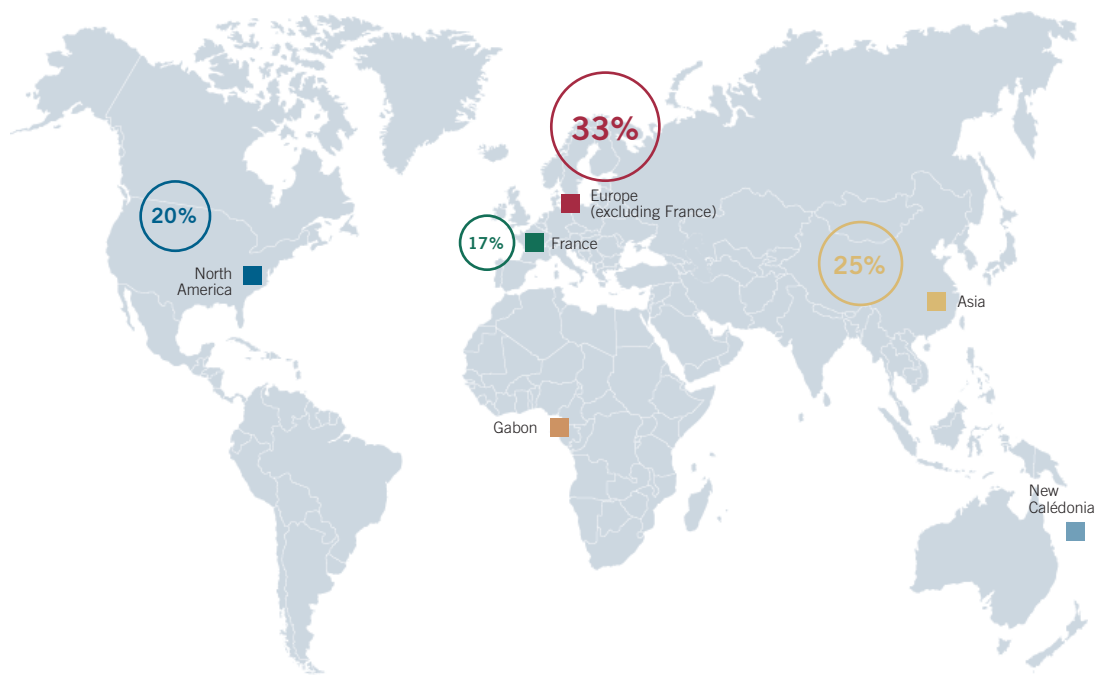


FRONT-RANK GLOBAL POSITIONS SERVING GROWING MARKETS

A French mining and metallurgical group, Eramet produces and markets non-ferrous metals and their chemical derivatives, alloys and superalloys, and high value-added parts to serve many industrial sectors, including aerospace, mechanical construction, tooling, energy, chemistry, the medical

sector and steel and stainless steel production. With bases in Europe, America, Asia, Africa and Oceania, Eramet builds on its international scope in line with the worldwide development of its markets. In 2003, the Group achieved over 80% of its sales outside France, with almost one quarter in Asia.

SALES BREAKDOWN BY CONSUMING AREA



Consuming areas*
* Other: 5% (South America, Africa, Oceania)

- 14 sites in France (including headquarters)
- 8 sites in Europe (excluding France)
- 6 sites in North America
- 3 sites in Asia
- 6 sites in New Calédonia
- 1 site in Gabon

HIGH RESPONSIVENESS

STATE-OF-THE ART MATERIALS IN DAILY LIFE

Eramet's materials and products contribute to the comfort, safety and performance of a vast range of facilities. Every day, they are used by a great many industries, from agriculture to furnishing (nickel), power generation to household appliances (manganese) and from glassmaking to aerospace (alloys). These diverse applications correspond to global markets with specific business conditions. Eramet draws on this wealth and variety to drive its own development.

► ARCHITECTURE AND DECORATION: MODERN DESIGNS WITH STAINLESS STEEL

On building façades and in public facilities, architects and decorators have turned to stainless steel for its many qualities, most importantly corrosion resistance. Stainless steel is made using nickel in various forms, whether synthetic (recycled stainless steel cuttings) or virgin (pure nickel or ferronickel). SLN 25, produced in New Caledonia, enables stainless steel producers to improve their productivity by using it in an electric furnace or, better still, a converter (refining process) – the noblest use of this nickel grade.

