
Eramet acquire Tinfos for EUR 593 million

Wednesday, 16 Apr, 2008

French nickel and manganese group Eramet announced that it has agreed to buy Tinfos AS of Norway to boost its position in manganese alloys via an increase of over 20% in its production.

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

The consideration for this acquisition will consist of a combination of approximately 50% cash and 50% Eramet shares. Based on the one month average Eramet share price as of April 11th 2008, the total transaction enterprise value would amount to NOK 4,718 million equivalent to a Tinfos 2007 EBITDA multiple of 7.8.

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

Mr Patrick Buffet chairman & CEO of Erametm said that "This major acquisition project demonstrates Eramet's commitment to the rapid development of its core businesses, in line with the profitable growth strategy that we pursue with determination."

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

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