**SORAME**” means Société de Recherches et d'Applications Métallurgiques, a *société en commandite par actions* incorporated under the laws of France, having its registered office at 120 Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France, and registered with the Nanterre Trade and Company Register under number RCS 422 650 820.

“**Subsidiary**” means an entity from time to time of which the Issuer has direct or indirect control within the meaning of paragraph I of Article L. 233-3 of the French *Code de Commerce*, provided that such entity is included in the latest annual or semi-annual consolidated financial statements of the Issuer on a fully integrated basis.

“**TARGET Day**” means a day on which the TARGET System is operating.

“**TARGET System**” means the Trans European Automated Real Time Gross Settlement Express Transfer System (TARGET 2) or any successor thereto.

2. FORM, DENOMINATION AND TITLE

The Bonds will be issued in dematerialised bearer form in the denomination of EUR 100,000 each. Title to the Bonds will be evidenced in accordance with Articles L. 211-3 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

The Bonds, upon issue, shall be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders. For the purpose of these Conditions, “**Account Holder**” shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depositary bank for Clearstream Banking, *société anonyme*, Luxembourg (“**Clearstream, Luxembourg**”).

Title to the Bonds shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Bonds may only be effected through, registration of the transfer in such books, and only in the denomination of EUR 100,000 each.

3. STATUS

The Bonds and the interest thereon constitute direct, unconditional, unsecured (subject to Condition 4 (*Negative Pledge*), and unsubordinated obligations of the Issuer and will rank at all times, *pari passu* and without any preference among themselves and (subject to mandatory provisions under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

4. **NEGATIVE PLEDGE**

So long as any of the Bonds remains outstanding, the Issuer shall not, and the Issuer shall ensure that no Material Subsidiary will, create or permit to subsist any Security over any of their assets, business, property, revenues or rights, present or future, to secure any Relevant Debt incurred or guaranteed by the Issuer or any of its Material Subsidiaries (whether before or after the issue of the Bonds) unless, at the same time or prior thereto, the Issuer's obligations under the Bonds are equally and rateably secured therewith.

5. **INTEREST**

5.1 **Rate of Interest**

The Bonds will bear interest from, and including, 6 November 2013 (the “**Interest Commencement Date**”) to, but excluding, the Maturity Date, at the rate of 4.50 per cent. *per annum* (the “**Rate of Interest**”), payable annually in arrears on 6 November in each year (each an “**Interest Payment Date**”). The first Interest Payment Date will occur on 6 November 2014 for the period from, and including, the Interest Commencement Date to, but excluding, 6 November 2014. The period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the next Interest Payment Date is called an “**Interest Period**”.

5.2 **General**

Each Bond will cease to bear interest from the date on which it is to be redeemed, unless payment of the full amount due in respect of the Bond is improperly withheld or refused on such due date. In such event, such amount of the Bond which has not been duly paid shall continue to bear interest in accordance with this Condition 5 (both before and after judgment) until the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder.

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined under Condition 5.1 above), the day-count fraction used will be the Actual/Actual-ICMA method being the number of calendar days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of calendar days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

6. **REDEMPTION AND PURCHASE**

The Bonds may not be redeemed or purchased otherwise than in accordance with this Condition 6 (*Redemption and Purchase*) and Condition 9 (*Events of Default*).

6.1 Final redemption

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date, subject to Condition 7 (*Payments*).

6.2 Optional redemption for taxation reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, by giving not less than thirty (30) nor more than forty five (45) calendar days' notice to the Bondholders as described in Condition 13 (*Notices*) (which notice shall be irrevocable), at their principal amount, together with interest accrued to (but excluding) the date fixed for redemption, if:

- (1) the Issuer has or will become obliged to pay additional amounts as provided in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Republic of France or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Interest Commencement Date; and
- (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than sixty (60) calendar days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Bonds were then due.

Upon the expiry of any such notice as is referred to in this Condition 6.2, the Issuer shall be bound to redeem the Bonds in accordance with this Condition 6.2.

6.3 Compulsory redemption for tax reasons

If the Issuer is obliged to make such additional payments as provided in Condition 8 (*Taxation*) and such payments are prohibited by French law, the Issuer will be obliged to redeem all outstanding Bonds at their principal amount, together with accrued interest to (but excluding) the date fixed for redemption, at the earliest thirty (30) calendar days prior to the change referred to in Condition 8.2 (*Additional Amounts*) becoming effective and at the latest on the date on which such additional payment is due. In the event of a redemption made in accordance with this Condition 6.3, the Issuer will publish, or cause to be published, a redemption notice, as described in Condition 13 (*Notices*) below, at the earliest sixty (60) calendar days and at the latest seven (7) calendar days prior to the date fixed for such redemption.

6.4 Redemption following a Change of Control

If at any time while any of the Bonds is outstanding a Change of Control occurs, each Bondholder will have the option (the "**Put Option**") (unless, prior to the giving of the Change of Control Notice (as defined below), the Issuer gives notice of its

intention to redeem the Bonds under Condition 6.2 (*Optional redemption for taxation reasons*)) to require the Issuer to redeem all of its Bonds on the Optional Redemption Date (as defined below) at their principal amount together with accrued interest to (but excluding) the Optional Redemption Date.

As soon as practicable upon the occurrence of a Change of Control, the Issuer shall give notice to the Bondholders in accordance with Condition 13 (*Notices*) specifying the nature of the Change of Control, the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition 6.4 (the “**Change of Control Notice**”).

Each Bondholder will have the right to require the redemption of all of its Bonds within thirty (30) calendar days (the “**Put Period**”) following the delivery of the Change of Control Notice. To exercise the Put Option, the Bondholder must transfer (or cause to be transferred by its Account Holder) its Bonds to be so redeemed to the account of the Fiscal Agent (details of which will be specified in the Change of Control Notice) for the account of the Issuer within the Put Period, together with a duly signed and completed notice of exercise in the then current form obtainable from the specified office of the Fiscal Agent (a “**Put Option Notice**”) and in which the Bondholder shall specify an account denominated in Euro (or any other account to which Euro may be credited or transferred) opened with a bank in a city in which banks use the TARGET System, to which payment is to be made under this Condition 6.4. A Put Option Notice once given will be irrevocable.

Following the Put Option Notice, the Issuer shall redeem the Bonds in respect of which the Put Option has been validly exercised as provided above, and subject to the transfer of such Bonds to the account of the Fiscal Agent for the account of the Issuer as described above, on the date which is the seventh (7th) Business Day following the expiration of the Put Period (the “**Optional Redemption Date**”). Payment in respect of any Bond so transferred will be made in Euro on the Optional Redemption Date to the account specified in the relevant Put Option Notice.