Adrien Fainsilber, architect
Thierry Leboucq, 1990



► MANGANESE POWERS PORTABLE ENERGY



Primary (non-rechargeable) batteries have always been one of the main applications for manganese derivatives such as manganese dioxide. Despite the appearance of rechargeable batteries, the global primary battery market, on which Eramet has a strong position via its subsidiary Erachem Comilog, is still growing. On the technological side, alkaline batteries are replacing saline batteries as their higher durability and higher energy density make them more suited to new electric and electronic products. As regards geography, China accounts for almost half the world's production and is the fastest-growing zone.

► NEW RECORDS FOR THE AIRBUS A-380

In 2003, Aubert et Duval Holding (ADh) delivered stainless steel closed-die-forgings that are used to manufacture ball screws for the A-380. Closed-die forging is a manufacturing process used to convert billets – small lengths of bars – into complex-shaped parts by means of a die in which the required shape is engraved. The exceptionally long ball screw (2.8m) fits into the actuator operating the horizontal tailplane of the aircraft stabiliser. These parts are case-hardened after machining, i.e. they go through a thermo-chemical treatment using the diffusion of carbon to harden the surface of the steel. ADh was awarded the prestigious 2003 Grand Prix from the French Aerospace Academy for its grasp of precision forging techniques.



► POWER GENERATION: HIGH-SPEED STEELS INSIDE WIND TURBINES



Wind turbines contain large gears that turn the rotor to which the blades are attached. These gears are machined using high-performance cutting tools (hobs) that are usually made from ASP® – the high speed steel range developed through powder metallurgy at Erasteel.

GROUP
OVERVIEW
2003

ERAMET



ERAMET

ERAMET IS ACTIVE IN THREE LINES OF BUSINESS

- **Eramet Nickel** produces nickel, ferronickel, nickel salts and nickel chlorides.
- **Eramet Manganèse** offers the broadest range of manganese-based products, from ore to chemical derivatives.
- **Eramet Alliages** develops and manufactures high-performance alloys.

Eramet has front-rank global positions in its three businesses. In particular, the Group is:

- **World #1 producer of ferronickel**
- **World #2 producer of high-grade manganese ore**
- **World #1 producer of manganese alloys**
- **World #1 producer of high-speed steels**
- **World #2 producer of closed-die forged parts for aerospace and energy**

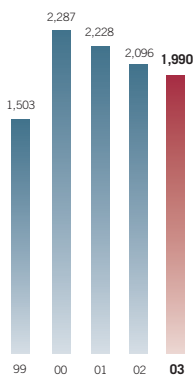
The Group's strategy is to develop its capacities regularly in line with structural growth on its markets.

KEY FIGURES

Results for 2003 reflect the scale of the actions taken to restore the competitiveness of the Alloys and Manganese Divisions. They are also marked by a sharp rise in operating income, driven by high nickel prices.

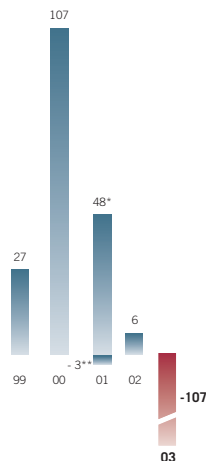
With the continuation of a major capital investment programme, Eramet is now a robust group in a good position to improve its performance significantly from 2004 onwards.

TURNOVER
(€ millions)

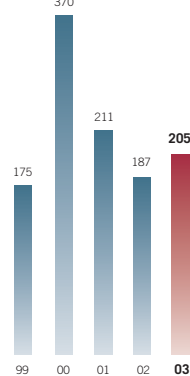


GROUP NET INCOME
(€ millions)

* Before provision for SMC.
** After provision for SMC.

