



Saint-Georges-de-Mons, September 15th, 2017

PRESS RELEASE

INAUGURATION OF FIRST PLANT IN EUROPE TO PRODUCE AVIATION-GRADE TITANIUM BY RECYCLING



UKAD, ADEME and Crédit Agricole Centre France today inaugurated the EcoTitanium site in Saint-Georges-de-Mons (Puy-de-Dôme, France), in the presence of Benjamin Griveaux, Secretary of State for Economy and Finance, and Christel Bories, Chairman & CEO of the ERAMET Group. The first plant in Europe to produce aviation-grade titanium by recycling, EcoTitanium makes alloys from titanium solid scrap and chips collected from the major aircraft makers and their subcontractors.

Europe's first aviation-grade titanium stream

EcoTitanium gives the aviation industry a new, ecofriendly, innovative source that is totally independent from existing American and Russian suppliers.

The project is a €48 million investment that will lead to at least 60 direct, highly qualified new jobs, as well as inferred jobs. It strengthens the Auvergne-Rhône-Alpes region's metallurgical skills cluster and helps to energise the Combrailles labour market.

At full capacity, EcoTitanium will produce several thousand tons of titanium alloy ingot per year to meet high growth in demand for titanium on aviation markets.

Titanium and its alloys provide this industry with valuable properties: lightness (44% lighter than steel), excellent corrosion resistance and advanced mechanical characteristics.

EcoTitanium's inauguration marks the final stage in the creation of Europe's first integrated titanium stream. Aubert & Duval, an ERAMET Group subsidiary, developed this subsidiary to

provide aerospace customers with a complete offering: ore mining and titanium production at UKTMP, Kazakhstan, forging of titanium ingots at UKAD, closed-die forging of parts at Aubert & Duval, finishing at MKAD (a joint venture with Mecachrome, inaugurated in October 2016) and scrap and chips recycling at EcoTitanium.

EcoTitanium has three shareholders: UKAD (43.5%), a joint venture by Aubert & Duval and UKTMP International, ADEME (41.3%) under the Investissements d’Avenir programme, and Crédit Agricole Centre France (15.2%) through its investment subsidiary CACF Développement.



The EcoTitanium site in Saint-Georges-de-Mons (Puy-de-Dôme, France)

A sustainable development approach

EcoTitanium’s recycling route will prevent the emission of 100,000 tons of CO₂ by consuming 4 times less than the conventional, ore-based production supply chain. To support the creation of this environmentally responsible stream in Europe, the European Investment Bank (EIB) granted a €30 million loan for EcoTitanium funding.

EIB funding is guaranteed by the European Fund for Strategic Investments (EFSI), a central pillar of the “Juncker plan” for investment in Europe. A joint initiative by the EIB Group and the European Commission, the Juncker plan is intended to boost private investment in high value-added projects and strategic sectors for the European Union, such as innovation.

The EcoTitanium project benefited from the financial support of the European Regional Development Fund (FEDER), the French Commissariat for Equality of Territories, the Auvergne-Rhône-Alpes Region, Puy-de-Dôme département council, the Loire-Bretagne water agency and Banque Publique d’Investissement (BPI).

Mrs. Christel Bories, Chairman & CEO, ERAMET: *“The ERAMET Group is proud to support the EcoTitanium project for the creation of a recycling stream that will provide Europe with a titanium supply source which is independent from the major global producers. EcoTitanium is*

a milestone in ERAMET's constant commitment to environmental and social responsibility, as well as industrial innovation."

Mr. Denis Hugelmann, CEO in charge of the Alloys Division, ERAMET and Chairman of EcoTitanium: *"I thank our partners UKTMP, Crédit Agricole Centre France, ADEME, and the European Investment Bank for their involvement in this pioneering project. With EcoTitanium, the ERAMET Group and its subsidiary Aubert & Duval are reasserting their attachment to the Combrailles activity area, which will benefit from the creation of around 60 direct jobs, shoring up its industrial vocation."*

Mr. Jean-Christophe Kiren, CEO, Crédit Agricole Centre France: *"This project reflects our region's great dynamism and will enhance its reputation across Europe. Crédit Agricole Centre France is very pleased to support the EcoTitanium project, because the development of our territory, particularly through support for innovation and job creation, is at the heart of our reason for being."*

Mr. Bruno Lechevin, Chairman of ADEME, the French environment and energy management agency: *"EcoTitanium is a highly ambitious project that supports the competitiveness of a strategic sector, while substantially reducing the industry's impact on the environment. It is, therefore, perfectly in line with the goal of the Investissements d'Avenir programme."*