6.5 Early redemption at the Make-whole Redemption Amount

The Issuer will, subject to compliance with all relevant laws and regulations and having given (i) not more than thirty (30) nor less than fifteen (15) calendar days' prior notice to the Bondholders in accordance with Condition 13 (*Notices*) and (ii) not less than fifteen (15) calendar days before the giving of the notice referred to in (i) above, notice to the Fiscal Agent and the Calculation Agent (which notices shall be irrevocable and shall specify the date fixed for redemption), have the option to redeem all, but not some only, of the Bonds then outstanding, at any time prior to their Maturity Date (the “**Optional Make-whole Redemption Date**”) at their relevant Make-whole Redemption Amount (as defined below).

The “**Make-whole Redemption Amount**” will be determined by the Calculation Agent and will be an amount in Euro rounded to the nearest cent (half a cent being rounded upwards) being the greater of (x) 100 per cent. of the principal amount so redeemed and, (y) the sum of the then present values on the Optional Make-whole Redemption Date of the remaining scheduled payments of principal and interest on

such Bonds (not including any interest accrued on the Bonds to, but excluding, the Optional Make-whole Redemption Date), discounted to the Optional Make-whole Redemption Date on an annual basis (Actual / Actual ICMA) at the Early Redemption Rate plus an Early Redemption Margin; plus in each case (x) and (y) above, any interest accrued on the Bonds to, but excluding the Optional Make-whole Redemption Date.

“Early Redemption Margin” means + 0.50 per cent. *per annum*.

“Early Redemption Rate” means the average of the four quotations given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Benchmark Security on the tenth business day in Paris preceding the Optional Make-whole Redemption Date at 11.00 a.m. (Central European time (CET)).

If the Reference Benchmark Security is no longer outstanding, a Similar Security will be chosen by the Calculation Agent after prior consultation with the Issuer if practicable under the circumstances, at 11.00 a.m. (Central European time (CET)) on the tenth business day in Paris preceding the Optional Make-whole Redemption Date, quoted in writing by the Calculation Agent to the Issuer.

“Reference Benchmark Security” means the Federal Government Bund of Bundesrepublik Deutschland due 4 September 2020, with ISIN DE0001135416.

“Reference Dealers” means each of the four banks (that may include the Joint Lead Managers) selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

“Similar Security” means a reference bond or reference bonds issued by the same issuer as the Reference Benchmark Security having an actual or interpolated maturity comparable with the remaining term of the Bonds that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Bonds.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties. The Calculation Agent shall act as an independent expert and not as agent for the Issuer or the Bondholders.

6.6 Purchase

The Issuer may at any time purchase Bonds in the open market or otherwise and at any price. Bonds so purchased by the Issuer may be held and resold in accordance with Articles L. 213-1-A and D. 213-1-A of the French *Code monétaire et financier* and in accordance with applicable laws and regulations.

6.7 Cancellation

All Bonds which are redeemed or purchased for cancellation by, or on behalf of, the Issuer pursuant to this Condition 6 (*Redemption and Purchase*) will forthwith be cancelled (together with rights to interest and any other amounts relating thereto) by transfer to an account in accordance with the rules and procedures of Euroclear France.

Any Bonds so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

7. PAYMENTS

7.1 Method of payment

Payment of principal and interest in respect of the Bonds will be made in Euro by credit or transfer to a Euro-denominated account, in accordance with applicable tax provisions or with any other applicable laws or regulations, and subject to the provisions of Condition 8 (*Taxation*) below.

Such payments shall be made for the benefit of the Account Holders for the account of the Bondholders.

All payments validly made to these Account Holders for the account of the Bondholders will release the Issuer or the Fiscal Agent, as the case may be, from any obligation relating to such payments.

Payments will be subject in all cases to any tax or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 8 (*Taxation*). No commission or expenses shall be charged to the Bondholders in respect of such payments.

7.2 Payments on Business Days

If any due date for payment of principal or interest in respect of any Bond is not a Business Day, then the holder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day and the holder shall not be entitled to any interest or other additional sums in respect of such postponed payment.

7.3 Fiscal Agent, Paying Agent and Calculation Agent

The name and specified offices of the initial Fiscal Agent, Paying Agent and Calculation Agent are as follows:

BNP Paribas Securities Services
(Euroclear Affiliate number 29106)
Les Grands Moulins de Pantin
Attention: Corporate Trust Services
9, rue du Débarcadère

93500 Pantin
France

For any operational notifications (payment of principal, interest, redemption...):

BNP Paribas Securities Services, Luxembourg Branch
Corporate Trust Services
33 rue de Gasperich, Howald - Hesperange
L – 2085 Luxembourg
Telephone : +352 26 96 20 00
Telecopy : +352 26 96 97 57
Attention: Lux Emetteurs / Lux GCT
Email: Lux.emetteurs@bnpparibas.com
Lux.GCT@bnpparibas.com

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent and Calculation Agent and/or appoint another Fiscal Agent and/or additional or other Paying Agents, and/or additional or other Calculation Agent, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' prior notice to the Bondholders, in accordance with Condition 13 (*Notices*), and as long as there will at all times be (i) a Fiscal Agent having a specified office in a European Union city and (ii) so long as the Bonds are listed on Euronext Paris and the rules of that exchange so require, a Paying Agent ensuring financial services in France (which may be the Fiscal Agent).

Any change of any of the Fiscal Agent and/or Paying Agent and/or Calculation Agent or of their specified offices shall be notified to the Bondholders in accordance with the provisions of Condition 13 (*Notices*).

8. TAXATION

8.1 Payments free of deduction or withholding

All payments of principal and interest in respect of the Bonds will be made without deduction or withholding in respect of any present or future taxes, duties assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of France or any authority therein or thereof having power to tax (“**Taxes**”), unless such deduction or withholding is required by law.

8.2 Additional Amounts

If pursuant to French laws or regulations, payments of principal of, or interest on, any of the Bonds become subject to deduction or withholding for or on account of any Taxes, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts as will result in the receipt by the Bondholders of the amounts which would have been receivable by them in respect of the Bonds in the absence of such requirement to deduct or withhold.