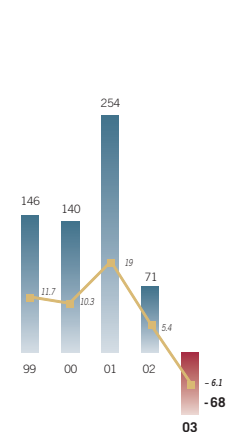


CASH FLOW
(€ millions)



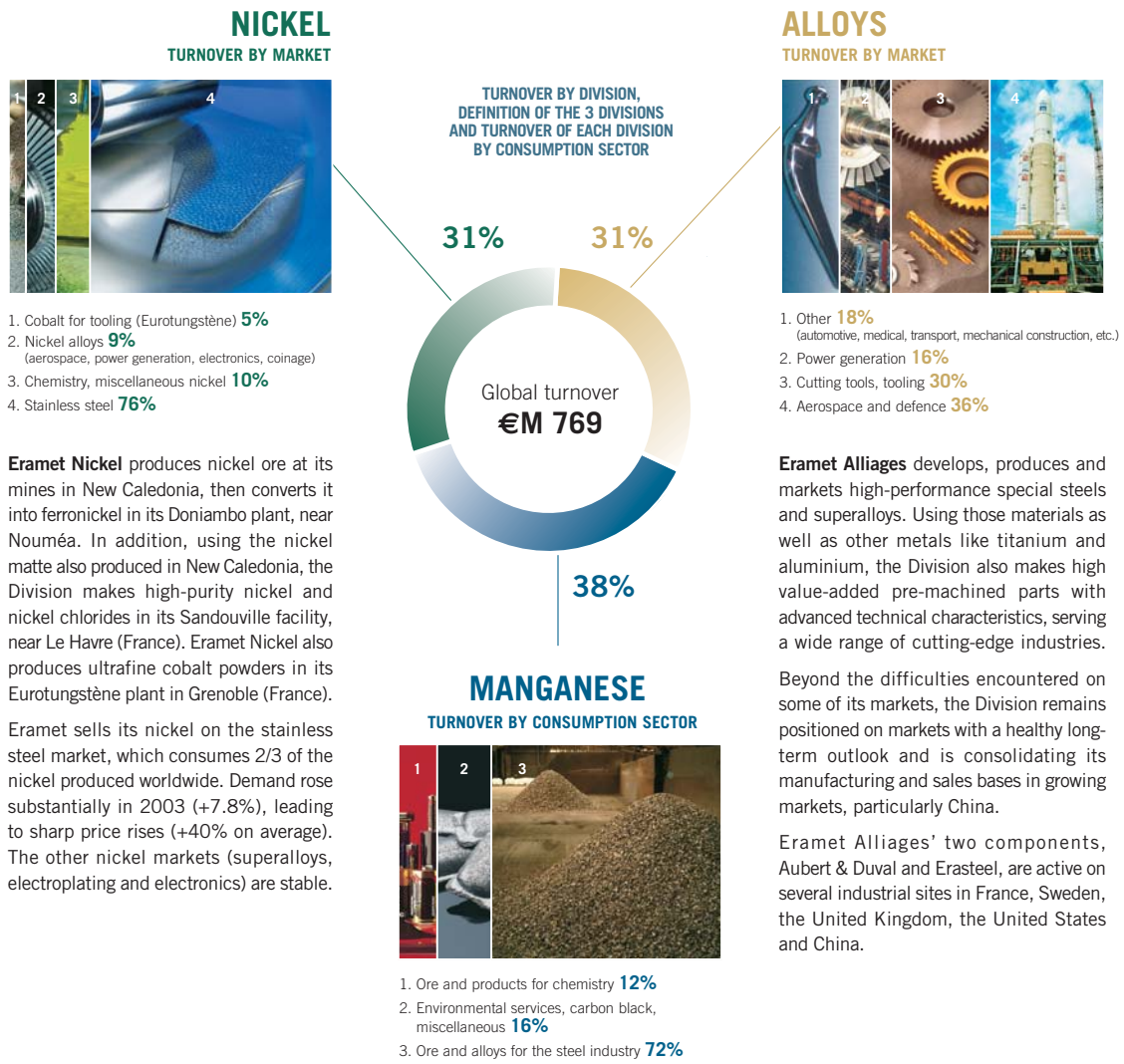
NET LONG-TERM DEBT

■ Debt-to-equity ratio (%)



WORLD LEADERSHIP POSITIONS

A GROUP IN MOTION TOWARDS HIGHER



Eramet Nickel produces nickel ore at its mines in New Caledonia, then converts it into ferronickel in its Doniambo plant, near Nouméa. In addition, using the nickel matte also produced in New Caledonia, the Division makes high-purity nickel and nickel chlorides in its Sandouville facility, near Le Havre (France). Eramet Nickel also produces ultrafine cobalt powders in its Eurotungstène plant in Grenoble (France).