Mr. Sylvain Gehler, Chairman of the Board of Directors, UKTMP: *"The creation of Ecotitanium is a major step in the development of the titanium industry in Europe, and in France in particular. As an integrated titanium producer in Kazakhstan, UKTMP is proud to take part in the creation of EcoTitanium and to contribute its expertise in the supply of titanium sponge."*

Mr. Ambroise Fayolle, Vice-President, EIB: *"The European Union Bank is delighted to finance this pioneering project that comes under our priority action in favour of innovation, the circular economy and competitiveness in Europe. With this new Juncker funding, 89 operations have been approved in France to date for a total financing amount of almost €7 billion."*

About

UKAD is a joint venture by Aubert & Duval, , and the Kazakh company UKTMP, a world leader in titanium sponge manufacturing. Located in Saint Georges-de-Mons (Puy-de-Dôme, France), UKAD specialises in titanium forging.

Aubert & Duval, an ERAMET Group subsidiary, specialises in high value added metallurgy is a world leader in high performance steels, superalloys, titanium and aluminium. Aubert & Duval designs and makes cutting-edge metallurgical solutions in the form of parts or long products for the most demanding industries, including the aerospace, energy, motor racing, nuclear and medical sectors...

UKTMP (UST-KAMENOGORSK TITANIUM AND MAGNESIUM PLANT JSC) is listed on the Kazakhstan stock market. Its mission is to mine ore, process it into titanium tetrachloride and, finally, into sponge. It's one of the world

leaders in titanium sponge production. The company also produces magnesium. In 2010, UKTMP invested in and started up a new plant for titanium alloy ingots production, for UKAD in particular.

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ADEME, the French environment and energy management agency, is active in the implementation of public policy in the areas of the environment, energy and sustainable development. It provides expertise and advisory services to businesses, local authorities and communities, government bodies and the public at large, to enable them to establish and consolidate their environmental action.

ADEME also helps finance projects, from research to implementation, in the areas of waste management, soil conservation, energy efficiency and renewable energy, raw materials savings, air quality, noise abatement, circular energy transition and food wastage abatement.

ADEME is a public agency under the joint authority of the Ministry for an Ecological and Solidary Transition and the Ministry for Higher Education, Research and Innovation.

Programme Investissements d'Avenir (PIA) is an investment programme that was set up in 2010 to boost innovation, improve businesses' competitiveness, foster employment and promote equal opportunities. It is structured along 6 strategic lines: higher education, research & training / turning research to account and transferring it to the economic world / industrial streams: developing innovative SMEs, consolidating tomorrow's strategic streams / sustainable development / the digital economy / health and biotechnologies.

€47 billion has been invested in the programme: an initial tranche of €35bn in 2010, and a second tranche of €12 bn in 2013. Implementation of PIA is managed by CGI, the general investment commissariat.

<http://www.ademe.fr> and <http://www.gouvernement.fr/programme-investissements-avenir>

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Crédit Agricole Centre France is a cooperative bank that is active in Allier, Cantal, Corrèze, Creuse and Puy-de-Dôme. As well as contributing to the region's development as its biggest funder, the bank attaches great importance to central France's attractiveness and economic growth.

That's why Crédit Agricole Centre France supports initiatives that foster both foster local jobs over the long term and enhance the reputation of Auvergne and Limousin.

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The European Investment Bank (EIB), the European Union's bank, forms the EIB Group with the European Investment Fund (EIF).

Since 2012, thanks to its sound skills and the financial attraction of its AAA rating, the EIB Group has doubled its volume of activity in France (totalling €9.3 billion in 2016) through support for SMEs and innovation, but also by investing in strategic sectors for the future such as action on climate, energy, health, education and training for young people. These investments are intended to improve people's daily lives while creating a lasting economic and social momentum.

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France 2016 sheet (in French): <http://www.bei.org/attachments/press/fiche-france-2017.pdf>

The investment plan for Europe, known as the “Juncker plan”, is one of Jean-Claude Juncker’s highest priorities. It is centred on increasing European investments to create jobs and growth thanks to the efficient use of existing and new financial resources, reducing obstacles to investment, through greater visibility in particular, and technical assistance for investment projects.

The European Fund for Strategic Investments (EFSI) is the investment plan’s central pillar. It enables the EIB Group to invest in more projects with greater added value and higher risk profiles. The EFSI has already generated tangible results. Projects and agreements for which funding has been approved under the EFSI to date should total around €225 billion in investments, supporting 445,000 SMEs across all 28 member states.