The provisions of this Condition 8.2 above shall not apply when (i) the Bondholder (or any party acting on the Bondholder's behalf) is liable to pay such Taxes by any reason other than the mere holding of (or beneficial interest with respect to) the Bonds, (ii) the Bondholder (or any party acting on the Bondholder's behalf) would not be liable or subject to such withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority, or (iii) such withholding or deduction is imposed on an amount paid to an individual and such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusion of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

9. EVENTS OF DEFAULT

Any Bondholder may, upon written notice given by registered letter with acknowledgment of receipt to the Issuer (copy to the Fiscal Agent) before all defaults shall have been cured, cause all, but not some only, of the Bonds held by such Bondholder to become immediately due and payable, at their principal amount together with any accrued interest thereon until their actual redemption date, if any of such following event (each an "**Event of Default**") occurs:

- (a) the default in any payment of principal of, or interest on any Bond (including any additional amounts payable in accordance with Condition 8 (*Taxation*)), on its due date, unless such payment is received within three (3) Business Days as from the date of receipt by the Issuer of a written notice of such default given by the Bondholder; or
- (b) the Issuer is in default in the due performance of, or compliance with, any other obligations in respect of the Bonds (including without limitation those contained in Condition 4 (*Negative Pledge*)) and such default has not been cured (provided that such default may be cured) within twenty (20) Business Days after the date of receipt by the Issuer of a written notice of such default given by the Bondholder; or
- (c) cross default:
 - (i) any Financial Indebtedness of the Issuer or any Material Subsidiary is not paid when due nor within any originally applicable grace period.
 - (ii) any Financial Indebtedness of the Issuer or any Material Subsidiary is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (howsoever described) under the relevant agreement.
 - (iii) any commitment for any Financial Indebtedness of the Issuer or any Material Subsidiary is cancelled or suspended by a creditor of the Issuer or a Material Subsidiary as a result of an event of default (howsoever described) under the relevant agreement.

- (iv) any creditor of the Issuer or any Material Subsidiary becomes entitled to declare any Financial Indebtedness of the Issuer or Material Subsidiary due and payable prior to its specified maturity as a result of an event of default (howsoever described) under the relevant agreement.

No Event of Default will occur under this Condition 9(c) (*Cross default*) if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above is less than thirty million euros (EUR 30,000,000) (or its equivalent in any other currency or currencies) and none of the Financial Indebtedness or commitment for Financial Indebtedness falling within (i) to (iv) above has a unitary amount of more than fifteen million euros (EUR 15,000,000) (or its equivalent in any other currency or currencies).

(d) Insolvency proceedings:

- (i) Any legal proceedings or other procedure or step is taken in relation to:
- the suspension of payments, moratorium of any indebtedness, winding-up, dissolution or administration of the Issuer or any Material Subsidiary, other than a solvent liquidation or reorganisation of any Material Subsidiary;
 - the appointment of a liquidator (other than in respect of a solvent liquidation of a Material Subsidiary) or a receiver in respect of the Issuer or any Material Subsidiary assets; or
 - any analogous procedure or step is taken in any jurisdiction as applicable from time to time; or
- (ii) A judgement for *sauvegarde*, *sauvegarde financière accélérée*, *redressement judiciaire*, *cession totale ou partielle de l'entreprise* or *liquidation judiciaire* is entered in relation to the Issuer or any Material Subsidiary under articles L. 620-1 to L. 670-8 of the French *Code de Commerce* (or any analogous procedure in any jurisdiction).

(e) Creditors' process:

Any of the enforcement proceedings provided for in French law n°91-650 of 9 July 1991, or any attachment, sequestration, distress or execution affects any asset or assets of the Issuer or any Material Subsidiary and is not discharged within ninety (90) Business Days.

No Event of Default will occur under this Condition 9(e) (*Creditors' process*) if the aggregate amount of creditors' process falling within the paragraph above is less than thirty million Euros (EUR 30,000,000) (or its equivalent in any other currency or currencies).

(f) Cessation of business:

The Issuer or any member of the Group ceases, or takes clear steps to cease to carry on all or a substantial part of its Core Business activities and this cessation is likely to have a Material Adverse Effect.

10. PRESCRIPTION

All claims against the Issuer for the payment of principal or interest in respect of the Bonds shall lapse after ten (10) years (in the case of principal) and five (5) years (in the case of interest) from due date for payment thereof.

11. REPRESENTATION OF THE BONDHOLDERS

The Bondholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the “*Masse*”).

In accordance with Article L. 228-90 of the French *Code de commerce* (the “**Code**”), the *Masse* will be governed by the provisions of the Code applicable to the *Masse* (with the exception of the provisions of Articles L. 228-48, L. 228-59 and L. 228-65 II and Articles R. 228-63, R. 228-67 and R. 228-69), subject to the following provisions:

(a) ***Legal Personality***

The *Masse* will be a separate legal entity, by virtue of Article L. 228-46 of the Code, acting in part through a representative (the “**Representative**”) and in part through a general assembly of Bondholders.

The *Masse* alone, to the exclusion of all individual Bondholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds.

(b) ***Representative***

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representative:

- (i) the Issuer, the members of its board of directors (*conseil d'administration*), its general managers (*directeurs généraux*), its statutory auditors, its employees and their ascendants, descendants and spouses;
- (ii) companies possessing at least 10 per cent. of the share capital of the Issuer or of which the Issuer possesses at least 10 per cent. of the share capital;
- (iii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers, members of their board of directors, management board or supervisory board, their statutory auditors, and their ascendants, descendants and spouses;

- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing a business in whatever capacity.

The initial Representative shall be:

Sylvain Thomazo
20, rue Victor Bart
78000 Versailles

The alternative representative (the “**Alternative Representative**”) shall be:

Sandrine d'Haussey
69, avenue Gambetta
94100 Saint Maur des Fossés

In the event of death, incompatibility, resignation or revocation of the Representative, such Representative will be replaced by the Alternative Representative. The Alternative Representative shall have the same powers as the Representative.

In the event of death, incompatibility, resignation or revocation of the Alternative Representative, a replacement will be elected by a meeting of the general assembly of the Bondholders.

The Representative will be entitled to a remuneration of €600, excluding VAT, per year paid by the Issuer.

All interested parties will at all times have the right to obtain the names and the addresses of the Representative and the Alternative Representative at the head office of the Issuer and at the offices of any of the Paying Agents.

(c) ***Powers of the Representative***

The Representative shall, in the absence of any decision to the contrary of the general assembly of the Bondholders, have the power to take all acts of management to defend the common interests of the Bondholders.

All legal proceedings against the Bondholders or initiated by them, in order to be valid, must be brought against the Representative or by it.

The Representative may not interfere in the management of the affairs of the Issuer.