Eramet sells its nickel on the stainless steel market, which consumes 2/3 of the nickel produced worldwide. Demand rose substantially in 2003 (+7.8%), leading to sharp price rises (+40% on average). The other nickel markets (superalloys, electroplating and electronics) are stable.

Eramet Alliages develops, produces and markets high-performance special steels and superalloys. Using those materials as well as other metals like titanium and aluminium, the Division also makes high value-added pre-machined parts with advanced technical characteristics, serving a wide range of cutting-edge industries.

Beyond the difficulties encountered on some of its markets, the Division remains positioned on markets with a healthy long-term outlook and is consolidating its manufacturing and sales bases in growing markets, particularly China.

Eramet Alliages' two components, Aubert & Duval and Erasteel, are active on several industrial sites in France, Sweden, the United Kingdom, the United States and China.

Eramet Manganèse provides manganese-consuming industries with the world's broadest product range. The Division's totally integrated production chain includes ore mining in Moanda (Gabon) and the manufacture of alloys and products for the chemicals industry, through its 11 industrial sites in Europe, America and Asia.

The steel industry, which accounts for a large share of the world's manganese production, grew 7% in 2003. This growth continues to be driven by the Chinese market. Eramet has also developed environmental services for industry.

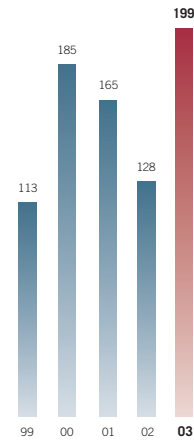
A FOCUS ON PROFITABLE GROWTH

PERFORMANCES

HIGH-TECHNOLOGY BUSINESSES



Eramet implements an innovation strategy to enhance the international competitiveness of its activities and support its growth. This strategy is supported by regular development of technical skills – the Group invests 4% of its total payroll in training –, implementation of innovative technologies and the constant development of new products, particularly in the alloys sector. Eramet keeps up an extensive commitment to R&D, supported by its research centre and its engineering company, both based in Trappes (France), and by specialised teams in every Division.



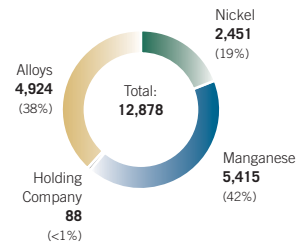
CAPITAL EXPENDITURE
(€ millions)

A GROUP ON A HUMAN SCALE



Eramet is an international group that bases its human resources policy on a culture of closeness and communication. The Group favours a human dimension, founded on sustained, open industrial dialogue and straightforward relations. This strategy also involves managing personnel between Divisions with creativity and solidarity. Mobility is encouraged at Eramet, where bases on five continents and a broad range of professions open up exciting prospects and challenges for employees.

WORKFORCE BY DIVISION



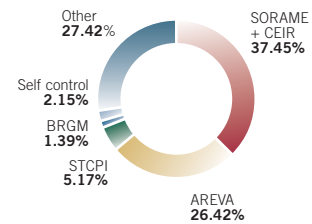
A SENSE OF RESPONSIBILITY



Eramet was built around a living set of shared ethics, reflected in tangible, responsible actions. In human resources, this strategy is embodied in an approach that values personal development, training, benefits and health, and makes safety a core concern. As a responsible industrial company, Eramet commits all its management teams to the progress goals defined in the Environment Charter it set up in 2000. To foster transparency, Eramet implements best practices for corporate governance. Specialised committees (Selection, Audit and Compensation) support the Board of Directors, more than one third of the members of which are independent.

SHAREHOLDING

(as on November 21st, 2003)



A LIVING SET OF SHARED ETHICS