(d) ***General Assemblies of Bondholders***

General assemblies of Bondholders may be held at any time, on convocation either by the Issuer or by the Representative. One or more Bondholders, holding together at least one-thirtieth of the principal amount of the Bonds may address to the Issuer and the Representative a demand for convocation of the general assembly; if such general assembly has not been convened within two months from such demand, such

Bondholders may commission one of themselves to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the meeting.

Notice of the date, hour, place, agenda and quorum requirements of any meeting of a general assembly will be published as provided under Condition 13 (*Notices*) not less than fifteen calendar days prior to the date of the general assembly.

Each Bondholder has the right to participate in meetings of the *Masse* in person or by proxy. Each Bond carries the right to one vote.

In accordance with Article R. 228-71 of the French *Code de commerce*, the right of each Bondholders to participate in general assemblies will be evidenced by the entries in the books of the relevant Account Holder of the name of such Bondholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant general assembly.

(e) ***Powers of General Assemblies***

A general assembly is empowered to deliberate on the fixing of the remuneration, dismissal or replacement of the Representative and the Alternative Representative and may also act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds, including authorising the Representative to act at law as plaintiff or defendant.

A general assembly may further deliberate on any proposal relating to the modification of the Conditions of the Bonds, including:

- (i) any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and
- (ii) any proposal relating to the issue of securities carrying a right of preference compared to the rights of the Bondholders;

it being specified, however, that a general assembly may not increase the liabilities (*charges*) of the Bondholders nor establish any unequal treatment between the Bondholders, nor decide to convert the Bonds into shares.

Meetings of a general assembly may deliberate validly on first convocation only if Bondholders present or represented hold at least one fifth of the principal amount of the Bonds then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-thirds majority of votes cast by the Bondholders attending such meeting or represented thereat.

Decisions of the general assembly must be published in accordance with the provisions set out in Condition 13 not more than 90 calendar days from the date thereof.

(f) ***Information to the Bondholders***

Each Bondholder or representative thereof will have the right, during the fifteen calendar days period preceding the holding of each meeting of a general assembly, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the meeting, which will be available for inspection at the principal office of the Issuer, at the offices of the Paying Agents and at any other place specified in the notice of meeting.

(g) ***Expenses***

The Issuer will pay all reasonable expenses incurred in the operation of the *Masse*, including expenses relating to the calling and holding of meetings and the expenses which arise by virtue of the remuneration of the Representative, and more generally all administrative expenses resolved upon by a general assembly of the Bondholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Bonds.

(h) ***Single Masse***

The Bondholders and the holders of the Existing Bonds will be grouped in a single Masse upon listing of the Bonds.

For the avoidance of doubt, in this Condition 11 “outstanding” shall not include those Bonds purchased by the Issuer pursuant to Article L.213-1-A of the French *Code monétaire et financier* that are held by it and not cancelled.

12. ASSIMILATION

12.1 Assimilation with the Existing Bonds

The Bonds will be assimilated (*assimilées*) and form a single series with the Existing Bonds as from the Issue Date.

12.2 Further Issues

The Issuer may from time to time without the consent of the Bondholders issue further bonds to be assimilated with the Bonds, provided that such further bonds and the Bonds shall carry identical rights in all respects (or in all respects except for the issue price and the first payment of interest thereon) and that the terms and conditions of such further bonds shall provide for such assimilation.

In the case of such an assimilation, the holders of such further bonds and the Bondholders will be grouped in a single masse. References in these Conditions to the Bonds include any other bonds issued pursuant to this Condition and assimilated with the Bonds.

13. NOTICES

Any notice to the Bondholders will be duly given if delivered to Euroclear France or published, so long as the Bonds are listed on Euronext Paris and the rules of that stock exchange so require, in a leading daily newspaper having general circulation in France (which is expected to be *Les Echos* or such other newspaper as the Fiscal Agent shall deem necessary to give fair and reasonable notice to the Bondholders).

Any notice to the Bondholders shall be deemed to have been given on the date of such publication or if published on different dates, on the date of the first publication.

14. GOVERNING LAW AND JURISDICTION

The Bonds are governed by French law.

Any dispute arising out of or in connection with the Bonds will be submitted to the competent courts within the jurisdiction of the competent courts in Paris.

USE OF PROCEEDS

The net proceeds of the issue of the Bonds will be used for general corporate purposes.

DESCRIPTION OF THE ISSUER

For a general description of the Issuer and the Group, please refer to pages 6, 11, 49 and 304 of the 2013 Registration Document referred to in the cross-reference table appearing in section “Documents Incorporated by Reference” above.

RECENT DEVELOPMENTS

Major Lawsuits

Since the filing of the 2013 Registration Document on 26 March 2014, some of the major lawsuits of the Group (which were described in pages 72 and 74 of the 2013 Registration Document – the text of which is reproduced in pages 30 to 33 of this Prospectus) have evolved as follows:

- Carlo Tassara France litigation: In addition to the petition lodged with the French Supreme Court (*Cour de cassation*), Carlo Tassara France also lodged a petition (*recours en révision*) with the Paris Court of Appeal against its 19 March 2013 decision;
- Claim by Kazakh companies: The period for petition against the decision of the Brussels Court of Appeal of 25 June 2013 has expired without any petition being lodged by the Kazakh producers.

Eramet Presentation

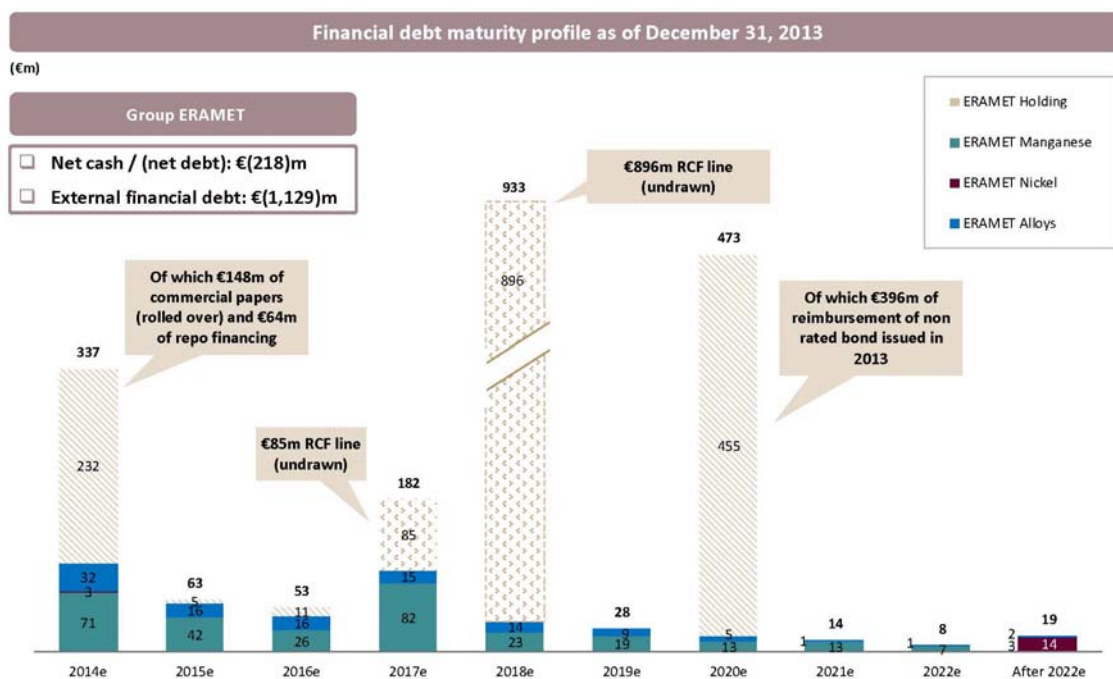
The Issuer has posted a presentation on its website (www.eramet.com), available under "Investors" / "Webcasts and presentations", which contains the following sections:

- “ERAMET at a glance”;
- “Solid business fundamentals”;
- “End-markets displaying attractive growth prospects”;
- “Sound financial profile”;
- “Focused strategy and profitable growth prospects”; and
- “Conclusion”.

In particular, the presentation contains certain statements regarding the Group including:

- a reference to significant capex decrease planned for 2014 and 2015, with annual capex below €400m (excluding SLN new power plant investment to be financed by a dedicated project financing);
- with respect to Eramet Nickel, the mention of a new productivity plan and replacement of power plant (\$2.0/lb cash cost reduction from 2019 onwards at 2013 economic conditions, and assuming full capacity of the new power plant, representing annual savings of €200m) and of the objective to reduce cash cost by \$0.7/lb in 2014/2015 and restructuring plan under study;
- a reference to a minimum EBITDA margin of 18% over a cycle;
- a reference to a target working capital of 110 days of sales; and
- a reference to maintaining large headroom over covenants.

In addition, the presentation contains the following information regarding the long-maturity debt profile, as well as the cash and debt positions of the Group's branches, in each case, as at 31 December 2013:



Details of main debt facilities by division as of December 31, 2013

ERAMET Holding main debt facilities

Borrower	Type	Maturity	Type of amortizing	Currency	Rate	Outstanding amount (€m)
ERAMET SA	Schuldschein	2020	In fine	EUR	Variable	58
ERAMET SA	Bond	2020	In fine	EUR	Fixed	396
ERAMET SA	Commercial paper	2014 (to be rolled over)	In fine	EUR	Fixed	148
ERAMET SA	Disposal of receivables	2015/2016	In fine	EUR	Variable	16
Metal Securities	Repo financing	2014	In fine	EUR	Variable	64

ERAMET Manganese main debt facilities

Borrower	Type	Maturity	Type of amortizing	Currency	Rate	Outstanding amount (€m)
COMILOG SA	Buyer loan related to CMM project	2022	Amortizing	USD	Variable	97
COMILOG SA	Bank debt for CMM project	2019	Amortizing	USD	Variable	20
COMILOG SA	Bank debt for CMM project	2019	Amortizing	USD	Variable	20
Tizir Ltd (50 %)	Bond	2017	In fine	USD	Fixed	56
SETRAG	Bank debt	2019	Amortizing	XAF	Fixed	16

Details of main debt facilities by division as of December 31, 2013

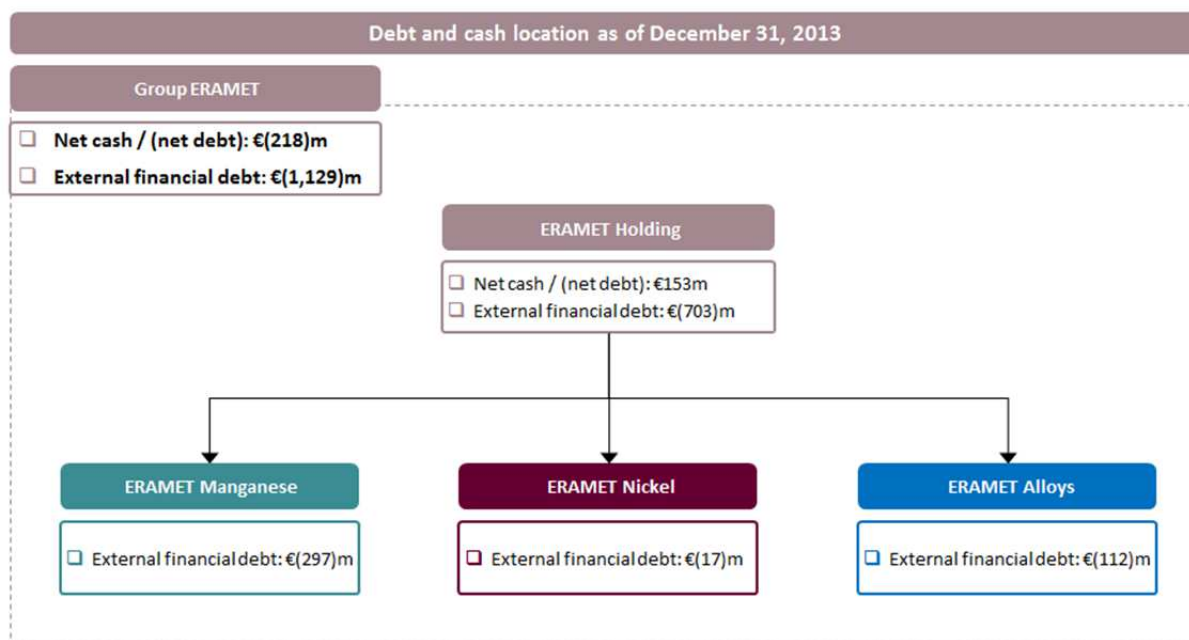
ERAMET Alloys main debt facilities

Borrower	Type	Maturity	Type of amortizing	Currency	Rate	Outstanding amount (€m)
Aubert & Duval	Finance leases	2018	Amortizing	EUR	Variable	25
Aubert & Duval	Finance leases	2020	Amortizing	EUR	Variable	16
Aubert & Duval	Finance leases	2023	Amortizing	EUR	Variable	9
Aubert & Duval	Bank debt	2021	Amortizing	EUR	Variable	21
UKAD / UKTMP (50 %)	Credit facility	2019	Amortizing	EUR	Variable	19

ERAMET Nickel main debt facilities

Borrower	Type	Maturity	Type of amortizing	Currency	Rate	Outstanding amount (€m)
Weda Bay Minerals	Credit	> 2024	In fine	USD	Variable	14

Group ERAMET debt and cash location as of December 31, 2013



Press Releases

On 29 April 2014, the Issuer published the following press release:

Q1 2014 TURNOVER

- **Nickel price rebounds significantly from March 2014**
- **ERAMET group turnover declined 10% year-on-year in first-quarter 2014, due in particular to scheduled maintenance shut-downs**
- **Turnover expected to pick up in Q2 2014, compared with Q1 2014**

Turnover¹ (€ million)	Q1 2013	Q1 2014
ERAMET Manganese	388	326
ERAMET Nickel	181	166
ERAMET Alloys	231	224
Holding & eliminations	(3)	(2)
ERAMET Group	797	714

¹Includes the Group's share of turnover of joint ventures. The reconciliation with the turnover of financial statements reported in accordance with IFRS is presented in the appendix.

- **ERAMET Manganese: turnover fell 16% in Q1 2014 from Q1 2013 levels, driven down by scheduled maintenance shut-downs**

Taking these maintenance operations in Gabon and Norway into account, manganese ore and manganese alloy production by ERAMET Manganese declined 7% and 16%, respectively, in first-quarter 2014, compared with first-quarter 2013.

Global carbon steel output rose approximately 2.5% in the first quarter of 2014 compared with the same period last year. The same pace of growth was seen for both Chinese and non-Chinese production. In China, the slower growth in Chinese output is mainly due to a stage of destocking, with consumer sectors recording substantial growth in the same period. CIF China (source CRU) manganese ore spot prices slipped 7% in Q1 2014 compared with the same period in 2013.

Outside China, the manganese alloy market ticked up and prices gradually recovered from July 2013.

- **ERAMET Nickel: Q1 2014 turnover declined 8% year-on-year. Significant rebound in nickel prices from March 2014**

Nickel metallurgical production at the Doniambo plant in New Caledonia rose 5% in first-quarter 2014, compared with first-quarter 2013.

In the same period, nickel prices on the London Metal Exchange gained 5% compared with levels in Q4 2013, but were still 15% down on average at an abnormally low average level of USD 6.64/lb.

Global stainless steel production moved up 8% in the first quarter of the year compared with Q1 2013.

Indonesia's move to ban the export of ore not processed or refined locally as of January 2014 creates the conditions for a gradual rebalancing of the market, on the heels of two years of significant surplus. LME nickel prices advanced in mid-April to top USD 8/lb.

- **ERAMET Alloys: turnover declined 3% in Q1 2014 compared with Q1 2013**

The resilient performance of activities linked to a stronger aerospace market (up 4% year-on-year) was not sufficient to fully offset the decline in other activities, particularly the 33% slump in turnover for the energy sector.

- **Significant events**

- On March 27, 2014, the ERAMET group announced the start-up phase of mining operations at the Grande Côte mineral sands (ilmenite and zircon) facility in Senegal, operated by TiZiR, its 50/50 joint venture with the Australian Mineral Deposits Limited.
- ERAMET, Vale Canada and New Caledonia's South Province signed a framework agreement on April 5, 2014 in Nouméa providing for the exploration, study and beneficiation of the nickel deposits at Prony and Pernod in the south of New Caledonia.

- **ERAMET group financial position**

ERAMET's financial position was solid at end-March 2014 with very substantial liquidity. Net debt stood at approximately 15% of equity, which represents a slight increase over end-2013. Cash requirements will reduce very significantly in the second quarter of 2014, benefiting from net cash flows from operating activities.

- **Outlook**

ERAMET group turnover should pick up in Q2 2014, compared with Q1 2014.

Nonetheless, in view of the relative movement in nickel and manganese prices, current operating income for first-half 2014 should be approximately the same as in second-half 2013.

The measures introduced to improve productivity and trim costs at all levels of the Group will continue during 2014.

Turnover

Turnover (M€)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
ERAMET Manganese	388	389	401	384	326
ERAMET Nickel	181	187	150	186	166
ERAMET Alloys	231	242	204	227	224
Holding & eliminations	(3)	(2)	(1)	(2)	(2)
ERAMET Group including joint ventures	797	816	754	795	714
Share of joint ventures	(18)	(19)	(26)	(15)	(14)
ERAMET Group financial statements reported under IFRS²	779	797	728	780	700

² Application of IFRS 11 "Joint Arrangements" as of 1/1/2014, with retrospective impact on 2013.

Following application of IFRS 11 "Joint Arrangements" as of January 1, 2014, proportionally consolidated companies (Ukad and the TiZir sub-group) in the financial statements to December 31, 2013 are consolidated according to the equity method from FY 2014, with retrospective impact on 2013.

To reflect the economic reality of the Group's companies, the operating performance of jointly controlled companies continued to be proportionally consolidated in the Group's internal reporting, which is used by senior management and the Board of Directors as the basis for monitoring ERAMET's activity.

As a result, in accordance with IFRS 8 "Operating Segments", segment information included in the consolidated financial statements will be aligned with this internal information. As of 2014, the Group's financial reporting will be based on this financial operating information, which is also reconciled with the financial statements reported under IFRS.

Productions and deliveries

In tons	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
Manganese ore and sinter production	859,600	907,700	969,400	966,200	795,500
Manganese alloy production	197,300	188,100	194,400	166,400	165,500
Manganese alloy sales	196,300	197,500	178,600	192,000	170,500
Nickel production*	13,128	12,352	14,177	13,358	13,812
Nickel sales**	11,707	13,572	12,045	15,086	13,235

* Ferronickel and matte

** Finished products

On 7 April 2014, the Issuer published the following press release:

New Caledonia: Agreement between groups Eramet and Vale and South Province for the study of mining and beneficiation of the nickel deposits at Prony and Pernod:

ERAMET, Vale Canada and New Caledonia's South Province signed a framework agreement on April 5, 2014 in Nouméa providing for the exploration, study and beneficiation of the nickel deposits at Prony and Pernod in the south of New Caledonia.

This agreement is governed by the Mining Code, passed by the New Caledonian congress in 2009. Under this code, the deposits were classified as "Provincial Technical Reserves"* by South Province on February 12, 2012.

It follows on from the signature by the three entities of a declaration of intent on November 5, 2012 setting out the guidelines of a partnership for the development in New Caledonia of the mineral deposits at Prony and Pernod.

This agreement provides for the creation of a joint venture for the project, owned 34% by South Province, and 33% each by ERAMET and Vale Canada. The joint venture will first undertake the geological exploration works and technical studies required for improving knowledge on the deposits and the operation of the mine. If the results are satisfactory, the mining companies may submit one or more industrial processing plans to the Province, giving priority to creating synergies with VALE's and ERAMET's affiliates in the region (Vale Nouvelle-Calédonie and SLN, respectively) and their existing industrial plants.

Unprecedented in the country, this strategic alliance is aligned with the guidelines of the plans for the development of its mining assets by New Caledonia. Under the terms of the deal, ERAMET and VALE, both experts in the nickel industry, would be able to develop a hydro-metallurgy project, working in close collaboration with the competent authorities, to optimize beneficiation of the Prony and Pernod nickel deposits, while maximizing the economic, social and environmental synergies generated by the deposits.

This project would also contribute to the long term continuation of the significant and sustainable benefits, for New Caledonia, from the local industrial activities of Vale Nouvelle-Calédonie and ERAMET group affiliate, Société Le Nickel (SLN), while providing valuable information on the mineral resources in the south of New Caledonia.

* "Provincial Technical Reserves" are legally designated in the Mining Code enacted in New Caledonia in 2009. The Provinces have the authority to grant mining rights in the country, and this legal classification allows them to impose specific conditions in approvals for the industrial development of significant deposits in New Caledonia, covering the economic, social and environmental impacts, as well as the financial return to the Province.

On 27 March 2014, the Issuer published the following press release:

Commencement of mineral sands mining at Grande Côte, as construction phase is completed:

ERAMET group announces that construction of Grande Côte in Senegal by TiZiR, its 50% joint-venture with the Australian company Mineral Deposits Limited, has been completed, and mining operations have begun.

The definitive handover took place between the Project team and the Production teams. Mining operations will begin ramping up with the production of heavy mineral concentrates. Next, once the base stock has been built up, processing of these concentrates will start at the separation plant. The resulting products will be carried by rail to Dakar port, from where they will be shipped to customers in different countries.

The ramp up of zircon and ilmenite production from Grande Cote within TiZiR will complement the Tyssedal plant in Norway, specializing in upgrading of ilmenite for feedstock to pigments producers.

Through TiZiR, ERAMET is becoming a major participant in the mineral sands industry.

TAXATION

The following is a general description of certain tax considerations relating to the Bonds. It does not purport to be a complete analysis of all tax considerations relating to the Bonds, whether in France or elsewhere. Prospective purchasers of Bonds should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Bonds and receiving payments of interest, principal and/or other amounts under the Bonds and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date or that could apply retroactively.

EU Savings Directive

On 3 June 2003, the European Council of Economics and Finance Ministers adopted the Directive 2003/48/EC on the taxation of savings income (the “**EU Savings Directive**”). Pursuant to the EU Savings Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, inter alia, details of payments of interest or similar income listed in the EU Savings Directive (interest, products, premiums or other debt income) made by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State or certain limited types of entities established in that other Member State (the “**Disclosure of Information Method**”).

However, throughout a transitional period, certain Member States (the Grand Duchy of Luxembourg, and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method, withhold an amount on interest payments (unless during that transitional period they elect otherwise). In April 2013, the Luxembourg Government announced its intention to elect out of the withholding system in favour of automatic exchange of information with effect from January 1, 2015. The rate of such withholding tax equals 35 per cent. until the end of the transitional period. Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the “**OECD Model Agreement**”) with respect to interest payments within the meaning of the EU Savings Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the EU Savings Directive.

A number of non-EU countries and dependent or associated territories, including Switzerland, have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

On 24 March 2014, the Council of the European Union adopted an EU Council Directive amending and broadening the scope of the requirements described above (Directive

2014/48/UE). In particular, the changes expand the range of payments covered by the EU Savings Directive to include certain additional types of income, and widen the range of recipients payments to whom are covered by the Directive, to include certain other types of entity and legal arrangement. Member States are required to implement national legislation giving effect to these changes by 1 January 2016 (which national legislation must apply from 1 January 2017).

France

Withholding tax

The following is a summary of certain French withholding tax considerations in connection with the ownership of the Bonds under French law. The description below does not address specific issues which may be relevant to holders of the Bonds who hold their Bonds in connection with a business or profession conducted in France through a permanent establishment or a fixed base in France or concurrently hold shares of the Issuer or who are otherwise affiliated with the Issuer including within the meaning of Article 39, 12 of the French Code général des impôts.

Following the introduction of the French *loi de finances rectificative pour 2009 n°3* (n°2009-1674 dated 30 December 2009) (the “**Law**”), payments of interest and other revenues made by the Issuer with respect to the Bonds will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a “**Non-Cooperative State**”). If such payments under the Bonds are made in a Non-Cooperative State, a 75% withholding tax will be applicable irrespective of the tax residence of the holder of the Bonds if such payments are made by way of a bank transfer (*inscription en compte*) by virtue of Article 125 A III of the French *Code général des impôts* (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty). The list of Non-Cooperative States is published by a French ministerial executive order, which is updated on a yearly basis.

Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other revenues on such Bonds will not be deductible from the Issuer's taxable income, as from the fiscal years starting on or after 1 January 2011, if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid in such a Non-Cooperative State (the “**Deductibility Exclusion**”). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30% or 75% (subject, if applicable, to the more favourable provisions of a tax treaty).

Notwithstanding the foregoing, the Law provides that the 75% withholding tax set out under Article 125 A III of the French *Code général des impôts* will not apply in respect of the Bonds if the Issuer can prove that the principal purpose and effect of the issue of the Bonds was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the “**Exception**”). Moreover, neither the Deductibility Exclusion, nor the withholding tax set out under article 119 *bis* 2 of the French *Code général des impôts* will apply in respect

of the Bonds if the Issuer can prove that it can benefit from the Exception and that the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount. Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20120912, no. 990, BOI-RPPM-RCM-30-10-20-50-20120912, no. 70, and BOI-ANNX-000366-20120912, no. 90, the Bonds will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Bonds, if the Bonds are:

- (i) offered by means of a public offer within the meaning of Article L. 411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an “equivalent offer” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Consequently, payments of interest and other revenues made by the Issuer under the Bonds are not subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* and the Deductibility Exclusion does not apply to such payments.

Pursuant to Article 9 of the 2013 Finance Law (*Loi de finances pour 2013, n°2012-1509 du 29 décembre 2012*) subject to certain limited exceptions, interest and similar revenues received as from 1 January 2013 by individuals who are tax resident (*domiciliés fiscalement*) in France are subject to a 24% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5% on interest and other similar revenues paid to individuals who are tax resident (*domiciliés fiscalement*) in France.

EU Savings Directive

The EU Savings Directive has been implemented in French law under Article 242 *ter* of the French *Code général des impôts*, as well as Articles 49 I *ter* to 49 I *sexies* of Annex III to the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners resident in another Member State, including, the identity and address of the beneficial owner and a detailed list of different categories of interest paid to the beneficial owner.

All prospective investors should seek independent advice as to their tax positions.

SUBSCRIPTION AND SALE

Subscription Agreement

Pursuant to a subscription agreement dated 12 May 2014 entered into between BNP Paribas, Natixis and Société Générale (together, the “**Joint Lead Managers**”) and the Issuer (the “**Subscription Agreement**”), the Joint Lead Managers have agreed with the Issuer, subject to satisfaction of certain conditions, to jointly and severally procure the subscription and payment for the Bonds or, failing which to subscribe and pay for the Bonds at an issue price equal to 103.889 per cent. of their aggregate principal amount plus an amount corresponding to accrued interest amounting to 2.330136984 per cent. of the aggregate principal amount of the Bonds for the period from, and including, 6 November 2013 to, but excluding, 14 May 2014. The Subscription Agreement entitles, in certain circumstances, the Joint Lead Managers to terminate it prior to payment being made to the Issuer.

Selling Restrictions

United States

Each Joint Lead Manager and the Issuer have represented and agreed that:

- (a) the Bonds have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the U.S., and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Terms used in this paragraph have the meanings given to them by Regulation S.
- (b) the Bonds are being offered and sold outside the United States to non-U.S. persons in compliance with Regulation S; and
- (c) in addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

- (d) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (e) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

France

Each of the Joint Lead Managers has represented and agreed that (in connection with the initial distribution of the Bonds only) it has not offered or sold or caused to be offered or sold, and will not offer or sell or cause to be offered or sold, directly or indirectly, any Bonds to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Bonds and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) as defined in, and in accordance with, Articles L. 411-1, L. 411-2 and D. 411-1 of the French *Code monétaire et financier*.

General

No action has been taken in any jurisdiction that would permit an offer to the public of any of the Bonds. Neither the Issuer nor any of the Joint Lead Managers represents that Bonds may at any time lawfully be resold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any obligation or responsibility for facilitating such resale.

Each Joint Lead Manager has agreed that it will (to the best of its knowledge and belief) comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Bonds or has in its possession or distributes this Prospectus or any other offering material relating to the Bonds and obtain any consent, approval or permission required for the purchase, offer or sale of the Bonds under the laws and regulations in force in any jurisdiction in which it makes such purchase, offer or sale and none of the Issuer or any Joint Lead Manager shall have responsibility therefor.

GENERAL INFORMATION

1. The Bonds have been accepted for clearance through Clearstream, Luxembourg (42 avenue JF Kennedy, 1855 Luxembourg, Luxembourg), Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgium) and Euroclear France (66, rue de la Victoire, 75009 Paris, France) with the common code 098888799. The ISIN code for the Bonds is FR0011615699.
2. The issue of the Bonds was decided by Mr. Patrick Buffet, Chairman of the Board of Directors and Chief Executive Officer (*Président Directeur Général*) of the Issuer on 7 May 2014, acting pursuant to resolutions of the Board of Directors (*Conseil d'administration*) of the Issuer dated 1st July 2013.
3. For the sole purposes of the admission to trading of the Existing Bonds on Euronext Paris, and pursuant to Articles L.412-1 and L.621-8 of the French *Code monétaire et financier*, a Prospectus has been submitted to the *Autorité des marchés financiers* and received visa no. 13-585 dated 4 November 2013.
4. For the sole purposes of the admission to trading of the Bonds on Euronext Paris, and pursuant to Articles L.412-1 and L.621-8 of the French *Code monétaire et financier*, this Prospectus has been submitted to the *Autorité des marchés financiers* and received visa no. 14-188 dated 12 May 2014.
5. The total expenses related to the admission to trading of the Bonds are estimated at € 2,062.50 (excluding VAT).
6. The members of the Board of Directors (*Conseil d'administration*) of the Issuer have their business addresses at the registered office of the Issuer.
7. The statutory auditors of the Issuer for the period covered by the historical financial information are Ernst & Young, Tour First – 1 place des Saisons 92400 Courbevoie, France) and Deloitte et Associés, 185 avenue Charles de Gaulle, 92254 Neuilly-sur-Seine Cedex, France). They have audited and rendered audit reports on the financial statements of the Issuer for each of the financial years ended 31 December 2012 and 31 December 2013. Ernst & Young and Deloitte et Associés belong to the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.
8. The yield of the Bonds is 3.808 per cent. *per annum*, as calculated at the Interest Commencement Date on the basis of the issue price of the Bonds. It is not an indication of future yield.
9. Save for any fees payable to the Joint Lead Managers, as far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the issue of the Bonds.
10. Save as disclosed in this Prospectus, there has been no significant change in the

financial or trading position of the Issuer or the Group since 31 December 2013.

- 11.** Save as disclosed in this Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2013.
- 12.** Save as disclosed in this Prospectus, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period of twelve (12) months prior to the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer and/or Group's financial position or profitability.
- 13.** To the Issuer's knowledge, there are no potential conflicts of interest between the private interests and/or other duties of members of the Board of Directors (*Conseil d'administration*) of the Issuer and the duties they owe to the Issuer.
- 14.** So long as any of the Bonds remain outstanding, copies of this Prospectus, the documents incorporated by reference in this Prospectus, the Agency Agreement and the *statuts* (by-laws) of the Issuer will be available for inspection and copies of the most recent annual financial statements of the Issuer will be made available or obtainable, free of charge, at the specified offices for the time being of the Paying Agent during normal business hours. This Prospectus is also available on the websites of the AMF (www.amf-france.org) and of the Issuer (www.eramet.com). All the documents incorporated by reference in this Prospectus are also available on the websites www.info-financiere.fr and of the Issuer (www.eramet.com).

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